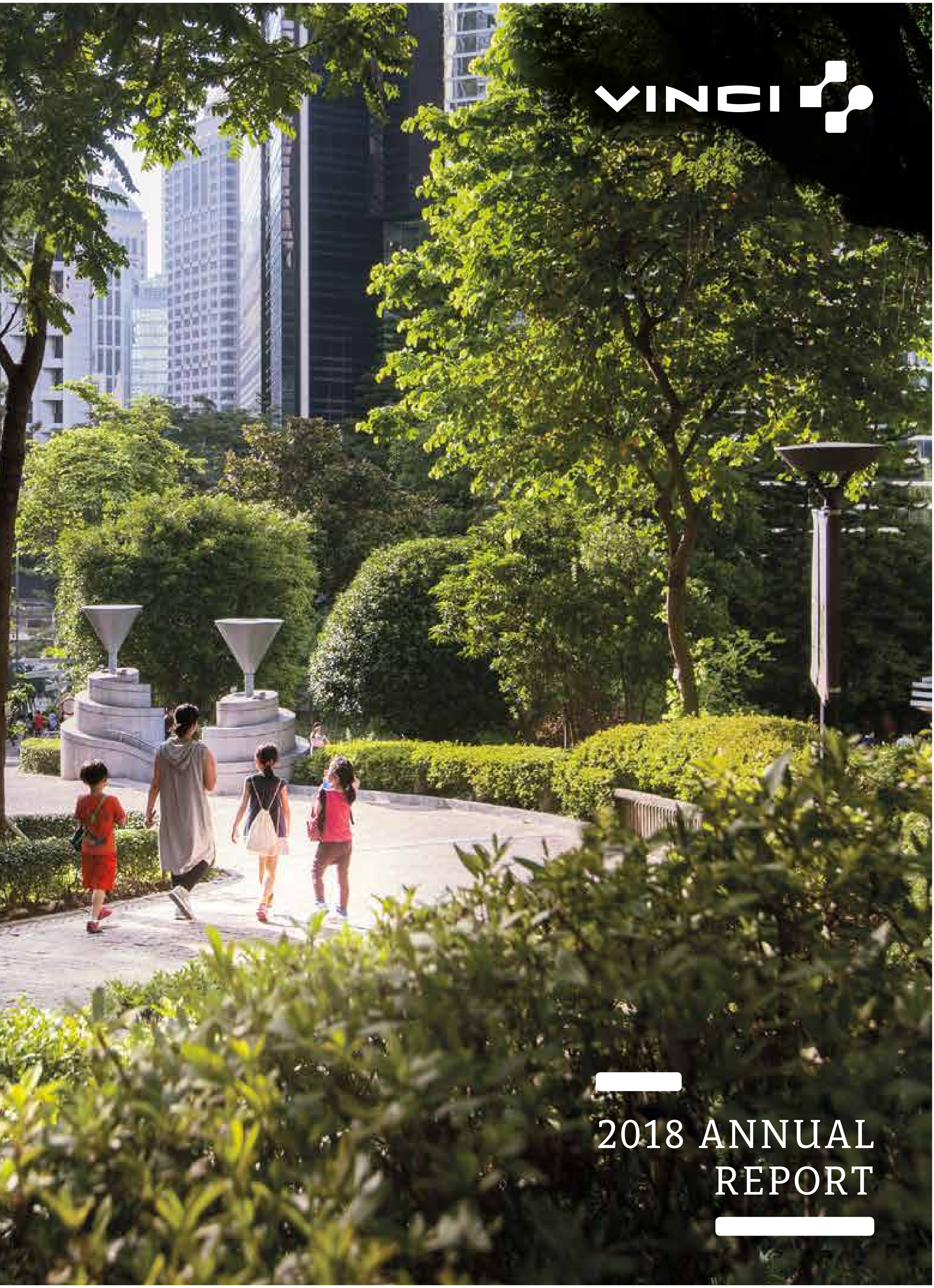
VINCI



2018 ANNUAL REPORT

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This document serves as registration document and annual financial report.

KEY DATA

Key data

GROUP

Revenue[1]

€43.5 billion

Market capitalisation at 31 December 2018

€43.0 billion

Net income attributable to owners of the parent

€2,983 million

270,000

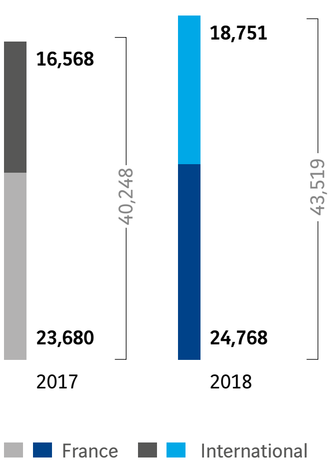
worksites[2]

211,233

employees worldwide[3]

Revenue[1]

(in €m)

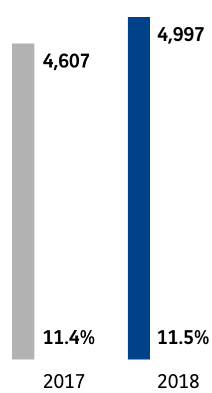


Ebitda[4]

(in €m and as a percentage of revenue[1])

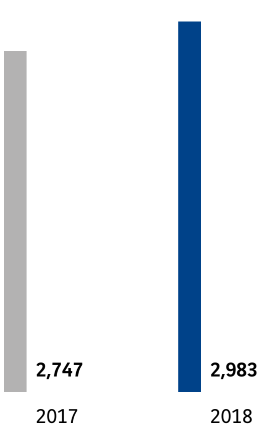
Operating income from ordinary activities

(in €m and as a percentage of revenue[1])

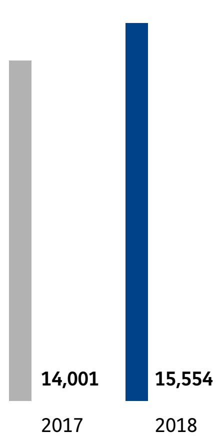


Net income attributable to owners of the parent

(in €m)

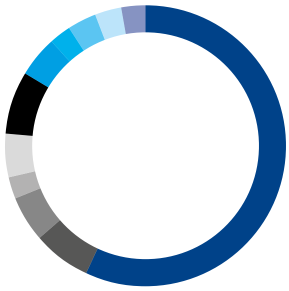


Net financial debt at 31 December (in €m)



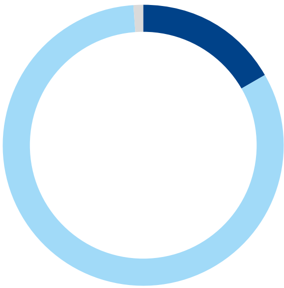
Revenue[1] by geographical area

(in €m and as a percentage)



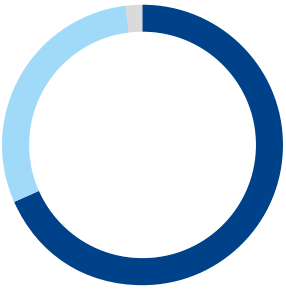
France	24,768	56.9%
Germany	3,002	6.9%
United Kingdom	2,222	5.1%
Benelux	1,149	2.6%
Central and Eastern Europe	2,202	5.1%
Rest of Europe	3,148	7.3%
North America	1,992	4.6%
Central and South America	1,146	2.6%
Africa	1,342	3.1%
Russia, Asia and the Middle East	1,369	3.1%
Oceania	1,179	2.7%

Revenue [1] by business
(in €m and as a percentage)



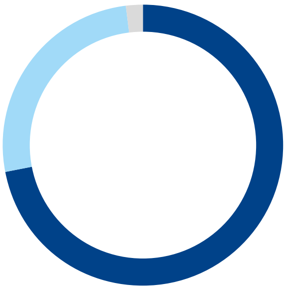
Concessions	7,261	16.7%
Contracting	35,769	82.2%
Property and holding companies	489	1.1%

Operating income from ordinary activities by business
(in €m and as a percentage)



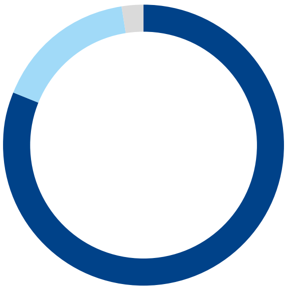
Concessions	3,429	68.6%
Contracting	1,472	29.5%
Property and holding companies	96	1.9%

Ebitda [4] by business
(in €m and as a percentage)



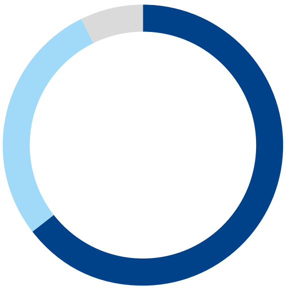
Concessions	4,963	72.0%
Contracting	1,815	26.3%
Property and holding companies	120	1.7%

Capital employed [3]
(in €m and as a percentage)



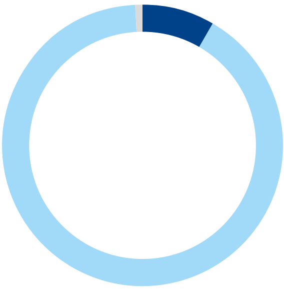
Concessions	31,115	81.3%
Contracting	6,233	16.3%
Property and holding companies	922	2.4%

Net income attributable to owners of the parent by business
(in €m and as a percentage)



Concessions	1,923	64.5%
Contracting	849	28.5%
Property and holding companies	211	7.0%

Workforce [3]



Concessions	17,701	8.4%
Contracting	192,315	91.0%
Property and holding companies	1,217	0.6%

(1) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies (2018: €633m). See glossary (page 368).
(2) Estimate.

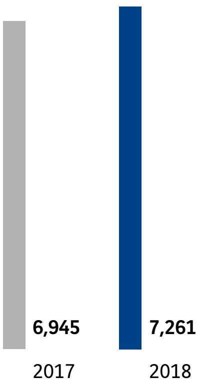
(3) At 31 December 2018.
(4) Cash flows from operations before tax and financing costs. See glossary (page 368).

Key data

CONCESSIONS

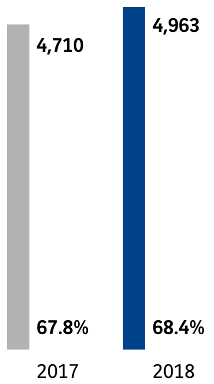
Revenue [1]

(in €m)



Ebitda [2]

(in €m and as a percentage of revenue [1])

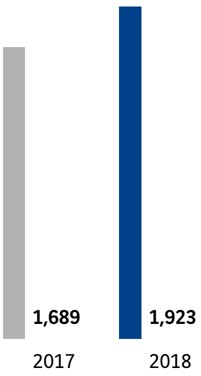


Operating income from ordinary activities

(in €m and as a percentage of revenue [1])

Net income attributable to owners of the parent

(in €m)

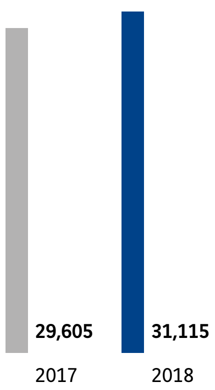


Net financial debt [3]

(in €m)

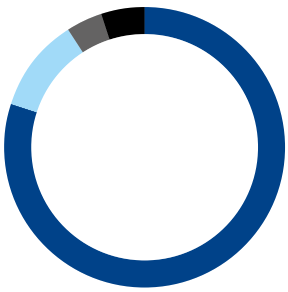
Capital employed [3]

(in €m)



Revenue [1] by geographical area

(as a percentage)



France	80%
Portugal	11%
Americas	4%
Rest of the world	5%

(1) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies. See glossary (page 368).
(2) Cash flows from operations before tax and financing costs. See glossary (page 368).
(3) At 31 December.

PUBLIC-PRIVATE PARTNERSHIPS OF VINCI'S CONCESSIONS BUSINESS WORLDWIDE

The PPPs listed below are managed within the Concessions business of VINCI. Other PPPs (mainly buildings) are managed within VINCI's Contracting business.

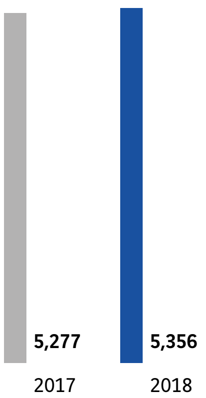
Infrastructure	Description	Country	Share capital held	End of contract
Motorway and road infrastructure	**Network under concession**			
Arcos (A355 – western Strasbourg bypass) (1)	24 km	France	100%	2070
Arcour (A19)	101 km	France	100%	2070
ASF network (excl. Puymorens Tunnel)	2,731 km	France	100%	2036
Cofiroute network (excl. A86 Duplex Tunnel)	1,100 km	France	100%	2034
Escota network	471 km	France	99%	2032
Fredericton–Moncton highway (2)	195 km	Canada	25%	2028
Regina Bypass (1)	61 km	Canada	38%	2049
Bogotá–Girardot motorway (1)	141 km (3)	Colombia	50%	2042
A4 motorway	45 km	Germany	50%	2037
A5 motorway	60 km	Germany	54%	2039
A7 motorway (1)	60 km	Germany	50%	2047
A9 motorway	47 km	Germany	50%	2031
Athens–Corinth–Patras motorway	201 km	Greece	30%	2038
Maliakos–Kleidi motorway	230 km	Greece	15%	2038
Highway 2000 East-West	50 km	Jamaica	13%	2036
Lima expressway	25 km	Peru	100%	2049
Moscow–St Petersburg motorway (MSP 0)	43 km (Moscow–Sheremetyevo)	Russia	50%	2040
Moscow–St Petersburg motorway (MSP 7 and 8) (1)	138 km (St Petersburg–Veliky Novgorod)	Russia	40%	2041
R1 (PR1BINA) expressway	51 km	Slovakia	50%	2041
Newport Southern Distributor Road	10 km	United Kingdom	50%	2042
Isle of Wight road network (4)	821 km of roads and 767 km of pavements	United Kingdom	50%	2038
Hounslow Borough road network (4)	432 km of roads and 762 km of pavements	United Kingdom	50%	2037
Road bridges and tunnels				
A86 Duplex Tunnel	Rueil Malmaison–Jouy en Josas/Versailles (11 km)	France	100%	2086
Prado Carénage Tunnel	Tunnel in Marseille (2.5 km)	France	33%	2025
Prado Sud Tunnel	Tunnel in Marseille (1.5 km)	France	59%	2055
Puymorens Tunnel	Tunnel in the Pyrenees (5.5 km)	France	100%	2037
Confederation Bridge	Prince Edward Island–mainland	Canada	20%	2032
Charilaos Trikoupis Bridge	Peloponnese–mainland	Greece	57%	2039
Tagus bridges	Two bridges in Lisbon	Portugal	41%	2030
Ohio River Bridges – East End Crossing	Bridges and a tunnel linking Kentucky to Indiana	United States	33%	2051
Airports				
Chambéry, Clermont Ferrand, Grenoble, Poitiers-Biard, Pays d'Ancenis (5)		France	100%	2019 to 2029
Lyon-Bron, Lyon-Saint Exupéry		France	31%	2047
Nantes Atlantique, Saint Nazaire Montoir		France	85%	2065 (6)
Rennes, Dinard (5)		France	49%	2024
Toulon-Hyères		France	100%	2040
Salvador de Bahia		Brazil	100%	2047
Phnom Penh, Siem Reap, Sihanoukville		Cambodia	70%	2040
Santiago de Chile (1)		Chile	40%	2035
Liberia		Costa Rica	45%	2030
Santo Domingo (Las Américas and La Isabela), Puerto Plata, Samaná (Presidente Juan Bosch et Arroyo Barril), Barahona		Dominican Republic	100%	2030
Kansai, Itami, Kobe		Japan	40%	2060
Lisbon, Porto, Faro, Beja, Ponta Delgada, Horta, Flores, Santa Maria, Funchal, Porto Santo		Portugal	100%	2063
Belgrade (Nikola Tesla)		Serbia	100%	2043
Stockholm-Skavsta		Sweden	90%	Freehold property
Belfast International		United Kingdom	100%	2993
Atlantic City, New Jersey (7)		United States		2021
Hollywood Burbank, California (7)		United States		2022
Macon Downtown, Georgia (7)		United States		2022
Middle Georgia Regional, Georgia (7)		United States		2022
Orlando Sanford, Florida		United States	100%	2039
Rail infrastructure				
GSM-Rail	Wireless communication system over 16,000 km of rail line	France	30%	2025
Rhônexpress	Light rail system (23 km) in Lyon	France	35%	2038
SEA HSL	High-speed rail line (302 km) between Tours and Bordeaux	France	33%	2061
Stadiums				
Bordeaux (Matmut Atlantique)	42,000 seats	France	50%	2045
Le Mans (MMArena)	25,000 seats	France	100%	2043
Nice (Allianz Riviera)	36,000 seats	France	50%	2041
Stade de France	80,000 seats	France	67%	2025
Queen Elizabeth Olympic Park stadium	57,000 seats	United Kingdom	100%	2019 (8)
Other public amenities				
Automation of river dams (Bameo) (1)	31 dams on the Aisne and Meuse rivers	France	50%	2043
Car Rental Center, Nice-Côte d'Azur Airport	60,000 sq. metre building	France	100%	2040
Martinique BRT system	2.5 km	France	100%	2035
Public lighting in Goussainville		France	100%	2026
Public lighting in Rouen (Lucitea)		France	100%	2027

(1) Under construction.
(2) Maintenance contract.
(3) Including 65 km to be widened.
(4) Upgrade, maintenance and upkeep contract.
(5) Service, management or public service contracts.
(6) The concession grantor has expressed its intention to terminate the concession contract before expiry date.
(7) Service contract.
(8) On 21 January 2019, VINCI Stadium sold its shares in its operating subsidiary LS185 to E20, a subsidiary of the London Legacy Development Corporation and owner of the London stadium occupied by Premier League soccer club West Ham United (WHU).

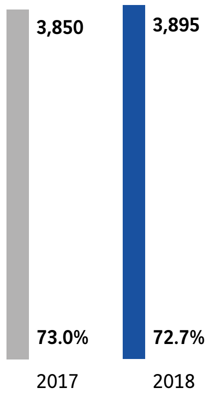
Key data

VINCI AUTOROUTES

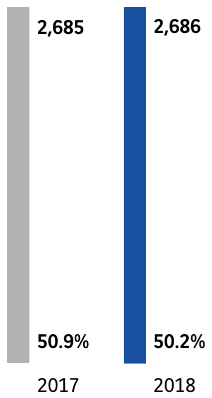
Revenue (1)
(in €m)



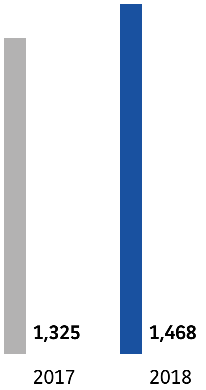
Ebitda (2)
(in €m and as a percentage of revenue (1))



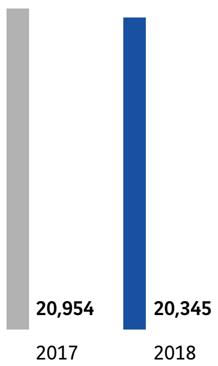
Operating income from ordinary activities
(in €m and as a percentage of revenue (1))



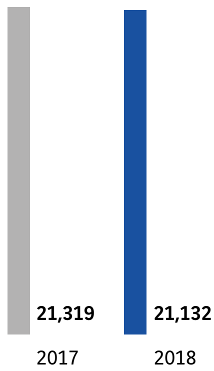
Net income attributable to owners of the parent
(in €m)



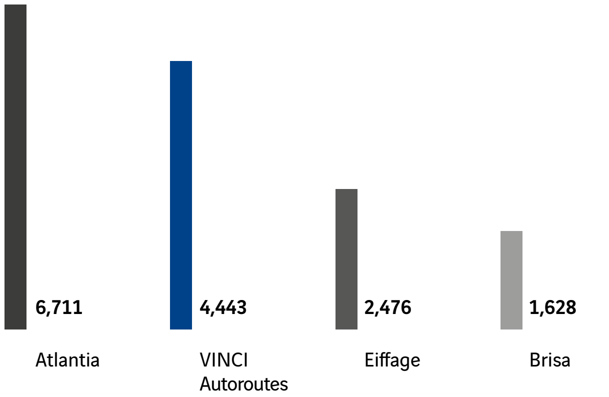
Net financial debt (3)
(in €m)



Capital employed (3)
(in €m)

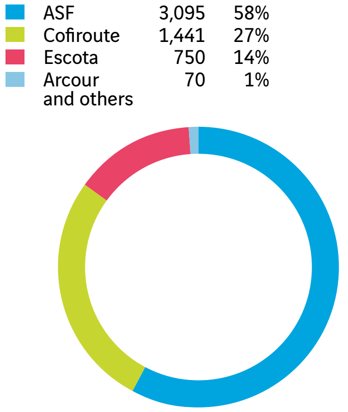


VINCI Autoroutes' competitive position (4)
Motorway networks under concession in Europe (in km)



Source: internal studies, company literature.

Revenue (1) by network
(in €m)



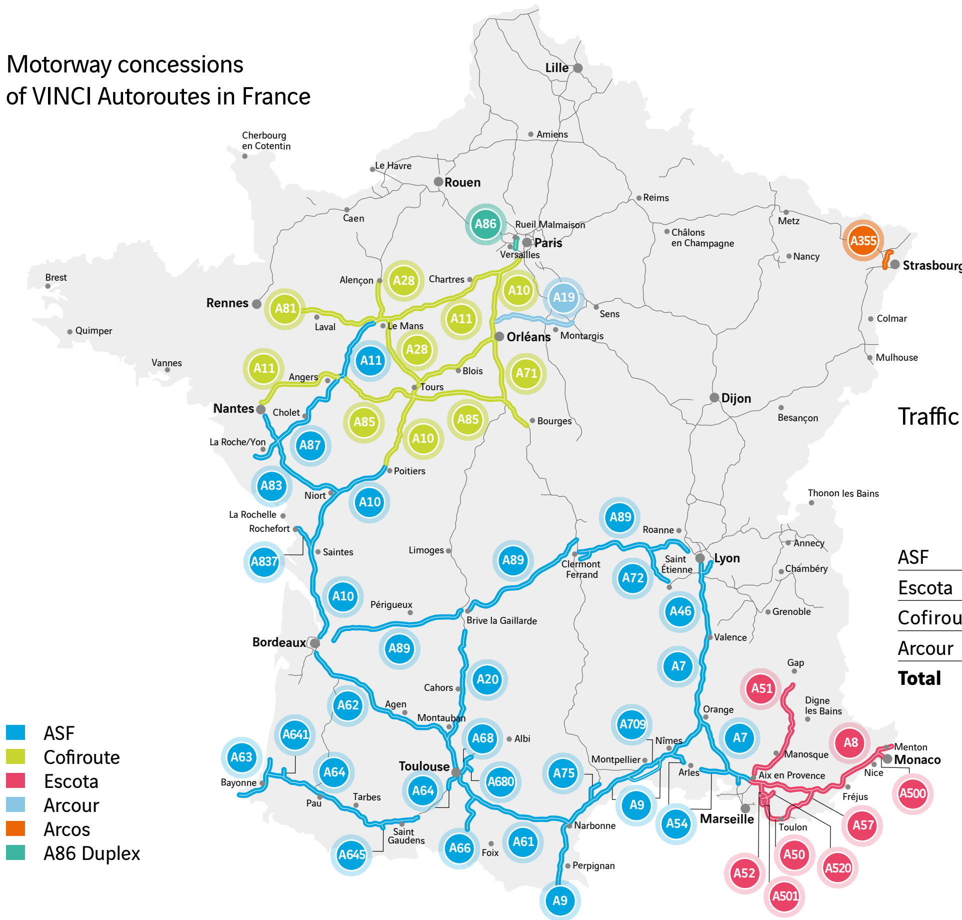
(1) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies. See glossary (page 368).

(2) Cash flows from operations before tax and financing costs. See glossary (page 368).

(3) At 31 December.

(4) Controlled company networks.

Motorway concessions of VINCI Autoroutes in France



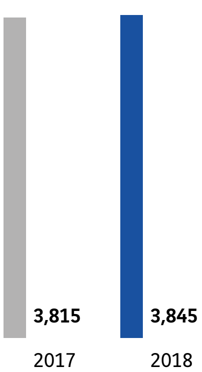
Traffic

	2018 (in millions of kilometres travelled)	2018/2017 change
ASF	31,822	–0.5%
Escota	7,048	–3.2%
Cofiroute	11,838	+1.0%
Arcour	348	+5.9%
Total	**51,056**	**–0.5%**

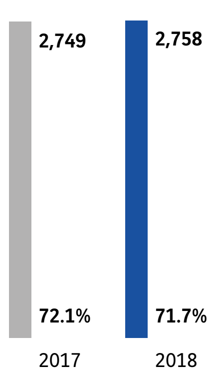
ASF GROUP (ASF AND ESCOTA)

(in €m and as a percentage of revenue [1])

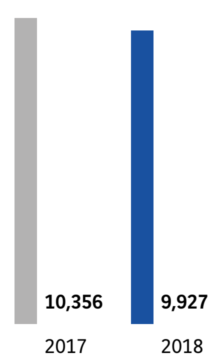
Revenue [1]



Ebitda [2]



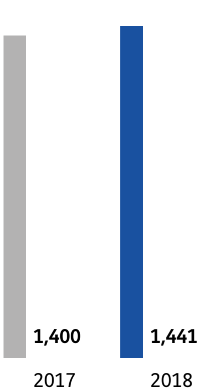
Net financial debt [3]



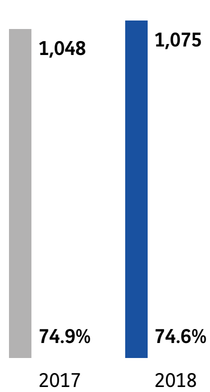
COFIROUTE

(in €m and as a percentage of revenue [1])

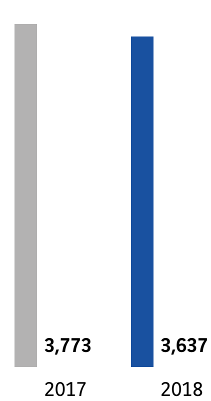
Revenue [1]



Ebitda [2]



Net financial debt [3]



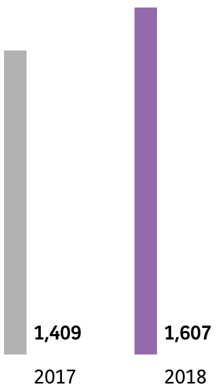
(1) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies. See glossary (page 368).

(2) Cash flows from operations before tax and financing costs. See glossary (page 368).
(3) At 31 December.

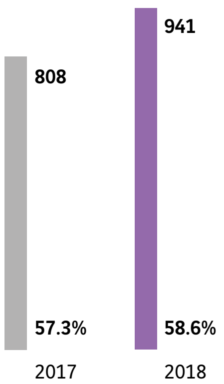
Key data

VINCI AIRPORTS

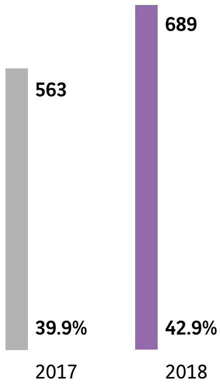
Revenue (1)
(in €m)



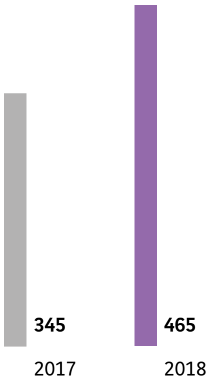
Ebitda (2)
(in €m and as a percentage of revenue (1))



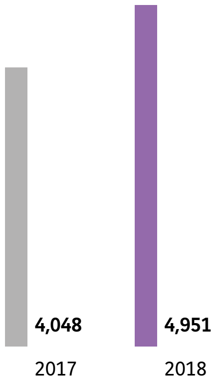
Operating income from ordinary activities
(in €m and as a percentage of revenue (1))



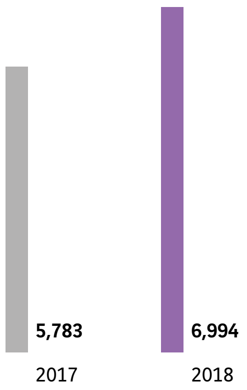
Net income attributable to owners of the parent
(in €m)



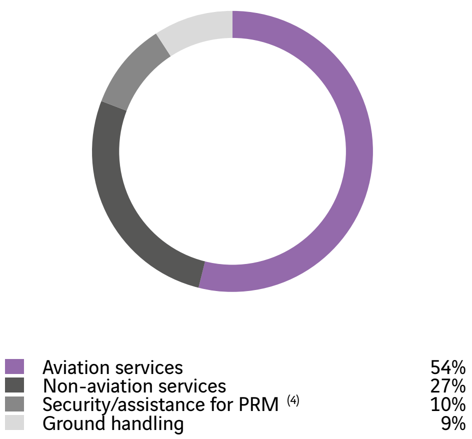
Net financial debt (3)
(in €m)



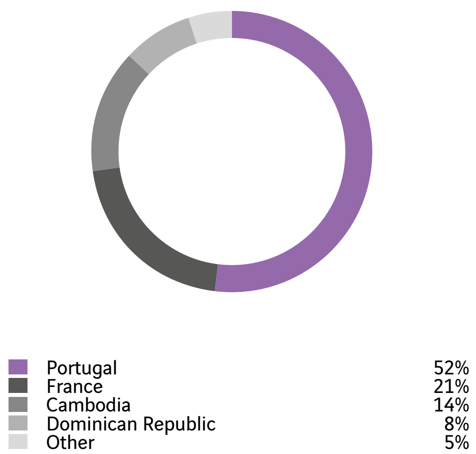
Capital employed (3)
(in €m)



Revenue (1) by business activity
(as a percentage)



Revenue (1) by geographical area
(as a percentage)

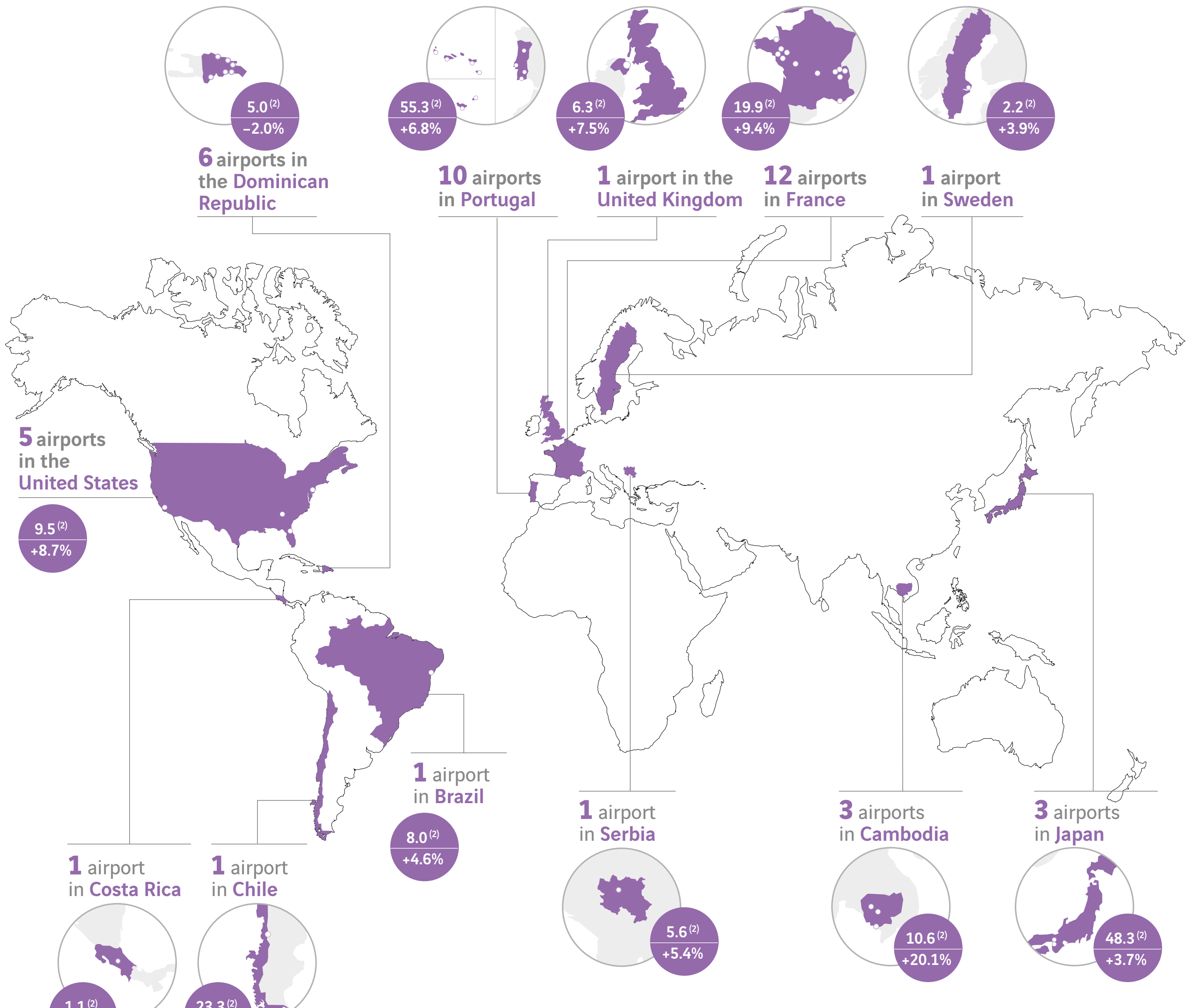


(1) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
See glossary (page 368).
(2) Cash flows from operations before tax and financing costs.
See glossary (page 368).

(3) At 31 December.
(4) Persons with reduced mobility.

AIRPORTS AND PASSENGER TRAFFIC MANAGED

45 airports and 195.2 million passengers managed in 2018[1]



(1) Excluding ADP and London Gatwick.
(2) Data in millions of passengers and 2018/2017 change.

COMPETITIVE POSITION

VINCI Airports is the leading private operator and one of the top four international players in the airport sector with 45 airports operated worldwide. The main listed companies in the sector are Aena, Groupe ADP and Fraport.
In Europe, VINCI Airports operates 10 airports in Portugal (55.3 million passengers) and 12 airports in France (19.9 million passengers), including Lyon-Saint Exupéry (11 million passengers). VINCI Airports has also been operating Belfast International Airport in the United Kingdom (6.3 million passengers) and Stockholm Skavsta Airport in Sweden (2.2 million passengers) since August 2018, and Nikola Tesla Airport in Belgrade, Serbia (5.6 million passengers) since December 2018. On 27 December 2018, VINCI Airports signed an agreement to purchase a 50.01% stake from the current shareholders of London Gatwick, a freehold property airport. The deal should be finalised during the first half of 2019.
In Asia, VINCI Airports operates the three airports in Cambodia (10.6 million passengers) and holds the concession, as part of a consortium with Japanese partners, for the three airports in the Kansai region of Japan (48.3 million passengers).
In Latin America, VINCI Airports holds concessions for Deputado Luís Eduardo Magalhães Airport in Salvador, Brazil (8 million passengers), Daniel Oduber Quirós International Airport in Liberia, Costa Rica (1.1 million passengers) and six airports in the Dominican Republic (5 million passengers).
In Chile, VINCI Airports, in a consortium with Groupe ADP and Astaldi, operates Santiago Arturo Merino Benítez Airport (23.3 million passengers).
In the United States, VINCI Airports has been operating five airports under concession or management contracts since August 2018 (9.5 million passengers).

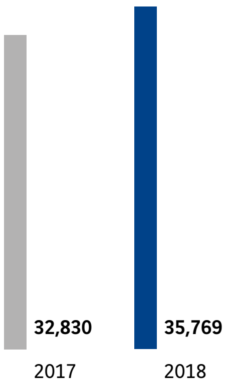
Source: internal studies, company literature.

Key data

CONTRACTING

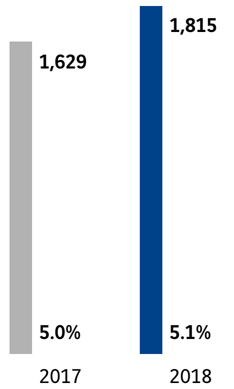
Revenue

(in €m)



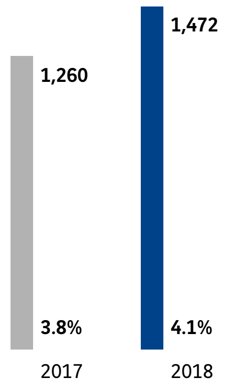
Ebitda[1]

(in €m and as a percentage of revenue)



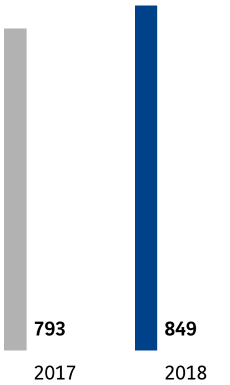
Operating income from ordinary activities

(in €m and as a percentage of revenue)



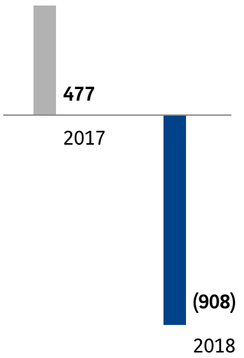
Net income attributable to owners of the parent

(in €m)



Net financial debt[2]

(in €m)

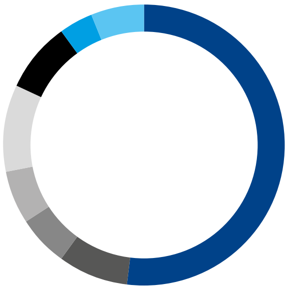


Capital employed[2]

(in €m)

Revenue by geographical area

(as a percentage)



France	52%
Germany	8%
United Kingdom	6%
Central and Eastern Europe	6%
Rest of Europe	10%
Americas	8%
Africa	4%
Rest of the world	6%

NB: data does not include VINCI Immobilier.
(1) Cash flows from operations before tax and financing costs. See glossary (page 368).
(2) At 31 December.

COMPETITIVE POSITIONS

VINCI ENERGIES

FRANCE

VINCI Energies is the leader in a fragmented market in which the top six players account for only around 50% of the market. Its main competitors are Engie Energie Services, Spie, Eiffage Énergie, Bouygues Energies & Services and Snef.

EUROPE

VINCI Energies is a leading electrical engineering and installation company. It ranks among the top players in Germany, where it has a strong position (revenue of €2 billion in 2018), Switzerland, Scandinavia (Sweden, Finland and Norway), Belgium, Netherlands, Portugal and Romania. In the information and communication technologies sector, VINCI Energies operates mainly in France, Germany, Netherlands, Portugal, Spain, Switzerland, Italy, Sweden, United Kingdom, Belgium and Austria.

OUTSIDE EUROPE

VINCI Energies operates in Africa, where it is market leader in Morocco. It also operates in the Middle East, Asia and South America. VINCI Energies has a solid foothold in New Zealand and Australia. With the acquisition of PrimeLine Utility Services, VINCI Energies established a significant position in services for energy infrastructure and telecommunications operators in North America at the beginning of 2018.

Source: company literature.

EUROVIA

FRANCE

Eurovia is one of the leaders in the road and rail works market with Colas and Eiffage Infrastructures. The market is otherwise shared by a large number of local and regional contractors. Eurovia is market leader in aggregates, where its competitors include roadworks companies and cement groups such as LafargeHolcim, GSM (HeidelbergCement Group) and Cemex, along with several hundred local producers.

GERMANY

Eurovia GmbH is one of the sector's main players with Strabag, in a market made up mainly of numerous regional players. In addition, Eurovia's rail works subsidiary ETF has expanded into Germany by acquiring THG Baugesellschaft mbH.

UNITED KINGDOM

Eurovia UK, through its subsidiary Ringway, is a major player in long-term road maintenance contracts. Its main competitors are Amey (Ferrovial group), Kier and Balfour Beatty. Eurovia UK also operates in conventional roadworks in competition with Balfour Beatty and Tarmac (CRH Group), Aggregate Industries (LafargeHolcim), Hanson (Heidelberg) and Conway.

CZECH REPUBLIC

Eurovia CS is among the leaders in road and rail works. Its main competitors are Skanska, Metrostav and Strabag.

NORTH AMERICA

In Canada, Eurovia is one of the major players in road infrastructure works in Quebec, Alberta and British Columbia, mainly through subsidiaries Eurovia Québec Construction, Carmacks and BA Blacktop. Its main competitors are subsidiaries of Colas, CRH and LafargeHolcim, as well as local companies.
In the United States, the acquisition of Lane Construction's Plants & Paving division complements the activities Eurovia carries out through its subsidiaries Hubbard Construction and Blythe Construction in the south-east (Florida, Georgia, North Carolina and South Carolina). This acquisition doubles Eurovia's size and makes it one of the market leaders in roadworks on the east coast of the United States. Its main competitors are Archer Western Contractors (Walsh Group) for construction works and Preferred Materials (CRH) for the manufacture and application of asphalt concrete.

Source: company literature.

VINCI CONSTRUCTION

FRANCE

VINCI Construction is the leader in a market estimated to be worth revenue of around €200 billion, ahead of Bouygues Construction, Eiffage Construction, Fayat, NGE and Spie Batignolles. The remaining market is divided among several medium-sized regional companies (including Demathieu Bard and Léon Grosse) and a large number of small contractors.

UNITED KINGDOM

VINCI Construction UK is a company of significant size in the United Kingdom, especially in the building and civil engineering sectors. Its main competitors are Balfour Beatty, Kier, Laing O'Rourke and Interserve. The British market is estimated to be worth revenue of around £150 billion.

CENTRAL EUROPE

VINCI Construction operates in the region through its medium-sized local subsidiaries, notably in Poland, the Czech Republic and Slovakia. Its main competitors are Strabag, Skanska and Porr, as well as Budimex in Poland and Metrostav in the Czech Republic.

AFRICA

Operating in 24 countries, Sogea-Satom is a major player in Central Africa, West Africa, Equatorial Africa and East Africa. Its main competitors are European, Asian (particularly Chinese) and African companies.

OCEANIA

By acquiring HEB Construction in 2015, VINCI Construction became a major player in New Zealand's infrastructure market. Since the end of 2017, VINCI Construction has ramped up its presence in Australia with the acquisition of Seymour Whyte.

SPECIALIST MARKETS

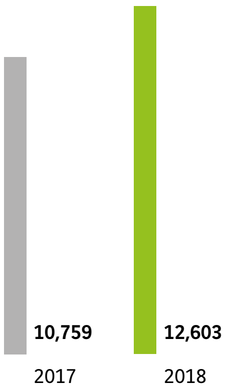
Soletanche Freyssinet is world leader in specialist civil engineering, active on a very fragmented market. Its competitors include Trevi, Bauer and Keller in special foundations, and VSL (a Bouygues subsidiary) in prestressing and stay cable systems. Entrepose is a global operator in the design and construction of complex industrial projects in the oil, gas and energy recovery sectors. Its main competitors include Saipem (ENI Group) and CB&I.

Source: Euroconstruct, November 2018 (market size); company literature.

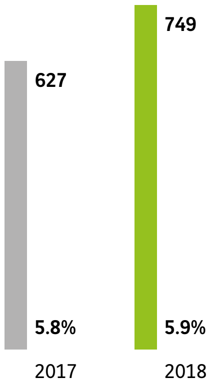
Key data

VINCI ENERGIES

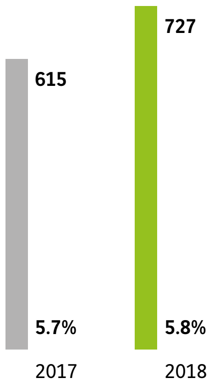
Revenue
(in €m)



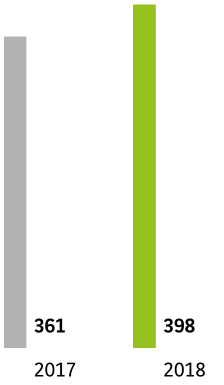
Ebitda [1]
(in €m and as a percentage of revenue)



Operating income from ordinary activities
(in €m and as a percentage of revenue)

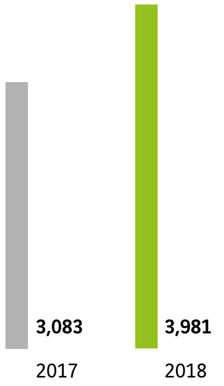


Net income attributable to owners of the parent
(in €m)



Net financial debt [2]
(in €m)

Capital employed [2]
(in €m)



Revenue by business activity
(as a percentage)

Industry	29%
Infrastructure	27%
Building solutions	26%
Information and communication technologies	18%

Revenue by geographical area
(as a percentage)

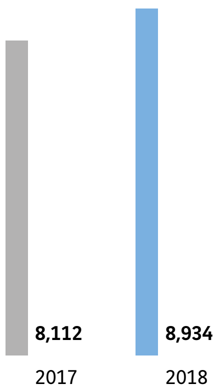
France	46%
Germany	16%
Scandinavia	6%
Rest of Europe	20%
Americas	5%
Africa	3%
Rest of the world	4%

(1) Cash flows from operations before tax and financing costs. See glossary (page 368).
(2) At 31 December.

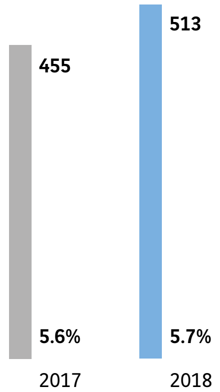
Key data

EUROVIA

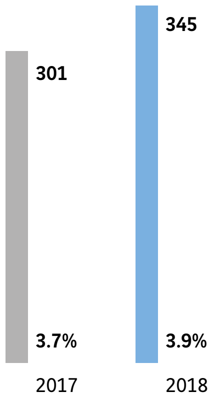
Revenue
(in €m)



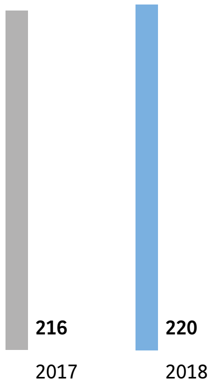
Ebitda [1]
(in €m and as a percentage of revenue)



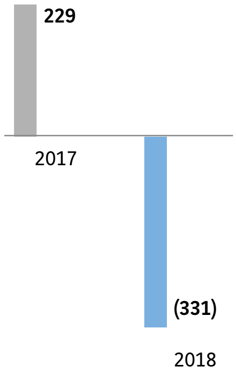
Operating income from ordinary activities
(in €m and as a percentage of revenue)



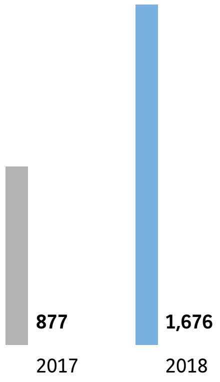
Net income attributable to owners of the parent
(in €m)



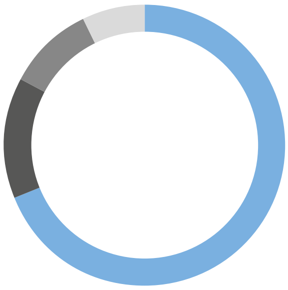
Net financial debt [2]
(in €m)



Capital employed [2]
(in €m)

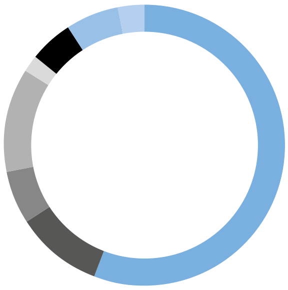


Revenue by business activity
(as a percentage)



Works	69%
Industry	14%
Quarries	10%
Services	7%

Revenue by geographical area
(as a percentage)



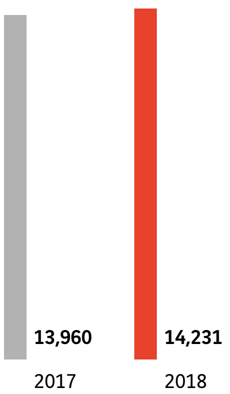
France	56%
Germany	10%
United Kingdom	6%
Central and Eastern Europe	12%
Rest of Europe	2%
United States	5%
Canada	6%
Central and South America	3%

(1) Cash flows from operations before tax and financing costs. See glossary (page 368).
(2) At 31 December.

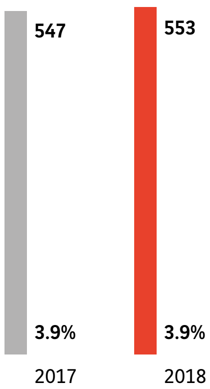
Key data

VINCI CONSTRUCTION

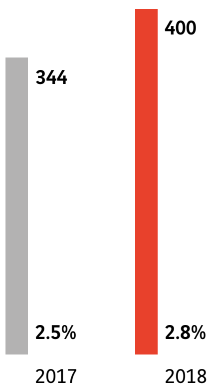
Revenue
(in €m)



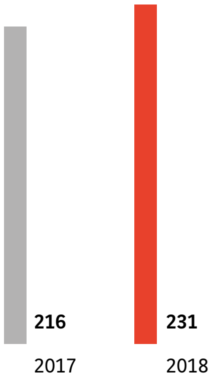
Ebitda [1]
(in €m and as a percentage of revenue)



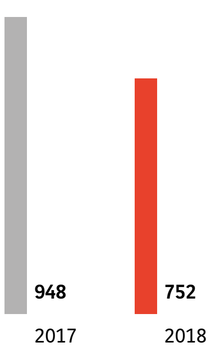
Operating income from ordinary activities
(in €m and as a percentage of revenue)



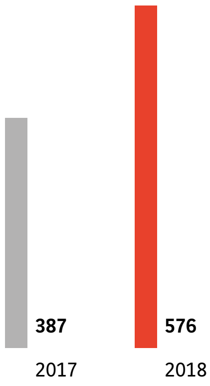
Net income attributable to owners of the parent
(in €m)



Net financial surplus [2]
(in €m)



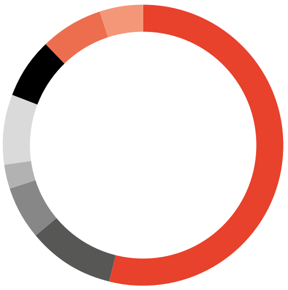
Capital employed [2]
(in €m)



Revenue by business activity
(as a percentage)

Building	37%
Specialist activities and complex projects	37%
Civil and hydraulic engineering	26%

Revenue by geographical area
(as a percentage)



France	54%
United Kingdom	10%
Central and Eastern Europe	6%
Rest of Europe	3%
Americas	8%
Africa	7%
Oceania	7%
Rest of the world	5%

(1) Cash flows from operations before tax and financing costs.
See glossary (page 368).
(2) At 31 December.

SERVING A USEFUL PURPOSE AND CARING FOR THE PLANET

As an investor, builder and operator of buildings and infrastructure in some 100 countries, VINCI plays a key role in the transformation of cities and regions. We are at the heart of the challenges facing today's world: mobility, energy, environment and community life. We meet those challenges by constantly reinventing our business activities and the products, services and solutions we offer through an innovation strategy that unites us with our clients and stakeholders. Drawing on the entrepreneurial energy of our 211,000 employees, our goal – through our constructions and our work ethic – is to be useful to people while caring for the planet. This is how we want to contribute to building a more sustainable world and fully embrace our role as a private-sector partner working in the public interest.

VINCI BELIEVES IN GREEN GROWTH. THE NEED TO COMBAT CLIMATE CHANGE, SAVE ENERGY AND NATURAL RESOURCES, AND PROTECT BIODIVERSITY IS DRIVING GROUP COMPANIES TO INNOVATE TO PROTECT THE ENVIRONMENT. THEIR DUAL OBJECTIVE IS TO PROVIDE THEIR CUSTOMERS WITH ECO-EFFICIENT SOLUTIONS WHILE REDUCING THEIR OWN ENVIRONMENTAL FOOTPRINT.

INNOVATION

Circular economy
THE FULLY RECYCLED ROAD

After Power Road®, the positive-energy road, in 2018, Eurovia introduced a major innovation in conjunction with VINCI Autoroutes: the fully recycled road. Working with equipment manufacturer Marini-Ermont (Fayat group), Eurovia designed the world's first mobile plant able to manufacture hot mixes using up to 100% recycled material. The process was first trialled industrially under real conditions on a 1 km stretch of VINCI Autoroute's A10 motorway between Pons and Saint Aubin de Blaye in south-west France.
This circular economy solution, which significantly reduces the need for natural resources and their transport, is confirmation of Eurovia's dynamic innovation policy and will help improve the environmental balance of work on motorways.

INNOVATION

Smart envelope
ENERGY-PRODUCING FAÇADES

As part of its research and development roadmap, VINCI Construction is designing technology that will transform the role of building envelopes in the near future. ActivSkeen was created specifically to meet the need to maximise energy functions and occupant comfort. This business was bolstered in 2018 following the acquisition of the Austrian company Ertex Solar, specialised in building-integrated photovoltaics. Photovoltaic façades and dynamic glazing solutions are fuelling the growth of positive-energy buildings.

INNOVATION

Energy performance contract
FROM SMART LIGHTING TO SMART CITIES

Australia's largest smart lighting project, Streetlight, implemented by Electrix, will upgrade all the public lighting equipment and networks in Canberra.

The project aims to save 47% energy within seven years and be carbon neutral by 2050. At the same time, the replacement of light points and the rollout of a wireless network and the BIMCity hypervisor system, developed by VINCI Energies, will optimise public lighting operation and maintenance while creating the right conditions for integrating new urban services.
Data transmission and analysis will also bring us closer to the development of smart cities.

INNOVATION

AirPact
ENVIRONMENTAL EXCELLENCE TAKING OFF

All the airports in the VINCI Airports network are involved in the AirPact environmental programme. AirPact has set four targets for 2020: reduce energy intensity by 20% compared with 2013 (target reached at the global level in 2017); certify all airports to ISO 14001 (target reached for 12 by the end of 2018); conduct a biodiversity audit at all airports; and obtain Airport Carbon Accreditation (ACA) for all airports. ACA is awarded by Airports Council International (ACI) under a global programme encouraging each airport to reduce its carbon footprint, the key to the long-term viability of the airport business.
By the end of 2018, 19 airports had achieved ACA Level 1 accreditation (Mapping); 13 were at Level 2 (Reduction); two at Level 3 (Optimisation); and one at Level 3+ (Neutrality) - excluding air traffic and passenger travel.

INNOVATION

Biodiversity
RESTORING ECOLOGICAL CONTINUITY

Among the environmental projects completed as part of the French government's motorway stimulus plan, VINCI Autoroutes restored the course of the Huisne River under the A11 motorway in north-west France, by removing a rockfill dam in the river bed. Conducted jointly with natural and aquatic environment experts, the operation restored the river's fish continuity to provide an appropriate habitat for species, such as pike, trout and eels. VINCI Construction Terrassement (through the climate engineering brand Equo Vivo) and Eurovia (Sethy) also create environmental infrastructure aimed at maintaining wildlife corridors, renaturing streams and rivers and developing bio-engineering.

INNOVATION

Leonard

INTRAPRENEUR INCUBATOR AND FUTURE VINCI BUSINESS EXPLORER

Backed by Leonard, VINCI's new forward-looking innovation platform, the intrapreneur programme supports Group employees to incubate and develop new products and services.
The innovations developed by the first groups through the programme included Resallience, devised by Karim Selouane (opposite). This engineering and design office focuses exclusively on adapting infrastructure to climate change. It is now operational in a new business unit hosted by Sixense (VINCI Construction).
Leonard also helped accelerate the SunMind project created by Maxime Varin (above), which provides VINCI Concessions and Omexom (VINCI Energies) with a new business model for the self-consumption electricity market. The aim is to design, build and maintain solar power plants at customers' sites which directly consume the energy produced. All these projects dovetail with the cross-business and innovation goals promoted by VINCI.

XAVIER HUILLARD,
CHAIRMAN AND CEO

"Build VINCI's sustainable growth in a sustainable world."

Tell us about VINCI's performance in 2018.

Our performance in 2018 confirmed that our model combining concessions and construction is the key to lasting, profitable growth. Despite a challenging global economic climate, we increased our revenue and our other results by methodically following our strategic roadmap.

That steady performance stems from a dynamic we've set in motion. It starts in our business units. They are all striving for operational excellence and working in agile mode to navigate the shifts in their markets. Then we build on that momentum at the Group level, around our shared development priorities - beginning with the expansion of our international networks and the acceleration of our innovation policy. And, lastly, our strong management culture is sustaining that dynamic. It's what makes us more resilient and keeps us moving forward through the deep-reaching changes unfolding around us. All that is prompting us to constantly enlarge our model's scope and scale, by venturing into new geographies, markets and fields of expertise, and by stepping up synergies between business lines. That's how we are making our model increasingly robust and deliver a solid performance year after year.

How exactly does this strategy work in VINCI's two businesses, starting with Concessions?

2018 was, first and foremost, a year of buoyant development for VINCI Airports, which made a series of major acquisitions. We've shown our model's full potential with motorways in the past, and we're showing it again with airports now. Ten years ago, we were on the fringes of the airports business. Today, we're among the world's top operators – and the leading private one. We've achieved that, to a large extent, because we know how to integrate the full range of expertise, encompassing infrastructure design, financing, construction and operation. That puts us in the best vantage point: we can look at each project from every angle. And it helps us build close partnerships with the communities we serve day after day through our operations. This continuum, our consistent policy on allocating resources to build infrastructure and operate it soundly, and our eagerness to engage in dialogue and build consensus, are what define VINCI's DNA.

They naturally define our motorway concessions' DNA as well. We're the leader in France, and a major international player in this business. I'd like to take this opportunity to congratulate the teams at VINCI Autoroutes for their professionalism and for the outstanding job they did when they had to keep our public service up and running on French motorways during the *gilets jaunes* ("yellow vests") crisis. Beyond that one-off, our massive investment to modernise our motorway networks year after year has earned them unanimous acclaim. It also provides tangible evidence that motorway concession contracts serve a purpose and enhance efficiency over the long run, i.e. over the timeframe that all infrastructure projects necessarily span. We likewise applied this long-term model to the motorways we built or upgraded in Germany, Russia, Canada, Peru and Colombia in 2018. On most of those projects, we also enlisted complementary skills from our Concessions and Contracting businesses.

Precisely, what were the trends in Contracting?

The main one was VINCI Energies' rapid growth: it set foot in the United States, Singapore and other new geographies, and kept on strengthening its operation in Europe – notably in Scandinavia. VINCI Energies' activities revolve around the energy transition and digital transformation. That's why it's seeing such vibrant external growth as well as steady organic growth.

Eurovia also developed in 2018: it grew its existing business in its main markets (principally in France), solidified its operation in Canada and doubled in size in the United States with a large acquisition there.

VINCI Construction is focused on improving its profitability. It confirmed its recovery in France, after a period of economic tension, which was used to reshape its model and accommodate changes in its markets. Our Major Projects Division and Soletanche Freyssinet's specialist activities fared well, as did our construction subsidiaries in Oceania and Africa.

What is 2019 looking like?

In Concessions, we're expecting traffic in VINCI Airports' network to continue to grow on a constant structure basis, but not as fast as in 2018 due to the high benchmark. We're also planning to integrate London Gatwick during the first half of 2019. Barring one-offs, traffic on VINCI Autoroutes' networks will most likely evolve in synch with economic activity in France.

Our order books in Contracting suggest that revenue will increase in all our business lines – again, on a constant structure basis. Then, our recent acquisitions, principally outside France, will also start kicking in with their first full-year contributions. Our main focus, however, will still be on further improving margins.

What about VINCI's long-term outlook?

If we zoom out and look at our growth model in the bigger picture, we'll see that there is more construction going on around the world today than ever before. And that trend will continue to gather pace, to tackle all the big issues our societies are facing today. I'm talking about urban development (two-thirds of humanity will live in cities 15 years from now), about environmental challenges (speeding up the energy transition and gravitating towards low-carbon economies), about new mobility systems and habits, etc. All that will spur considerable investment to renovate buildings, transport infrastructure, power grids and communication networks. And we have the expertise to address all those requirements. We're also an integrated group, so we have an additional advantage now that projects are becoming increasingly complex and global, and public funding is shrinking in most countries.

We're also speeding up our innovation and our own transformation to stay abreast of all the changes around us. Digital technology has already reshaped the way we design, build and operate buildings and infrastructure. Now artificial intelligence and big data analytics are opening new doors for us. We're actually already using some of these breakthroughs on motorways, for instance. These opportunities to create value today may grow into new business models tomorrow, and we're exploring all these possibilities – in particular at Leonard, our laboratory for the future of our business.

How does VINCI's vision fit into our changing world?

We don't just want to adjust to these changes: we want to play an active role in the process. We want to have a positive impact on communities. Our goal is to design, build, operate and maintain people-friendlier cities, offices and factories, and infrastructure that frees up flows, all the while using our planet's non-renewable resources as frugally as possible.

We'll achieve that by unleashing our full innovation potential, and by shouldering our responsibility as a large group. That's why every VINCI company is making commitments covering every aspect of its activity – its employees, the environment and society – through our Group's Manifesto. In 2019, we will be stepping up these commitments, for instance by setting new, bolder targets to reduce our environmental footprint by 2030.

At the end of the day, we want to build sustainable growth in a sustainable world. Our vision of performance, it follows, needs to be global. And our global performance is what will catalyse VINCI's long-term future.

BOARD OF DIRECTORS

XAVIER HUILLARD
Chairman and Chief Executive Officer, VINCI

YVES-THIBAULT DE SILGUY
Vice-Chairman of the Board, VINCI

YANNICK ASSOUAD
Lead Director of the Board, VINCI;
Chief Executive Officer, Latécoère

ROBERT CASTAIGNE (1)
Former Chief Financial Officer and former member of the Executive Committee, Total

UWE CHLEBOS
Director representing employees;
insulation installer, G+H Isolierung GmbH

GRAZIELLA GAVEZOTTI
Chief Operating Officer, Southern Europe and Africa, Edenred

MILOUD HAKIMI
Director representing employees;
project manager, ViE SAS

JEAN-PIERRE LAMOURE
Chairman of the Supervisory Board, Atlantic SFDT

MARIE-CHRISTINE LOMBARD
Chairman of the Executive Board, Geodis SA

JOSIANE MARQUEZ (2)
Director representing employee shareholders; information systems consultant, VINCI Energies Systèmes d'Information; Chairman of the Supervisory Board of the Castor and Castor Relais company mutual funds

RENÉ MEDORI (3)
Non-executive Chairman, Petrofac Ltd

ANA PAULA PESSOA (1)
Chairman and Chief Strategy Officer,
Kunumi AI (Brazil)

MICHAEL PRAGNELL (4)
Former founding Chief Executive Officer, Chairman of the Executive Committee and Director of the Board, Syngenta AG

PASCALE SOURISSE (1)
Senior Executive Vice-President, International Development, Thales

QATAR HOLDING LLC
Company registered under Qatari law,
represented by Abdullah Hamad Al Attiyah

AUDIT COMMITTEE

This committee helps the Board monitor the accuracy and fair presentation of VINCI's consolidated and parent company financial statements, the quality of financial information and the effectiveness of risk management and internal control systems.

Composition:

Robert Castaigne (Chairman)
Yannick Assouad
Graziella Gavezotti
René Medori

APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE

This committee examines all candidacies for appointments to the Board, prepares recommendations on the appointment of executive company officers and succession planning, and ensures the rules of corporate governance are applied.

Composition:

Yannick Assouad (Chairman)
Jean-Pierre Lamoure
Marie-Christine Lombard
Yves-Thibault de Silguy
Pascale Sourisse

STRATEGY AND CSR COMMITTEE

This committee helps the Board develop the Group's strategy. It examines proposed multi-year contracts involving an investment, strategic investments and all acquisitions and disposals that could have a material impact on VINCI's consolidation scope, business activity, risk profile, results, balance sheet or share value. It also monitors all CSR issues.

Composition (5):

Yves-Thibault de Silguy (Chairman)
Uwe Chlebos
Josiane Marquez
Ana Paula Pessoa
The permanent representative of Qatar Holding LLC

REMUNERATION COMMITTEE

This committee proposes to the Board the terms and conditions of remuneration of company officers, and employee share ownership schemes such as long-term incentive plans for some employees.

Composition:

Pascale Sourisse (Chairman)
Robert Castaigne
Miloud Hakimi
Michael Pragnell

(1) Renewal of term of office for a period of four years proposed to the Shareholders' General Meeting of 17 April 2019.
(2) As the term of office of Josiane Marquez will expire at the close of the Shareholders' General Meeting of 17 April 2019, the appointment of a new Director representing employee shareholders will be submitted for approval to that Shareholders' General Meeting.
(3) Appointed as Director by the Shareholders' General Meeting of 17 April 2018.
(4) Commander of the Order of the British Empire.
(5) Permanent members. The Strategy and CSR Committee is open to any member of the Board who wishes to participate.

2019 EXECUTIVE COMMITTEE (*)

The Executive Committee is responsible for managing VINCI. It met 19 times in 2018.

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1 XAVIER HUILLARD
Chairman and Chief Executive Officer, VINCI

2 PIERRE COPPEY
Executive Vice-President, VINCI and Chairman, VINCI Autoroutes

3 RICHARD FRANCIOLI
Executive Vice-President, VINCI in charge of Contracting

4 CHRISTIAN LABEYRIE
Executive Vice-President and Chief Financial Officer, VINCI

5 PIERRE ANJOLRAS
Chairman, Eurovia

6 ARNAUD GRISON
Chairman and Chief Executive Officer, VINCI Energies

7 NICOLAS NOTEBAERT
Chief Executive Officer, VINCI Concessions

8 JÉRÔME STUBLER
Chairman, VINCI Construction

9 BRUNO DUPETY
Vice-President, International Business

10 PIERRE DUPRAT
Vice-President, Corporate Communications, VINCI

11 FRANCK MOUGIN
Vice-President, Human Resources and Sustainable Development, VINCI

12 CHRISTOPHE PÉLISSIÉ DU RAUSAS
Vice-President, Business Development, VINCI

13 PATRICK RICHARD
General Counsel, VINCI
Secretary to the Board of Directors

2019 MANAGEMENT AND COORDINATION COMMITTEE(*)

The Management and Coordination Committee brings together the members of the Executive Committee and senior VINCI executives. Its remit is to ensure broad discussion of VINCI's strategy and development. It met four times in 2018.

HERVÉ ADAM
Executive Vice-President of VINCI Energies, VINCI Energies France

ALEXANDRA BOUTELIER
Chief Operating Officer, Consortium Stade de France, VINCI Stadium

HUGUES FOURMENTRAUX
Chairman, VINCI Construction France

GILLES GODARD
Chairman, VINCI Construction International Network

PATRICK KADRI
Chairman, VINCI Construction Grands Projets

OLIVIER DE LA ROUSSIÈRE
Chairman, VINCI Immobilier

PATRICK LEBRUN
Executive Vice-President of VINCI Energies, Company Secretary

BENOÎT LECINQ
Chairman, Entrepose

XAVIER NEUSCHWANDER
Chief Executive Officer, Eurovia Europe, Rail and Specialities

JEAN-PIERRE PASERI
Chief Executive Officer, Eurovia France

MANUEL PELTIER
Chairman, Soletanche Freyssinet

FADI SELWAN
Vice-President, Business Development, VINCI Concessions; Chairman, VINCI Highways

PATRICK SULLIOT
Chief Executive Officer, Eurovia Americas and UK

(*) At 8 March 2019.

BUILDING ON THE GROUP'S LONGSTANDING MODEL TO EXPRESS ITS FULL POTENTIAL

VINCI's growth trajectory is that of a multi-local group firmly anchored in each of its markets and regions. It has gradually grown into a global group active in over 100 countries. This growth has traditionally been based on the joint development of concession and construction businesses, which round each other out in terms of operation cycles, capital intensity and expertise.

This integrated model remains the basis for the Group's strategy. Year after year, VINCI extends its base to include new markets and new areas of expertise, increasing its resilience. This is evidenced by the steady climb in its results over a long period, despite an uncertain economic environment. This resilience is underpinned by a highly decentralised organisation and a managerial culture, which make VINCI's companies and employees particularly responsive to changes in their markets and businesses.

Taking these fundamentals forward, VINCI will maintain the same growth strategy in 2019 in both of its core businesses, especially outside France. While international revenue already tops 50% in some Contracting businesses, reaching that bar Group-wide is still a few years away.

CONCESSIONS

VINCI will continue its growth focusing on two sectors.

- Airport infrastructure, in line with the proactive strategy that has built the Group into the industry's leading private operator. The credibility gained by VINCI Airports and its attractive model, which gives each airport access to the range of expertise from its global network, will help secure future contracts. To support the steady growth in air traffic, many airports around the world will need renovation and extension works. This will further boost the Group's integrated offer.
- Motorway concessions, in France, through investments in current projects under the government's motorway stimulus plan and the motorway investment plan; and internationally, leveraging the advantage of the synergy between VINCI Highways and the Contracting business lines' local operations to gain new infrastructure projects. At the same time, VINCI Highways will leverage its specific expertise in toll systems.

This strategy will help the Group to continue to diversify its concession portfolio and extend its average maturity.

CONTRACTING

The development strategy will initially focus on VINCI Energies, continuing on the same trajectory that grew this business line's revenue more than 150% between 2009 and 2018. VINCI Energies' businesses sit at the crossroads between the energy transition and the digital transformation, and benefit from particularly robust long-term trends. And this proactive development takes place in a relatively fragmented industry on an international scale.

Contracting's other business lines will continue to densify and extend their international networks. Take for example Eurovia's acquisitions in 2018 in Canada and the United States. This external growth will allow them to expand their range of specialist expertise, as VINCI Construction has done by acquiring Ertex Solar in 2018 to develop its innovative offer of active building façades.

Within the two core businesses, stepping up synergies will also help create value by boosting the Group's capacity to integrate its expertise into global solutions in line with its public and private customers' expectations. The ramp-up of the shared innovation policy *(see following pages)* will have the same effect.

THE INTEGRATED CONCESSION-CONSTRUCTION MODEL

The VINCI model is based on the joint development of the two complementary core businesses – Concessions and Contracting – in terms of operation cycles, capital intensity and expertise.

CONCESSIONS

Long cycles

High capital employed

Project financing with high leverage effect and without recourse

BtoC markets
Public contracting authorities

Project management expertise (finance, works, programme management and operation)

Long-term management of contractual relations

CONTRACTING

Short cycles

Low capital employed

BtoB markets
Strong local presence

Technical expertise (design, construction and maintenance)

Financed by customer instalment payments as work progresses

STRATEGY

CONCESSIONS

Extend the maturity of the concession portfolio

Focus on airports and motorways

CONTRACTING

Priority development

of VINCI Energies

of Eurovia's and VINCI Construction's high technical value added businesses

CONCESSION-CONSTRUCTION INTEGRATED MODEL

Synergy in expertise between concessions and contracting businesses to win new infrastructure projects

INTERNATIONAL

Target: over 50% of revenue from international operations

Expand the Group's presence beyond Europe

A STRUCTURED AND VIBRANT INNOVATION POLICY

VINCI's innovation policy combines cross-business programmes run by the shared Leonard platform and initiatives undertaken by business lines and Group companies. Conducted over both short and long time frames, as are the Group's businesses, this system aims to achieve the best possible operational performance outcomes at all times while also encouraging discussion around the future of the Group's businesses and economic models.

Leonard: driving the Group's transformation

Leonard, VINCI's forward-looking entrepreneurial innovation platform, ramped up its activity in its second year of existence. Opened in June 2018, Leonard:Paris supports this innovation ambition by offering a shared space open to all VINCI innovators and their partners, incubation hub for innovative projects and forum to bring together anyone interested in the future of cities and infrastructure. Leonard:Paris has already welcomed over 10,000 people, mostly during the 40 meetings open to the public.

This tool, used as a catalyst for the Group's transformation, works in two dimensions: time, to imagine the future of our businesses and markets through foresight and intelligence gathering; and space, across its businesses, to make this future a reality by supporting innovative internal projects and startups.

In this first dimension, five working groups, generally led by an Executive Committee member, come together to discuss the future challenges shared by all Group companies: infrastructure and autonomous, connected mobility; climate resilience of cities and infrastructure; new forms of work; digitalisation of the construction and operation value chain; and artificial intelligence. This exploration contributes to forming a vision shared by the Group's various business lines and helps create experiments spanning several VINCI entities.

Meanwhile, Leonard has welcomed its second group of VINCI intrapreneurs. Group employees are encouraged to submit innovative ideas. The most promising projects are incubated and then accelerated along a customised pathway. Fourteen intrapreneurs promoting nine ideas benefited from this programme in 2018. Their projects involve areas ranging across the circular economy, new funding methods, worksite imaging and robotics. Several of these have already led to the creation of business units or the launch of new activities in Group companies. The projects submitted by the third group of intrapreneurs were selected at the end of 2018.

Multiple initiatives in the Group business lines and companies

Alongside Leonard's cross-business initiatives, the Group's business lines and companies apply innovation policies related to their own sphere of activity. VINCI Concessions is developing innovative services to improve customer pathways through the airports and transport infrastructure it manages. VINCI Energies, with its Factory, and VINCI Autoroutes, with its Digital Factory, each have had their own innovation structures for several years. While still relying on its international research centre, Eurovia encourages participative innovation through its new Eureka platform open to all employees. VINCI Construction's innovation policy promotes the transformation of design and construction methods using digital technology and the development of new processes and materials with environmental value added, especially in the concrete business.

At the Group level, the VINCI Innovation Awards stimulate creativity within the businesses by rewarding employee initiatives to continuously improve methods, production techniques and implemented solutions. VINCI also promotes open innovation by encouraging its companies to combine internal and external expertise through partnerships with startups and research institutions. It buys stakes in innovative companies, in particular through VINCI Energies' Inerbiz fund, to further support innovation.

Tools for urban innovation

Cities and their changing landscape have long been a subject of research and innovation for VINCI.

- Begun in 2008, the scientific partnership with VINCI-ParisTech for the Eco-design of Buildings and Infrastructure Chair was renewed in 2018 for a further five years. VINCI's businesses provide a fertile experimentation ground and extensive data for the Chair's researchers. Their work mainly focuses on building energy performance, biodiversity in cities, and sustainable mobility.
- La Fabrique de la Cité is a VINCI initiative think tank on urban innovation and recognises pioneering initiatives in this field. Capitalising on its installation at Leonard:Paris, La Fabrique organised around 20 events throughout the year, while still pursuing its international activity (Learning Expedition in Pittsburgh, seminar in Vienna on urban quality of life beyond labels), and its collaboration with cities in France (intermediate mobility workshop in Toulouse, panel discussion in Bordeaux on affordable housing, etc.) and abroad.
- VINCI and its companies also participate in collective initiatives to develop more sustainable cities. For example, the Group leads the "Rêve de scènes urbaines" (dream of urban scenes) demonstrator, involving some 60 stakeholders in a collaborative innovation approach with public partners in Plaine Commune outside Paris. VINCI Energies is a member of the SmartMagne initiative, which won the "Industrial demonstrators for the sustainable city" call for projects to trial renewable energy generation and self-consumption in a rural town.

VINCI: A UNIQUE HISTORY

1891
Creation of Grands Travaux de Marseille (GTM).

1899
Creation of Girolou (power plants and grids, concessions).

1908
Creation, as part of Girolou, of Société Générale d'Entreprises (SGE).

1946
SGE, heavily involved in electricity until the sector was nationalised after the Second World War, moves into building and civil engineering.

1966
Compagnie Générale d'Électricité acquires control of SGE.

1984
Compagnie de Saint-Gobain becomes SGE's majority shareholder.

1988
Saint-Gobain sells its interest in SGE to Compagnie Générale des Eaux.

1990s
Several acquisitions in the United Kingdom, Germany and Central Europe make SGE a European player.

1996
SGE reorganises into four core businesses: concessions, energy, roads and construction.

2000
Vivendi (formerly Compagnie Générale des Eaux) completes its withdrawal from SGE's share capital. Friendly takeover bid by SGE for Groupe GTM: merger of SGE-Groupe GTM to create **VINCI**.

2002
VINCI enters the CAC 40.

2006
VINCI acquires Autoroutes du Sud de la France (ASF), the biggest French motorway conces-sion operator, from the government.

2007
Acquisition of Soletanche Bachy and Entrepose Contracting, specialist companies with international coverage.

2010
VINCI acquires Cegelec and Faceo in energy and facilities management.

2013
VINCI speeds up its development in airport concessions by taking over Portugal's 10 airports.

2014
VINCI opens up the capital of VINCI Park to new partners and sold this business in 2016.

2018
VINCI continues its international expansion in airport and motorway concessions, and in all Contracting business lines.

A FURTHER INCREASE IN DIVIDEND

A mixed performance in a volatile market

Having reached the record high of €88.56 at market close on 9 January 2018, VINCI's share price was €72.02 on 31 December 2018, down 15% year on year, ranking its performance twenty-first in the CAC 40. Our share underperformed the CAC 40, which fell 11%. However, its performance was in line with that of the Euro Stoxx 50 (down 14%) and it outperformed the Stoxx Europe 600 Construction & Materials sector index (down 19%).

The financial markets were volatile throughout the year, with a downward trend during the last quarter. This was due to the high level of investors' risk aversion on the back of fears of a global economic slowdown and, in particular, the trade war between China and the United States, and political uncertainties in Europe. The decline in VINCI's share price was also attributable in part to the social unrest in France at the end of the year, which adversely affected VINCI Autoroutes' business.

At 31 December 2018, VINCI ranked thirteenth in the CAC 40 with a market capitalisation of €43 billion*.

A broadly positive performance for shareholders over the long term

In absolute terms, VINCI's share price has increased 140% over the past 10 years, while the CAC 40 index recorded 47% growth. Regarding overall profitability, a VINCI shareholder who invested €1,000 on 1 January 2009 and reinvested all dividends received would have had an investment of €3,550 on 31 December 2018, representing an average annual return of 13.5%.

Over the past five years, VINCI's share price increased 51% while the CAC 40 recorded 10% growth over the same period. A VINCI shareholder who invested €1,000 on 31 December 2013 and reinvested all dividends received would have had an investment of €1,774 on 31 December 2018, representing an average annual return of 12.1%.

Dividend: €2.67 per share, up 9%

Since 2006, the year VINCI acquired ASF, the same dividend policy, consisting of distributing 50% of our consolidated net income, has been applied consistently. In accordance with that policy, the Board of Directors at its meeting on 5 February 2019 decided to propose to the Shareholders' General Meeting of 17 April 2019 a total dividend of €2.67 per share in respect of 2018, a 9.0% increase on the previous year. This represents a return of 3.7% on the share price at 31 December 2018. After deducting the interim dividend of €0.75 paid on 8 November 2018, the final dividend to be paid in cash on 25 April 2019 would be €1.92 per share if approved by the Shareholders' General Meeting. The dividend has increased by an average of 5% a year over the past 10 years.

An international and diversified shareholder base

At 31 December 2018, 72.4% of VINCI's share capital was held by around 500 investment funds located in France, North America, the United Kingdom, the rest of continental Europe and Asia-Oceania. At that same date, Qatar Holding LLC, which became a VINCI shareholder in 2010 through Qatari Diar Real Estate Investment Company, held 3.7% of our share capital (3.8% at 31 December 2017).

VINCI employees: the Group's biggest shareholder

Employee savings funds group together some 130,000 former and current Group employees, of which 105,000 are based in France. These funds owned 9% of VINCI's share capital at 31 December 2018, making our employees our biggest shareholder. An estimated 165,000 individual shareholders, excluding employee savings funds, accounted for 7.7% of our share capital at the same date. Lastly, treasury shares represented 7.2% of share capital at 31 December 2018.

INDIVIDUAL SHAREHOLDERS

Supporting a Group that combines economic success with human goals

Choosing to be a VINCI shareholder means supporting the driving force of a robust model based on the growth – in France and internationally – of two complementary businesses: Concessions and Contracting.

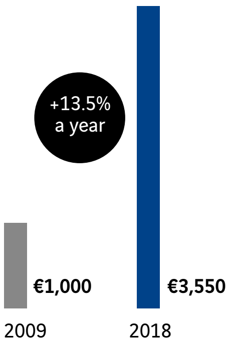
The VINCI Ambassador Network

In 2017, we launched the VINCI Ambassador Network, which aims to extend the special relationship we have with our individual shareholders by giving them the opportunity to be selected as ambassadors and to bring them greater insight into the Group's strategy and corporate values.

** Based on the number of shares at 31 December 2018: 597,515,984.*

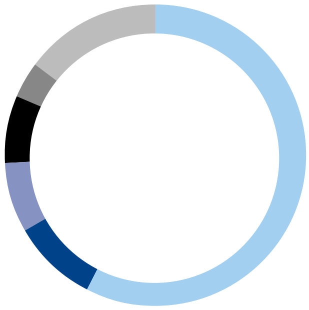
RETURN ON INVESTMENT IN VINCI SHARES OVER 10 YEARS

A VINCI shareholder who invested €1,000 on 1 January 2009 and reinvested all the dividends received would have had an investment of €3,550 on 31 December 2018. This represents an annual return of 13.5%.



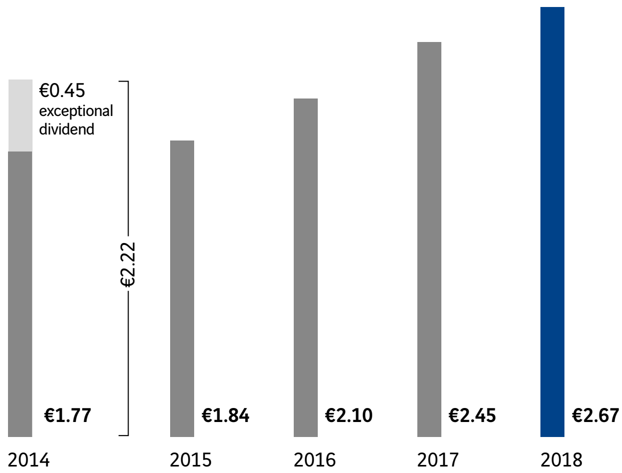
SHAREHOLDER BASE

- Institutional investors – outside France 57.7%
- Employees (savings plans) 9.0 %
- Individual shareholders 7.7 %
- Treasury shares 7.2 %
- Qatar Holding LLC 3.7%
- Institutional investors – France 14.7%



DIVIDEND PER SHARE UP 9%

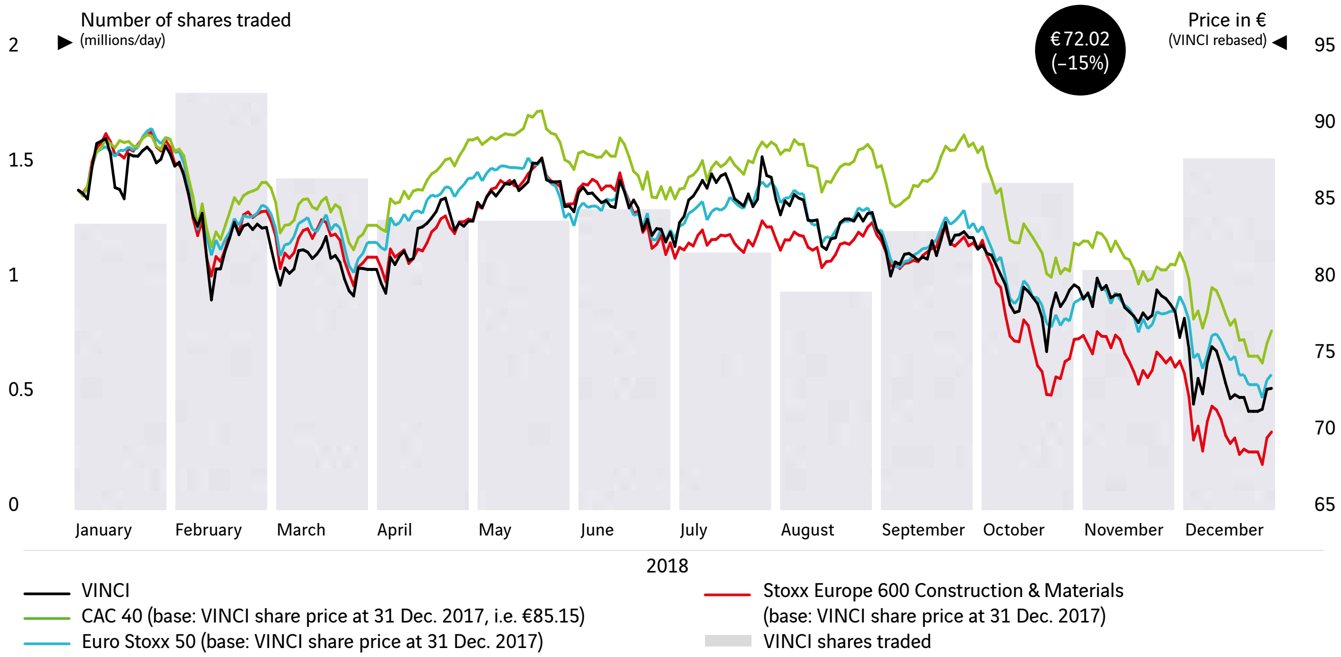
The dividend proposed to the Shareholders' General Meeting of 17 April 2019 in respect of 2018 is €2.67 per share, a further increase compared with 2017.



VINCI SHARE PERFORMANCE AND AVERAGE DAILY TRADING VOLUME

Market capitalisation at 31 December 2018: €43 billion based on a price of €72.02 per share, ranking VINCI thirteenth in the CAC 40.

Between 31 December 2017 and 31 December 2018, the VINCI share fell by 15% while the CAC 40, Euro Stoxx 50 and Stoxx Europe 600 Construction & Materials indexes declined 11%, 14% and 19% respectively. In 2018, a daily average of 1.3 million shares was traded on the Euronext market.



WEBSITE AND SHAREHOLDER PUBLICATIONS

Our website features special pages for individual and institutional investors under the "Shareholders" and "Investors" tabs. Real-time share price, results, financial calendar, press releases, shareholder publications (in French only), videos and more: our www.vinci.com website keeps you connected to the Group's news.

SHAREHOLDER RELATIONS DEPARTMENT

1 cours Ferdinand de Lesseps
92851 Rueil Malmaison Cedex, France
Individual shareholders – Tel: 0 800 015 025
(freephone from a landline in France)
Institutional investors – Tel: +33 1 47 16 45 07/33 46

In 2018, four individual shareholders and two employee shareholders were invited to participate in the debate on VINCI's role and challenges in society, discuss issues with VINCI's top management and help to teach current and future shareholders about the Group. They also contributed on some editorial messages and took part in key events.

Clear, transparent information

Under the pact of trust that binds VINCI to its individual shareholders, transparency and knowledge-sharing are fundamental. Our Shareholder Relations Department strives constantly to improve the way we keep individual shareholders informed so that they better understand the Group's business activities and news. Means of communication include our website with its dedicated shareholder tab, a freephone number in France, the annual magazine *À plus d'un titre,* and a quarterly e-newsletter.

A dynamic club for individual shareholders to build closer ties

Membership of our Shareholders' Club, which grows every year, stood at almost 22,000 on 31 December 2018. The club organises exclusive events for its members.

In 2018, around 20 such events were organised, including six cruises to discover VINCI's business activities through its constructions in Paris, Marseille and Bordeaux.

The Shareholders' Club also organised the sixth "In private with VINCI" competition in 2018. The five winners were invited to meet the Group's senior executives. Meetings of this type foster face-to-face discussions in a relaxed atmosphere and enable individual shareholders to better understand VINCI's strategic priorities, outlook and performance. More than 9,000 shareholders have taken part in this competition since its creation.

In 2018, almost 3,000 Shareholders' Club members participated in the various events.

E-meeting with shareholders: a modern, more accessible format

Launched in 2017, the e-meeting features a new, short format, enabling VINCI shareholders to attend directly from their computer.

In 2018, an e-meeting was hosted by Christian Labeyrie, executive vice-president and chief financial officer, to present the Group's performance, challenges and news. Mr Labeyrie also answered shareholders' questions submitted prior to the meeting.

INSTITUTIONAL INVESTORS AND FINANCIAL ANALYSTS

VINCI's senior management and investor relations team keep the financial community informed of the Group's developments and financial performance throughout the year. In 2018, they participated in more than 130 events, interacting almost 700 times with 390 institutional investors and sell-side financial analysts.

Apart from the meetings and conference calls set up for the publication of our results, we organised road shows totalling around 30 days in Europe, North America, Asia and Australia. The Group also participated in 10 conferences organised by major financial institutions in Paris, London and New York. In addition, frequent one-on-one meetings at our head office and conference calls were coordinated throughout the year. These actions enable us to keep close, continuous contact with the financial community. The meetings give our senior management the opportunity to present the Group's news, performance, strategy and corporate governance.

In November 2018, we organised a one-day meeting in Marseille and at the Châteauneuf les Martigues quarry to learn more about Eurovia to institutional investors and financial analysts. The meeting emphasised the business line's materials, innovation and recent developments.

At the end of December 2018, we organised a conference call to present and comment on the acquisition of London Gatwick Airport.

Shareholders' Club members can register to participate in exclusive events, such as cruises to explore Marseille, Bordeaux or Paris, and visits to the Group's flagship sites (worksites, quarries, etc.).

Aiming for global performance

VINCI businesses aim to achieve global performance – not just technical, economic and financial, but also social and environmental performance. This approach is an integral part of VINCI's role as an infrastructure developer, as its structures are designed for the long term and have a major impact on regions and their residents' quality of life.

Helping build a sustainable world
As the designer, builder, and operator of infrastructure and buildings that help improve individuals' everyday life and mobility, VINCI has a global view of the life cycle and impact of each structure. It aims to help build a sustainable world by developing the most efficient social and environmental solutions in response to issues raised by economic, ecological and technological change.
To do that, VINCI and its companies work to promote innovation throughout the value chain of their businesses.
Also, because its structures are in the public interest, the Group understands that listening to and dialoguing with project stakeholders are crucial in carrying out its business.

Challenges, opportunities and commitments
Urban development, digital transition, climate change, economic transformation and new uses: VINCI's businesses echo the major changes taking place in our contemporary world. These challenges are analysed and mapped at Group level *(see table opposite)*, and are the subject of research at its forward-looking platforms (Leonard, Fabrique de la Cité, Eco-design of Buildings and Infrastructure Chair).
They are also studied and assessed at the level of the Group's business lines and companies, which compile their own maps.
Through its expertise and ability to integrate knowledge as investor, builder, manager and service operator, VINCI views these challenges as opportunities to grow its businesses. Aware of the long-term scope of these challenges, the Group also makes solid commitments to its customers, employees and all its other stakeholders. By applying its vision of global performance, these commitments cover all aspects of its corporate responsibility.

The VINCI Manifesto
These commitments are charted in the VINCI Manifesto which, since 2012, has been the foundation for the Group's sustainable development actions. Published in around 20 languages, the Manifesto applies to all VINCI entities worldwide. The application of its commitments is regularly monitored *(see the Report of the Board of Directors in this document)*. The operational entities use the Advance platform to guide them in implementing these commitments. Advance allows them to conduct self-assessments in each Manifesto topic, to measure their level of maturity in each area, and to implement the appropriate action plans.

Shared framework and decentralised application
VINCI's sustainable development policy is overseen by the Executive Committee and led by a specific delegation working directly with all the operational and functional units, as well as with numerous external stakeholders, including economic, institutional, non-profit and scientific organisations. VINCI's Board of Directors has created a Strategy and CSR Committee which ensures that social and environmental issues are integrated into Group strategy *(see page 10)*. Given VINCI's decentralised organisation, each entity is responsible

for establishing its sustainable development guidelines and targets within the shared framework defined by the Group, and in line with its own business and challenges. Quarterly sustainable development committee meetings bring together representatives from all business lines and divisions to encourage the dissemination of experience and best practices throughout the Group's various entities.

A recognised policy
VINCI's actions to promote sustainable development are recognised by socially responsible investors and non-financial rating agencies. In 2018, the Group maintained its position in the DJSI (Dow Jones Sustainability Index) World benchmark. The 2018 survey for the Carbon Disclosure Project assigned an A- rating to VINCI for its carbon strategy. The international agency Vigeo Eiris gave the Group a score of 58.

A profound impact on businesses
To more clearly define its sustainable development commitments, the Group updated its non-financial risk map in 2018. Supplementing the Group's prior risk analysis *(see page 172 of the "Risk factors and management procedures" chapter)*, this exercise identified the main challenges facing the Group. The risk mapping process involved several stages, from defining the objectives for each business line through interviews with internal and external stakeholders, to deciding where action is needed most. The Group identified five priorities, which are presented in the table below. The policies implemented by the Group to address these issues are explained throughout this document.
The scope of the policies, results and indicators presented aligns with the scope of its own operations (including subcontracting), where most risks are concentrated. The Group's operations are very often integrated. That means a crucial part of the value chain is found at worksites and operating sites. However, the challenges and commitments presented below also apply upstream and downstream in the value chain.

INNOVATION

VINCI's sustainable development commitments comply with the Universal Declaration of Human Rights, the Guiding Principles of the Organisation for Economic Cooperation and Development (OECD) and the International Labour Organisation (ILO) standards. They are in line with the ISO 26000 international standard and comply with the 10 principles of the United Nations Global Compact, which VINCI signed in 2003. This policy also includes the Sustainable Development Goals adopted by the United Nations General Assembly and which came into effect on 1 January 2017.

Challenge	Analysis	Risks	Opportunities	VINCI Manifesto Commitments
Demographic change in urban areas	In 2030, 60% of the population will be living in cities, mostly in developing countries. Citizens are involved in development projects.	Increasingly large projects in complex international environments.	Leveraging VINCI expertise in consultation with regional stakeholders.	• Together! Design and build. • Together! Comply with ethical principles.
Digital transition	Data mining and the development of artificial intelligence and new technologies bring new solutions for development projects.	New players from the digital economy are positioning themselves on construction markets.	Technological progress allows us to develop new products and solutions and strengthen safety practices.	• Together! Design and build. • Together! Strive for zero accidents.
Climate change	Population growth and climate change are depleting resources and damaging environments.	The scarcity of raw materials and fragility of natural environments threaten project advancement.	Eco-design brings new solutions throughout project life cycles.	• Together! Promote green growth.
Economic transformation	The number of innovative companies is exploding, and the functional and sharing economy are transforming work methods.	VINCI businesses operate within a timeframe that may be disrupted by new business relations and working methods.	The diversity of the Group's businesses and its employees' expertise broaden potential for a wide range of partnerships.	• Together! Foster equality and diversity. • Together! Promote sustainable careers.
New uses	Societies seek out individual and collective well-being with the belief that urban development must also contribute to health and quality of life.	Solutions targeting user well-being and quality of life are believed to carry additional costs on projects.	The Group's social commitments to contribute to local development and civic responsibility are real advantages.	• Together! Design and build. • Together! Engage in civic projects.

Creating the best work and safety conditions

VINCI MANIFESTO COMMITMENT

"We reject the idea that workplace accidents are unavoidable and we commit to the zero accidents objective."

VINCI believes that preventing the potential health and safety risks for employees that are caused by its businesses is an absolute priority. The Group health and safety policy aims to anticipate and prevent workplace risks, including psychosocial risks, monitor workplace health and safety conditions and quality of life, and ensure that employees who have been victims of workplace accidents or occupational illnesses find alternative employment within the Group. In the workplace, the zero accidents objective is a target for all teams – Group employees, subcontractors' employees and temporary staff. A growing number of companies are working on finding ways to improve workplace quality of life and defining relevant action plans. VINCI also acts to ensure the safety of users of its infrastructure, especially motorway networks and airports.

Safety policy and performance

Under the authority of VINCI's Executive Committee, the health and safety policy is implemented through a coordinated approach involving all Group safety officers. The work carried out in 2018 focused on disseminating safety guidelines and analysing near misses. These actions help reduce the number of accidents by analysing the underlying causes, and helping promote an everyday culture of safety.

To improve the way organisational and human factors are taken into account in safety, VINCI is involved in research programmes led by France's Institute for an Industrial Safety Culture (ICSI) on ensuring safety in the future.

Safety efforts have produced tangible results. At Group level, the frequency of lost-time workplace accidents has declined from 7.77 to 6.10, and the severity rate from 0.50 to 0.42 over the past five years. In 2018, 72% of VINCI companies reported no lost-time workplace accidents, compared with 66% in 2013.

Safety management and training

Managers regularly receive safety management training, and are evaluated based on their safety practices and performance. They encourage the organisation of annual safety events and awareness actions involving a large number of employees. In 2018, VINCI Energies and VINCI Construction held World Safety Week.

Digital tools are used increasingly often to improve employee safety. VINCI Energies continued its Eveil (Awareness) approach that encourages sharing of information about risk situations using a variety of means such as smartphones. Eurovia has developed its Notify app specifically to report near misses. VINCI Autoroutes has tested several innovative solutions to reduce motorway employees' exposure to risks when working on the network: vehicle detection systems using on-board cameras and warning messages sent to motorway users' smartphones to indicate the presence of nearby agents.

Several Eurovia, VINCI Energies and Soletanche Bachy (VINCI Construction) business units have tested a virtual reality training module on safety and risk reduction. This method allows the trainees to identify and memorise dangerous situations more quickly.

Among other actions, VINCI Construction France has boosted its "workstation briefing" campaign to promote anticipation, accountability and collective action in preventing worksite risks.

Health and quality of life in the workplace

Group companies pay close attention to the health of their employees. In Cambodia, for instance, VINCI Airports created a health centre for Phnom Penh airport employees and their families in 2017. With a capacity of 4,000 people a year, the centre provides healthcare and advice about diet, health and physical activity.

To reduce risks for employees caused by carrying heavy loads, two prototypes of stress assistance robots have been tested by Eurovia's Montesson site outside Paris. This experiment may be extended to include the use of exoskeletons to spread asphalt road mixes manually.

PERCENTAGE OF VINCI COMPANIES WITH NO LOST-TIME WORKPLACE ACCIDENTS

2013
66%

2018
72%

LOST-TIME WORKPLACE ACCIDENT FREQUENCY RATE

2013
7.77

2018
6.10

Collaboration with partner companies

When VINCI companies act as programme manager or general contractor, safety is a fundamental criterion in selecting partners. Safety is also an integral prerequisite in relations with subcontractors, in particular by sharing guidelines and best practices that often go beyond regulatory requirements.

Eurovia and VINCI Autoroutes were singled out at the 2018 Safety Together Awards organised by the French Institute for Roads, Streets and Mobility Infrastructure (IDRRIM), France's Organisation for Prevention of Occupational Hazards in the Construction Industry (OPPBTP) and the French national road association, Routes de France, for their partnership safety initiatives.

VINCI Energies has brought in startups specialising in health and safety to develop new safety systems, especially for incident analysis tools and crew protection on the ground.

Customer involvement

Safety programmes also target Group customers. The VINCI Autoroutes Foundation for Responsible Driving has continued its work on improving responsible driving and raising awareness about risks related to distracted driving, the main cause of fatal accidents on motorways.
For the 18th annual World Sleep Day, it renewed its partnership with France's National Institute of Sleep and Alertness to draw attention to sleep deprivation in the 15 to 24 age group. In partnership with the French radio station RTL and the Sleep Centre at Raymond Poincaré University Hospital in Garches, near Paris, an experiment was conducted to assess the risks relating to driver drowsiness and distraction under actual driving conditions on long trips. Following on from a study conducted in 2017 on the biological identification of drowsiness, tests were run on 400 volunteer drivers at the start of the summer holidays at a rest area on the A7 motorway.

Bitumix, a Eurovia subsidiary in Chile, ran a driver road safety campaign to reduce employees' exposure to dangers when conducting roadworks.

Acting for green growth

VINCI MANIFESTO COMMITMENT

"We commit to reducing our greenhouse gas emissions by 30% by 2020, to supporting our customers in their quest for better energy efficiency and to encouraging their adoption of an environmentally responsible approach."

VINCI factors the environment into each step of the projects it carries out, with a broad perspective that aims to reduce their footprint across the life cycle of structures. The Group develops solutions that help improve people's living conditions in cities and regions, while at the same time responding to major environmental challenges.

Environmental policy

VINCI's environmental policy is based on its Executive Committee's commitments. Steered by the Sustainable Development Committee, this policy is based on strengthening the accountability of operational staff at each company and openly engaging with governments and environmental protection organisations.

VINCI's business activities impact the natural environment, causing nuisances and even pollution. Its companies continually strive to improve their practices in order to avoid or minimise these impacts. Responding to these challenges, they engage in environmental certification processes and internal labelling for their worksites.

VINCI has structured its programme to improve its environmental footprint into three parts: energy and climate, circular economy, and water and natural environments. The work undertaken in 2018 on these issues will, in 2019, lead to new commitments for 2030.

Reducing internal and customer emissions

Group companies take many initiatives to reduce their energy consumption, the main source of greenhouse gas emissions, by applying energy efficiency solutions and using renewable energy. For example, all VINCI Airports sites are involved in the Airport Carbon Accreditation (ACA) programme. Lyon-Saint Exupéry Airport in France renewed its top Level 3+ certificate in 2018, while Kansai and Osaka Itami airports in Japan obtained Level 3 accreditation.

VINCI companies develop solutions to help their customers reduce their own environmental impact. Oxygen®2 is an eco-design solution developed by VINCI Construction France and VINCI Facilities (VINCI Energies) that simulates efficient energy performance for a building throughout its life cycle from design and throughout operation. In 2018, VINCI Construction France

participated in the new E+C– (for Énergie positive et réduction Carbone) certification programme, with test projects to build energy-positive, low-carbon buildings in line with France's future 2020 environmental regulations. Work was also carried out by VINCI Construction France to develop techniques to determine and monitor air quality inside its buildings, and by VINCI Energies to measure air quality in major urban areas in cooperation with the startup Clarity.

To further promote the use of renewable energy, some Group entities are engaged in promoting renewables internally and externally. In the Dominican Republic, VINCI Airports introduced a programme to install photovoltaic farms at its airports that will provide 20% of their electricity needs. VINCI Energies companies leverage their expertise to play an active role in developing renewable energy production sites (solar and wind power), as well as electric mobility solutions. Eurovia has developed Power Road®, an innovative system that captures solar thermal energy and stores it in geothermal probes then releases it to de-ice the carriageway or heat nearby buildings.

Materials and the circular economy

VINCI companies have developed solutions to manage materials from their source to their reuse. Eurovia is involved in the transition towards a circular economy in its materials production and recycling business.

After two years of research and development, its "fully recycled road" was tested under actual conditions at a motorway resurfacing worksite on the VINCI Autoroutes network.

VINCI Construction France has developed a very low-carbon concrete to improve the environmental impact of its structures while keeping ahead of regulatory changes.

Modular building design aims to repurpose buildings without having to demolish and rebuild them. VINCI Immobilier is working to transform the Universeine site – a former industrial wasteland – in Saint Denis outside Paris into temporary accommodation for the 2024 Olympic Games and then develop the area into a new eco-neighbourhood.

Biodiversity conservation

Biodiversity conservation is central to the Group's environmental approach. Its companies implement a suite of measures to avoid and minimise the impact of their businesses on natural species and environments. In cases where these impacts cannot be avoided or reduced, the residual effects are offset using specific ecological restoration measures. Such is the case on linear infrastructure worksites. VINCI Autoroutes is one of the leading ecological engineering programme managers in France, investing more than €150 million in biodiversity conservation on its network over the past eight years. New wildlife crossings were built in 2018.

Biodiversity measures implemented are closely monitored. In 2018, VINCI Airports introduced a biodiversity assessment tool at several airports. LISEA, the concession company operating the South Europe Atlantic high-speed rail line, achieved very positive results from its ecological monitoring along the line, which opened to traffic in 2017.

Ecological engineering is a key area of expertise of VINCI Construction (Equo Vivo brand) and of Eurovia (Cognac TP and Sethy subsidiaries).

Working with Eurovia, France's Natural History Museum developed an environmental quality index (IQE) specifically for the quarry business, making it easier to measure the effectiveness of biodiversity management initiatives and methods.

Employee and customer awareness

Group companies have developed training and awareness modules about the environmental issues they face. Their employees have easy access to this training, with a total of 36,967 hours provided in 2018.

All VINCI Autoroutes rest areas are equipped with waste sorting bins. Each year, VINCI Autoroutes runs campaigns encouraging its customers to use them and more generally to adopt eco-responsible behaviour. An Ipsos survey for VINCI Autoroutes in 2018 showed that one-third of the French still throw rubbish out their car window.

In France, VINCI Energies manages 110 energy performance contracts on behalf of municipalities of various sizes. By renewing their urban lighting equipment and systems, they have achieved ambitious electricity consumption reduction targets.

GREENHOUSE GAS EMISSIONS

2009
71
tCO_2eq/€m of revenue

2018
53
tCO_2eq/€m of revenue

2020 target

50
tCO_2eq/€m of revenue

ENERGY INTENSITY

2013
226
MWh/€m of revenue

2018
190
MWh/€m of revenue

Engaging in an ethical and long-term relationship with regions and stakeholders

VINCI MANIFESTO COMMITMENTS

"We commit to ensuring total transparency in our own practices and in those of our subcontractors."

"We commit to promoting outreach and consultation in conducting our projects to ensure that our partners are closely involved."

As stakeholder buy-in is increasingly vital to the success of projects, VINCI makes consultation a key focus of project implementation within a co-construction approach with regional stakeholders. All projects are conducted in accordance with ethical principles and the protection of human rights, both of which are intangible imperatives for the Group.

Relations with stakeholders

In regions, dialogue begins in the earliest project stages with numerous local partners (business organisations, non-profits, government services, local residents, etc.). During the works phase, it is increasingly common to create specific positions for consultation managers who develop close relations with local residents, and organise dialogue and information platforms. Concession companies continue these local relations after the works have been completed, when the operation teams take over from the construction teams.

To improve stakeholder acceptance of projects, VINCI companies develop tools to analyse their socioeconomic impact. An observatory created by the concession company LISEA during the construction of the South Europe Atlantic high-speed rail line between

Tours and Bordeaux, was tasked with analysing the effect on employment, the economy and mobility practices in the regions served for a period of 10 years following the line's opening. Tools of this type are also used to develop proposals for public tenders, such as for the Grand Paris Express projects. Stakeholder relations are also discussed in the sections covering the activities of the Group's business lines.

Ethics and vigilance

Extending its Manifesto commitments, VINCI is developing new ways to promote and implement ethical principles in its activities. At the Group level, the Code of Ethics and Conduct was revised in 2017 in order to adapt it to the French law relating to transparency, anti-corruption measures and the modernisation of economic life, referred to as the Sapin 2 law. Applicable since 2010 in its initial version, this Code sets out the rules of conduct applicable to all Group companies and employees, who undertake to abide by its provisions when hired. It is additional to the Anti-corruption Code of Conduct, which explains the Group rules in this area by identifying the risks and detailing behaviour to avoid.
These two documents have been translated into 26 languages and were featured in a new communication campaign in 2018. They are now available to more than 99% of VINCI employees in the official language of their respective country. Additionally, many entities have created their own internal standards and ethics training programmes.

The Group has a whistleblowing system enabling all employees to report serious breaches of ethics rules and commitments, in complete confidentiality. The process for monitoring ethical conduct is now coordinated at the Group level by an Ethics and Vigilance Department, which reports to the Executive Management. The Ethics and Vigilance Committee, created in March 2018, is responsible for rolling out vigilance systems within the Group. The Ethics and Vigilance Club brings together legal affairs managers from all business lines, the head of Internal Control and head of Ethics and Vigilance to monitor legislation regarding ethics and help share best ethics and vigilance practices.

Respect for human rights

As a Global Compact signatory in 2003, VINCI has undertaken to support and promote human rights within its sphere of influence and to make sure that the Group companies do not become complicit in any violations of these rights. VINCI continuously strengthens its human rights protection systems by guiding its companies in understanding these issues and developing operational solutions.
This programme is steered by the Human Resources and Sustainable Development Department, in liaison with committees established to oversee ethics and human rights issues.

As part of this work, VINCI has identified five areas of vigilance that cover the complete project cycle: hiring practices and labour migration, working conditions, housing conditions, subcontractors' human rights practices, and relations with local communities. VINCI's Guide on Human Rights, widely distributed within the Group and translated into 21 languages, sets out guidelines applicable to all its companies whatever their business or location.

Following on from the distribution of these guidelines, additional risk assessment tools were tested in 2018. An awareness tool designed for employees was also developed to provide concrete answers adapted to the various operational environments to take into account the local context.

After signing a framework agreement in 2017 in Qatar with the international trade union BWI concerning the rights of workers on worksites operated by QDVC, the subsidiary cooperated with the local office of the International Labour Organisation in this country as part of a test project aimed to develop a migration corridor without hiring costs for workers between Qatar and Bangladesh.

VINCI is a founding member of the Building Responsibly collaborative initiative promoting workers' rights in the construction industry and is a member of the steering committee of the Leadership Group for Responsible Recruitment. In France, VINCI has joined the "Entreprises pour les droits de l'homme" (Companies for human rights) non-profit.

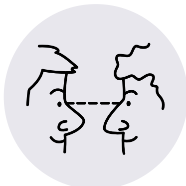
CODE OF ETHICS AND CONDUCT: DIRECT RECIPIENTS WHO HAVE ACKNOWLEDGED RECEIPT

2018
98%

KEY STAKEHOLDERS

Customers and users

Employees



Financial community

Suppliers and subcontractors

Civil society

Encouraging teams' professional fulfilment

VINCI MANIFESTO COMMITMENTS

"We commit to proposing training and job mobility opportunities for all our employees in order to promote sustainable employability while sharing the benefits of our performance."

"We commit to diversifying our management staff to include more women and people of diverse origins and to supporting the civic engagement of our employees."

VINCI implements a human resources policy aimed at recruiting and retaining talent within the Group. At 31 December 2018, it had 211,233 employees worldwide. Employee training, sharing the benefits of performance as well as initiatives to encourage diversity, integration and civic engagement are included in the commitments to employees expressed in the VINCI Manifesto. They are all aspects designed to attract and develop the Group's human resources. The application of the Group's human resources policy is based on the commitments made by the Executive Committee and is steered by the Human Resources Department. Since 2010, the Group has operated a development programme for its human capital adapted to the management of jobs and skills to support VINCI's growth, especially outside France.

Employee upskilling

Attracting and retaining talent are crucial issues in the context of the Group's development. Driven by the upturn, in 2018 its companies ran numerous recruitment operations backed by a VINCI employer brand campaign on social networks. The core essence of the message is to emphasise human qualities that reflect the values and managerial vision of the Group, which puts people ahead of systems.

VINCI employees benefited from around 3.8 million hours of training in 2018, an average of 19 hours per employee. This training is in part provided by internal centres in order to pass on the technical and cultural fundamentals of the various Group companies. For example, Omexom (VINCI Energies) created two new centres in Africa and Brazil in 2018. Digital technology is used to speed up this approach by enabling remote upskilling as international business grows. The VINCI business lines expanded their e-learning websites in 2018. Company social networks also promote the sharing of best practices and the development of expertise.

Some courses are designed to facilitate internal mobility and thereby retain expertise acquired within the Group. Within the context of the changing motorway businesses, numerous VINCI Autoroutes employees took advantage of a "bridge" programme towards new businesses or functions within the company, providing them with a comprehensive support pathway. VINCI Facilities (VINCI Energies) created the Institute of Facilities Management to support its teams as they adapt to the far-reaching changes to their businesses. In 2018, nearly 80 VINCI Construction France employees benefited from an intensive training course to obtain a professional qualification recognised by the French Ministry of Labour.

In keeping with their international growth, VINCI companies provide their employees with support programmes to encourage mobility in line with their career path. VINCI Mobility also facilitates the international careers of VINCI Construction employees by providing them with long-term employment contracts and continuous welfare protection when they change country, subsidiary or worksite assignment.

Sharing the benefits of performance

Employee engagement is in particular encouraged by a series of programmes that involve them in the economic performance of their company and the Group. In France, almost 97% of employees benefited from profit-sharing and/or incentive plans in 2018. VINCI also has an employee savings plan, called Castor, which has garnered strong and continuous support since it was introduced in 1995, confirming employees' trust in their Group. At the end of 2018, more than 130,000 employees and former employees around the world were VINCI shareholders through employee savings plans. Collectively, they owned 9% of the company's share capital, making them VINCI's leading shareholder.

Diversity

VINCI is convinced that diversity of profiles is a source of value for the company. Its entities are committed to promoting equal opportunity and preventing any form of discrimination

in the course of their business activities. The diversity network, which leads the Group's diversity policy, now has 288 members, up from 208 in 2017.

The percentage of women managers was 19.9% at the end of the year. The 25% target for 2020 has been exceeded for some years in the Concessions business and at VINCI Immobilier. To increase the number of women in management, the Executive Committee has set a target to double the number of women acting on management and executive commit-tees at VINCI business lines and divisions within the next two years. Steps to reach that target include changes to the internal promotion process. A partnership has been established with the Elles Bougent non-profit organisation, which aims to encourage women into the engineering professions. Group companies also conduct specific actions, such as the open days for female students organised by the VINCI Construction subsidiaries in Central Europe.

There were 3,982 employees with a disability at the end of 2018. The business outsourced to companies employing a majority of disabled people represented €6.1 million in revenue. In metropolitan France, the Trajeo'h organisation works with Group companies to redeploy and recruit disabled employees. In 2018, it assisted 215 people into a new professional position. Disability awareness campaigns were also run by some companies, in particular Entrepose (VINCI Construction).

Hiring and training young people aged under 25 is one aspect of the Group's diversity policy supported by the culture of tutorship that has traditionally been a feature of its businesses. For example, VINCI Energies designed a specific 24-month training-integration programme for this age group. In the United Kingdom, Eurovia UK has committed to increasing the number of apprentices, mentored students and young graduates to 5% of its total headcount within five years.

Integration of the long-term unemployed

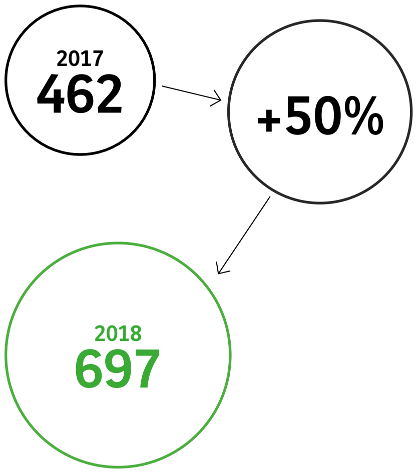
The hiring and training of employees under integration programmes is a specific area of expertise within the Group. It is recognised by customers, in particular because of the integrated social enterprise ViE (VINCI Insertion Emploi). Employees on integration programmes benefit from special support designed to assist with their integration into worksite teams and later, for some of them, employment within Group companies. Support for the long-term unemployed is a major aspect of the Grand Paris Express projects for which a dedicated unit has been created.

With the support of the Fondation VINCI pour la Cité, VINCI Construction France and Ares Group set up the integration company Liva in 2018. This joint venture is tasked with providing worksite logistics services to VINCI companies and will develop further to serve other customers.

Citizenship

Employees' civic engagement helps drive their motivation at their company and within the Group. For over 15 years, the Fondation VINCI pour la Cité has been supporting non-profit projects presented by employees who want to use their skills to help combat social exclusion.

FONDATION VINCI POUR LA CITÉ: NUMBER OF EMPLOYEE SPONSORS



AVERAGE HOURS OF TRAINING PER EMPLOYEE

In 2018, the network of 12 Group foundations worldwide supported a total of 427 projects sponsored by 697 employees.

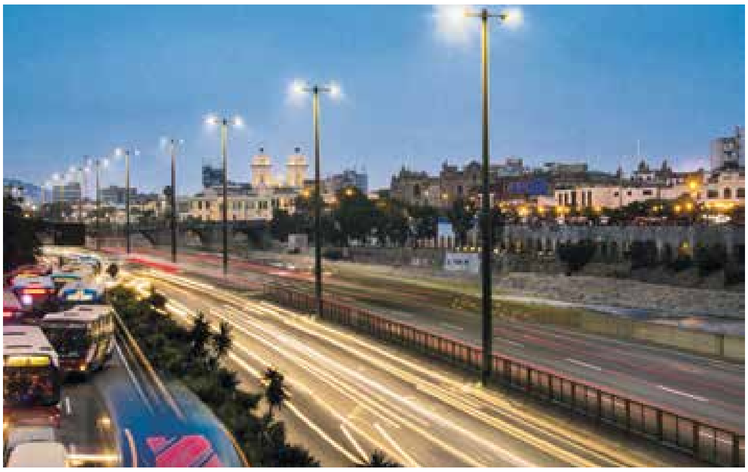
Numerous solidarity initiatives were taken by VINCI business lines and companies together with their employees. Examples include VINCI Autoroutes' assistance for the long-term unemployed, Eurovia's support for underprivileged students, VINCI Stadium's sports events for children receiving care at medical-social centres, Entrepose's participation in fundraising races, and VINCI Energies' drives to collect books and toys.

CONCESSIONS

VINCI AUTOROUTES
VINCI AIRPORTS
OTHER CONCESSIONS

VINCI HIGHWAYS | VINCI RAILWAYS | VINCI STADIUM

Concessions are central to the Group's integrated approach and growth curve. They are also the cornerstone of its recurring revenue and resilience.
In France, the Group is market leader in motorway concessions via VINCI Autoroutes, and in stadiums via VINCI Stadium. VINCI Concessions, meanwhile, operates the South Europe Atlantic high-speed rail line, financed and built by the Group, along with 12 airports, including Lyon-Saint Exupéry and Nantes Atlantique.
In the international arena, VINCI Concessions is driving the development of the Group's concession portfolio, as witnessed by the strong growth of VINCI Airports, now one of the world's top airport operators, and VINCI Highways, which operates in 13 countries in Europe and the Americas.




ASF

VINCI AUTOROUTES

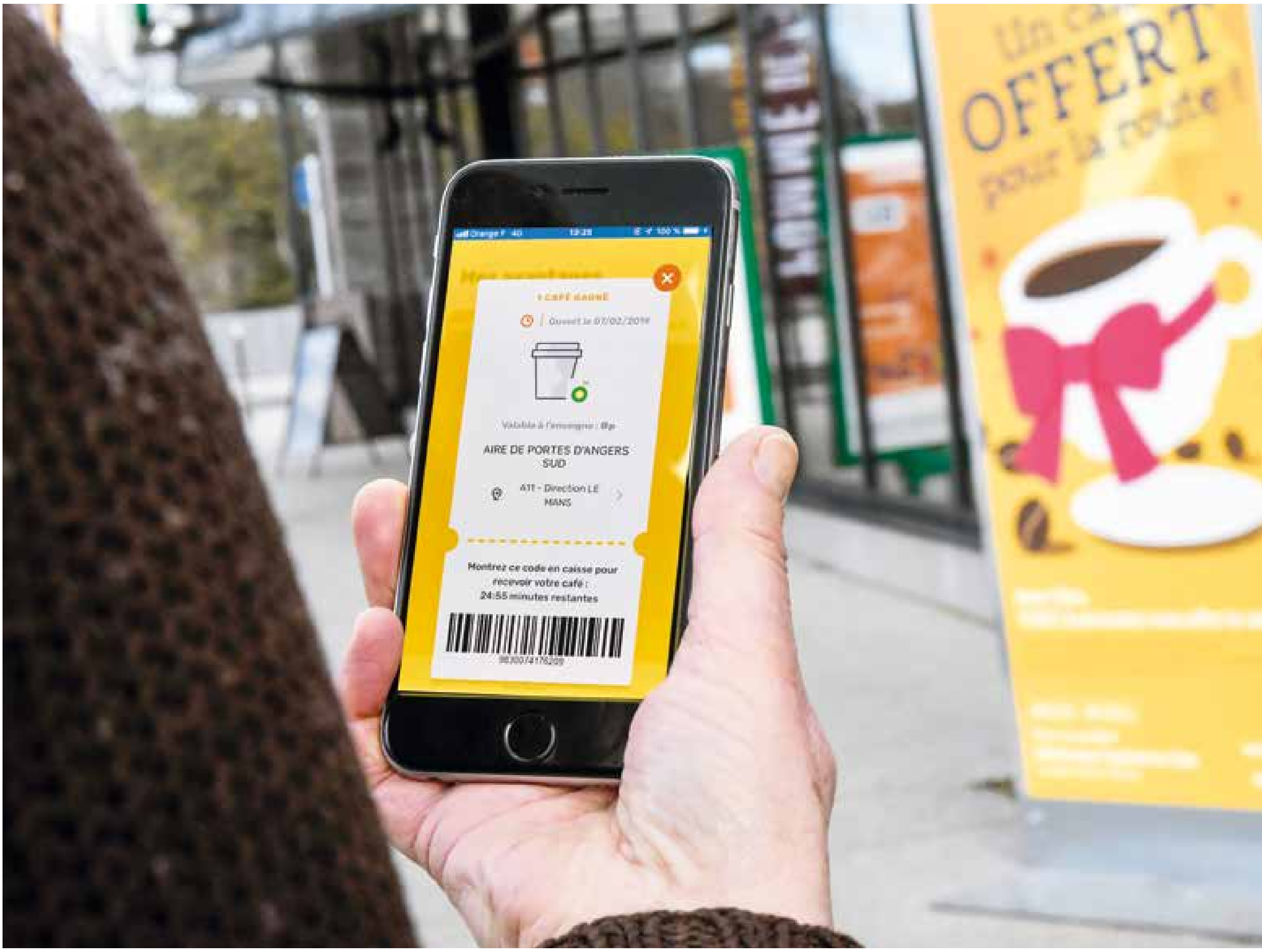
Investing and taking action in mobility services

As a partner to the French government and local authorities, VINCI Autoroutes serves 10 regions in France, 45 administrative departments, 14 major cities, over 100 towns with a population of more than 10,000 and thousands of rural communities located near its motorway network under concession, which measures 4,443 km. By linking regions together and promoting new uses of motorways, VINCI Autoroutes is contributing to the development of inclusive, connected and safe mobility, a catalyst for economic and social cohesion.

ULYS

THE FULL RANGE OF CONNECTED MOBILITY SERVICES AT THE FINGERTIPS

In early summer 2018, VINCI Autoroutes launched Ulys, its smartphone app and consumer services brand. Ulys offers all the digital services people might need before, during and after their journey. For instance, they can manage all toll-related services via a mobile app, benefit from a reward programme at motorway service areas, find a specific retail outlet or service to create the kind of break they want, and check real-time traffic conditions on a dynamic map.




RADIO FM
FM
107.7


IONITY
IONITY
6

SERVICE AREAS
ELECTRIC VEHICLE CHARGING

A total of 126 charging stations were available in the main service areas on VINCI Autoroutes' network in 2018. On top of the 75 set up under the European Corri-Door programme and 24 installed on the initiative of sub-concession companies, the first Ionity high-power charging stations (up to 350 kWh) were rolled out. Twenty-seven of these stations, which give a full charge in under 20 minutes, were installed in 2018 on the A10 and A11 motorways by Easy Charge, a subsidiary of VINCI Autoroutes and VINCI Energies.

CULTURE
READ AND TRAVEL, TRAVEL AND READ

The VINCI Autoroutes Foundation for Responsible Driving gave away 30,000 books to visitors at 25 service areas on the VINCI Autoroutes network between 20 July and 25 August 2018. Launched to inspire people to read, the campaign was sponsored by French author Olivier Rolin, who selected 10 works by classical and contemporary authors. For children, the non-profit "Lire c'est partir" chose two books on travel. The programme had two aims: promote safety by encouraging drivers to take longer breaks, and opening people's minds by facilitating access to culture for all.

INNOVATION

USING ARTIFICIAL INTELLIGENCE TO OPERATE ROADS

The Cyclope project, incubated in VINCI Autoroutes' Digital Factory, uses artificial intelligence to analyse images generated by the cameras installed on the network. Its first application improved the vehicle classification system at toll stations. New visual recognition technologies make it easier to identify vehicles instantly and improve the reliability of transactions. By using this technology to read number plates, VINCI Autoroutes implemented the first free-flow tolls in France at the Tours Nord interchange on the A10 in February 2019. Besides toll systems, artificial intelligence can also be applied to monitoring traffic in real time, for example to perform automatic incident detection. Cyclope.ai, the startup created as a result of the Cyclope project, designs and sells software solutions of this type for infrastructure operators and road managers.

REFURBISHMENT

INVITING PEOPLE TO TAKE A BREAK

VINCI Autoroutes continued its service area upgrade programme, opening 13 newly refurbished areas in 2018. Over a five-year period, a total of 120 service areas have been refurbished. Offering both familiar high-street retail outlets and local products, they encourage people to take longer breaks and are more suited to current consumer habits. The broader range of retail outlets and services goes hand in hand with the refurbishment of buildings and their surrounding areas in order to give greater space to pedestrians and relaxation areas.


Vilnius
Dublin
Tolède
DES PLACES LIBRES ?
LA PROCHAINE FOIS,
PARTAGEZ VOS FRAIS !
BlaBlaCar

Traffic on VINCI Autoroutes' network grew during the first 10 months of the year but that trend then reversed due to the disruption caused by the exceptional social unrest in France at the end of the year. Construction activity was brisk, boosted in particular by the motorway stimulus plan. VINCI Autoroutes continued the digital transformation of its business activities and services. Actions included the launch of Ulys, the new travel companion for motorway users.

ECONOMIC DATA

Traffic and revenue

Traffic on the VINCI Autoroutes network declined slightly (0.5%) in 2018 relative to the previous year due to the social unrest in France in the fourth quarter. Continuing the trend observed in previous quarters, traffic grew robustly until the first fortnight in November. From 17 November 2018, demonstrations affected up to 200 sites daily on the network, hampering traffic and toll collection. As a result, the number of transactions fell. In addition to occupying and blockading toll stations, the crisis led to equipment and fittings being damaged or, in some cases, stolen. Throughout the period, VINCI Autoroutes' teams worked steadfastly to ensure continuity of public motorway service, user safety and real-time information.

Against this backdrop, VINCI Autoroutes' revenue amounted to €5.4 billion, up 1.5% year on year.

Investment

Investment remained high at €692 million. Since 2006, the year VINCI acquired and integrated the ASF and Escota networks, VINCI Autoroutes has invested almost €12 billion in its network. In 2018, most investment went towards road widening, upgrades and environmental performance improvements. These works were carried out either under the concession companies' master plans or the motorway stimulus plan signed with the French government in 2015. That plan represents an investment of nearly €2 billion for VINCI Autoroutes – more than half of which had been allocated at end-2018 – in exchange for an extension to the concession contracts. In addition to that plan, the final version of the motorway investment plan was approved in the second half of 2018 after more than two years of development. This plan covers a series of projects selected by the French government in conjunction with local authorities. The projects aim mainly to improve access to major urban areas and the connection between motorways and regions. The plan represents an additional investment of €385 million, which will be co-financed by VINCI Autoroutes and the local authorities concerned.

Debt

At 31 December 2018, the net financial debt of VINCI Autoroutes' companies amounted to €20.3 billion. Taking advantage of very favourable market conditions, ASF carried out two bond issues totalling €1.7 billion. In addition, Arcos, the concession holder for the A355 (western Strasbourg bypass), finalised the financing for that project by taking out a series of loans totalling €359 million from a banking syndicate and the European Investment Bank.

INFRASTRUCTURE

Some 550 projects were in the design or works phase during the period: 300 on the ASF network, 170 on the Cofiroute network and 80 on the Escota network. The programme management activity sector employs more than 200 people, working in the technical department or operations departments located near the main sites. The use of shared digital tools facilitates project design, discussions with stakeholders and coordination with construction companies. The information compiled during the design and construction phases is then used for network maintenance and management. This comprehensive digital chain is developed under the full BIM programme, for which VINCI Autoroutes drew on the specialist expertise of Sixense (VINCI Construction). It gives an accurate, up-to-date picture of motorway assets over the long term and optimises the management of maintenance operations.

Western Strasbourg bypass

Under the terms of a 54-year concession contract, Arcos, a wholly owned VINCI subsidiary, has been commissioned by the French government to finance, build and then operate a new motorway bypassing Strasbourg to the west (A355). The 24 km infrastructure will provide a new north-south itinerary with a high level of services. It will also separate transit and local traffic to limit the recurring congestion on the A35 and improve road safety. After two years of planning – during which over 200 meetings were held with local stakeholders, archaeological surveys and technical studies were carried out, and environmental measures were developed – the French government delivered, by order of the prefect, the authorisation to launch the works on 31 August 2018.

The project features an unprecedented programme of environmental offset measures.

As part of the works prior to the construction of the western Strasbourg bypass (A355), archaeologists and technicians took part in archaeological surveys carried out along the route of the future motorway.

These include the construction of 120 ecological transparency structures (i.e. an average of one animal crossing every 212 metres) and over 1,260 hectares of land set aside as compensatory mitigation (i.e. an area five times greater than the project's 260 hectare land take) to conserve the natural environment and protected species.

The first earthworks along the route started in October, with the overall project expected to take three years to complete. In January 2018, the government announced an eight-year extension to the public interest decision.

Road widening

Major road widening projects undertaken as part of the motorway stimulus plan continued, concerning mainly:
● on the A9, the 9 km section between Le Boulou and the Spanish border, the last section on this corridor with only two lanes. The third season of works started in September 2018;
● on the A63, works to widen a 27 km section in south-west France between Ondres and Saint Geours de Maremne to three-lane dual carriageway;
● on the A10, a 16 km section to the north of Orleans, on which the works were launched in October *(see box, page 43)*, and a 24 km section to the south of Tours, which has already completed the public interest decision phase; under the motorway stimulus plan, VINCI Autoroutes is also financing studies and procedures relating to the widening of the entire A10 corridor between the A10/A85 junction and Poitiers, i.e. 93 km;
● on the A61, the sections located between the A61/A66 junction and the Port Lauragais service areas and between the Lézignan–Corbières interchange and the A61/A9 junction at Narbonne: the public interest decision was announced on 5 October 2018 and the mass concrete works started in 2019;
● on the A57, a 7 km section through Toulon, which was added to the Escota network in 2016. Signature of the public interest decision at the end of the year marked an important step in this complex project, which is to be carried out in a densely populated environment. In addition to widening the road to three-lane dual carriageway, the hard shoulder will be converted for use as a bus lane in the event of heavy traffic;
● lastly, preliminary studies relating to the widening of the southern section of the A46 serving the eastern suburbs of Lyon are being financed by the motorway stimulus plan.

Other road widening and upgrade projects on the intercity network, carried out under the concession companies' master plans, concerned:
● on the A10, a 6 km urban section to the south of Tours, between Chambray lès Tours and Veigné, on which the third lane was opened to traffic in July 2018;
● on the A85, two new slip roads linking the A10 to the south of Tours, which were opened to traffic in December, as well as works doubling the capacity of six viaducts between Vierzon and Angers. The works on one of the three viaducts in the Loir et Cher department were completed in 2018 and on the other two in early 2019. Works continued on the three viaducts in the Indre et Loire department.

Environmental upgrades

All motorway construction or widening projects feature comprehensive biodiversity programmes, designed and jointly managed by VINCI Autoroutes' programme management teams and ecologists from specialist design offices or environmental non-profit organisations. On the A10 to the north of Orleans, for example, the widening works over a 10 km section will be accompanied by the construction or refurbishment of 24 water treatment ponds, the installation of noise barriers along almost half the route, and work on an underground river (the Retrève) to eliminate the risks of flooding.

In parallel with major projects, targeted upgrades are carried out to improve the environmental performance of motorways, particularly on the oldest sections, by applying the latest scientific expertise in ecological engineering. The motorway stimulus plan is financing 140 projects of this type in 31 administrative departments. The projects include the creation of four animal crossings over the motorway, around 70 underpass tunnels for small animals, engineering structures to protect aquatic environments and 22,650 sq. metres of noise barriers. Most of these projects were completed in 2018. Complementary projects will be carried out under the motorway investment plan, including three animal crossings on the Cofiroute network, as well as seven underpass tunnels and four projects to restore river continuity on the Escota network.

VINCI Autoroutes' environmental policy also covers the well-planned upkeep of the 28,500 hectares of green spaces around its network, to conserve biodiversity.

LISTENING TO LOCAL RESIDENTS

The project to widen the A10 to the north of Orleans to four lanes illustrates VINCI Autoroutes' approach to consulting with regional populations and their representatives. In an extension of the compulsory public consultation, VINCI Autoroutes took the initiative to organise co-construction workshops with 200 local residents. These meetings, along with discussions held in parallel with the mayors of the communities affected by the works, led to the introduction of new measures into the project. Over and beyond regulatory requirements, these measures cover the construction of landscaping embankments in addition to the noise barriers, implementation of noise-absorbing asphalt and the creation of bicycle lanes on bridges over the motorway.

Urban and peri-urban upgrades

As part of the motorway investment plan, VINCI Autoroutes is co-financing with the local authorities concerned the construction of 16 partial or complete interchanges aimed at improving service to the various major cities. In Toulouse, for instance, the creation of the new interchange at the Est junction (following the Borderouge interchange, commissioned in 2017) will support the continuous expansion of the urban area as part of its overall mobility improvement plan. The investment plan also includes providing carpooling parks on the ASF and Escota networks, in locations to be defined with the local authorities. The new areas will be in addition to the 31 carpool parking facilities totalling 2,545 spaces already in service across VINCI Autoroutes' entire network.

VINCI Autoroutes is also working with local authorities to ensure a better fit with their multimodal transport systems. In Lyon, the company is participating in studies to trial bus and carpooling lanes on the A6-A7 corridor, transformed into an urban road. VINCI Autoroutes' contribution to this type of project enables it to share its experience and knowledge in carpooling and dynamic traffic management.

OPERATION

SAFETY. The basic premise of VINCI Autoroutes' business is to enable customers to travel, in optimal conditions of safety and free-flowing traffic, on motorways maintained to the best operating standards and under the constant eye of operations teams. The maintenance and safety department has more than 2,000 employees, whose work is coordinated by 21 operations control centres. Over 300 employees work in the control centres, which are equipped with top quality traffic management systems, including computer-aided operations systems, GPS tracking of patrol vans, cameras and counting loops along the roads.

Digital technologies facilitate the remote management of operations as they provide virtually immediate feedback and processing of information received from the network, for example, during breakdown call-outs. They also improve the safety of motorway professionals working in the traffic lanes. The new connected vans, equipped with cameras linked to the safety control centre and an image analysis system, detect dangerous driving on the part of people not complying with instructions to slow down and pull over when approaching a temporary traffic management area, and alert patrol vehicles accordingly. In parallel with optimisation of its procedures, VINCI Autoroutes carries out numerous campaigns through its Foundation for Responsible Driving to ensure drivers and the general public are aware of the need not to endanger the lives of motorway employees.

In 2018, VINCI Autoroutes' ongoing accident prevention policy for its employees turned in an all-time low workplace accident frequency rate (4.38) and severity rate (0.18).

INFORMATION. VINCI Autoroutes provides customers with a complete range of media and information services to help them in their preparations and throughout their journeys: Radio VINCI Autoroutes (107.7), the benchmark for quality news and traffic information and, according to a Médiamétrie survey in 2018, the most listened-to motorway radio; 3605, the 24/7 customer service help line; the Ulys app *(see Digital services, page 45)*; the vinci-autoroutes.com website; the 13 Twitter traffic news accounts by major corridor, with two new ones launched in 2018 (@MarseilleTrafic and @BordeauxTrafic).

As part of its digital transformation, VINCI Autoroutes is carrying out a convergence programme with two objectives: firstly, to optimise the overall performance of its traffic information measures by strengthening each link in the chain (collection, processing and dissemination); and secondly, to deliver to motorway users smoother, personalised and interactive information. Under this programme, which will be rolled out in 2019, VINCI Autoroutes trialled new apps in 2018, enabling employees to feed traffic information into the chain via their smartphone and optimise the follow-up of events occurring on the network.

REST AND SERVICE AREAS. In a continuation of its programme to upgrade rest and service areas, 13 newly refurbished areas were opened in 2018, bringing the total to 120 in five years. Encouraging people to take longer breaks and aligning with current consumer habits, the areas have become "homes from home", with familiar high-street brands. They also offer a first step into the region by featuring local products. The broader range of retail outlets and services goes hand in hand with the refurbishment of buildings and their surrounding areas in order to give greater space to pedestrians and relaxation areas.

The service areas are also helping to boost the development of electric mobility on the motorway. A total of 126 charging stations were in service in 2018 at the main areas of VINCI Autoroutes' network. On top of the 75 set up under the European Corri-Door programme and 24 installed on the initiative of subconcession companies, the first Ionity high-power charging stations, 27 in all, have been installed at the refurbished Tours Longue Vue and Fontaine Colette service areas on the A10 and the Chartres and Portes d'Angers service areas on the A11.

INNOVATION

PATROL VEHICLE ALERTS ON WAZE

The partnership between VINCI Autoroutes and Waze involving information exchange crossed a new milestone in 2018 with patrol vehicle alerts posted to the application. VINCI Autoroutes already transmitted to Waze data from its traffic management systems (accidents, lane closures, parked vehicles, etc.), which appeared on the app's map, while events notified by Waze users are, for VINCI Autoroutes, an additional source of real-time information on traffic conditions and events on the network.

During the summer, VINCI Autoroutes organised #BienArriver events at 36 service areas. Around 1,500 VINCI Autoroutes employees, supported by Radio VINCI Autoroutes and other partners, welcomed nearly 500,000 holiday-makers and offered a variety of activities devoted to sport, the environment and road safety, with the participation of the VINCI Autoroutes Foundation for Responsible Driving. On the foundation's initiative, education and culture were also celebrated at the service areas during the summer with the "Lire c'est voyager, voyager c'est lire" programme, which distributed 30,000 Folio collection novels to motorway users.

DIGITAL SERVICES. With a view to developing personalised relationships with customers by offering the best of connected mobility, VINCI Autoroutes launched Ulys in early summer 2018. Ulys is both smartphone app and consumer services brand, offering all the digital services people might need before, during and after their journey: an interface that provides users with a simple way of managing their electronic toll collection plan, a geolocation-based search engine to find specific retail outlets and products available at service areas, traffic information channels, a customer service chat line and more. Ulys also gives access to a reward programme that will be expanded regularly with the addition of new products and services, particularly in the food and beverage sector. Ulys Jump, a new, dynamic carpooling service that interconnects users anywhere on the VINCI Autoroutes network, will be launched in 2019.

ELECTRONIC TOLL COLLECTION. Following on from toll automation and modernisation of the entire sector in recent years (development of electronic toll collection, which now accounts for more than half of all transactions; upgrade of toll stations and equipping them with non-stop 30 km/h lanes for ETC subscribers; implementation of new remote operation systems that optimise response times to calls and the effectiveness of on-motorway assistance), VINCI Autoroutes is taking advantage of new digital resources. For instance, the internal startup Cyclope.ai has designed an algorithm that analyses camera images and automatically corrects classification errors at the toll station. This has eliminated tedious and repetitive manual corrections, thereby reducing disputed toll transactions to 1%.

VINCI Autoroutes is also developing new solutions for paper-free toll payment. Launched in February 2019 at Tours Nord, Ulys Free is a new ETC service that does not require a transponder as it is based on number plate recognition. This free-flow toll service, trialled initially at that entry point to the network and then gradually extended, will enable people to go through barrier-free toll lanes.

INNOVATION AND OUTLOOK

VINCI Autoroutes' innovation policy is built around several complementary approaches. The Digital Factory, created in 2017, involves all employees in a participative innovation dynamic that fosters the digital transformation of motorway jobs and the development of new services for customers. The Ulys app, as well as new tools used by staff in charge of motorway assets and operation, came from the Digital Factory.

The internal startup Cyclope.ai, incubated in the Digital Factory and focused on research and development, analyses big data and applies artificial intelligence to motorway activities. In addition to changing the toll sector, the startup is working on new traffic analysis and incident detection systems to improve journey flow and safety. One such system was rolled out in the Toulon tunnel in 2018.

In the longer term, VINCI Autoroutes is contributing to a variety of research programmes looking at mobility of the future. Within Leonard, VINCI's innovation platform, VINCI Autoroutes is participating in several forward-looking work groups focused on interactions between road infrastructure and autonomous vehicles (connectivity, new mobility services, autonomous shuttles, etc.). It is conducting trials on the motorway under real conditions with car manufacturer PSA. In 2018, experiments involved an autonomous vehicle crossing a works area, following the autonomous drive through a toll plaza in 2017. Lastly, as part of a consortium of major French players in the road mobility sector, VINCI Autoroutes is participating in the Evra (autonomous road vehicle trials) call for projects launched by the public authorities under the French government's Investissements d'Avenir (investment for the future) programme.


Partidas Departures
Partidas Departures
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Frankfurt
Atenas
Istambul
Pequim
Hong Kong
Tóquio
Seoul
VIAGENS
GeoStar

VINCI AIRPORTS

Contributing to the development of communities

VINCI Airports draws on its expertise as a full-service provider to develop, finance, build and operate airports. It offers its investment capacity, international network and know-how to optimise the performance of existing airports, carry out extension projects and build completely new airport infrastructure. The VINCI Airports network, comprised of 45 airports in 12 countries, served 195 million passengers in 2018.

BRAZIL

UPGRADE OF THE SALVADOR DE BAHIA AIRPORT

Following a transition phase after officially taking over operation of the Deputado Luís Eduardo Magalhães Airport in January 2018, VINCI Airports launched a comprehensive renovation programme to bring it in line with international service quality standards. The first phase of the works, in which VINCI Energies is participating, involves upgrading the existing infrastructure, building a new 20,000 sq. metre departure hall and renovating the terminal.

JAPAN

AWARD-WINNING AIRPORTS

VINCI Airports operates three airports in Japan – Kobe, Kansai and Osaka Itami. Topping the 2018 Punctuality League Report published by OAG as the world's most punctual airport in the large airport category, Osaka Itami has undergone an extensive renovation programme. A new retail area opened in April 2018.
Kansai International Airport also won awards for best baggage delivery and best airport terminal for low-cost airlines based on the Skytrax survey, which covers 550 airports across the world.


KIX DUTY FREE
1-16
STARBUCKS COFFEE

CHILE

LARGE-SCALE EXTENSION PROJECT IN SANTIAGO

Santiago Arturo Merino Benítez Airport is Chile's main aviation gateway. It is currently undergoing massive renovation and extension works to increase its capacity to 30 million passengers a year. The programme covers a total area of about 300,000 sq. metres (200,000 for the new international terminal), making it the largest building complex tackled by VINCI outside France. A key milestone was reached in December 2018 with the opening of concourse C, the new terminal's first departure hall with a capacity of 392,000 passengers a month. The works are being carried out by VINCI Construction Grands Projets and the Italian construction group Astaldi.


AIRFRANCE

UNITED KINGDOM

TAKEOVER OF LONDON GATWICK AIRPORT

On 27 December 2018, VINCI Airports signed an agreement to acquire a 50.01% shareholding in Gatwick Airport Limited, the company that owns Gatwick Airport (LGW) in London, from the current shareholders. The deal is expected to be finalised in the first half of 2019. London Gatwick is the United Kingdom's second-busiest airport, after Heathrow, and serves over 230 destinations in 74 countries. It operates the busiest single runway in the world, with up to 950 flights a day, and stands out for its operational excellence, delivering steady growth in a very constrained environment.


virgin atlantic
Virgin
G-CKWC

VINCI Airports reported another year of strong growth thanks to increased traffic in its airports and expansion of its network. It crossed a major development threshold at the end of the year with an agreement to acquire a majority shareholding in London Gatwick, the United Kingdom's second-largest airport.

2018 was another year of growth for VINCI Airports, both organic and in terms of acquisitions. Revenue rose 14% to €1.6 billion – 9.4% at constant exchange rates and a like-for-like network base – on the back of increased traffic in almost all its airports. It was also an eventful year in terms of acquisitions, with operations launched at Deputado Luís Eduardo Magalhães Airport in Salvador de Bahia, Brazil and at Kobe Airport in Japan, plus a series of new acquisitions that will greatly accelerate the expansion of its network. They include the concession contract for the Belgrade airport in Serbia and the acquisition, finalised in August 2018, of the Airports Worldwide portfolio of eight airports. This deal marks VINCI Airports' move into the United States, the world's largest aviation market, and strengthens its presence in Europe and Central America. Lastly, in a major transaction at the very end of the year, VINCI Airports signed an agreement that in 2019 will make it the majority shareholder in Gatwick Airport, the UK's second-largest airport and the eighth-busiest in Europe. This acquisition of a freehold asset under the perpetual property duration regime represents an investment of around £2.9 billion (€3.2 billion).

Through this operation, VINCI is confirming its strategy as a long-term investor in the airport sector. In just a few years, it has acquired global leadership positions which it intends to continue strengthening. After the acquisitions made or initiated in 2018, the VINCI Airports network will have grown to 46 airports in 12 countries and will cater to over 240 million passengers a year.

VINCI Airports continued to deploy its global operator model, which draws on an array of complementary skills, in all the airports in its network. Thanks to its aviation marketing expertise and knowledge of each site's economic environment, it can help airlines develop their business. The international network, composed of head-office experts and local teams, works closely with over 250 partner airlines and 300 tour operators to identify potential new routes and stimulate traffic growth. Some 290 new routes were opened across the network during the year. In addition, VINCI Airports' vision as concession holder and expertise as programme manager allow it to support and sustain growth in traffic through ambitious investment plans to renovate and increase the capacity of its infrastructure, while devising new solutions to optimise passenger flows and improve operational performance. As part of these renovation programmes, VINCI Airports also deploys a proactive policy of developing non-aviation activities, working with retail partners and redesigning retail and restaurant areas. This policy, key to enriching the passenger experience, focuses on promoting the local culture and showcasing the specific features of each region or country. Expanding the range of services works towards the same objective. VINCI Airports uses digital technology, in particular, to develop innovative services that enhance passenger comfort and well-being *(see opposite)*.

EUROPE

United Kingdom

On 27 December, VINCI Airports signed an agreement to acquire a 50.01% shareholding in Gatwick Airport Limited, the company that owns London Gatwick Airport (LGW), from the current shareholders. The deal is expected to be finalised in the first half of 2019. VINCI Airports will operate the airport in partnership with Global Infrastructure Partners, Gatwick's operator since 2009 which retains the management of the remaining 49.99% stake. Gatwick Airport Group reported revenue of £764 million, with Ebitda of £411 million, for the year ended 31 March 2018. London Gatwick is an outstanding asset in the largest O&D (origin and destination) market in the world. It welcomed 46.1 million passengers in 2018 and served over 230 destinations in 74 countries. The airport operates the busiest single runway in the world, with up to 950 flights a day, and stands out for its operational excellence, delivering steady growth in a very constrained environment.

Following the acquisition of Airports Worldwide, VINCI Airports became freehold owner and operator of Belfast International Airport in Northern Ireland in September 2018. Traffic at this airport rose 7.5% to 6.3 million passengers in one year.

INNOVATION

LYON, LABORATORY FOR AIRPORT INNOVATION

Worldwide, VINCI Airports seeks to identify and test technologies that will improve operating processes, service quality and the experience offered to passengers. The company has defined a global, network-wide innovation strategy to bolster its leading positions in the field of flow management by enhancing the passenger experience and developing smart infrastructure. Lyon-Saint Exupéry Airport, the largest French airport in the network by number of passengers served per year, is an excellent example of this strategy. In 2018, it launched a service in partnership with the startup Eelway to collect the luggage of arriving passengers and deliver it to their home or hotel. Eelway provides a similar service for Rhônexpress passengers, who can now take the light rail shuttle, managed by VINCI Railways, from the airport to Lyon's city centre without their bags. For an even more streamlined passenger pathway, the airport has teamed up with the public authorities to install Parafe gates (automated border control checkpoints) using facial recognition technology. These gates speed up border controls by a factor of five (a single agent can simultaneously process five passengers), thereby reducing wait times.

Portugal

Through its wholly-owned subsidiary ANA, VINCI Airports holds the concession for Portugal's 10 airports until 2063 – the contract took effect in 2013. 2018 was another year of strong growth in traffic, with a 6.8% overall increase to 55.3 million passengers, including 29 million for Humberto Delgado Airport in Lisbon. These figures reflect Portugal's growing appeal as a tourist destination for Europeans, particularly in the summer. Travel for family reasons also accounts for a substantial proportion of traffic – a large number of Portuguese citizens live in other European Union countries and make frequent visits back home.

VINCI Airports supports this trend by building long-term partnerships with the public authorities and local economic stakeholders. The successful privatisation of ANA and VINCI Airports' move into Portugal were recognised when VINCI Airports won the "Deal of Quarter Century" award in Hamburg at GAD World 2018, an international event dedicated to airport investment. Renovated over the last few years, Porto airport was voted second-best airport in Europe by Airports Council International (ACI), based on an international satisfaction survey.

In January 2019, VINCI Airports signed an agreement with the Portuguese government to extend Lisbon's airport capacity, the final details of which should be settled in 2019. The agreement provides for a new infrastructure solution using two sites to serve the Lisbon region. It entails, first, bolstering the hub function of the existing Humberto Delgado Airport and, secondly, building a new civil airport on the Montijo Air Base opposite the city at the eastern end of the Tagus estuary. VINCI Airports will invest €1.15 billion between now and 2028 in this two-pronged project.

France

The 12 airports managed by VINCI Airports welcomed a total of 19.9 million passengers (up 9.4% over a year). At Lyon-Saint Exupéry, France's second-largest regional airport, VINCI Airports continued with redevelopment work in Terminal 1, opening new spaces for passengers (outside esplanade, central bus station, baggage delivery hall for long-haul flights) and installing 25 new check-in desks.

Nantes Atlantique Airport, the second-largest in the network, reported particularly strong growth – up 12.9% to 6.2 million passengers. The new easyJet base set up during the year is expected to generate 400,000 additional passengers from and to Nantes, on France's Atlantic coast, in 2019. To support growth in traffic while ensuring smooth passenger flows, Nantes Atlantique has opened an automated check-in area with a state-of-the-art self-service bag drop system. Talks with the French government concerning the financial consequences of the decision to cancel the Notre Dame des Landes airport project for which VINCI Airports had been awarded a concession were still in progress at year end.

It is worth noting the sharp growth in traffic at the Rennes, Toulon–Hyères and Clermont Ferrand Auvergne airports – respectively 18.3%, 13.1% and 8.7% – where departure halls have been renovated.

Serbia

On 22 March 2018, VINCI Airports signed the concession contract for Nikola Tesla Airport in Belgrade, which welcomed 5.6 million passengers in 2018. After finalising the financing for the deal, one of the largest ever carried out in Serbia, VINCI Airports took over operation of the airport on 22 December 2018. Under a 25-year concession agreement, VINCI Airports will cover the renovation and extension work and develop the airport to turn it into a major hub in south-eastern Europe.

Sweden

The acquisition of Airports Worldwide made VINCI Airports owner, under a freehold property contract, of Stockholm Skavsta Airport near the Swedish capital. It has been managing the airport, which welcomed 2.2 million passengers in 2018, since September 2018.

THE AMERICAS

USA

Acquisition of the Airports Worldwide portfolio also gave VINCI Airports full management responsibilities for five airports in the United States. They are Orlando Sanford International Airport in Florida (100%-owned concession with a residual term of 21 years), and four airports under full management contracts: Hollywood Burbank Airport and Ontario International Airport in California, and Macon Downtown Airport and Middle Georgia Regional Airport in Georgia. The portfolio also includes three partial management contracts, at Atlantic City International Airport (New Jersey), Raleigh-Durham International Airport (North Carolina) and Atlanta International Airport (Georgia), the world's largest in terms of traffic, where VINCI Airports manages part of the international terminal.

Traffic in the five airports fully managed by VINCI Airports rose 8.7% to 9.5 million passengers in 2018.

Costa Rica

Following the acquisition of Airports Worldwide, VINCI Airports holds a 45% shareholding in the concession company for the Daniel Oduber Quirós International Airport in Liberia, one of the country's main airports. Traffic at this airport rose 3.4% to 1.1 million passengers in 2018.

Brazil

VINCI Airports officially took over operation of Deputado Luís Eduardo Magalhães Airport in Salvador de Bahia in the beginning of January 2018 after a transitional phase during which it worked with the former public operator. Signed in 2017 for a term of 30 years, the contract provides for extensive modernisation work to bring the airport in line with international service quality standards. The first phase, financed by a non-recourse loan for 516 million Brazilian reais (€118 million) granted by a local financial institution, was launched in April 2018. It covers upgrading of existing infrastructure, construction of a new 20,000 sq. metre departure hall and renovation of the terminal. VINCI Energies is a member of the joint venture carrying out the works. Traffic rose 4.6% to 8 million passengers.

Chile

VINCI Airports has held the concession for the Santiago Arturo Merino Benítez Airport since 2015 in the framework of a consortium with ADP and the Italian construction group Astaldi. Works are continuing at a brisk pace – the concession contract provides for a vast renovation and extension programme covering a total area of almost 300,000 sq. metres (200,000 for the new international terminal), making it the largest building complex tackled by VINCI outside France. The works, which will be completed in 2020, are being carried out by a joint venture between VINCI Construction Grands Projets and Astaldi. Thanks to use of highly sophisticated digital Building Information Modelling (BIM) tools that allow integration of the new terminal's operating system from the design-build phase, the project team can work to a particularly tight schedule. Traffic rose 8.8% to 23.3 million passengers.

Dominican Republic

In 2018, VINCI Airports, which operates six of the country's nine airports, launched works to modernise the Las Américas Airport near the capital Santo Domingo, and turn it into a hub serving the Caribbean. The €25 million investment will be used to build a new freight terminal and renovate the central hall of the terminal. Traffic across the six airports came to 5 million passengers in 2018, a 2% contraction that reflects a difficult start to the year with three airlines filing for bankruptcy.

ASIA

Japan

In April 2018, VINCI Airports, in partnership with the Japanese company Orix in the framework of the Kansai Airports consortium, took over operation of Kobe Airport under a 42-year concession contract won in 2017. The two partners now manage the three main airports in the Kansai region – Kobe, Osaka Itami and Kansai International which the consortium has held under concession since 2016.

Traffic at these three airports rose 3.7% to 48.3 million passengers over a year. Kansai International Airport was forced to interrupt operations temporarily due to damage caused by the Category 5 typhoon that hit western Japan on 4 September. Thanks to the combined efforts of the government authorities and Kansai Airports, partial operation resumed on 7 September and the airport was back to full operation less than three weeks after the disaster. The Osaka and Kobe airports were pressed into service during this period to limit the impact.

Osaka Itami, where a major renovation programme is under way, was named the world's most punctual airport in the large airport category of the 2018 Punctuality League Report published by OAG. Kansai International also won awards for best baggage delivery and best airport terminal for low-cost airlines based on the Skytrax survey, which covers 550 airports across the world.

Cambodia

Thanks to perspective gained over more than two decades of involvement, Cambodia is an excellent illustration of the long-term approach favoured by VINCI Airports, in partnership with the public authorities, to foster development of the regions and countries served by its airports. As concession holder for the country's three international airports (first concession won in 1995), VINCI Airports has continued to invest steadily in extension works to support Cambodia's economic and tourism growth. New international terminals have been built in the last few years for the airports of Phnom Penh, the capital, and Siem Reap, near the Angkor temples. In 2018, VINCI Airports completed runway extension works at the Phnom Penh airport and built a new terminal at the third airport managed under concession, in Sihanoukville, which has benefited from an investment programme of over $150 million. Previously served by a small aerodrome, Sihanoukville, located on the Gulf of Thailand, has become a very popular seaside resort over the last few years and thanks to its new airport is now open to international tourism.

In 2018, the three airports taken together reported the highest rate of growth in the VINCI Airports network, 20.1%, of which 93% for Sihanoukville, with a total of 10.6 million passengers.



VINCI HIGHWAYS

Optimising road infrastructure around the world

VINCI RAILWAYS

Building and operating new rail links

VINCI STADIUM

Connecting fans

VINCI HIGHWAYS

VINCI Highways designs, builds, finances and operates motorways, bridges, tunnels and urban roads. Currently, it is operating 3,564 km of infrastructure in 13 countries.

Traffic on VINCI Highways' network totalled almost 470 million vehicles in 2018, representing 7.5% growth in a year and confirming the quality of its integrated expertise as a programme manager and road infrastructure operator. Key events in the year included the commissioning of the new section of the Lima expressway in Peru, the largest urban road infrastructure managed by VINCI worldwide, and the start of service contracts covering new motorway sections in Russia, where VINCI Highways now operates a network of nearly 1,000 km. VINCI Highways continued to expand in digital services: after 76% growth in just one year, it has almost 2 million subscribers to its electronic toll collection (ETC) systems. In addition, it won two new free-flow service contracts in Texas.

EUROPE

Germany

VINCI Highways is the leading motorway concession operator in Germany, with a network of 211 km of motorways under four public-private partnerships (A4, A5, A9, A7-2). The last of these, which was won in 2017, covers the 60 km Via Niedersachsen section between the Bockenem and Göttingen interchanges. VINCI Highways is responsible for the section's complete upgrade, for a total investment of €441 million, as well as its operation and maintenance. Up to about 70,000 vehicles use the section daily. The works, executed by a joint venture led by Eurovia, include widening a 29 km section to three-lane dual carriageway and building a latest-generation animal crossing. It is the first major full BIM (Building Information Modelling) road project in Germany. The integration of sensors in the pavement will optimise its long-term maintenance.

Greece

VINCI Highways holds the concessions for the Athens–Corinth–Patras motorway (201 km) on the east-west corridor across the country, and the Maliakos–Kleidi motorway (230 km) along the east coast. These two motorways are of strategic importance for the development of the Peloponnese, western Greece and Epirus in the north-west. They were completed and brought into full service in 2017 after works to bring them up to the best European standards for safety and traffic flow. In 2018, complementary systems were rolled out to optimise their operation and services, including predictive "smart tunnel" maintenance using artificial intelligence and the IoT, and new LED lighting in the tunnels along the Patras and Kakia Skala bypass to reduce electricity consumption and improve drivers' visual comfort. Greece's first electric vehicle charging stations were installed in motorway service areas between Athens and Patras.

In addition to the above motorways, VINCI Highways is the concession holder for the Charilaos Trikoupis Bridge. Built by the Group in the early 2000s, this major engineering structure links the Peloponnese to the mainland, between the cities of Rion and Antirion.

VINCI Highways operates infrastructure in other European Union countries under public-private partnerships:

- in the United Kingdom, the London Borough of Hounslow and Isle of Wight road networks, in collaboration with Eurovia's British subsidiary, as well as the Newport Southern Distributor Road in Wales;
- in Slovakia, the PR1BINA expressway and the Banská Bystrica northern ring road, both built by VINCI;
- in Portugal, two bridges over the Tagus River in Lisbon, including the Vasco da Gama Bridge built by VINCI;
- in France, the Prado Carénage and Prado Sud tunnels in Marseille, both built by VINCI.

Russia

VINCI Highways is drawing on all its expertise to accelerate the country's development of infrastructure and road services.

As the concession holder, VINCI Highways is currently programme manager on new sections 7 and 8 (138 km) of the M11 motorway, which start in St Petersburg. These will be brought into service in September 2019. In addition, VINCI Highways built and now operates section 0 (43 km) between Moscow and Sheremetyevo International Airport. Traffic on that section grew 11% in 2018.

As a motorway operator, through its subsidiary UTS, VINCI Highways has become the country's leading operator, managing a network of almost 1,000 km. Its priority is to improve road safety and the quality of service: raise all response procedures, equipment and systems on the network to the

Anticipating traffic flows and executing the works without any road closures are two of the major challenges of the programme to widen the Via Niedersachsen motorway in Germany.

highest standard, train and deploy Russia's first safety patrol teams, implement emergency call numbers and organise actions to build awareness.

Lastly, as a digital services provider, VINCI Highways is developing the use of electronic toll collection (ETC) and road network interoperability in Russia. The number of ETC subscribers increased by 50% over a year, boosted by the company's marketing strategy, which included the country's first partnership with a fleet of car-sharing vehicles, Yandex. Drive. In addition, following the 2017 rollout of a system ensuring interoperability of toll systems across the various Russian motorway networks, VINCI Highways launched a similar programme in 2018 enabling drivers to use a single tag for their journeys between Russia and the European Union – a particularly useful service for heavy goods haulage companies.

NORTH AMERICA

Canada

Under a 34-year public-private partnership, VINCI Highways is building the bypass around Regina, capital of Saskatchewan. The project was 90% completed at the end of 2018. The works are being carried out by a joint venture led by Carmacks, Eurovia's subsidiary based in the neighbouring province of Alberta, with the support of VINCI Construction Terrassement. Launched in 2015, the project calls for 37 km of new road, 24 km of roadway to be upgraded, 12 interchanges and 33 engineering structures.
The biggest infrastructure project in Saskatchewan's history, the Regina Bypass will support its economic development by making traffic smoother and safer on the outskirts of the capital. In 2018, the project received the Saskatchewan Premier's Award for Excellence in the Public Service.

VINCI Highways also participates, through dedicated concession companies, in operating the Fredericton–Moncton highway in New Brunswick (195 km) and the Confederation Bridge, which links that province to Prince Edward Island. This 13 km structure, built by VINCI at the end of the 1990s, is the world's longest bridge over a stretch of icecovered water.

United States

VINCI Highways strengthened its position in digital services by winning two new free-flow toll collection service contracts in Texas. The first, worth more than $50 million over five years, was awarded by the Central Texas and North East Texas Regional Mobility Authorities. It covers five free-flow toll motorways and expressways in Austin and Tyler, which generate around 60 million transactions a year. Cofiroute USA and technology subsidiary TollPlus are in charge of operating the back office, customer relations, and toll collection on behalf of the government agencies. The second contract was awarded to TollPlus by the North Texas Tollway Authority to develop and maintain its new toll system, which will handle 6 million transactions a day.

Through its subsidiary Cofiroute USA, VINCI Highways has been operating 16 km of express lanes on the SR-91 urban highway for more than 20 years. Its free-flow toll system was one of the first toll systems worldwide, with dynamic pricing based on congestion on alternative routes. The system was extended to a new 17 km section on I-15 south of Los Angeles in 2017.

Lastly, under the terms of the Group's first public-private partnership in the United States, VINCI Highways, in a consortium with local partners Walsh and BBGI, operates the Lewis and Clark Bridge. The new motorway linking Indiana and Kentucky over the Ohio River was commissioned at the end of 2016. All the performance criteria set by the concession grantor, the Indiana Finance Authority, were met in 2018.

SOUTH AMERICA

Colombia

VINCI Highways, in a consortium with Colombian company Constructora Conconcreto, has been the concession holder for the motorway between Bogotá and Girardot since 2016. The 141 km toll corridor connects the capital to the country's Pacific coast. Under the terms of a 30-year contract, which represents a total of 4,200 billion Colombian pesos (€1.3 billion), the concession joint venture is operating the infrastructure, which is used by 46,000 vehicles a day. Works were launched in 2018 on unit 8, the first of eight units to be built or renovated, including the widening of 65 km of roadway and construction of four tunnels.

Peru

Concession holder of the Lima expressway since the end of 2016, VINCI Highways commissioned section 2 of the infrastructure in 2018. Despite its exceptional scope and the technical challenges associated with the fact that the site is in a sensitive geological environment and densely populated area, the project was completed in only 15 months. Up to 5,000 people worked on the project, fully respecting VINCI's safety commitments and combining VINCI Highways' expertise in programme management with VINCI Construction's in major project management and VINCI Energies' in tunnel equipment and systems. The new section includes nine viaducts, two interchanges and a 2 km tunnel – the longest of its type in Peru – under the River Rímac. Almost 200,000 vehicles a day use these two urban motorways, which connect the residential districts of Lima to Callao, the capital's business district.

In parallel with that project, VINCI Highways continued its efforts to improve the operating performance of the entire infrastructure. Having shared its know-how with the teams and given them continuous training, the two sections are now operated with a fixed number of employees. Road safety and incident management are ensured to the highest standard thanks to the installation of 120 surveillance cameras connected to two control centres operating 24/7. In addition, the digitalisation strategy has increased the infrastructure's capacity by improving the management of traffic flows. Over a one-year period, traffic grew 13%, and the number of ETC subscribers 60%.

The project's operating and financial performance and the value created by VINCI Highways as the new concession holder were recognised by Fitch Ratings in Peru, which improved the project's outlook from stable to positive and confirmed its AA credit rating.

INNOVATION

INFRASTRUCTURE AND URBAN INTEGRATION

In Lima, the programme aimed at integrating the expressway into its urban fabric received the Peru 2021 Socially Responsible Company Award in recognition of the concession holder's numerous initiatives implemented after consultation with the local population. The initiatives included a road safety campaign in the schools along the expressway, the refurbishment of public spaces in underprivileged areas, initiatives to raise awareness about waste treatment and recycling, and support for communities through social, educational and sports programmes.

INNOVATION

ELECTRONIC TOLL COLLECTION AND EXTENDED SERVICES

A whole range of new services can be developed by digitalising transactions. In Texas, for example, drivers can subscribe to VINCI Highways' ETC system to pay their parking fee at Fort Worth and Love Field airports in Dallas. And in Peru, customers in Real Plaza shopping malls can use their ETC tag to pay for parking.

VINCI RAILWAYS

The success of the South Europe Atlantic high-speed rail line, a prime illustration of VINCI's integrated concession-construction model, was confirmed during its first full year of operation.

SOUTH EUROPE ATLANTIC HIGH-SPEED RAIL LINE

Brought into service in July 2017, the South Europe Atlantic high-speed rail line (SEA HSL), designed, financed, built and operated by VINCI under a concession contract running until 2061, confirmed and even improved on its success in 2018. The 302 km line along which trains travel at a service speed of 320 km/hour cuts journey time between Paris and Bordeaux from three to two hours. It carried more than 20 million passengers in 2018, making it the busiest route in France after Paris–Lyon and Paris–Lille. Over 29,000 trains ran on the line over its first 12 months in operation, i.e. 83 trains a day on average on the Tours–Bordeaux line. While working closely with its customer SNCF Mobilités, LISEA, the concession company operating the line, also collaborated with Thalys to prepare for the opening of a Brussels–Bordeaux connection in the summer of 2019 and signed an agreement with HS1, Getlink (formerly Groupe Eurotunnel) and SNCF Réseau to launch a feasibility study on the adaptations required to ready Bordeaux Saint Jean train station for future cross-Channel traffic.

At end-December, LISEA finalised the refinancing of €2.2 billion of its debt in one of the largest such operations in Europe in 2018. Its success reflects the credit market's appetite for the infrastructure sector and investor confidence in both the LISEA concession model and the line's commercial performance. The fixed-rate tranches of the refinanced amount were awarded the Green Bond label by Vigeo Eiris, recognising LISEA's environmental commitments.

Operational quality contributes to the commercial success of the SEA HSL. In close collaboration with SNCF Réseau, MESEA – 70% owned by VINCI Concessions – is responsible for maintaining the infrastructure to particularly stringent standards of safety and reliability, recording a regularity rate of 94% in 2018. To maximise its efficiency and achieve the target level of performance, MESEA relies on a strategy of high-level innovation in instrumentation and uses equipment designed especially for the infrastructure.

In its environmental management of the line, LISEA continued to implement compensatory mitigation measures in partnership with government services, non-profits, scientific experts and farming sector stakeholders in the six French departments located along the line. More than 3,000 hectares of compensatory mitigation land has been set aside out of a final target of 3,500 hectares. Fifty-two environmental restoration projects (such as rehabilitating waterways to diversify aquatic habitats) were launched during the year and 1,200 hectares of compensatory mitigation land inspected to verify compliance with environmental stewardship commitments. LISEA's environmental observatory monitors the effectiveness of these measures throughout the term of the concession in all the regions crossed by the line.

INNOVATION

SEA HSL: FIRST FEEDBACK ON ENVIRONMENTAL MEASURES

The systems put in place during construction of the line to assess the ecological transparency of the SEA HSL have delivered their first results. Thirty-six structures built for semi-aquatic mammals of the 37 sampled are already being used, and 17 out of the 20 species targeted have been identified. Regarding the compensatory mitigation measures, for example, a pike spawning area set up along the Boivre River and managed by the regional Vienne federation for fishing and protection of the aquatic environment has allowed the species to reproduce and young fish to grow large enough to be released into the river.

RHÔNEXPRESS

Built and managed by a joint venture led by VINCI Concessions, Rhônexpress is the first light rail shuttle dedicated to airport to city-centre transport in France. It carries passengers between the Lyon-Saint Exupéry Airport and the Lyon Part Dieu railway station in under 30 minutes, with one departure every 15 minutes at peak daytime activity. At end-2018, eight years after being brought into service, it reached the milestone of 10 million passengers, thanks to 10% growth in traffic over the year. Combining speed, reliability and outstanding service (on-board agent tasked with providing passenger information, free Wi-Fi, e-tickets valid for a year without reservation, etc.), Rhônexpress also develops innovative initiatives to enhance mobility in partnership with startups. Alongside the Eelway luggage services offered with VINCI Airports *(see page 55)*, Rhônexpress also trialled the PoP technology developed by the Lyon-based company Pop'n Link in six trains in 2018. With this solution, passengers can place their smartphone on a connected sensor "button" to access context-rich content and real-time information about their journey.

Built, financed and operated by VINCI, the SEA HSL carried more than 20 million passengers in a single year, making the Paris–Bordeaux line the third-busiest in France.

GSM-RAIL

Under a public-private partnership contract with SNCF Réseau, Synerail, in which the Group has a 60% stake, first deployed and now operates the GSM-Rail mobile telecommunications system for the ground-to-train link on the national rail network. The works executed in the first years of the contract, primarily by VINCI Energies, included installation of 2,200 radio transmitters along the track and in 350 tunnels. The system now covers the full scope of the contract, i.e. a total of 16,000 km of track. This technology replaces the former analogue technology and improves network performance and safety.

RIGHT-OF-WAY PUBLIC TRANSPORTATION IN MARTINIQUE

Under a public-private partnership contract, Caraibus, a VINCI Concessions subsidiary, built the new right-of-way public transportation system in Martinique and is in charge of its maintenance until 2035. The line has been used by more than 100,000 passengers since it was brought into service in August 2018.

INNOVATION

SMART INFRASTRUCTURE

MESEA, a new player in the high-speed rail industry, innovates thanks to equipment specially designed for the SEA HSL. For example, it has designed the Broom line inspection car (an acronym for rapid observation and maintenance opening twin-engine vehicle in French), multipurpose trucks that can travel on both road and rail, and the Intelo robot (see photo), a remote visual inspection vehicle that operates without disrupting train traffic. Its articulated arm is equipped with high-definition digital imaging equipment, a laser rangefinder and LED lighting for working at night.

VINCI STADIUM

The VINCI Stadium network, comprising four venues in France and one in the United Kingdom, welcomed over 4.2 million spectators at 126 sporting events and concerts.*

France

● The Stade de France welcomed 1 million spectators at 16 events, including four France rugby team matches, the final of the Top 14 rugby competition, five France soccer team matches, the final of the Coupe de France soccer competition and five concerts: Bruno Mars, Ed Sheeran (two nights), and Beyoncé and Jay-Z on 14 and 15 July. Before the start of this second concert, held on the same day as the 2018 Football World Cup final, giant screens at the Stade de France broadcast the match that would end in victory for the French team – 20 years after its 1998 win in the same stadium.

Looking ahead to the big Rugby World Cup matches in 2023, and the opening and closing ceremonies and athletics events for the Paris Olympic Games in 2024, the Consortium Stade de France, of which VINCI is the majority shareholder, has proposed an ambitious renovation project to the public authorities. Two decades after the stadium was built, these works would restore its status as a world benchmark for modern design, with state-of-the-art amenities to enhance comfort and the spectator experience.

● The Matmut Atlantique in Bordeaux in south-western France welcomed 723,000 spectators at 28 soccer events (20 French Ligue 1 matches, six Europa League matches played by resident soccer club FCGirondins de Bordeaux, the final of the Coupe de la Ligue and one D1 women's match), two Top 14 rugby matches with the Union Bordeaux Bègles and a Guns N' Roses concert.

● The Allianz Riviera in Nice in south-eastern France gathered 556,000 spectators at 27 events, including 22 matches played by its resident soccer club OGC Nice, two international soccer matches, two international matches featuring the French national men's soccer team and the French national women's soccer team, and a Beyoncé and Jay-Z concert.

● The MMArena in Le Mans in western France brought in 107,000 spectators and hosted 18 soccer matches, including 16 played by its resident club Le Mans FC and two matches of France's national men's soccer team and of France's national women's soccer team.

20TH ANNIVERSARY OF THE STADE DE FRANCE

Since its inaugural match on 28 January 1998, the Stade de France has welcomed almost 35 million spectators and hosted more than 450 events. To celebrate its 20th anniversary, 1,200 local schoolchildren from Saint Denis, just north of Paris, were invited to form a giant "20" on the pitch.

VINCI Stadium has developed special apps for its venues to roll out new services that enhance the spectator experience. They include an on-the-spot snack service at the Stade de France, which posted strong growth in 2018, and the Allianz Riviera "Live & Replay" service allowing spectators to follow the action on several cameras and watch replays of match highlights on their smartphones.

United Kingdom

The Queen Elizabeth Olympic Park stadium in London received almost 1.7 million spectators in 2018. The venue hosted 25 soccer matches played by resident club West Ham United FC, one rugby match and two athletics events. It also organised six concerts (two each for the Rolling Stones, Beyoncé and Jay-Z, and the Foo Fighters), all to full audiences, attracting a total of 385,000 spectators.
On 21 January 2019, VINCI Stadium sold its shares in its operating subsidiary LS185 to E20 Stadium, a subsidiary of the London Legacy Development Corporation and owner of the London stadium occupied by Premier League soccer club West Ham United (WHU).

** Tickets distributed.*

OUTLOOK

Concessions business revenue is expected to continue to rise in 2019.

This growth will mainly be driven by the brisk expansion of VINCI Airports. The acquisition of a majority stake in the concession company operating London Gatwick Airport – due to be finalised in the first half of 2019 – will deliver full-year revenue of approximately €800 million. This will add to the organic growth fuelled by the steady increase in traffic at the airports already in the portfolio.

For road infrastructure, VINCI Autoroutes, in France, should see traffic volume recover across its network after the one-off events at the end of 2018.

VINCI Highways will continue to develop its concession projects and operation business in Europe and in the Americas.

The Group's Concessions business lines will also apply their expertise to numerous programme management projects: in France with projects under the motorway stimulus plan and motorway investment plan; in Portugal with engineering studies kicked off to extend the Lisbon airport and open a new civil airport in Montijo; in other European countries and further afield with upgrade and extension programmes scheduled for airports in Serbia, Chile and Brazil, and motorways in Germany, Russia, Canada and Colombia.

VINCI will be moving forward with its proactive development strategy, emphasising the airport and motorway segments, combined with the acquisition of new and existing concessions. The synergy between VINCI Concessions business lines (VINCI Airports, VINCI Highways, VINCI Railways), VINCI Autoroutes and the Group's Contracting business lines will make the move into new markets smoother. Reflecting the operations that have marked our recent past, these new developments will bring a fresh dynamic to VINCI's concession portfolio while continuing to expand its international coverage and extending its average maturity.

This is how the Concessions business lines will be able to create value, by building on their innovation strategy to maximise operational performance and develop new services for infrastructure users, while taking advantage of digital resources. For the longer term, the forward-looking approach unifying all the Group's business lines and their partners will give rise to new economic models that will support the transformation of infrastructure and mobility practices.

CONTRACTING

VINCI ENERGIES
EUROVIA
VINCI CONSTRUCTION

Exemplifying the Group's entrepreneurial culture, the Contracting business brings together, in 3,100 business units, an unrivalled array of expertise in energy and information technology, road and rail works, and building and civil engineering.
With their 192,000 employees, VINCI Energies, Eurovia and VINCI Construction carry out more than 270,000 projects a year in some 100 countries.


ACTEMIUM
ACTEMIUM

VINCI ENERGIES

Making digital transformation and the energy transition a reality

In a world undergoing constant change, VINCI Energies is leveraging connectivity, performance, energy efficiency and data to fast-track the rollout of new technologies and thereby support two major shifts: digital transformation and the energy transition. With their strong regional roots and agile organisational structure, VINCI Energies' 77,000 employees in 1,800 business units across 53 countries are working day after day to boost the reliability, safety and efficiency of energy, buildings, transport and communication infrastructure, industrial facilities and information systems.

SWEDEN

UNDERGROUND STATION AND URBAN MOBILITY

Eitech is taking part in the development of the central railway station in Gothenburg, where it is delivering the full range of technical installations (electrical, ventilation, control and pipe systems) for a new underground station and 2 km of associated tunnels. The work is part of the West Link railway project covering construction of three new underground stations (Central Station, Haga and Korsvägen) to improve urban mobility in Gothenburg.

SPAIN

PUBLIC WI-FI IN AIRPORTS

Aena selected Axians to roll out an efficient Wi-Fi system at 24 of the 48 airports it operates around the world. The company will also operate the Wi-Fi solution at all Aena airports for four years. The system includes a captive portal and user location tracking.

INDONESIA
WIND FARM CONNECTION

Omexom Indonesia is building Indonesia's first wind farm in Sidenreng Rappang Regency, on the island of Sulawesi, for UPC Renewables. The contract covers design, equipment supply and construction of the electricity grid connecting the 30 wind turbines to the transformer station, as well as a high-voltage substation and a 150 kV transmission line to connect the wind farm to the national grid.


OMEXOM
POWER & GRID

VINCI Energies posted the highest growth of the Contracting business lines in 2018, a result that reflects both its buoyant markets and its ambitious acquisition policy, which has led to the extension of its networks in Europe, the United States and Singapore.

For VINCI Energies, 2018 was a year of record growth, with revenue up 17.1%, to €12.6 billion. Organic growth came in at 4.6% thanks to strong markets in Europe and more particularly in France, where the recovery trend was confirmed, and to expanding activity in the rest of the world, more particularly in Africa and Brazil. The substantial external growth in 2017 continued in 2018. The acquisitions in both years accounted for total full-year revenue of about €2 billion.

After growing its networks in Germany and Northern Europe with the acquisition in late 2017 of Infratek, Horlemann and Eitech (combined revenue: €600 million), VINCI Energies finalised two acquisitions in 2018 that give it significant positions in two new countries, the United States and Singapore. The first, in the US, was the acquisition of PrimeLine Utility Services ($577 million full-year revenue in 2018, i.e. €489 million; 2,900 employees), which operates from 50 sites across 25 states in the eastern and southern part of the country. The second was the acquisition of Wah Loon Engineering in Singapore (S$223 million full-year revenue, i.e. €140 million; 405 employees), which specialises in large-scale turnkey multi-technical services, with particular attention to data centres. In addition to these major operations, VINCI Energies continued its usual flow of annual acquisitions as part of its international development strategy. The two-pronged strategy consists in building a strong presence in each local market and in networking across all of them, with most of the newly acquired business units joining one of the business line's brand networks. Consistent implementation of this strategy enabled VINCI Energies to generate more than 50% of its revenue outside France for the first time in 2018. To support this expansion, VINCI Energies' organisational structure and managerial culture foster profitable, long-term growth in the entities it acquires and integrates.

INFRASTRUCTURE

Volume in the infrastructure segment rose 40.7%, to €3.4 billion.

In electrical energy infrastructure, VINCI Energies business units, which operate primarily under the Omexom brand, continued to make the most of a very favourable market driven by the dominant position of electricity in the energy mix, diversification of generation modes and the spread of smart grids. These changes brought about a steady stream of major grid and equipment reconfiguration and upgrade programmes. Activity in the sector – boosted by the acquisition of Infratek, Horlemann, Eitech and PrimeLine Utility Services – enabled Omexom to become a world leader, operating on all continents.

IN POWER TRANSMISSION AND DISTRIBUTION GRIDS, business was brisk in France, driven by high-voltage substation and line upgrades to accommodate the growing use of smart grids. A variety of contracts were won for RTE (substation digitalisation), EDF (renovation of outgoing HV substations at nuclear power plants) and Enedis (modular indoor substations). VINCI Energies is also helping to reinforce the interconnection of the French and British grids, on the IFA2 project, which will add 4 GW to the power exchange capacity between the two countries. Business volume in France is also driven by many municipal contracts covering upgrade and maintenance of local distribution networks in both mainland and Overseas France, where the French West Indies subsidiaries worked to repair power grids damaged by hurricanes Irma and Maria in Saint Martin, Saint Barthélemy and Guadeloupe.

Outside France, new contracts were won in Germany (construction of a 70 km HV line between Audorf and Flensburg), Greece (125 km HV line in the Peloponnese) and Indonesia (HV substations). In Africa, where VINCI Energies has been expanding considerably through organic growth for several years, new contracts were signed in Benin (construction of substations to reinforce distribution capacity in the Greater Cotonou area), Côte d'Ivoire (reinforcement and safety upgrade of nine strategic EHV substations) and Senegal (contract with a total value of €197 million covering expansion, reinforcement and reliability upgrade of the Senelec transmission and distribution grid). VINCI Energies is building more than 1,000 km of 225 kV lines to interconnect Senegal, Guinea-Bissau, Gambia and Guinea. Major contracts were also renewed in New Zealand (Auckland distribution grid, works and maintenance for public grid operator Transpower), Australia (distribution grids operated by Powercor and AusNet in the state of Victoria) and the Gulf states (maintenance of the EHV grid of public operator GCCIA and installation of a reactance on an HV substation).

INNOVATION

LINE INSPECTION DRONES

Omexom is using drones to inspect 900 km of high-voltage lines across the sands of Saudi Arabia. The use of drones to examine towers reduces inspection time, simplifies operations in areas that are otherwise hard to access and does not require the line to be shut down, so that service is not interrupted. Since there is no risk of electrocution, the drone can hover close to live areas and uses a UV corona camera to detect discharge that is invisible to the naked eye. Equipped with a lidar, the drone can also generate a 3D model of the line and locate shifts of sand on the ground that could cause arcing (electric discharge without contact).

With the acquisition of Infratek and Horlemann, two leading European companies specialised in electrical grids and operating under the Omexom brand, VINCI Energies has reinforced its position in this market (notably in Scandinavia) and further consolidated its international expansion strategy.

IN RENEWABLE ENERGY, VINCI Energies was involved in energy transition programmes in its various geographies, which generate a steady volume of work to connect new production equipment and reconfigure power transmission and distribution grids. Business was particularly brisk for wind farms in Germany and solar power plants in Africa. For example, VINCI Energies commissioned the Zagtouli power plant in Burkina Faso (130,000 panels, 33 MW) and the Khalladi wind farm (120 MW) in Morocco. It also won a contract in Senegal to build eight photovoltaic solar farms with a combined capacity of 17 MW in remote regions. On the other continents, it signed new contracts in Australia, to install a synchronous condenser at the 256 MW Kiamal solar farm; in Indonesia, to commission the 75 MW Sidrap wind farm; and in Brazil, to automate 14 hydroelectric power plants.

Due to their intermittence, use of these energy sources requires new equipment such as energy storage systems to stabilise the grid. Omexom is already developing solutions to address this issue. In India, for example, a 20 MWh/20 MW lithium-ion battery is currently being installed to regulate grid frequency in real time. Hybrid photovoltaic/battery projects are set for construction in Corsica, Martinique and Brazil to overcome the variability of solar energy.

IN THE NUCLEAR SECTOR, in which VINCI Energies operates in France, the United Kingdom and Belgium, business volume increased as a result of the large number of maintenance and lifespan extension operations carried out at power plants in operation. The business line's expertise was also used in France in the construction of new buildings at the Framatome site in Romans sur Isère (New Uranium Zone project) and the Alternative Energies and Atomic Energy Commission (CEA) site in Cadarache.

IN URBAN LIGHTING AND EQUIPMENT, the Citeos brand consolidated its leadership in France by winning 12 new energy performance contracts (notably for the cities of Chartres, Niort, Marignane, Halluin, Bourbon Lancy and Baie Mahault), which brings the number of such contracts currently operated to 110. In Oceania, the Electrix subsidiary, which was already operating the urban lighting system in the northern and western areas of Auckland, New Zealand, won an energy performance contract in Greater Canberra, Australia, to upgrade a network of 80,000 light points with a smart, real-time control system and operate and maintain it for seven years.

In transport infrastructure, VINCI Energies delivers a broad range of expertise in energy and communication networks and in transport system engineering, covering all market segments.

In France, the focus was primarily on the Grand Paris programme. Major projects currently under way include the metro Line 14 extension (LV works package); the RER extension west of Paris (fire safety, power supply and ELV systems); 3G and 4G coverage for several lines; and regeneration of overhead power lines on RER Line C. In addition, a €71 million contract was signed to build electrical infrastructure for the future Grand Paris Express Line 15 South. VINCI Energies won new contracts outside the Paris area to renovate the Fréjus road tunnel across the French-Italian border (equipment for the new bore and renewal of installations on the existing bore) and to roll out traffic management assistance systems for four Direction Interdépartementale des Routes highway departments (southwest, west, centre-east and east). VINCI Energies also worked on a large number of bus rapid transit projects (10 contracts won or under way in 2018) and electric vehicle charging infrastructure projects, notably for the VINCI Autoroutes network and the main RATP bus depot in Paris.

Outside France, VINCI Energies worked on VINCI Concessions projects in Greece (motorway tunnel equipment), Peru (new section of the Línea Amarilla expressway in Lima) and Brazil (renewal and extension of electrical installations and systems at the airport in Salvador de Bahia). New contracts were also won in Germany to renew electronic equipment on the Berlin–Waren rail line; in Belgium to install the railway signalling system for the new tram depot of the Société des Transports Intercommunaux de Bruxelles; and in Sweden to maintain the Stockholm North rail network and to install the technical equipment of a new underground station and tunnel at the Central Station in Gothenburg. In Morocco, VINCI Energies implemented the electrical traction power infrastructure for Africa's first high-speed rail line.

INNOVATION

SYSTEMS AUDITS TO REDUCE ENERGY CONSUMPTION IN INDUSTRY

Production processes account for two-thirds of the energy consumed at an industrial site. To help its customers reduce their energy bill, Actemium has developed a systems audit service. Its engineers compile an overall picture of the production system, from arrival of raw materials to manufacturing of final products, calculate the minimum consumption required for the system to work, and then compare it to the amount of energy actually consumed by the site. They then propose an action plan to enable the site to achieve the target level. For example, a systems audit carried out for a dairy products manufacturer showed that there was scope for reducing the energy bill by 30%.

VINCI Energies delivered a turnkey vaccine production unit to a leading global pharmaceuticals manufacturer in Belgium. The work included everything from climate engineering to production chain technologies.

INDUSTRY

Volume continued to increase (10.2%, to €3.7 billion) as the sector was buoyed by ongoing capital investment. The Actemium brand provides granular coverage of these markets in terms of geography – with operations spanning 40 countries – and in terms of the solutions and services provided. Actemium is a good illustration of VINCI Energies' strategic marketing programme, which combines two mutually reinforcing parts: first, development of solutions and services suited to industrial production processes by entities that are specialised by market segment, have acquired expertise in the issues faced by their customers and are located close to their customers' production sites; and second, Actemium's ability to work with the other VINCI Energies networks to provide multi-technical, multi-site solutions that address these issues.

This approach meets the needs of large industrial companies seeking partners able to cover all the sites where they operate and to roll out the same production processes everywhere. For example, VINCI Energies has for years been supporting the European and overseas expansion of French and German automotive manufacturers. Its solutions and services are also in phase with the digital transformation under way in all sectors. Actemium's expertise in information technologies applied to industry, often combined with Axians' dedicated know-how, helps companies introduce new digital solutions (artificial intelligence, machine learning, data mining, predictive maintenance, etc.) in their production systems. It also helps them address energy efficiency at industrial sites.
In 2018, business remained brisk in the main industrial sectors (automotive, aerospace, food processing, chemicals, life sciences, logistics). The year's contracts included: in France, the Banque de France printing works in Chamalières (automated bagging of banknotes), and the ArianeGroup site in Toulouse (comprehensive maintenance including an energy

performance contract); in Germany, transformation of the assembly hall at the Volkswagen plant in Zwickau to switch production to electric vehicles, and work with the automotive component manufacturer Gestamp to create a new robot assembly unit; in the United Kingdom, production systems at the new Premier Nutrition plant at the Fradley Park site in Staffordshire; in Belgium, the new Kebony modified wood production site in Beveren (electrical engineering and instrumentation); in Switzerland, the Novartis pharmaceuticals site in Stein (redevelopment of network infrastructure and packaging line automation systems) and optimisation of the Nespresso warehouse in Avenches (upgrade of the automated product sorting system); in India, robotisation of automotive supplier Valeo's clutch disc production lines in Chennai; in the United States, installation at the Michelin distribution centre in North Carolina of the Tyre-Track identification systems that have already been installed in a score of Michelin sites in Europe.

In oil and gas, maintenance contracts offset revenue decline in the production sector, which was negatively impacted by investment cuts and a reduction in the number of large projects. New contracts were won or renewed with ExxonMobil in Nigeria (comprehensive maintenance of the Usan platform for five years), Total in Angola (systems upgrade at the Pazflor platform and telecommunications maintenance) and in Australia (Ichthys offshore gas field), as well as for Perenco in Cameroon (maintenance at two oil sites and two gas sites), Pertamina in Indonesia (monitoring and control equipment) and Petrobras in Brazil (multi-technical maintenance of seven platforms in the Campos Basin off the coast of Rio de Janeiro). Overall, specialist VINCI Energies teams are working at nearly 160 offshore sites around the world, including some 30 FPSO (floating production storage and offloading) platforms. In the downstream sector, business activity continued to rise, driven by an increasing amount of work to support major investments at Total and ExxonMobil refineries in Europe.

BUILDING SOLUTIONS

Revenue came in at €3.3 billion, up 6.2%. In this segment, VINCI Energies combines engineering and works with the maintenance and operation services provided by the VINCI Facilities brand. VINCI Energies' comprehensive vision of the building life cycle, facilitated by digital models and tools (full BIM) covering both the design-build and the operation phases, positions it as a solution integrator able to take on the full range of technical works packages on a project and then provide facilities management services to support the project's users. VINCI Energies is thus in a position to keep pace with the market's shift towards increasingly complex building projects that meet ever higher energy performance, connectivity and user comfort objectives.

In the works activities in France, business was brisk in the Paris region, especially for large office building projects carried out in synergy with other Group entities. For example, VINCI Energies worked for VINCI Immobilier on the full range of technical works packages for the Le Belvédère building and won, in a joint venture with VINCI Construction France, the contracts for the Duo buildings and the Hekla tower. Outside Paris, the main projects were the construction of the Ycone tower in Lyon's Confluence district, the Luma building in Arles, the new exhibition grounds in Toulouse and a refrigerated logistics hub for the Biocoop chain; as well as the renovation of the Hôtel de Paris in Monaco.

Outside France, VINCI Energies subsidiaries worked on a wide variety of projects, including the conversion of the former freight railway station in Brussels, Belgium; extension and renovation of a shopping centre in Oeiras, Portugal; and renovation of the Tazi Palace, a historic building converted into a luxury hotel, and construction of the main data centre for a major Moroccan bank, both in a joint venture with VINCI Construction, in Morocco. In Singapore, the new Wah Loon Engineering subsidiary consolidated its strong position in the data centre market with three major projects.

In maintenance and facilities management, the VINCI Facilities business units continued to expand in a growing market. VINCI Energies supports them, with a special focus on energy efficiency, in their core multi-technical maintenance and contract management business. More broadly, they roll out comprehensive facilities management solutions that meet their customers' needs by including an increasing proportion of services. They use digital technologies and the large volume of data relating to buildings' operations to fine-tune energy consumption and use. The Hypervision interface developed by VINCI Facilities gives its customers a real-time overview of activity in their buildings. The solution was rolled out at 2,500 sites at end-2018. VINCI Facilities also broadened the range of its services by acquiring Greenaffair (sustainable development consulting) and DEGW (interior architecture and space planning), after acquiring Opal (hospitality management) the previous year.

INNOVATION

A HYPERVISOR TO BETTER MANAGE THE CITY

VINCI Energies has implemented a hypervisor in the La Défense business district near Paris, which serves as a smart city testing ground. The hypervisor platform brings together the various site supervision systems in the district's multi-layered physical environment (regional express train line, motorway, metro, pedestrian esplanade, local roads, technical tunnels, etc.) and displays all data in 3D. More than 15,000 pieces of equipment are monitored or used for identification to facilitate geolocation of incidents. The hypervisor can also coordinate all types of sensors and controls, for example to open doors for firefighters or regulate traffic lights if congestion builds up.

AUGMENTED OPERATION OF BUILDINGS

In parallel with the Hypervision connected interface it makes available to its customers, VINCI Facilities has developed its Building Data Factory, a system designed to aggregate and correlate, within the same platform, all the data generated by the various software packages and tools used to manage buildings (BAS, CMMS, BIM, space management tools, etc.) and link them to connected objects. The system also includes big data and artificial intelligence technologies (dynamic data analysis, predictive models, etc.). By facilitating the full range of technology and service activities, it paves the way for augmented operation of buildings.

One of the year's highlights was the five-year renewal of the comprehensive facilities management contract covering the 59 Thales Group sites in France. The contract includes a commitment to reduce energy consumption in office buildings by 20%. In a continuation of its co-innovation policy with Thales, introduced several years ago, VINCI Facilities will implement state-of-the-art digital management solutions, notably comprising IoT technology and user satisfaction tracking systems.

In Belgium, VINCI Facilities was selected to maintain seven buildings in the municipality of Beersel under an energy performance contract; and in Germany it won several new contracts for schools in Cologne and Bergheim.

INFORMATION AND COMMUNICATION TECHNOLOGIES

Axians again sharply increased its revenue (up 16.1%, to €2.2 billion) as a result of both organic growth and acquisitions. Six new business units joined its international network in 2018: Alliacom and Intracom (France), SecureLayers (Netherlands), Gruppo Sintesi (Italy, United States), Ruf Informatik (Switzerland) and Standard IT Group (Austria).

Axians' growth builds on an underlying trend – the accelerating digital transformation of all activity sectors, across companies of all sizes, with a profound impact on their business models and operating processes. To help its customers tackle this major challenge, Axians is positioned as their 360° ICT partner, able to help them manage the increasing complexity of expanding technologies. In line with this positioning, the brand has overhauled its solutions and services. Previously centred on telecommunications and computer networks, it has shifted its range's focus to data as the common denominator, with Axians collecting, distributing, structuring and protecting the data that is now vitally important to companies and organisations, and rendering it actionable.

With this goal in mind, Axians has broadened its solutions over the years to cover everything from infrastructure (telecommunications, cloud technology and data centres) to enterprise networks, digital work environments, business applications, data analysis, artificial intelligence and cybersecurity. These solutions involve a growing proportion of services. While ICT systems are increasingly configured according to uses and applications, Axians makes the most of its close proximity to its customers to continuously adapt these technologies to meet their needs. Axians also works closely with the other VINCI Energies brands, given the increasing role of digital technology in the operation of energy and transport infrastructure, industry and buildings.

The accelerating digital transformation was the focus of a large number of projects. In France, for instance, VINCI Energies stepped up its participation in the national high-speed broadband plan. Under recently signed contracts, Axians will work with local VINCI Energies and VINCI Construction business units to connect a further 750,000 households in 27 French departments by 2022. Business activity was also strong in the healthcare sector, for which Axians has developed substantial expertise. Examples are the new contracts awarded by the Institut Gustave Roussy (restructuring of data and virtualisation platforms for the hospital and the research centre), the Institut Curie (data storage) and the Resah hospital purchasing network (information system upgrade and convergence). Axians also won the contract awarded by the city of Aix en Provence to install an urban data collection and processing network (cleanliness, pollution, lighting and pedestrian traffic flows) and the contract awarded by the Association pour le Développement du Service Notarial to transform its data centres.

In other countries, new contracts included the rollout of a public Wi-Fi network in 24 airports operated by Aena, in Spain; digitalisation of Energias de Portugal electricity grid substations, in Portugal; design, rollout and operation of a building energy management IoT solution for electricity supplier Vattenfall, in Sweden; implementation of a transport management system connecting 450 users in seven countries for Schneider Logistics, in Switzerland; and upgrade of the grid for electricity supplier Kahramaa, in Qatar.

INNOVATION

CONNECTING KNOWLEDGE

To further develop teaching methods, effortlessly share knowledge across the planet, and interest learners and teachers, companies and institutions of higher education are investing heavily in advanced teaching tools such as collaborative and virtual classes. Axians has been helping the faculty and IT teams at a university in Kortrijk, Belgium, to introduce these new learning systems. The VINCI Energies Academy, convinced of the effectiveness of these new methods, has partnered with Axians to include collaborative classes in its own training programmes. The next step, in 2019, will be to move to virtual classes in order to limit employee travel while maintaining the physical presence of the instructor. The point is not to digitalise learning but to go beyond it to put into practice the promise of more attractive and flexible education suited to the preferences of learners of all ages.

OUTLOOK

Revenue is likely to increase significantly again in 2019, driven by a combination of organic growth, with markets expected to remain buoyant overall, and external growth, with the full-year effect of acquisitions finalised in 2018, including PrimeLine Utility Services in the United States.

Building on its ability to integrate new entities and generate lasting growth, VINCI Energies will continue to pursue its proactive international expansion strategy. It will do so in Europe by rounding out coverage of its brand networks, which are already operating in virtually all EU countries, and in the rest of the world by expanding around its existing positions (primarily in Africa, Oceania, Indonesia, Singapore, the United States and Brazil). Throughout these geographies, VINCI Energies will amplify networking to further connect its business units and expertise and broaden the range of solutions and services it makes available to its customers.

Across all VINCI Energies business lines, growth will be driven by favourable long-term trends that are already evidenced in the projects currently under way. The energy transition and the spread of renewables will prompt diversification and reconfiguration of power generation, transmission and distribution infrastructure and have an impact on buildings and industrial sites seeking to reduce their carbon footprint. At the same time, progress in digital technologies (artificial intelligence, 5G rollout, etc.) will transform energy, transport and communication systems as well as industrial processes, workplaces and urban spaces. In all these areas, VINCI Energies will be able to help its customers navigate their digital transformation. To achieve this, the business line will step up synergies among its networks of expertise and continue its co-innovation policy, which brings together its business units, customers, partners and the other VINCI Group business lines within the Leonard platform to work on a wide variety of endeavours.


EUROVIA
EUROVIA

EUROVIA

Developing green growth mobility solutions

As a partner of regional and local authorities, Eurovia develops mobility solutions to strengthen economic competitiveness and community ties, designing, building and maintaining transport infrastructure and urban development projects. Its innovation policy focuses on green growth to help reduce the environmental impact of the roadworks industry. It operates in 16 countries across Europe and North and South America and has more than 43,000 employees.

SAFETY

INFORMATION SHARING AND PROGRESS PROGRAMME

As part of its digitalisation process, Eurovia developed the Notify application to enable worksite, quarry and industrial site supervisors to report safety and environmental problems and document them with photos. The application was tested in the Centre-Aquitaine delegation and then rolled out nation-wide in April 2018. Notify records all reports of near misses and environmental events. In 2019, the initial module will be expanded to include additional functionalities such as driver assistance and information about traffic in the vicinity of the worksites.

UNITED STATES

EUROVIA DOUBLES IN SIZE

In December 2018, Eurovia acquired Lane Construction's Plants & Paving division, a leading producer of hot mix asphalt in the United States with about 40 asphalt plants and several quarries in 10 states along the East Coast and in Texas. With this acquisition supplementing the operations of Eurovia's subsidiaries Hubbard Construction and Blythe Construction in Florida, Georgia, and North and South Carolina, Eurovia is now a leading roadworks company on the country's eastern seaboard, generating total revenue of about $1.2 billion.


LANE
we build value

Eurovia recorded strong, primarily organic revenue growth driven by positive trends in its main markets. Its business volume in the United States is set to double following a major acquisition finalised at the end of the year.

The perceptible upturn in 2017 was amplified in 2018. Eurovia generated €8.9 billion in revenue, up 10.1% (7.3% at constant scope and exchange rates). Organic growth was strong in Eurovia's main markets, particularly France. As part of its ongoing strategy of gaining and maintaining market leadership in target countries by concurrently expanding its works and materials production activities, Eurovia further developed its networks in the Baltic states, Canada and – above all – the United States, where a major acquisition finalised in December 2018 will boost its full-year revenue to more than €1 billion in 2019.

As the strategic Working Together plan ramped up, performance improved and Eurovia's profitability exceeded the sector standard. The plan, applied across all regions and the business line's four activities (works, industry, materials and maintenance services), focuses management and teams on shared objectives and includes safety measures. Each entity then adapts within its own strategic business plan. As part of its drive to continuously improve its operational performance, Eurovia undertook to acquire a new digital ecosystem that will build on the company's state-of-the-art tools and information systems to connect all parts of the company and boost productivity by facilitating team operations on the ground.

The innovation policy is conducted in the same spirit. Management strongly encourages grassroots innovation within each business unit and the dissemination of best practices via Eurovia's dedicated new digital platform, Eureka. Meanwhile, with support from its international research and development centre in Bordeaux and in partnership with stakeholders in its ecosystem, Eurovia is developing products and processes that improve the roadworks industry's energy consumption and carbon footprint. Two recent examples of its major breakthroughs illustrate this: the Power Road® process, now being rolled out, which transforms the road into an energy producer by incorporating a heat exchanger in the carriageway to capture and store solar heat and make it available for other uses; and the use of 100% reclaimed asphalt pavement to refurbish high-traffic carriageways, with a first trial carried out on the VINCI Autoroutes network in France in 2018 *(see opposite)*.

More broadly, Eurovia applies circular economy solutions across all its activities as part of its green growth policy. Eurovia is France's largest producer of recycled building and civil engineering materials. Its 10.6 million tonne annual recycled output accounts for 10.7% of its total production. The company has developed a comprehensive industrial supply chain comprising 150 recycling facilities. Meanwhile, for the past 15 years Eurovia's network of quarries and industrial sites has been building on the company's strong regional roots to roll out, as part of its "Granulat+" programme, solutions designed to save natural mineral resources, increase the proportion of recycled materials used and foster local production and transport systems.

FRANCE

Eurovia's revenue rose 9.5%. Thanks to the diversity of its activities across the entire transport infrastructure and urban development sector, Eurovia was able to make the most of buoyant markets driven by the resumption of local authority investments following a lengthy period of budget cuts. Eurovia and its network of local divisions carried out an increasing number of small and medium-sized operations for municipalities and urban communities in the run-up to the 2020 municipal elections, while at the same time working on larger mobility infrastructure and urban renewal projects in major cities and urban areas.

To strengthen its network of locations and boost its roadworks, quarry and coating plant activities in the Auvergne Rhône Alpes and Occitanie regions, Eurovia acquired SER and Robert, two groups which generate combined annual revenue of about €60 million and employ more than 300 people.

ON MOTORWAY AND ROAD NETWORKS, Eurovia divisions carried out resurfacing projects on the A29 and A10 motorways, the VR52 expressway in the Moselle department and roads in the Vendée department along the route of the Tour de France. They helped build a new road between the towns of Montesson and Sartrouville in the Yvelines department and rehabilitate 10 rest areas along the A4 motorway.

THE URBAN DEVELOPMENT ACTIVITY was particularly buoyant. The main projects were: redevelopment of the Eiffel Tower esplanade and the Avenue de la Porte de Clichy and transformation of the Cité Internationale Universitaire campus, in Paris; new bus stations for the multimodal Marne la Vallée–Chessy network in the Seine et Marne department; redevelopment of the railway station area to create a multimodal hub in Troyes; creation of a new

INNOVATION

MOTORWAY RENOVATION: A FULL LOOP IN THE CIRCULAR ECONOMY

The "fully recycled" road solution – which won the call for projects for the "Route du futur" under the French government's Investissements d'Avenir (investment for the future) programme organised by Ademe, the French Environment and Energy Management Agency – is designed to overcome the obstacles that currently limit reclaimed asphalt pavement recycling rates to a maximum of 50% to 60%. Eurovia worked in partnership with equipment manufacturer Marini-Ermont to simultaneously change the methods, process and production equipment, and design a mobile plant that can recycle up to 100% of the RAP generated by pavement planing.

The solution devised by Eurovia's international research and development centre in close cooperation with its operational teams was implemented in October 2018 under particularly difficult conditions on a refurbishment project along a 1 km section of VINCI Autoroutes' A10 motorway between Pons and Saint Aubin in south-western France.

In addition to achieving a very high recycling rate, unprecedented for a mobile plant, the Eurovia solution cut energy consumption by 20% and greenhouse gas emissions by 50% compared to a conventional production plant. Because the plant was set up near the worksites, materials transport was also reduced to a minimum.

neighbourhood at the site of a former military barracks in Briançon; landscaping around the Désilles memorial in Nancy; refurbishment of Général Metman street in Metz; transformation of the municipal complex and the Place des Arts in Blagnac; renovation of the historic district as part of the Cœur de Ville (City Centre) project in Auch; redevelopment of the Place de l'Entonnoir in Berck sur Mer; transformation of the railway station neighbourhood in Laval; and development of public spaces in the Jean Jaurès neighbourhood in Thourotte. Eurovia's wide variety of expertise was also in evidence in special works such as the nature restoration project along a watercourse in the Greater Nancy area, redevelopment of the banks of the Allier in Bellerive sur Allier, sewer system upgrades in Bergerac and Wintzenheim, and rollout of a heating network in the Greater Le Mans area.

IN URBAN TRANSPORT INFRASTRUCTURE, Eurovia provided roadworks, utility realignment and public space development services for new urban transport line construction projects, and its specialist subsidiary ETF handled rail works. In tramways, Eurovia continued a number of projects in Nice, Bordeaux and Lyon; began the tramway upgrade project in Caen; and won two additional contracts: the first to build a new 4.3 km line in Saint Étienne and the second to build Tram 9 in the Val de Marne department, a project that includes façade-to-façade development over 11.5 km of the new line. In addition, Eurovia took part in a number of projects in the fast-growing market for bus rapid transit systems, with Eurovia teams working on the construction of the new BRT lanes in the cities of Toulouse, Poitiers, Montbéliard, Aix en Provence, Béthune, Saint Brieuc, Pau and Bayonne.

IN RAIL WORKS, in addition to the tramway projects mentioned above, ETF continued work on the catenary replacement projects on RER Line C over a distance of 180 km in the Greater Paris area, in conjunction with Mobility (VINCI Energies), and won a new contract to extend metro Line 11 over more than 6 km northeast of Paris. The subsidiary is also working on the GPMR network upgrade programme initiated by SNCF Réseau, for which it holds two multi-year contracts covering renovation of railway infrastructure, one in the Greater Paris area and the other in the regions. ETF also holds several contracts covering safety work on switches in stations and along the national railway network, including a contract to replace switches and crossings at Montparnasse railway station in Paris.

IN THE AIRPORT SECTOR, Eurovia replaced taxiways at EuroAirport Basel Mulhouse Freiburg and developed aprons and taxiways at Toulouse-Blagnac to accommodate the new giant Airbus transport aircraft, the Beluga XL, starting in 2019.

IN THE INDUSTRIAL AND LOGISTICS SECTOR, the main projects were restructuring of the PSA site in Aulnay sous Bois and construction work on the Moselle department's business complex at Illange Bertrange, the Pégase aerospace cluster at Avignon-Provence Airport and a logistics hub for the Intermarché Group in the Morbihan department.

IN THE SPECIALIST SUBSIDIARIES, business volume at the Cardem (demolition works) and Signature (road equipment) subsidiaries was boosted by the favourable trend in the construction markets. Cardem worked on the Grand Paris Express programme, taking part in redeveloping the area assigned to the Orly Ouest station, where it demolished a four-level car park and two viaducts. Signature worked in a joint venture with Citeos (VINCI Energies) to supply and install 14 dynamic message signs on the access ramps to the Tancarville and Normandy bridges.

EUROPE

Germany

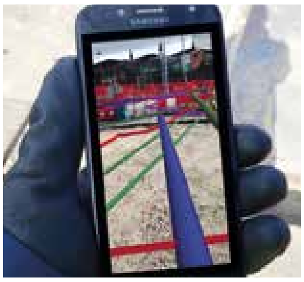
In Germany, where the market was driven by strong transport infrastructure modernisation requirements, Eurovia's revenue increased 10.6% to €0.9 billion and its Ebit margin continued to improve. Business activity was spread over a large number of medium-sized contracts and also involved larger projects such as the Hochstetten Dhaun bypass in Rhineland Palatinate, refurbishment of the A3 motorway between Hünxe and Dinslaken Süd (12 km) in North Rhine Westphalia, and installation of noise barriers along the railway corridor between Munich and Zurich (ABS48).

Eurovia is also leader of the joint venture tasked with renovating the A7-2, a 60 km motorway between the Bockenem and Göttingen interchanges in Lower Saxony, including a 29 km section to be widened to a three-lane dual carriageway. The work, part of a public-private partnership awarded to VINCI Highways in 2017 (A-Modell programme), will take three and a half years to complete.

United Kingdom

Despite the economic uncertainties due to Brexit, revenue held steady at a high level (£0.5 billion, up 3.2%). Eurovia UK generates the bulk of its activity under long-term maintenance contracts, working in joint ventures with several partners to manage nearly 53,000 km of roads for local authorities. In 2018, the South West Highways subsidiary notably won the contract to maintain and upgrade roads in the eastern and southern parts of Devon County.

INNOVATION



MAKING INVISIBLE UTILITY LINES VISIBLE

To reduce the risks inherent in working near buried pipelines and other utility networks, Eurovia is working on the Avus project. Using the latest digital innovations, Avus combines a collaborative platform with a geographical information system, an algorithm that converts existing utility network data into a 3D model and a connected mobile application that makes it possible to "see" these buried lines as the user walks across the site during excavation preparation and execution. This type of tool paves the way for optimised construction, management and predictive maintenance solutions for underground infrastructure and related roadworks.

Ringway won the extension, until 2022, of its service contract with the city of Milton Keynes in Buckinghamshire covering maintenance of 1,170 km of road surfaces, 1,800 km of pavements, public lighting and winter maintenance.

In a joint venture with VINCI Highways, Eurovia's Ringway subsidiary has also managed the roads on the Isle of Wight and in the London Borough of Hounslow under public-private partnerships since 2013. During the first five years of the 25-year contract for the Borough of Hounslow, £96 million was invested, primarily to refurbish 186 km of roads, renovate 205 km of surfacing and install 15,000 new LED streetlights.

In parallel with the service contracts, business activity under works contracts remained buoyant. Eurovia Contracting, for example, carried out a series of development projects along main thoroughfares and in public spaces in the city of Leicester to improve mobility and convenience for the local population, and maintained 2,000 km of motorways and national highways in South East England and the Midlands for Highways England.

Czech Republic and Slovakia

With the countries of Central Europe receiving substantial European Union structural funds to modernise their infrastructure, revenue rose 15.4% to €0.7 billion. Several major projects were carried out during the year.

In the Czech Republic, Eurovia CS continued work on the D3 (Ševětín–Borek, 10 km) and D1 (Hořice–Koberovice, 6.5 km) motorways and won a €119 million contract to build a 14.7 km section of the D35 motorway between Časy and Ostrov in Bohemia. The works involve construction of 22 bridges including a 451 metre viaduct and a bridge that will be turned and pushed over a major railway track. The subsidiary, which also delivers rail works, continued the track renovation and equipment project on the line between Český Těšín and Dětmarovice near the Polish border and renovation work in Veselí nad Moravou station in the South Moravian Region.

In Slovakia, Eurovia SK, which recently built several sections of the D1 and D3 motorways, began work on a new 8 km section of the D1 near Prešov in the eastern part of the country. The major project includes construction of a 2.2 km tunnel, 18 bridges and more than 6 km of noise barriers.

Poland

Continuing its policy of highly selective order taking in a sluggish market, Eurovia Polska generated €0.3 billion in revenue. The subsidiary completed construction of a 19.7 km section of the S3 expressway between Legnica and Bolków serving the western part of the country along the pan-European corridor, and carried out several road renovation and urban development projects in Tychy, Bielsko Biała, Szczecin, Rzeszów, Gdynia and Gdańsk. The local ETF subsidiary renovated two railway sections with a combined length of 27 km along Line 131 in the south of the country.

Baltic states

In the other Central European countries, apart from Romania, Eurovia mainly operates in the Baltics, where revenue rose sharply to €0.1 billion on the back of two external growth operations. Following the acquisition of the Latvian company Saldus Ceļinieks in 2017, Eurovia continued to expand its network in the area by acquiring TREV-2 Grupp in Estonia, which operates in quarries, asphalt production, roadworks and local utility maintenance under multi-year contracts. Eurovia is now a leader in its sector in the Baltics, where the transport infrastructure market is very buoyant. The year's main projects included widening and upgrade of the A5 motorway in Lithuania, part of the Via Baltica connecting Helsinki with Tallinn, Riga and Prague.

Spain

Revenue rose again (23.5%, to €0.1 billion), with markets recovering following a lengthy downturn. Multi-year road network maintenance contracts are helping to bolster activity. In addition, Eurovia Spain redeveloped one of the main avenues in the seaside resort of Roquetas de Mar in Andalusia.

AMERICAS

Canada

Operating in both the western and eastern parts of the country, Eurovia generated revenue of C$0.8 billion, up 30%, in an economy that varied from province to province.

IN QUEBEC, where Eurovia has traditionally operated, the company achieved strong organic and external growth. In this favourable recovering market, Eurovia acquired Pavages Chenail (230 employees, C$47 million full-year revenue) and TNT (380 employees, C$115 million full-year revenue), two roadworks companies that also operate large quarries. These acquisitions enable Eurovia Québec to expand its aggregate reserves and road materials production capacity while broadening its network in 10 regions throughout Quebec, especially in the Greater Montreal area.

The year's main projects were reconstruction of the James Bay Road in northern Quebec; refurbishment of the runways at Pierre Elliott Trudeau International Airport and construction of a 12,000 cu. metre water retention pond in Montreal; and rebuilding of the Île Bigras and Île Verte bridges in Laval.

IN ALBERTA, the major Regina Bypass project enabled Carmacks to stave off revenue contraction in a difficult economic environment. The Regina Bypass is under construction around the capital of Saskatchewan, a province lying next to Alberta. As part of a public-private partnership in which VINCI Highways serves as investor, the project is being carried out in a joint venture encompassing Carmacks (lead company), VINCI Construction and local partners. It is the province's largest-ever infrastructure project, covering a total of 37 km of new highway, 24 km of resurfaced highway, 12 interchanges and 33 engineering structures. Following handover of the first phase in 2017, the entire project is currently set for completion in 2019. Meanwhile, Carmacks continued to work with local authorities on upgrades (663, 63 and 986 motorways; Alberta Highways 2 and 19, Saskatchewan Highway 36; access road to the Northwest Territories) and urban development projects (Edmonton, Stony Plain).

IN BRITISH COLUMBIA, subsidiary BA Blacktop's selective order-taking policy in a slow market kept volume stable. The year's main projects were the widening of 100th Avenue in Surrey, the province's second-largest city by population, and the construction of roads for a new business park in Burnaby, the seat of the Metro Vancouver Regional District's government.

INNOVATION

INNOVATION DAY

On 25 May 2018, Eurovia's 40,000 employees in 15 countries took part in its Innovation Day. The same day, Eurovia launched its participatory innovation platform Eureka, which is open to all employees. In addition to the forums, project presentations and events held in each country, six regional hackathons were organised in France. The teams from Eurovia's divisions and 160 students from top postgraduate schools got together to brainstorm innovative solutions for the road of the future.

The Regina Bypass project carried out for VINCI Highways by Eurovia's subsidiary Carmacks is the largest-ever infrastructure project in Saskatchewan. It is designed to improve traffic flow and safety, and support economic development in the Canadian province.

United States

2018 marked a turning point for Eurovia in the United States, with the completion of a major project in Georgia, which resulted in revenue contraction (down 8.9%, to €0.4 billion), record order intake, and a major acquisition finalised at the end of the year. This acquisition involved the industrial and roadworks division of Lane Construction. The division, which employs about 2,000 people and generates annual revenue exceeding $600 million, covers 10 states along the East Coast and in Texas and comprises about 40 asphalt plants and quarries in New England producing more than a million tonnes of aggregate per year. It supplements the activities of Eurovia subsidiaries Hubbard Construction and Blythe Construction in Florida, Georgia and North and South Carolina. The acquisition doubles Eurovia's business activity in the United States.

During the year, Hubbard Construction, working in partnership with Archer Western Contractors (Walsh Group), completed the North West Corridor in Atlanta, the largest road construction project ever carried out in Georgia. It consisted in adding 48 km of reversible express lanes along I-75 and I-575. The project was completed with minimum impact on traffic. The year's other main projects involved state road infrastructure renovation (SR-21 and SR-528, International Drive in Orlando) and road upkeep in Clay County under a three-year maintenance contract in Florida; and widening of NC 273 in North Carolina.

In North Carolina, Blythe Construction won three major contracts during the year. The first covers construction of two additional lanes on I-485 in Charlotte (a toll expressway and a high-occupancy vehicle lane) over a distance of about 26 km. The second covers construction of a new interchange with a length of about 4 km on the northern ring road in Winston Salem, Forsyth County. The third, awarded to a joint venture encompassing Blythe Construction and Lane Construction, covers construction of a 12.8 km motorway section (Triangle Expressway Southeast Extension) in Raleigh, the capital of North Carolina. The three contracts have a combined value of $880 million.

Chile

In roadworks, revenue held steady at a high level (€0.2 billion). Eurovia subsidiary Bitumix is maintaining roads in the western part of the province of Concepción in the centre of the country under a four-year contract. It also completed redevelopment of the venue for the Cruz de Mayo feast in the city of Vallenar, the capital of the Huasco Province in the Atacama region. Meanwhile, subsidiary Probisa acquired a new bitumen terminal and a road binder production plant in Concepción.

In rail works, OFC, a joint venture held by ETF and Colas Rail, increased its work on the metro extension project in Santiago de Chile. After building the first section of Line 3 (22 km), commissioned in 2018, it won the contract to extend the line by 4 km and the contract to extend Line 2 (13 km), including construction of a new depot. OFC is also responsible for maintaining the entire city network covering a total of 140 km of lines.

OUTLOOK

Eurovia's revenue is expected to rise again in 2019. The order book, which increased sharply over the past year, heralds organic growth in addition to the full-year effect of the 2018 acquisitions.

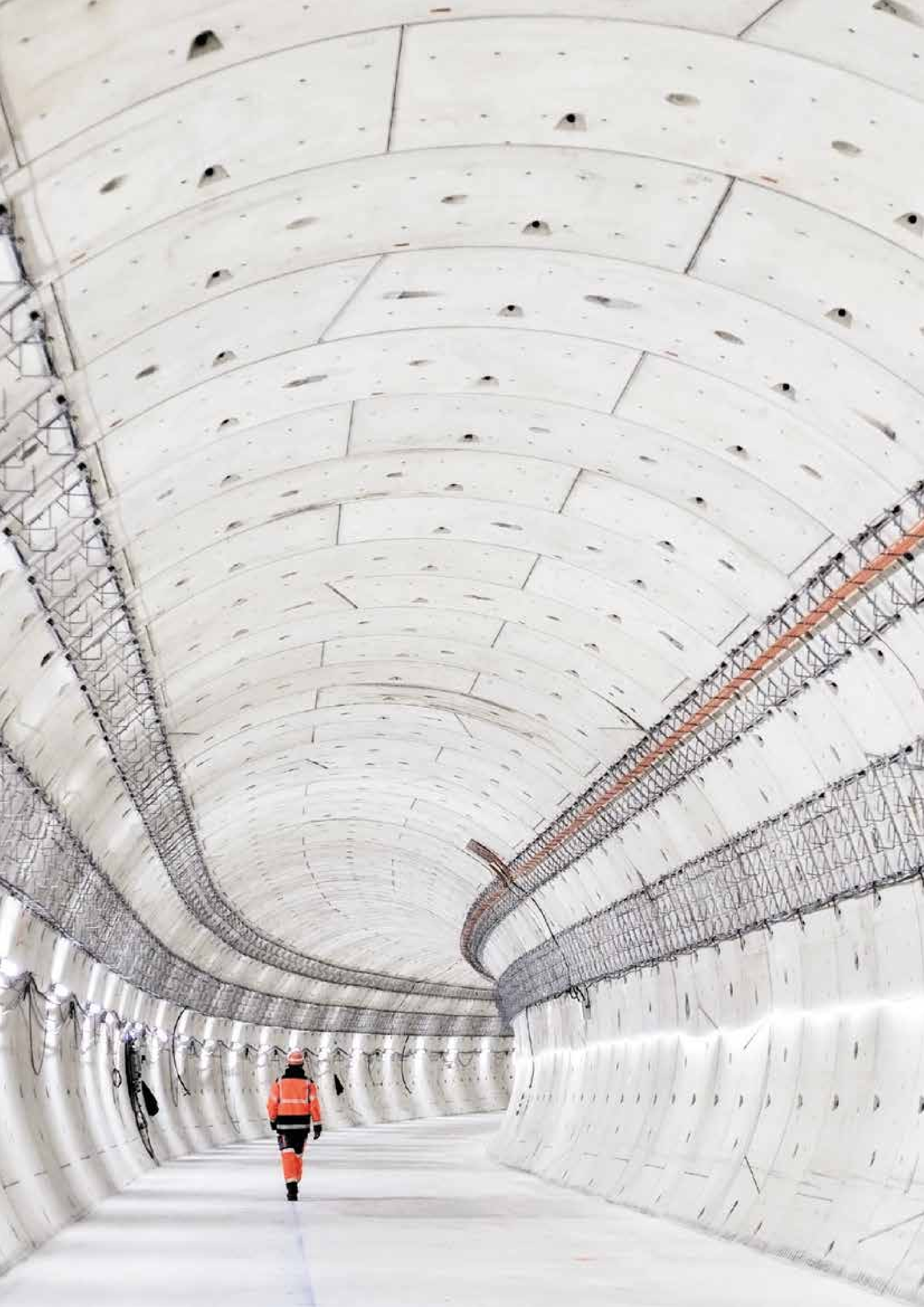
In France, public spending will continue to boost roadworks and urban development business activities. Eurovia will leverage its strong local roots and wide-ranging expertise to help regional and local authorities transform public spaces and upgrade transport infrastructure, including motorways, roads, metro, tram and bus lines and multimodal hubs. The rail works activity will be driven by long-term investment in national and regional network upgrades in addition to urban projects.

Eurovia will also benefit from tailwinds elsewhere in Europe, including Germany, where there is a substantial need for road infrastructure modernisation; the United Kingdom, where multi-year maintenance and service contracts for local authorities drive activity; and Central Europe, where European Union structural funds finance major transport infrastructure upgrade programmes.

In the Americas, 2019 will see very strong growth in the United States, where the acquisition of Lane Construction's industrial and roadworks division at the end of 2018 will double Eurovia's revenue and enable it to roll out its network in about 10 states. Major contracts awarded in North Carolina will further boost growth. In Canada, volume should continue to rise significantly in Quebec.

Against this backdrop, Eurovia will continue to pursue its expansion strategy geared to winning or consolidating its leadership in all countries and regions where it operates, while simultaneously expanding its works and industrial production activities. Synergies with VINCI Highways under public-private partnership contracts will back this strategy.

Eurovia will also create further value through innovation, which is focused primarily on reducing the environmental impact of infrastructure works. The company's circular economy solutions applied to the production and placement of road materials and its positive-energy road solutions are a long-term green growth driver.



VINCI CONSTRUCTION

Buildings and infrastructure for a sustainable world

VINCI Construction, the leading French building and civil engineering group and a global player, operates on five continents with more than 71,000 employees and 830 companies. It designs and builds structures and infrastructure that address the major issues facing society – global warming, population growth and rising demand for housing, healthcare, water and education, new gathering places, recreational facilities and work spaces, and more mobility. VINCI Construction is marshalling its expertise, innovative drive and team engagement to support its customers in a changing world.

JAMAICA
WHARF FOR GIANT CONTAINER SHIPS

Together, VINCI Construction Grands Projets, which has long operated in Jamaica, and VINCI Construction Maritime et Fluvial have enlarged the container terminal in Kingston, Jamaica, for shipping company CMA CGM, to accommodate giant New Panamax vessels. The project consisted in deepening the basin and refurbishing the wharf to enable it to better withstand earthquakes and support harbour cranes weighing 1,500 to 1,800 tonnes each. The project called for construction of an underwater retaining wall to a depth of 15 metres and a forest of reinforcing piles using 15,000 tonnes of steel in total.

CHALLENGE

THE TRAIL, BY VINCI CONSTRUCTION

A total 1,258 students from 350 universities and institutions of higher learning across 58 countries took part in VINCI Construction's first international The Trail competition, which focused on imagining the world of construction in the future. During the international finals, held at VINCI's Leonard:Paris innovation lab, 14 projects received awards. In an extension of the innovation competition, the nominees gathered for an outdoor sports challenge in the eastern French city of Annecy.

EGYPT

A NEW DAM ON THE NILE

The new Assiut Barrage built by VINCI Construction Grands Projets between Cairo and Luxor, 400 metres downstream from the existing dam, now irrigates nearly 700,000 additional hectares of agricultural land, comprises a 32 MW hydroelectric plant (four 8 MW turbines) and supports navigation on the Nile in both directions via a system of large locks. The project called for the groundwater table to be lowered to a depth of 35 metres under the river, using a pumping system involving 89 shafts, which can discharge up to 300,000 cu. metres of water per day. The project employed 2,200 local workers.

VINCI Construction recorded slight volume growth and a more pronounced increase in its results in 2018, mirroring its selective order-taking policy and confirming its diversified business model's robustness.

Amid favourable market trends overall, VINCI Construction continued its controlled growth strategy, reporting revenue up 1.9% (0.2% like-for-like) to €14.2 billion. Slight organic growth was accompanied by a greater increase in operating income as a result of the selective order-taking policy focused on project value. The profitability improvement was especially noticeable at VINCI Construction France, where the business model was reworked to strengthen its competitiveness. VINCI Construction grew its order book for the third year in a row, particularly outside France. The business line's resilience also reflects its ability to strike a balance between its three main components (network of local subsidiaries, Major Projects Division and specialist activities), which enables it to cover an exceptionally diverse range of expertise, geographies and working methods in its markets (longstanding local roots, "exports", general contracting, contracts covering specific expertise, etc.).

Because VINCI Construction's management method cultivates its companies' autonomy and agility in their respective markets, the Group is able to foster synergies among them and with the other VINCI business lines to meet increasingly comprehensive and complex construction challenges, such as those of the Grand Paris transport infrastructure and urban renewal projects. Similarly, to boost its visibility in the market and ability to meet customer expectations, VINCI Construction develops solutions and services organised by major area of activity under overarching brands that bring together the expertise of its subsidiaries. In 2018 for example it launched Hycare (hospital sector), Remea (soil remediation), Steeleom (metal building frames) and ActivSkeen (active building envelopes), following the introduction of Sixense (digital solutions for the construction sector), Equo Vivo (ecological engineering), Plendi (prestige buildings) and VINCI Construction Maritime et Fluvial in previous years.

NETWORK OF LOCAL SUBSIDIARIES

VINCI Construction France

In line with its policy to regain profitability, VINCI Construction France grew its revenue 2.1% to €5.6 billion and increased its income. Having adopted an agile and fluid organisational structure based on increased pooling of its design and engineering services and the functional resources of its regional entities, the company continued to pursue value creation through operational excellence and innovation, with the dual goal of optimising costs and maintaining its leadership position in the French market.

In the building segment (65% of revenue), business was very brisk in Greater Paris and other major urban areas, especially in large office building projects. Volume was satisfactory overall throughout the country thanks to the company's broad diversity of projects for public- and private-sector customers, ranging from public amenities to residential programmes.

In office buildings, VINCI Construction France handed over the Marseillaise tower in Marseille, continued work on the Trinity and Saint-Gobain towers in La Défense and started preparatory work on four more large projects in the Greater Paris area: the Duo buildings, part of the Paris Rive Gauche urban development complex; the Hekla tower in La Défense, designed by Ateliers Jean Nouvel in conjunction with Hines and AG Real Estate teams, for Amundi Immobilier and Primonial; and l'archipel, VINCI's future headquarters, in Nanterre, directly adjacent to La Défense. This last project will be instrumental in shaping the new Les Groues district, where VINCI Construction France is also responsible for the Origine & Nouvelle Vague office and residential programme. The other major office-space operations were the Kosmo project in Neuilly sur Seine, the future headquarters of a large perfume company; the Omega project in Nancy; the Vista project in Rouen; and the Riverside project in Toulouse. These buildings typify a new generation of attractive work spaces focused on user well-being, innovation and corporate image.

The main projects handed over and under way in the other segments are:

- Healthcare: the Médipôle Lyon-Villeurbanne complex (the largest private hospital in France); the Groupement Sanitaire de l'Ouest Lyonnais (French Red Cross) in Lyon; the perinatal centre at the hospital complex in Dunkirk; the hospital complexes in Le Mans and Périgueux; the Rangueil hospital in Toulouse; and the Drôme Vivarais hospital complex in Montéléger.
- Transport: transformation of the Montparnasse and Saint Lazare railway stations in Paris and the Lyon Part Dieu railway station and surrounding area in Lyon; Rennes metro Line b; the Charles Ginésy maintenance centre for the Nice tramway; and the Tadao bus depot within the Quadraparc business park in Grenay in northern France.

The RER Line E extension west of Paris (Eole programme) is one of the major transport infrastructure projects designed to improve mobility in the Greater Paris area. It includes construction of three new stations. Pictured here, the La Défense station being built at a depth of 35 metres directly under the CNIT convention and shopping centre. The project required installation of temporary structures to support the building.

● Education and research: three middle schools in Aubervilliers, Drancy and Noisy le Sec, under a public-private partnership contract; the Nation campus of the Sorbonne Nouvelle Paris 3 university; the Condorcet campus in Aubervilliers; the Paris-Saclay campus in Palaiseau; the Institut Limayrac and the Centre de Biologie Intégrative in Toulouse; the École de Design Nantes Atlantique in Nantes; and the Cité Numérique and the École de Management de Normandie in Le Havre.
● Justice system: the La Santé prison in Paris and the courthouse in Poitiers.
● Culture: the Luma Arles tower in the Parc des Ateliers in Arles; the La Méca cultural and creative economy complex and the Parc des Expositions exhibition grounds in Bordeaux; the Narbo Via museum in Narbonne; and the Catacombs and Liberation museums in Paris.
● Sports and recreation: renovation of the Roland Garros stadium in Paris; the Nausicaá National Sea Centre in Boulogne sur Mer; the Raoul Fonquerne aquatics centre in Sète; and the water parks in Bergerac and Reims.
● Shopping centres: Cap 3000 in Saint Laurent du Var and Lillenium in Lille.
● Hotels and luxury residences: handover of the Chais Monnet hotel in Cognac, with Plendi; conversion of the former La Samaritaine department store in Paris; restructuring of outdoor areas at the Hôtel du Palais in Biarritz; and construction of the Vista Palace hotel in Roquebrune Cap Martin and the Testimonio II complex in Monaco.

In the residential sector, VINCI Construction France is building a large number of projects throughout the country spanning all market segments, from student housing, such as the Lucien Cornil residence in Marseille (which was recognised in the "Living Together" category of the Prix National de la Construction Bois awards in 2018), to social housing, such as the La Canopée residence in Nantes, and mixed-use complexes such as the Unic residence in the Batignolles district in Paris. Outside the Paris region, noteworthy projects included the Cité Million in Béziers, the Openview, Skyview and Cap Juby projects in Toulouse, and the Elypséo corporate housing project and the Vert en Vue programme in Strasbourg.

The civil engineering segment (14% of revenue) was primarily focused on the Grand Paris public transport infrastructure projects. In synergy with other business line divisions, VINCI Construction France continued work on the new underground station in La Défense project and the adjacent tunnels (e-déf Eole–La Défense project) as part of the RER Line E extension west of Paris. Its teams were also busy with the engineering studies and preparatory work for several large Grand Paris Express projects: on Line 15 South, the T3C section between the Fort d'Issy Vanves Clamart and Villejuif Louis Aragon stations (8.2 km tunnel, five stations and eight shafts) and the T2D section (Noisy Champs station and forward station); on Line 14 South, which will connect the capital with Paris-Orly Airport, the GC02 contract (4.6 km tunnel and new Kremlin Bicêtre Hôpital station).

The other main civil engineering projects were the building that will connect the two terminals at Paris-Orly Airport; nuclear sites for the Iter project in Cadarache and the Epure project at the French Alternative Energies and Atomic Energy Commission (CEA) site in Valduc; ArianeGroup facilities in Les Mureaux, where the future Ariane 6 European launch vehicle will be assembled; and a new industrial building at the Dassault Aviation site in Seclin.

In the hydraulic works segment (9% of revenue), work was spread over a large number of routine projects for local authorities (pipelines, roads and utility networks) carried out by local VINCI Construction France agencies, as well as larger civil engineering projects including wastewater purification plants (Rouen, Bacqueville en Caux, Bourbourg, Bourg d'Oisans, Provenchères et Colroy, etc.), drinking water plants (Dijon, Fleury d'Aude, etc.) and storage basins (Boulogne sur Mer, Roubaix, Ris Orangis, etc.).

In specialist activities (8% of revenue), Botte Fondations (special foundations) boosted its volume by working on the Grand Paris Express, building and infrastructure projects in the Greater Paris area and major regional projects such as the Boulevard Urbain Sud (BUS) in Marseille. Arbonis (timber construction) took part in a large number of projects, including construction of the Boréal building in the Jardin d'Acclimatation park in Paris and the extension of a shopping centre in Bordeaux for Ceetrus. Neom carried out a large number of projects in its core business segment (building cleaning, asbestos removal, lead removal and demolition), including the 96 Iéna operation in Paris, while branching out into industrial activities such as asbestos removal from the decommissioned hulls of nuclear-powered ballistic-missile submarines in Cherbourg and construction of a plant designed to dismantle and remove asbestos from rolling stock in Ambronay. VINCI Construction Maritime et Fluvial , which brings together a range of specialist expertise, including dredging, undersea rock excavation, sheet piling works and underwater works, continued work on a variety of projects in France, including construction of a new terminal dedicated to renewable marine energy in the port of Brest, while expanding its activity outside France (port of Kingston, Jamaica, Terminal Varreux in the international port of Port au Prince, Haiti, dredging of the John Compton dam in Saint Lucia). Lastly, the subsidiaries specialising in heritage renovation and historic monument restoration combined ancestral and state-of-the-art techniques to work on a variety of projects including the Queen's Hamlet in the Château de Versailles park, Hôtel des Ambassadeurs in Paris, a Primark shop in a 1900s building in Toulouse, the convention centre in Rennes, Philibert Delorme gallery in Lyon, Château d'Antigny in Foissy and the Palais des Papes in Avignon.

The property development segment – handled nationwide by a dedicated VINCI Construction France structure, the Adim network – generated an increasing volume of activity (4% of revenue). This activity is carried out prior to projects and covers a wide variety of operations. In 2018 projects included multipurpose urban programmes in Metz (Muse), Angers (Intencity), Nantes (îlink), Bordeaux (Nouveau Monde and E-mergence), Strasbourg (NoLiStra) and Lille (Acti'City); residential programmes in Noisy le Grand (Les Jardins d'Abraxas), Reims (the Capucins reurbanisation project), La Courneuve (the Îlot du Marché complex) and Annecy (redevelopment of the Sisters of Saint Joseph cloister); recreational and administrative facilities (the Amphithéâtre development zone in Metz and new administrative centre in Corbeil Essonnes); and a large number of new-build housing programmes.

In this last sector, VINCI Construction France continued to develop Primméa, an innovative range of affordable housing designed for and with first-time homebuyers. Primméa offers conveniently located housing that meets high quality standards at prices substantially below market levels, thanks to optimised production processes and design and construction methods.

INNOVATION

DEVELOPING NEXT-GENERATION CONCRETES

Green concrete. *VINCI Construction has developed new concrete formulations that reduce the environmental impact of built structures. A low-carbon concrete is being tested for use on VINCI's future headquarters in Nanterre.*
High-performance concrete. *VINCI Construction France, which has its own concrete decorative-facing and structural-component production plant, is developing a new formulation of ultra-high-performance fibre-reinforced concrete (UHPFRC) based on new additives. Next-generation concretes can be used to build lighter, more sustainable structures that use only half the amount of material required for conventional concrete construction.*

Printed concrete. *As a shareholder and partner of the XtreeE company, which specialises in 3D concrete printing, VINCI Construction is supporting the rapid spread of this new technology designed to create particularly complex shapes and to work in areas that are difficult to access. In 2018, the two partners designed and printed several key components. Trials are also under way to build single-family houses using the technique.*
VINCI Construction will also be opening a production plant in Dubai. The Emirate hopes to use 3D printing to build 25% of its new buildings by 2025.

VINCI Construction UK

Revenue held steady at £0.9 billion.

The building activity shrank slightly. Business, however, remained brisk in the healthcare sector: VINCI Construction UK secured a place on the ProCure22 National Framework for public hospitals and prequalified for a private sector investment programme. In this market, a large number of projects were handed over during the year (Chesterfield Royal Hospital, section 1 of the Chase Farm Hospital, Darlington Memorial Hospital, Phase 1 of the Medway Maritime Hospital, paediatric unit of the Royal Free Hospital), and new projects got under way (Chase Farm Hospital, technical building at Queen Elizabeth Hospital, St Ann's Hospital). Volume was also strong in the education markets (Northampton College, Swansea University Navitas Academy Building, Eastbourne College, King's School in Macclesfield), student housing (about 10 new and current projects), shopping centres (New Covent Garden Market, One Central Park in Manchester, Tameside Interchange, Warrington Time Square, Manchester's Barton Square) and in the leisure and culture segment (Devonshire Park Hotel in Eastbourne, refurbishment of the Buxton Crescent building, Fairfield Halls arts, entertainment and conference centre in Croydon).

The civil engineering activity experienced a transition year. VINCI Construction UK completed several large transport infrastructure upgrade projects in London (Tottenham Court Road and Victoria stations, Old Oak Common depot) and continued work on Whitechapel station as part of the Crossrail project. At the same time, the company expanded its work on motorways as part of the Smart Motorways Programme (M6, M4, M20) and took part in the initial design stages of the future HS2 high-speed rail line under the Balfour Beatty VINCI joint venture.

The facilities management division increased its revenue thanks to renewal of existing contracts (Ministry of Justice, Welsh Government, Transport for London, Lincolnshire County, Royal Mail, Peabody, Sandwell Metropolitan Borough Council, Canal & River Trust, Unisys, Tata) and extension of its activity to new customers (Shell, Mercedes Benz, Arriva Rail London, British Museum, The Guinness Partnership, National Trust, Marshall Aerospace). VINCI Construction UK was also included in the list of facilities management service providers selected by the Crown Commercial Service and NHS (National Health Service) London.

VINCI Construction International Network

This division brings together the VINCI Construction subsidiaries that serve as general contractors in Europe, Africa, Overseas France and Oceania, covering all construction segments. These entities have strong local roots in their markets and draw on expertise in the business line's other divisions when and as they require it for their projects. At VINCI Construction International Network, revenue rose 11% to nearly €2.5 billion at constant scope and exchange rates.

Overseas France

The VINCI Construction Dom-Tom entities built on their local networks to increase revenue 6% to €0.6 billion. They continued their core activities in all building and civil engineering segments. Strong market momentum in the residential segment boosted activity, with nearly 2,500 units currently under construction. One of the main projects is the Pacific Plaza tower in Nouméa, New Caledonia's tallest, which will have 25 storeys and 135 flats. New contracts were also won in Mayotte to build a wastewater treatment plant in Mamoudzou and on Reunion Island to build the first urban cable-car system in Saint Denis, which will be 2.7 km long. Also on Reunion, construction proceeded apace on the New Coastal Highway viaduct and causeways.

Europe

Overall revenue rose 34% to €0.5 billion.

IN THE CZECH REPUBLIC AND SLOVAKIA, revenue held steady at €0.1 billion. In water infrastructure, the Czech subsidiaries completed the extension of the wastewater treatment plant in Prague and won the contract to manage the plant in Lutín. Projects in neighbouring countries – especially in Germany, with building engineering structures for motorway projects in a joint venture with Eurovia – helped support business activity.

IN POLAND, business volume increased substantially (up 52%, to €0.4 billion) in a market that returned to growth. Subsidiary Warbud, which is very active in the building segment, continued construction of the 45-level Skyliner and the 130 metre high Mennica Legacy buildings in Warsaw, where it also won the contract covering structural work on the ambitious Varso Tower project (310 metres high, 110,000 sq. metre total floor area) designed by architects Foster and Partners. The creation of a joint property development company with VINCI Immobilier in 2018 should help bolster business activity in this market. Warbud was also awarded a contract to build a 354-bed paediatric hospital in Poznań, confirming its position as a benchmark player in the healthcare market.

Construction of a new motorway section in Auckland, New Zealand, will improve access to the northern part of the city. The project includes 7 km of new bicycle and pedestrian paths.

Africa

Despite a sluggish economy in countries hit by the decline in commodity prices, subsidiary Sogea-Satom increased its revenue by nearly 2% to €0.7 billion as a result of the diversity of its locations in Africa, where it has operated for almost 90 years. It was therefore able to make the most of growing markets in East Africa, where business activity and order intake increased substantially. Sogea-Satom's two traditional segments - road infrastructure and water infrastructure - remained buoyant. The first worked on several projects to support the development of large urban areas (northern Ouagadougou interchange in Burkina Faso; Diori Hamani interchange in Niamey, Niger; Boulevard de Marseille in Abidjan, Cote d'Ivoire) and two new substantial contracts in Cameroon (RN15, 135 km; Provincial Road 18, 106 km). The second, water infrastructure, worked on the construction of new wastewater treatment plants in Greater Abidjan, Cote d'Ivoire, and Kampala, Uganda.

Meanwhile, Sogea-Satom continued to branch out into building. The subsidiary handed over the Tangier and Kenitra stations on Morocco's first high-speed rail line, began construction of a 20,000-seat stadium in Yamoussoukro, Côte d'Ivoire, and won several new contracts in Morocco and Senegal.

Oceania

IN NEW ZEALAND, following strong growth in 2017, HEB Construction posted a 5.4% decrease in revenue to NZ$0.5 billion, as a result of the decline in emergency reconstruction work following the 2016 earthquake in the region of Canterbury. The subsidiary had taken an active part in this work, notably refurbishing the SH1 coastal highway, which had been buried by 700,000 cu. metres of landslides, and the wharfs in the port of Wellington. In another development, HEB Construction won a large contract to build a new motorway connection in Auckland, the country's economic capital.

IN AUSTRALIA, the Seymour Whyte subsidiary, acquired in October 2017, generated A$0.6 billion in revenue, a 34% increase from the previous year. Based in the state of Queensland, Seymour Whyte operates primarily in road infrastructure and engineering structures. The year's main projects were upgrade of the Woolgoolga–Ballina section of the Pacific Highway to a motorway, modernisation of the access roads to the port of Brisbane (Port Drive) and construction, in synergy with Freyssinet, of a pedestrian footbridge with a 200-metre central span over the Nepean River in Penrith, west of Sydney.

MAJOR PROJECTS DIVISION

VINCI Gonstruction Grands Projets

The company generated €0.7 billion in revenue (excluding its stake in subsidiary QDVC in Qatar, accounted for under the equity method), in decline due to the completion of several large projects in 2018. It should also be noted that very large projects are still in the design and engineering phase, including the HS2 high-speed rail line in the United Kingdom and the Fehmarn Belt tunnel between the coasts of Denmark and Germany, where construction has not yet begun.

Business was brisk in the transport infrastructure segment in Europe – in France, with the ramp-up of the Grand Paris Express projects; in the United Kingdom, with the Smart Motorways Programme; and in Denmark, where the company won the contract to build Line 4 of the Copenhagen metro (4.4 km underground and five stations) as part of a joint venture.

Activity was also strong in building projects for VINCI Airports in Chile and Cambodia. In addition, the company will be carrying out the extension and upgrade project at Nikola Tesla Airport in Belgrade. The positive trend continued in water infrastructure as well, with a variety of projects in Colombia, Cambodia, Jordan and Morocco, where the company is part of a joint venture that won the contract to build a pumped-storage power plant near Agadir as part of the country's renewable energy development plan. In Belgium, VINCI Construction Grands Projets commissioned the Brussels South wastewater treatment plant, which is equipped with a very high capacity ultrafiltration membrane system.

The year's highlights also included the keying of the Atlantic Bridge in Panama, the handover of the Assiut Barrage in Egypt, the Shieldhall wastewater storage tunnel in Scotland (90,000 cu. metres), the wharf for giant container ships in Kingston, Jamaica, and the Red Line South metro in Doha, Qatar, the construction of which used five tunnel boring machines simultaneously.

VINCI Construction Terrassement

The company achieved nearly €0.4 billion in revenue by continuing to diversify its business activities, which fall into three main categories: highly diverse projects (hard surfaces, coastal and river works, environmental engineering, etc.) carried out by its network of regional locations in France (more than 300 in 2018); major infrastructure projects in France (western Strasbourg bypass and A36/RN1019 junction, primarily); and operations outside France, which grew substantially. In addition to projects in conjunction with other Group entities (Bogotá–Girardot motorway in Colombia, Regina Bypass in Canada, pumped-storage power plant at Abdelmoumen in Morocco), the company won two contracts in Germany: one for a section of the S21 high-speed rail line (5.4 km of earthworks and drainage works, 7.5 km of siding, 8,500 sq. metres of noise barriers), the other for construction of a motorway interchange in Esslingen.

Dodin Campenon Bernard

The company, which specialises in building large structures and complex infrastructure in France, stabilised its revenue at €0.2 billion. It primarily worked in synergy with other Group entities on various Grand Paris projects namely the e-déf Eole – La Défense station, the T2D and T3C sections of Grand Paris Express Line 15 South, and the GC02 works package on Line 14 South, for which it is lead company. It also completed structural work as lead company on Works Package 1 of Rennes metro Line b (8.5 km tunnel, nine stations, four ventilation shafts) and continued work on the New Coastal Highway project on Reunion Island, the Iter nuclear complex at Cadarache and the Romanche Gavet plant, France's largest hydroelectric project currently under way, led by EDF.

INNOVATION

URBAN BIODIVERSITY

The Urbalia company, set up in 2017 by VINCI Construction and AgroParisTech, specialises in the inclusion of nature in cities. In its first year of existence, it worked on some 30 projects, identifying the potential for the use of plants in designing buildings that foster biodiversity and increase the resilience of urban environments. It notably helped design the new campus bringing together Paris-area AgroParisTech sites and several Institut National de Recherche Agronomique laboratories at Paris-Saclay. As part of this project, VINCI Construction tested tools designed to measure thermal regulation of green roofs. In a separate development, VINCI Construction Terrassement worked on several environmental improvement projects, restoring and renaturing damaged urban and peri-urban areas, under the NTS (pyrotechnical and chemical remediation) and Equo Vivo (ecological engineering) brands.

Entrepose is building three onshore gas pipeline sections of the Trans Adriatic Pipeline project. In 2018, its specialist subsidiary Spiecapag finished laying 185 km of gas pipelines in Greece and continued work on two sections with a combined length of 215 km in Albania.

SPECIALIST ACTIVITIES

Soletanche Freyssinet

Revenue increased 1.1% to €3.2 billion, driven by buoyant activity in Asia (Hong Kong, Malaysia and Singapore), Australia, France and North America, as well as the contributions of ConeTec in Canada, Rob Carr in Australia and Concreet in the Netherlands, which were acquired in 2017 and 2018. The company was, however, negatively impacted by strong exchange rate fluctuations (US and Australian dollar).

During the year a new activity was launched in the field of active building façades under the ActivSkeen brand and further boosted by the acquisition of Ertex Solar, an Austrian company specialised in building-integrated photovoltaics. The order book increased by a substantial 10%, after setting a record in 2017 and the new contracts are spread between recurring short-term works and major projects scheduled over several years.

Deep foundations and ground technologies

SOLETANCHE BACHY recorded organic growth of 5%. This growth was especially strong in Asia-Oceania, with soil reinforcement works at the airport in Hong Kong and metro projects in Singapore, as well as in the United States, Canada and France, where Soletanche Bachy took part in the Grand Paris Express projects currently ramping up. Its subsidiary Bessac, which specialises in tunnel construction, turned in a good performance with the year's highlights including major projects such as the Trans Adriatic Pipeline, a gas pipeline for Entrepose subsidiary Spiecapag. The year's other large projects were the foundations for the future United States embassy in Guatemala, extension of the Muelle C wharf in the port of Montevideo, Uruguay, and the particularly challenging metro line construction work under the historic Central Post Office building in Auckland, New Zealand.

MENARD recorded substantial growth, driven in part by the integration of the Canadian company ConeTec, which specialises in geotechnical site investigations, and the expansion of the soil remediation activity, under the Remea brand, with two major projects in France: the Clariant site in Huningue and an industrial brownfield in Beaucaire. Menard worked on large ground improvement projects around the world, including the port of Brest extension in France, the international airport at Yogyakarta in Indonesia, and the Sydney metro in Australia. The company also won the Phase 2 ground improvement contract covering vertical drain installation in the Port Said industrial zone in Egypt, following successful completion of Phase 1.

Structures

TERRE ARMÉE recorded a slight decline in revenue following particularly buoyant business activity in 2017, especially due to the major Inglewood stadium project in the United States and the Regina Bypass project in Canada. Activity increased substantially in Australia and India, where Terre Armée took part in the construction of three arch bridges (using TechSpan® arches) on a coastal highway near Mumbai. The other main projects were the construction of a Reinforced Earth® true abutment for Terminal 2 at the Mactan Cebu Airport in the Philippines, very fast reconstruction of the Gourette road in the Pyrenees (in time for the Tour de France), and delivery of 10,000 sq. metres of TerraClass® panels to raise the crest of the Stampede Dam in California.

FREYSSINET recorded slight organic growth. Business was brisk in Asia, France and the United States. In Latin America, Freyssinet's prudent and selective approach spurred solid growth with one-off projects in Panama, Argentina and Mexico. Carpi (geosynthetic systems used to waterproof civil engineering structures), which Freyssinet acquired in 2017, also increased its contribution in 2018.

The year's major projects were the Atlantic Bridge in Panama, for which Freyssinet installed the prestressing in the main structure and the access viaducts and installed the cable stays; reconstruction of a hospital in Curicó, Chile, where the company designed, supplied and installed an earthquake proofing system; and new contracts for the roof of the Las Vegas Stadium in the United States and the Çanakkale bridges over the Dardanelles strait in Turkey.

Nuclear

At NUVIA, revenue held steady as business activity in France and Northern Europe remained buoyant. In the United Kingdom, the company built a self-supporting climbing platform to accelerate the stack demolition operation at the Sellafield reprocessing plant. Nuvia UK is also working under several contracts to help build a new reactor at Hinkley Point. Other projects in 2018 included maintenance of the remote manipulation devices at Orano sites and construction of a dual-purpose (scaffolding and containment) structure for the Penly nuclear plant renovation project (both in France) and work to extend equipment life for Canadian Nuclear Laboratories.

Digital solutions for construction

SIXENSE posted strong growth in revenue (up 15%) and in its order book, driven by the extension of its digital business activities and the integration of the Perazio Engineering company in France. During the year it also launched Sissterra®, an innovative, non-invasive 3D subsoil modelling system that captures vibrations generated by human activity. In its more conventional engineering and monitoring business activities, revenue remained at a high level thanks to major infrastructure projects, notably as part of the Grand Paris Express programme. Sixense solutions also supported digital transformation programmes at VINCI Construction (Digital Site) and VINCI Autoroutes (full BIM).

Entrepose

Revenue fell 14% to about €0.7 billion, primarily as a result of the decline in business activity for major oil and gas infrastructure projects following handover by Entrepose Contracting of the Yamal and Shalapa gas storage facilities in Russia and Mexico respectively.

In the buoyant pipeline market, Spiecapag continued work on the large Trans Adriatic Pipeline (TAP) project, completing 185 km of gas pipelines in Greece and continuing work on two sections with a combined length of 215 km in Albania. Business was also brisk in coastal marine works (Geocean) with several projects in Egypt, Peru and Bangladesh, in underground storage (Geostock) with two new contracts in the Middle East and Mexico, and in directional drilling projects. Specialist subsidiary HDI set a world record with the completion of a 48 inch diameter, 1,820 metre long drilling operation under the Axios River in Greece as part of the TAP project. The network of local subsidiaries (Entrepose International Network) won several contracts that are expected to extend its activity over the next several years, especially in Algeria and Nigeria.

Lastly, the waste recycling activity shrank due to the postponement of several projects. VINCI Environnement continued work to replace one of the two incineration lines at the waste-to-energy plant in Charleroi, Belgium.

OUTLOOK

Strong order intake, which outpaced revenue and boosted the order book by 5% over the year, heralds activity growth in 2019 exceeding that of 2018. VINCI Construction will continue to focus on improving its margins by maintaining its selective strategy targeting projects that create the most value.

In metropolitan France, VINCI Construction France is expected to confirm its ability to generate profitable growth in markets buoyed by substantial construction and transport infrastructure projects in large urban areas, especially Greater Paris, where the Grand Paris projects will be ramping up. In the other local subsidiary networks, activity is expected to increase further in Africa, where Sogea-Satom will continue to broaden its range of solutions and services, and Poland, based on major projects on order. In the other world regions, volume is expected to stabilise or decline slightly.

Business activity will be strong in the Major Projects Division, both in France due to the Grand Paris transport infrastructure projects, and outside France with a large number of projects under way or being developed. The division's ability to manage highly technical and complex projects in synergy with other Group entities and in partnership with local companies dovetails with growing worldwide demand for construction and renewal of public infrastructure and facilities.

In specialist activities, Soletanche Freyssinet companies will benefit from the same positive trends on all continents, both in the short term, as borne out by the significant growth in their order books, and in the long term because their expertise matches market demand. Entrepose will continue to work extensively on pipelines and underground storage systems and to diversify its solutions and services to offset the decline in the oil and gas infrastructure market.

VINCI IMMOBILIER

At VINCI Immobilier, consolidated revenue rose 23% driven by strong growth in business property production, while order intake declined 18% overall (up 1% in the residential segment, down 39% in the business segment) from a very high level in 2017.

RESIDENTIAL PROPERTY

Attributable revenue from residential property sales covered by notarised deeds held steady at €935 million. The decrease in the number of units covered by notarised deeds (down 12% following very strong sales in 2017) was offset by an increase in the average selling price from €185,000 to €200,000 over the year. Reservations remained at a good level (6,333 units) despite uncertainties related to changes in the regulatory and tax framework applying to investment rental property. The increase in sales to homebuyers was counterweighted by a decline in sales to private-sector investors. En-bloc sales to social housing authorities and institutional investors accounted for more than 47% of unit reservations, the same high level as in 2017. They included sales of serviced retirement homes and student residences, which continued to increase, with en-bloc reservations for seven new programmes in both the Greater Paris area and the French regions covering a total of 702 units.

Residential housing starts amounted to 6,627 units. The main programmes were in Bagneux (245 units), Montévrain (237 units), Nice Stade du Ray (339 units), Rueil Malmaison (202 units), Gif sur Yvette (326 units) and Lille (205 units).

Reflecting its strategy of leveraging quality of service to gain competitiveness in the French market, VINCI Immobilier launched "VINCI Immobilier 4You" in the second half of the year. This offer includes a commitment to pay financial compensation to customers in the event of late handover or failure to resolve snag-list issues within 60 days. VINCI Immobilier also owes its benchmark status in its market to its innovation momentum. This innovation encompasses technology (the SmartHab concept for flats), a social component (shared spaces and services, residential units that evolve according to their occupants' age, intergenerational residences, etc.) and the sustainable city (buildings that can be repurposed over time, green façades and urban agriculture, electric mobility, etc.).

Continuing its expansion in the French regions, VINCI Immobilier opened three new agencies in Caen, Tours and Rennes and began the process of acquiring the Urbat Promotion company (126 employees, €141 million revenue in 2017), which operates in the south of France. VINCI Immobilier acquired a 49.9% stake in the company in January 2019 and will acquire the balance in 2020.

BUSINESS PROPERTY

Order intake stood at €319 million for a total floor area of 112,000 sq. metres. The year's main off-plan sales were for office buildings in Paris (Tolbiac) and Lille (EuraTechnologies, rue de Béthune), shops in Nice (Stade du Ray district) and a hotel in Lille (Okko, 120 rooms). Also in Lille, VINCI Immobilier won a competition for one of the contracts (10.8) of the Euralille programme.

In Lyon, construction of the major To-Lyon project, a 43-storey tower in the heart of the Part Dieu neighbourhood, entered the preparatory phase with work set to start in 2019. In La Défense, after selling the Le Belvédère building in 2017, VINCI Immobilier redesigned its interior spaces to convert it into one of Europe's leading coworking spaces.

VINCI Immobilier is also developing VINCI's future headquarters in Nanterre, under a property development contract covering the first phase of the project and signed in late 2017. Work entered the operational phase in 2018. The 74,000 sq. metre building complex, located in the new Les Groues district, will bring together 4,000 employees working for the Group's corporate office and the business lines' departments and central services when it is opened in 2021. VINCI Construction and VINCI Energies are building the office complex and the Nanterre La Folie RER station below it.

INNOVATION

START OF THE FIRST SCHOOL YEAR FOR STUDENT FACTORY

Revisiting the conventional approach to student housing, the Student Factory offer was comprehensively designed to facilitate student life and academic success. Built in a "New York loft" style, the first of the new serviced student residences opened in 2018. They offer both isolated spaces to foster concentration and shared spaces to facilitate coworking, as well as a broad range of services including smart laundry, a lounge area, a copy shop, household linen, on-demand cleaning and package dispatching and reception. Reservations are made exclusively online and access to residences is via smartphone.

In La Défense, the 18,000 sq. metre Le Belvédère office building was handed over after 22 months of structural refurbishment. This is the largest coworking centre managed by Spaces, an office specialist, in Europe. The project was built to particularly stringent environmental standards, with special attention to energy consumption.

INTERNATIONAL

In Monaco, VINCI Immobilier is developing the Testimonio II project (150 Principality-owned housing units, 50 privately-held units and 1,200 parking spaces) as client representative and minority shareholder of the project company.

In Poland, VINCI Immobilier Polska, a joint property development company set up with VINCI Construction, has acquired a first parcel in the Mokotów district of Warsaw to build a 92-unit high-end residential project.

SERVICED RESIDENCES AND PROPERTY SERVICES

Ovelia continued to grow in the buoyant retirement home market. In 2018 its activity covered 9 residences in operation, 11 under construction and 14 in the development phase, with a combined total of 3,200 units. The Student Factory subsidiary created in 2017 opened its first three student residences in Aix en Provence, Nice and Bordeaux, all of which were fully booked at opening thanks to their innovative open, hyper-connected space concept. Eight further residences with a total of 1,500 units are under construction or development.

The building management activities (VINCI Immobilier Property Management) and user-company consulting activities (VINCI Immobilier Conseil) continued to expand.

OUTLOOK

VINCI Immobilier expects further growth in its three main market segments in France, namely residential property, with expanded activity in both the Greater Paris area and the French regions, acquisition of the Urbat company and ramp-up of the "VINCI Immobilier 4You" offer; in serviced residences, where a large number of properties under development will be added to ones already in operation; and in business property, notably with the launch of the To-Lyon project in Lyon and Phases 2 and 3 of the Nanterre Les Groues programme.

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A. Report on the financial statements for the year

1. Consolidated financial statements

VINCI's performance in 2018 was outstanding and reflects the strength of its concession-construction business model, both in France and abroad.

In Contracting, there was strong growth in revenue and order intake at VINCI Energies and Eurovia, both of which stepped up their international development, particularly through two large acquisitions in the United States. VINCI Construction, which also saw growth in its order book, stabilised its business levels while focusing on improving profitability

In Concessions, VINCI Airports posted firm growth in passenger numbers at almost all its facilities. It added Salvador (Brazil), Kobe (Japan) and Belgrade (Serbia) in 2018, along with the Airports Worldwide portfolio, and now manages 45 airports. VINCI Autoroutes' traffic levels rose in the first 10 months of the year, as expected, with heavy-vehicle traffic remaining buoyant. That trend reversed at the end of the year because of disruption caused by the exceptional events in France.

VINCI continued to enjoy very favourable financing conditions. Despite markets being more volatile, it was able to refinance debt at lower cost and strengthen its liquidity position.

VINCI's consolidated financial statements for 2018 show increases in revenue, Ebitda(*), operating income and net income attributable to owners of the parent.

Consolidated revenue came to €43.5 billion, up 8.1% compared with the year-earlier period (organic growth of 3.3%, a 5.6% positive impact from changes in the consolidation scope, and a 0.8% negative effect from exchange rate movements).

Consolidated Ebitda rose 6.1% to €6.9 billion, equal to 15.9% of revenue.

Operating income from ordinary activities (Ebit) rose 8.5% to €4,997 million (€4,607 million in 2017). Ebit margin was 11.5% (11.4% in 2017).

Recurring operating income – including the impact of share-based payments (IFRS 2), the Group's share of the income or loss of companies accounted for under the equity method, and other recurring operating items – rose 7.2% to €4,924 million (€4,592 million in 2017).

Consolidated net income attributable to owners of the parent was €2,983 million in 2018, up 8.6% compared with 2017 (€2,747 million) and up 9.0% excluding non-recurring tax effects (€2,737 million in 2017). Earnings per share, after taking account of dilutive instruments, amounted to €5.32, compared with the 2017 figure of €4.91 or €4.89 excluding non-recurring tax effects.

Free cash flow (after growth investments in concessions) rose sharply to €3,179 million (€2,525 million in 2017).

Dividend payments and share buy-backs, net of capital increases, represented a total outflow of €1.6 billion (€1.5 billion in 2017).

Net financial debt stood at €15.6 billion at 31 December 2018, up €1.6 billion relative to 31 December 2017 as a result of the Group's financial investments (€2.8 billion) during the period.
At the end of 2018, the Group had €13.6 billion of liquidity, consisting of €5.6 billion of managed net cash and a confirmed bank credit facility of €8.0 billion expiring in 2023.
In 2018, the Group carried out several refinancing transactions totalling more than €4 billion.

Order intake in the Contracting business (VINCI Energies, Eurovia and VINCI Construction) amounted to €38.6 billion in 2018, up 12% year on year. It fell 5% in France due to a high base for comparison after several major contract wins relating to the Grand Paris Express project in 2017, but increased by 32% outside France.

The order book at 31 December 2018 amounted to €33.1 billion, up 13% over 12 months. It was €15.1 billion in France (down 3%) and €18 billion outside France (up 31%). The order book represented more than 11 months of average business activity in the Contracting business, and increased in all business lines.

(*) Cash flows from operations before tax and financing costs.

1.1 Highlights of the period

1.1.1 Main changes in scope

Concessions

VINCI Airports added a number of new airports to its portfolio in 2018:
• Salvador (Brazil): 30-year concession starting on 2 January 2018. This airport generated revenue of €47 million in 2018 and attracted 8 million passengers (up 4.6% year on year);
• Kobe (Japan): 42-year concession starting on 1 April 2018. This airport is being managed by VINCI Airports and its Japanese partner Orix, which each have a 40% stake;
• Airports Worldwide: acquired in August 2018, which contributed €33 million to revenue for the year. This is a portfolio of eight airports, of which two are wholly owned (Belfast International Airport in the United Kingdom and Stockholm Skavsta Airport in Sweden), two are operated under concession (Orlando Sanford International Airport in the United States and Daniel Oduber Quirós International Airport in Liberia, Costa Rica, 45% stake), and four are under full operating contracts in the United States. In total, these airports handled more than 19 million passengers in 2018;
• Belgrade (Serbia), acquired in late December 2018. The 25-year concession contract covers the financing, operation, maintenance, extension and renovation of the airport's terminal and runways. The airport handled 5.6 million passengers in 2018 and is Serbia's largest.

Lastly, on 27 December 2018, VINCI Airports signed an agreement to become the majority shareholder of London Gatwick Airport, which is the United Kingdom's second-largest airport and the eighth largest in Europe. It attracted 45.7 million passengers in the financial year ending on 31 March 2018. The transaction is expected to be completed in the first half of 2019.

Contracting

VINCI Energies acquired 28 companies in 2018, representing full-year revenue of around €1 billion. The largest were:
• Eitech, a Swedish engineering and electrical works company operating in the industry, infrastructure and building solutions sectors. Acquired in January 2018, it has strong local coverage with 26 sites, employs 1,200 people and generated revenue of €219 million;
• PrimeLine Utility Services, a US company specialising in the energy and telecommunications infrastructure sectors. The company has 50 sites in 25 states across the eastern and southern United States. Acquired in March 2018, it generated full-year revenue of $577 million and contributed €404 million to the Group's consolidated revenue;
• Wah Loon Engineering, a Singapore-based provider of integrated electrical and mechanical engineering services, specialising particularly in the construction of data centres. It was consolidated in April 2018 and contributed €118 million to Group revenue.

Eurovia strengthened its position in North America with the following acquisitions:
• in April 2018, it acquired the assets of TNT, a Quebec-based public works contractor that also operates a quarry and asphalt production units in the Montreal region. TNT generated full-year revenue of C$170 million (around €110 million);
• in late December 2018, Eurovia acquired the Plants & Paving division of US-based Lane Construction, which has around 40 asphalt production units, operates several quarries and has a presence in 10 states on the East Coast of the United States and in Texas. With annual revenue of $600 million (around €500 million), it has doubled Eurovia's scale in the United States and has made it a leading road-works company on the East Coast, with revenue of approximately $1.2 billion.

These transactions are described in Note B.2 "Changes in consolidation scope" to the consolidated financial statements.

1.1.2 Commercial successes in the Contracting business

The Group's 12% rise in order intake in 2018 breaks down into increases of 20% at VINCI Energies, 18% at Eurovia and 2% at VINCI Construction. Among the contracts won by the Group in 2018, the most significant were those listed below.

VINCI Energies

• Renewal of the facilities management contract for Thales sites in France for a further five-year period
• A contract to develop Senegal's electricity grid, including the installation of five very high-voltage transformer stations and almost 200 km of very high-voltage overhead and buried power lines in several of the country's cities
• A contract to refurbish, extend and manage four schools in Germany as part of a public-private partnership
• Electrical infrastructure work on Line 15 South as part of the Grand Paris Express project
• A contract to manage and maintain technical installations for the E02 project at Gothenburg train station in Sweden
• A contract to roll out optical fibre for up to 600,000 homes (FTTH or "fibre to the home") in rural areas of 26 administrative departments in France by 2022
• A contract to manage the public lighting network in the region of Canberra, Australia, for a seven-year period

Eurovia

• A contract to improve two roads in the US state of North Carolina
• A contract covering the Triangle Expressway Southeast Extension (NC 540) in Raleigh, the second-largest city in North Carolina (United States)
• A contract to build a 15 km section of the D35 motorway in the Czech Republic, including a 451 metre viaduct and 21 other engineering structures
• A contract involving façade-to-façade urban development along the 11.5 km route of the new Tram 9 line connecting Porte de Choisy and Orly Ville

VINCI Construction

• A contract to build a gas pipeline of more than 160 km in the region of Vancouver, British Columbia (Canada) as part of the Coastal GasLink Pipeline project
• Two construction contracts awarded in relation to the Grand Paris Express transport network project, extending Line 14 South to Paris-Orly Airport:
- the first relating to the construction of the new Kremlin Bicêtre Hôpital station and a 4.6 km tunnel
- the second, won by Soletanche Bachy, involving the construction of the new Maison Blanche metro station in Paris and its connection with the Olympiades metro station
• A contract to build the energy-transfer pumping station in Abdelmoumen, 70 km from Agadir in Morocco
• A contract for the construction of Line 4 of the Copenhagen metro in Denmark, involving boring a 4.4 km tunnel and building five underground stations
• A contract to construct the Origine building complex in Nanterre
• Two road projects in Cameroon: upgrading a 135 km section of the RN15 in the centre of the country and building a 106 km section of road between Olama and Bigambo
• A contract for the Yamoussoukro stadium in Côte d'Ivoire

1.1.3 Financing operations

New financing

In 2018, against a backdrop of market volatility, the Group (rated A- by Standard & Poor's with positive outlook and A3 by Moody's with stable outlook) completed several debt refinancing transactions.
• ASF carried out two bond issues in 2018:
- in January, €1 billion of bonds due to mature in 2030 with an annual coupon of 1.375%;
- in June, €700 million of bonds due to mature in 2028 with an annual coupon of 1.375%.
• VINCI, meanwhile, completed the following transactions:
- in March, it arranged a $300 million credit facility with a bank (SMBC), with a term of five years and the possibility of two one-year extensions;
- in mid-September, it placed €1.75 billion of bonds with investors (€0.75 billion of bonds with a coupon of 1.0% maturing in September 2025 and €1 billion of bonds with a coupon of 1.75% maturing in September 2030), followed by a €100 million tap issue on the same terms as those of its existing 12-year bond issue;
- it carried out private placements involving $70 million of 10-year bonds in October and €120 million of 16-year bonds in November.

Some of the Group's subsidiaries managed to set up new funding agreements, under good conditions.
• In April 2018, Arcos, the company that holds the concession for the A355 motorway bypassing Strasbourg to the west, completed the financing of its project by taking out 27-year repayment loans for a total amount of €359 million with the European Investment Bank (EIB) and a banking syndicate.
• In December 2018, LISEA, a 33.4%-owned subsidiary of VINCI Concessions and the concession company for the South Europe Atlantic (SEA) high-speed rail line between Tours and Bordeaux, refinanced its bank debt in a total amount of €2.2 billion. The transaction included a €1.3 billion bank loan with a 27-year term, and two tranches of fixed rate bonds totalling €905 million with maturities of 30 and 35 years placed with institutional investors. Vigeo granted Green Bond accreditation to these bonds, acknowledging the environmental commitments made by the borrower.
• Also in December 2018, the company holding the concession for the Belgrade airport (VINCI Airports) borrowed a total of €420 million for a maximum term of 17 years from four multilateral institutions: IFC (member of the World Bank Group), EBRD (European Bank for Reconstruction and Development), Agence Française de Développement via its Proparco subsidiary and DEG (KfW group).

In 2018, the Group secured around €4 billion of new corporate financing with an average maturity of 10.4 years and an average interest rate of 0.70% at issue after the impact of hedging.

Main debt repayments

In 2018, the Group repaid €3 billion of borrowings in total, which included the following:
• Three repayments by ASF:
- in March, it repaid its last remaining loan from the Caisse Nationale des Autoroutes (CNA) in an amount of €750 million;
- in June, it repaid a €100 million bank loan;
- in September, it redeemed €500 million of bonds.
• Two repayments by Cofiroute:
- in April, it redeemed €600 million of bonds;
- in March, it repaid a €75 million loan from the EIB.

At 31 December 2018, the Group's gross financial debt totalled €21 billion. Its average maturity was 6.4 years (5.7 years at 31 December 2017). At this same date, its average interest rate was 1.88% (2.65% at 31 December 2017).

1.1.4 Impact of the first-time adoption of IFRS 15 and IFRS 9 for the VINCI Group

Since 1 January 2018, the Group has applied IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" according to the "simplified retrospective" transitional approach: the cumulative effects of first-time adoption have been recognised in opening equity at 1 January 2018; 2017 data presented for comparative purposes has not been adjusted.

In general, the Group has not identified any material differences between its recognition practices under the previous accounting standards and the provisions of IFRS 15 and IFRS 9. A detailed analysis of any such differences and the transitional effects of applying the two new standards is provided in the Group's consolidated financial statements (Note A.4).

As a result of the first-time adoption of IFRS 15, the Group reduced its equity at 1 January 2018 by €125 million, net of deferred tax. That adjustment resulted mainly from its assessment of whether variable revenue is "highly probable", as required by IFRS 15, whereas the previous standard (IAS 11) allowed such revenue to be recognised when regarded as "probable".
The impact of applying IFRS 9 mainly concerns impairment of trade receivables (moving from an "incurred loss" model to an "expected loss" model) and details relating to hedge accounting. These changes resulted in a reduction in equity of less than €10 million at 1 January 2018.

1.1.5 Other highlights

Opening of section 2 of the Lima expressway by Lamsac

On 15 June 2018, VINCI Highways brought into service section 2 of the Lima expressway in Peru after 15 months of works. This 9 km toll section supplements the existing 16 km stretch of the expressway linking the main business districts of the Peruvian capital.

Motorway investment plan

French government decrees relating to the motorway investment plan (PIA) were published in August and November 2018. The Group's investments under this plan, amounting to €385 million, will be jointly financed by VINCI Autoroutes and the local authorities concerned.

1.2 Revenue

Consolidated revenue totalled €43.5 billion in 2018, up 8.1% relative to 2017, including organic growth of 3.3%. Acquisitions boosted revenue by 5.6%, while currency movements had a negative effect of 0.8%.

Concessions revenue totalled €7.3 billion, up 4.6% on an actual basis or 3.2% like-for-like.

Contracting revenue amounted to €35.8 billion, up 9.0% on an actual basis or 3.4% like-for-like. Positive market trends continued in 2018 for VINCI Energies, with organic growth of 4.6%, and Eurovia (7.3%), both of which made some important acquisitions outside France. Meanwhile, VINCI Construction's revenue stabilised (up 0.2% like-for-like).

In France, revenue was €24.8 billion, up 4.6% on an actual basis and up 3.7% like-for-like, reflecting the good momentum in Contracting. On a like-for-like basis, revenue rose 1.8% in Concessions and 4.4% in Contracting. VINCI Immobilier also achieved strong organic growth of almost 22%.

Outside France, revenue was €18.8 billion, up 13.2% on an actual basis and 2.8% like-for-like. Changes in consolidation scope boosted revenue by 12.2%, while currency movements had a 1.9% negative impact because of the euro's rise against most currencies. In 2018, 43.1% of total Group revenue came from outside France (48.5% in Contracting and 20.0% in Concessions).

Revenue by business line

			2018/2017 change		
(in € millions)	2018	2017	Amount	Actual	Comparable
Concessions	7,261	6,945	317	+4.6%	+3.2%
VINCI Autoroutes	5,356	5,277	79	+1.5%	+1.5%
VINCI Airports	1,607	1,409	198	+14.0%	+9.4%
Other concessions	298	258	40	+15.5%	+3.9%
Contracting	35,769	32,830	2,939	+9.0%	+3.4%
VINCI Energies	12,603	10,759	1,845	+17.1%	+4.6%
Eurovia	8,934	8,112	822	+10.1%	+7.3%
VINCI Construction	14,231	13,960	271	+1.9%	+0.2%
VINCI Immobilier	1,104	896	209	+23.3%	+21.8%
Intragroup eliminations	*(616)*	*(423)*	*(192)*		
Revenue (*)	**43,519**	**40,248**	**3,272**	**+8.1%**	**+3.3%**
Concession subsidiaries' works revenue	*823*	*861*	*(38)*	*-4.4%*	*-15.5%*
Intragroup eliminations	*(190)*	*(232)*	*42*		
Concession subsidiaries' revenue derived from works carried out by non-Group companies	**633**	**629**	**4**	**+0.7%**	**-12.0%**
Total revenue	**44,152**	**40,876**	**3,276**	**+8.0%**	**+3.1%**

(*) Excluding concession subsidiaries' revenue from works done by companies outside the Group.

CONCESSIONS: €7,261 million (up 4.6% actual; up 3.2% like-for-like)

VINCI Autoroutes: revenue rose 1.5% to €5,356 million. Continuing the trends seen in previous quarters, traffic levels grew at a robust rate until mid-November. The exceptional social unrest having disrupted France at the end of the year led to a 0.5% decline in traffic over the whole year. Light-vehicle traffic was down 0.9% year on year while heavy-vehicle traffic rose 2.1%.

VINCI Airports: revenue rose 14.0% to €1,607 million. That figure includes contributions from the Salvador airport in Brazil (since 1 January 2018), the Airports Worldwide portfolio (since the end of August 2018) and the Belgrade airport in Serbia (since late December 2018). Like-for-like, VINCI Airports' revenue rose 9.4%, driven by continuing strong growth in passenger numbers across almost all airports, with continuing rapid growth in Cambodia (up 20%) and a good rate in Europe, including increases of 9% in France and 7% in Portugal. Passenger numbers broke new ground, rising to over 55 million in Portugal (of which 29 million in Lisbon), 11 million at Lyon-Saint Exupéry and 10 million in Cambodia. Total passenger numbers across all facilities managed by VINCI Airports increased 6.8% to over 195 million.

Other concessions: revenue totalled €298 million, an increase of 15.5% compared with 2017. This includes €93 million from Lamsac, the VINCI Highways subsidiary that holds the concession for the Lima ring road in Peru, which saw revenue boosted by the build-up of traffic on the second section that opened in June 2018. The other contributors to Concessions revenue were VINCI Stadium, MESEA (the company in charge of maintaining and operating the South Europe Atlantic high-speed rail line between Tours and Bordeaux) and Gefyra (the company that holds the concession for the Rion–Antirion bridge in Greece).

CONTRACTING: €35,769 million (up 9.0% actual; up 3.4% like-for-like)

In France, revenue rose 5.6% to €18,431 million (up 4.4% on a constant structure basis).

Outside France, revenue rose 12.8% on an actual basis to €17,338 million, benefiting from a 12.4% positive impact from acquisitions. Exchange-rate movements had a 1.9% negative impact and organic growth was 2.3%.

VINCI Energies: €12,603 million (up 17.1% actual; up 4.6% like-for-like)

In France, revenue rose 4.5% on an actual basis to €5,753 million (up 3.7% like-for-like). Growth was solid in all business areas, particularly infrastructure, information and communication technology (ICT) and building solutions.

Outside France, revenue amounted to €6,851 million, accounting for more than 54% of the business line total. Revenue rose 30% on an actual basis, resulting from acquisitions completed in late 2017 and 2018 in Europe, including Horlemann in Germany, Eitech and Infratek in Scandinavia, PrimeLine Utility Services in the United States and Wah Loon Engineering in Singapore. In addition, there was good momentum in most of VINCI Energies' markets. Revenue was up 5.4% like-for-like. In Europe, there was strong growth in Germany, Switzerland, the Netherlands, Spain, Portugal, Norway and the Czech Republic. Business levels also rose in Sweden, Belgium and Austria, but fell in the United Kingdom. Outside Europe, business levels were firm in Brazil, West Africa and Morocco.

Eurovia: €8,934 million (up 10.1% actual; up 7.3% like-for-like)

In France, revenue was €5,027 million, up 9.5% on an actual basis and up 8.5% on a constant structure basis. Revenue rose across all regions of France, reflecting the upturn in demand for roadworks and urban development. Rail works were adversely affected by SNCF strike action in the second quarter and the scheduling of major projects.

Outside France, revenue totalled €3,907 million, up 11.0% on an actual basis, driven by acquisitions in Quebec and in Europe (in Estonia and the United Kingdom). Organic growth was 5.8%, and performance varied between countries. In Europe, markets were buoyant in Germany, the Baltic states and Central Europe, particularly the Czech Republic and Poland. Business levels fell in the United Kingdom, Slovakia and Romania. Outside Europe, revenue rose in Canada and Chile, but declined in the United States with the completion of several major contracts in Florida.

VINCI Construction: €14,231 million (up 1.9% actual; up 0.2% like-for-like)

In France, revenue was €7,651 million, up 3.9% on an actual basis and up 2.5% on a constant structure basis. This confirms the strength of the building and public works market, particularly in the Paris region, with the ramp-up of projects related to the future Grand Paris Express transport network. Outside Paris, the situation was more varied, with growth in south-east France but declines in other regions. Business levels rose in the French overseas departments and territories, particularly French Guiana and Reunion Island.

Outside France, revenue totalled €6,580 million, down 0.2% on an actual basis. Changes in scope, resulting particularly from the full-year inclusion of Seymour Whyte in Australia and ConeTec in Canada, had a 4.6% positive impact, offsetting a 2.6% negative currency effect. Revenue fell 2.2% like-for-like, particularly in business activities in the oil and gas sector. The Major Projects Division, meanwhile, is starting a new cycle after the completion of several large projects. Business levels remained stable in the United Kingdom. Soletanche Freyssinet's specialist business areas posted a slight decline, particularly in the Middle East and Central and South America, but there was a rise in Asia. At VINCI Construction International Network, business was firmer in Central Europe (particularly Poland) and Australia (attributable to the contribution of Seymour Whyte), and there was an upturn in Africa.

VINCI Immobilier: €1,104 million (up 23.3% actual; up 21.8% like-for-like)

VINCI Immobilier posted strong growth in consolidated revenue, driven by brisk demand for residential property and the conclusion of several commercial property projects in the Paris region and other major cities. In the residential sector in France, the number of homes sold by VINCI Immobilier fell slightly (6,333 apartments, down 2%), but their value continued to rise (€1,275 million in total share, up 12%). Revenue including the Group's share of joint developments totalled €1,320 million, up 18.3%, with increases of 4.3% in residential property and 86% in commercial property.

Revenue by geographical area

(in € millions)	2018	% of total	2017	2018/2017 change Amount	Actual	At constant exchange rates
France	**24,768**	**56.9%**	**23,680**	**1,089**	**+4.6%**	**+4.6%**
Germany	3,002	6.9%	2,726	275	+10.1%	+10.1%
United Kingdom	2,222	5.1%	2,269	(47)	-2.1%	-1.2%
Central and Eastern Europe	2,202	5.1%	1,849	353	+19.1%	+18.3%
Rest of Europe	4,297	9.9%	3,333	964	+28.9%	+30.4%
Europe excluding France	**11,723**	**26.9%**	**10,178**	**1,545**	**+15.2%**	**+15.7%**
Americas	3,138	7.2%	2,671	467	+17.5%	+23.5%
Africa	1,342	3.1%	1,345	(4)	-0.3%	+1.1%
Russia, Asia Pacific and Middle East	2,548	5.9%	2,373	175	+7.4%	+12.5%
International excluding Europe	**7,028**	**16.1%**	**6,390**	**638**	**+10.0%**	**+14.6%**
Total International	**18,751**	**43.1%**	**16,568**	**2,183**	**+13.2%**	**+15.3%**
Revenue	**43,519**	**100.0%**	**40,248**	**3,272**	**+8.1%**	**+8.9%**

1.3 Operating income from ordinary activities/operating income

Operating income from ordinary activities (Ebit) rose 8.5% to €4,997 million (€4,607 million in 2017).
Ebit margin was 11.5% (11.4% in 2017).

Operating income from ordinary activities/operating income

(in € millions)	2018	% of revenue (*)	2017	% of revenue (*)	2018/2017 change Amount	%
Concessions	3,429	47.2%	3,251	46.8%	178	+5.5%
VINCI Autoroutes	2,686	50.2%	2,685	50.9%	1	+0.0%
VINCI Airports	689	42.9%	563	39.9%	126	+22.5%
Other concessions	54	-	3	-	51	-
Contracting	1,472	4.1%	1,260	3.8%	212	+16.8%
VINCI Energies	727	5.8%	615	5.7%	112	+18.2%
Eurovia	345	3.9%	301	3.7%	44	+14.8%
VINCI Construction	400	2.8%	344	2.5%	56	+16.2%
VINCI Immobilier	80	7.2%	72	8.0%	8	+11.0%
Holding companies	15	-	24	-	(9)	-
Operating income from ordinary activities (Ebit)	**4,997**	**11.5%**	**4,607**	**11.4%**	**390**	**+8.5%**
Share-based payments (IFRS 2)	(206)	-	(163)	-	(43)	-
Income/(loss) of companies accounted for under the equity method	88	-	146	-	(59)	-
Other recurring operating items	45	-	-	-	45	-
Recurring operating income	**4,924**	**11.3%**	**4,592**	**11.4%**	**332**	**+7.2%**
Non-recurring operating items	(4)	-	(41)	-	37	-
Operating income	**4,920**	**11.3%**	**4,550**	**11.3%**	**370**	**+8.1%**

NB: Operating income from ordinary activities is defined as operating income before the effects of share-based payments (IFRS 2), the income or loss of companies accounted for under the equity method and other recurring and non-recurring operating items.
(*) Excluding concession subsidiaries' revenue from works done by companies outside the Group.

In **Concessions**, Ebit rose 5.5% to €3,429 million, equal to 47.2% of Concessions revenue.

At VINCI Autoroutes, Ebit amounted to €2,686 million, stable compared with 2017. Ebit margin fell from 50.9% in 2017 to 50.2% in 2018, partly due to social unrest at the end of the year and partly because of depreciation charges as roads were brought into service in 2017 and 2018.

VINCI Airports' Ebit was €689 million (42.9% of revenue), up 22.5% compared with the 2017 figure of €563 million (39.9% of revenue). Aside from the integration of the Salvador airport in Brazil, that increase reflects the ongoing improvement in earnings at airports managed by the Group in Portugal, Cambodia and France. The Airports Worldwide portfolio and the Belgrade airport had only a limited impact in 2018.

Other concessions generated Ebit of €54 million (€3 million in 2017), boosted by the integration of Gefyra, earnings growth at Lamsac and the positive outcome of litigation concerning VINCI Stadium.

In the **Contracting** business, Ebit was €1,472 million, up 16.8% relative to 2017 (€1,260 million).
Ebit margin was 4.1% in 2018 (3.8% in 2017), with all business lines increasing their margins while also deciding to pay special bonuses to staff in France as part of the government's year-end initiative to boost real incomes.

At VINCI Energies, Ebit was €727 million, up 18.2% relative to 2017 (€615 million). Ebit margin rose from 5.7% in 2017 to 5.8% in 2018, due to a solid performance across all divisions both in France and abroad, and shows VINCI Energies' ability to boost profitability despite the cost of integrating recently acquired companies.

At Eurovia, Ebit rose 14.8% from €301 million in 2017 to €345 million in 2018. Ebit margin increased 20 basis points to 3.9% in 2018. Margins improved in France (except in the rail works business), Germany, the Czech Republic and North America.

At VINCI Construction, Ebit was €400 million, up 16.2% relative to 2017 (€344 million). Ebit margin rose 30 basis points to 2.8% in 2018. VINCI Construction improved its profitability in France and there was a positive contribution from the United Kingdom. At VINCI Construction International Network, earnings improved in Africa and Oceania, and particularly at HEB in New Zealand, while margins fell slightly in Central Europe and in the French overseas departments and territories. The situation at Entrepose remained difficult because of its exposure to the oil and gas sector, where conditions continued to be tough. The Major Projects Division and Soletanche Freyssinet generated Ebit margin of over 4%.

VINCI Immobilier: Ebit amounted to €80 million, up 11% compared with the 2017 figure of €72 million. Recurring operating income, including the contribution from equity-accounted companies, rose 13.4% to €101 million (€89 million in 2017).

Group recurring operating income rose 7.2% to €4,924 million (€4,592 million in 2017). Recurring operating income takes into account the following factors:
• share-based payment expense, which reflects the benefits granted to employees under the Group savings plans and performance share plans, amounting to €206 million (€163 million in 2017);
• other recurring operating items, producing €133 million of income versus €147 million in 2017. They include the negative impact of the change in indexation rate applied to provisions for major repairs at VINCI Autoroutes, the positive impact of integrating Gefyra, and the Group's share in the income or loss of companies accounted for under the equity method.

Recurring operating income by business line

					2018/2017 change	
(in € millions)	2018	% of revenue (*)	2017	% of revenue (*)	Amount	%
Concessions	3,456	47.6%	3,270	47.1%	186	+5.7%
VINCI Autoroutes	2,635	49.2%	2,676	50.7%	(41)	-1.5%
VINCI Airports	806	50.2%	589	41.8%	217	+36.9%
Other concessions	15	-	6	-	9	-
Contracting	1,351	3.8%	1,208	3.7%	143	+11.8%
VINCI Energies	664	5.3%	566	5.3%	98	+17.4%
Eurovia	329	3.7%	287	3.5%	42	+14.6%
VINCI Construction	359	2.5%	356	2.5%	3	+0.8%
VINCI Immobilier	101	9.2%	89	10.0%	12	+13.4%
Holding companies	15	-	23	-	(9)	-
Recurring operating income	**4,924**	**11.3%**	**4,592**	**11.4%**	**332**	**+7.2%**

(*) Excluding concession subsidiaries' revenue from works done by companies outside the Group.

Non-recurring operating items produced a net expense of €4 million in 2018, as opposed to €41 million in 2017, and comprised:
• a positive effect of €7 million from changes in scope (negative effect of €12 million in 2017), including costs relating to acquisitions of new subsidiaries at VINCI Energies and Eurovia and the remeasurement of the Gefyra stake at fair value after the change in consolidation method applied to that company;
• goodwill impairment losses of €11 million (€4 million in 2017);
• in 2017, other non-recurring operating items with a net negative impact of €25 million consisted of restructuring charges at VINCI Construction.

After taking account of both recurring and non-recurring items, operating income was €4,920 million in 2018, up 8.1% relative to the 2017 figure of €4,550 million.

1.4 Net income

Consolidated net income attributable to owners of the parent was €2,983 million (6.9% of revenue) in 2018, up 8.6% or €235 million compared with 2017 (€2,747 million and 6.8% of revenue) and up 9.0% compared with the 2017 adjusted for non-recurring tax effects (€2,737 million).

In 2017, non-recurring tax effects on net income attributable to owners of the parent had a positive impact of €10 million. Those effects resulted from the following tax measures adopted in France's 2017 Amended Finance Act and 2018 Finance Act: the surtax equal to 30% of corporate income tax for companies with revenue of over €3 billion (negative impact of €292 million), the refund of the 3% tax on dividend payments (positive impact of €164 million) and the gradual decrease in the corporate income tax rate in France from 33.33% to 25% in 2022, leading to a revaluation of the Group's deferred tax (positive impact of €138 million).

Earnings per share, after taking account of dilutive instruments, amounted to €5.32, up 8.4% compared with 2017 (€4.91) and up 8.8% compared with the 2017 figure excluding non-recurring tax effects (€4.89).

Net income attributable to owners of the parent, by business line

(in € millions)	2018	2017	2018/2017 change Amount	%
Concessions	1,923	1,689	234	+13.9%
VINCI Autoroutes	1,468	1,325	143	+10.8%
VINCI Airports	465	345	120	+34.8%
Other concessions and holding companies	(10)	19	(29)	-
Contracting	849	793	56	+7.0%
VINCI Energies	398	361	37	+10.2%
Eurovia	220	216	4	+2.0%
VINCI Construction	231	216	14	+6.7%
VINCI Immobilier	68	61	7	+11.5%
Holding companies	143	205	(61)	-
Net income attributable to owners of the parent	**2,983**	**2,747**	**235**	**+8.6%**
Of which non-recurring tax effects	-	10	(10)	-
Net income attributable to owners of the parent excluding non-recurring tax effects	**2,983**	**2,737**	**246**	**+9.0%**

The cost of net financial debt was €462 million in 2018 (€481 million in 2017). The fall in the cost of the Group's gross long-term debt, following refinancing operations in 2017 and 2018 at lower rates than those of the debts repaid, offset the increase in average debt outstanding resulting from the financing of acquisitions. In 2018, the average interest rate on long-term gross financial debt was 2.25% (2.68% in 2017).

Other financial income and expense resulted in net income of €17 million, compared with €40 million in 2017. This figure includes:
• the cost of discounting retirement benefit obligations and provisions for the obligation to maintain the condition of concession intangible assets in the amount of €31 million (€35 million in 2017);
• a €56 million gain relating to capitalised borrowing costs on current concession investments, less than the 2017 gain of €86 million after the second section of the Lima ring road operated by Lamsac came into service in mid-June 2018;
• a foreign exchange loss totalling €9 million in 2018, compared with €11 million in 2017.

Tax expense totalled €1,418 million, compared with an expense of €1,315 million in 2017 (excluding non-recurring tax effects, which had a positive effect of €44 million). The increase was because of higher profits both inside and outside France. The effective tax rate was 32.3% in 2018, compared with 33.2% (excluding non-recurring tax effects) in 2017.

Earnings attributable to non-controlling interests amounted to €74 million (€90 million in 2017) and related mainly to shares in Cambodia Airports, Aéroports de Lyon, Eurovia and VINCI Energies that the Group does not own.

1.5 Cash flow from operations

Ebitda was €6,898 million in 2018, up 6.1% relative to the 2017 figure of €6,500 million. Ebitda margin was 15.9% as opposed to 16.2% in 2017. The decrease reflects a lower margin at VINCI Autoroutes, although performance was good at VINCI Airports and in the Contracting business, including the impact of the increased employer contribution granted to employees through the Group's employee savings plans in France since 1 January 2018.

Ebitda in **Concessions** rose 5.4% to €4,963 million (€4,710 million in 2017). It equalled 68.4% of revenue (67.8% in 2017) and 72% of total Group Ebitda.
At VINCI Autoroutes, Ebitda amounted to €3,895 million, up 1.2% relative to the 2017 figure of €3,850 million. The 30 basis-point decrease in Ebitda margin (from 73.0% in 2017 to 72.7% in 2018) was due mainly to exceptional events at the end of the year.
At VINCI Airports, Ebitda rose 16.5% to €941 million (€808 million in 2017). Ebitda margin rose 130 basis points to 58.6%.

Ebitda in **Contracting** rose 11.4% to €1,815 million (€1,629 million in 2017). It equalled 5.1% of Contracting revenue compared with 5.0% in 2017.

Cash flow from operations (Ebitda) by business line

(in € millions)	2018	% of revenue (*)	2017	% of revenue (*)	2018/2017 change Amount	%
Concessions	4,963	68.4%	4,710	67.8%	254	+5.4%
VINCI Autoroutes	3,895	72.7%	3,850	73.0%	45	+1.2%
VINCI Airports	941	58.6%	808	57.3%	133	+16.5%
Other concessions	127	-	51	-	76	-
Contracting	1,815	5.1%	1,629	5.0%	186	+11.4%
VINCI Energies	749	5.9%	627	5.8%	122	+19.4%
Eurovia	513	5.7%	455	5.6%	58	+12.8%
VINCI Construction	553	3.9%	547	3.9%	6	+1.1%
VINCI Immobilier	79	7.1%	71	8.0%	8	+10.7%
Holding companies	41	-	91	-	(50)	-
Total	**6,898**	**15.9%**	**6,500**	**16.2%**	**398**	**+6.1%**

(*) Excluding concession subsidiaries' revenue from works done by companies outside the Group.

1.6 Other cash flows

The net change in the operating working capital requirement and current provisions resulted in an outflow of €266 million in 2018, similar to the 2017 outflow of €286 million. There was an improvement in cash flow in Concessions and at VINCI Energies, but a deterioration at VINCI Construction (scheduling of major projects and consumption of current provisions) and at VINCI Immobilier (new land purchases).

Income taxes paid decreased €425 million to €1,222 million (€1,647 million in 2017). They included €103 million of net inflows relating to non-recurring tax effects, compared with a net outflow of €200 million in 2017 (payment on account in December with respect to the surtax based on corporate income tax, and partial rebate of the 3% tax on dividend payments).

Net interest paid amounted to €444 million (€470 million in 2017), broadly in line with movements in the cost of net financial debt.

Dividends paid by companies accounted for under the equity method amounted to €176 million in 2018 versus €184 million in 2017.

Cash flow from operating activities(*) was €5,142 million, up 20% or €862 million from the 2017 figure of €4,280 million.

After accounting for operating investments net of disposals of €986 million, up 32% relative to 2017 (€745 million), operating cash flow(**) was €4,156 million, up €621 million or 17.6% compared with the 2017 figure of €3,535 million.

Growth investments in concessions and public-private partnerships (PPPs) totalled €977 million in 2018 (€1,010 million in 2017, including €177 million invested by Lamsac in Peru). That figure includes €673 million invested by VINCI Autoroutes (€702 million in 2017) and €274 million invested by VINCI Airports, mainly in Brazil, Portugal, Serbia and Cambodia (€169 million in 2017).

Free cash flow before financial investments amounted to €3,179 million (€2,525 million in 2017), including €2,465 million generated by Concessions (€1,968 million in 2017) and €455 million by Contracting (€374 million in 2017). Excluding non-recurring tax effects, it would have totalled €3,076 million compared with €2,725 million in 2017.

Financial investments(***), net of disposals, amounted to €2.8 billion in 2018. They included investments by VINCI Airports (€1.0 billion) on the Belgrade airport in Serbia and on the Airports Worldwide portfolio, acquisitions by VINCI Energies (€0.9 billion) – mainly PrimeLine Utility Services in the United States, Eitech in Sweden and Wah Loon Engineering in Singapore – and acquisitions by Eurovia (€0.7 billion), including Lane Construction's Plants & Paving division in the United States and TNT in Canada.
In 2017, financial investments amounted to €1.3 billion. They included acquisitions made by the Contracting business (€0.6 billion, mainly at VINCI Energies), VINCI Airports' acquisition of the Salvador airport in Brazil (€0.2 billion) and the investment in LISEA, which holds the concession for the SEA high-speed rail line (€0.3 billion).

Capital increases resulted in the creation of 6.3 million new shares and totalled €469 million in 2018, including €448 million relating to Group savings plans and €20 million relating to the exercise of stock options.
To eliminate the dilutive effect of these operations, VINCI purchased 7.7 million shares in the market through its share buy-back programme for a total investment of €637 million at an average price of €83.11 per share. Treasury shares amounted to 7.2% of the total capital at 31 December 2018 (6.1% at 31 December 2017).

Dividends paid in 2018 totalled €1,443 million (€1,248 million in 2017). This includes €1,391 million paid by VINCI SA, comprising the final dividend in respect of 2017 (€974 million, €1.76 per share) and the interim dividend in respect of 2018 paid in November 2018 (€416 million, €0.75 per share). The remainder includes dividends paid to non-controlling shareholders by subsidiaries not wholly owned by the Group.

As a result of these cash flows, net financial debt increased by €1,553 million in 2018, taking the total to €15,554 million at 31 December 2018.

(*) Cash flow from operating activities: cash flow from operations adjusted for changes in operating working capital requirement and current provisions, interest paid, income taxes paid and dividends received from companies accounted for under the equity method.
(**) Operating cash flow: cash flow from operating activities adjusted for net investments in operating assets (excluding growth investments in concessions and PPPs).
(***) Including the net debt of acquired companies.

1.7 Balance sheet and net financial debt

Consolidated non-current assets amounted to €44.5 billion at 31 December 2018 (€41.2 billion at 31 December 2017), including €32.8 billion in the Concessions business (€31.1 billion at 31 December 2017) and €11.3 billion in the Contracting business (€9.6 billion at 31 December 2017).
After taking account of a net working capital surplus (attributable mainly to the Contracting business) of €6.2 billion, up €0.1 billion year on year, capital employed was €38.3 billion at 31 December 2018 (€35.1 billion at end-2017).
Capital employed in the Concessions business was €31.1 billion, making up 81% of the Group total (84% at 31 December 2017).

The Group's consolidated equity was €19.8 billion at 31 December 2018, up €1.4 billion from the €18.4 billion figure at 31 December 2017. It includes €0.6 billion relating to non-controlling interests.

Consolidated net financial debt was €15.6 billion at 31 December 2018 (€14.0 billion at 31 December 2017). That figure reflects long-term gross financial debt of €21.2 billion (€18.8 billion at 31 December 2017) and managed net cash of €5.6 billion (€4.8 billion at 31 December 2017).
For the Concessions business, including its holding companies, net financial debt stood at €27.0 billion, down €0.1 billion relative to 31 December 2017 (€27.1 billion). The Contracting business showed net debt of €0.9 billion as opposed to a net cash surplus of €0.5 billion at 31 December 2017. The holding companies posted a net financial surplus of €12.9 billion, down €0.2 billion relative to 31 December 2017. Of that surplus, €13.8 billion consisted of the net balance of loans granted to Group subsidiaries and subsidiaries' investments in holding companies.
The ratio of net financial debt to equity was 0.8 at 31 December 2018, unchanged year on year. The financial debt-to-Ebitda ratio stood at 2.3 at the end of 2018 (2.2 at 31 December 2017).

Group liquidity amounted to €13.6 billion at 31 December 2018 (€10.8 billion at 31 December 2017). The liquidity figure comprises €5.6 billion of managed net cash and an unused confirmed bank credit facility, increased from €6 billion to €8 billion in 2018, expiring in 2023, with the possibility of two one-year extensions.

Net financial surplus (debt)

(in € millions)	31/12/2018	of which external debt	31/12/2017	of which external debt	2018/2017 change
Concessions	(27,029)	(16,000)	(27,145)	(15,890)	116
VINCI Autoroutes	(20,345)	(14,659)	(20,954)	(15,088)	609
VINCI Airports	(4,951)	(759)	(4,048)	(472)	(902)
Other concessions	(1,734)	(582)	(2,143)	(330)	409
Contracting	(908)	1,380	477	1,281	(1,385)
VINCI Energies	(1,330)	256	(700)	132	(630)
Eurovia	(331)	(67)	229	40	(560)
VINCI Construction	752	1,191	948	1,110	(195)
VINCI Immobilier and holding companies	12,382	(934)	12,667	609	(285)
Total	**(15,554)**	**(15,554)**	**(14,001)**	**(14,001)**	**(1,553)**

1.8 Return on capital

Definitions:

• Return on equity (ROE) is net income for the current period attributable to owners of the parent, divided by equity excluding non-controlling interests at the previous year end;
• Net operating profit after tax (NOPAT) is recurring operating income less theoretical tax based on the effective rate for the period, excluding the 3% dividend tax and excluding non-recurring tax effects;
• Return on capital employed (ROCE) is net operating income after tax, excluding non-recurring items, divided by the average capital employed at the opening and closing balance sheet dates for the financial year in question.

Return on equity (ROE)

The Group's ROE was 16.7% in 2018 (16.6% in 2017).

(in € millions)	2018	2017
Equity excluding non-controlling interests at previous year end	17,812	16,465
Group net income attributable to owners of the parent(*)	2,983	2,737
ROE	**16.7%**	**16.6%**

(*) Excluding non-recurring tax effects in 2017

Return on capital employed (ROCE)

ROCE was 9.3% in 2018, unchanged relative to 2017.

(in € millions)	2018	2017
Capital employed at previous year end	35,075	33,583
Capital employed at this year end	38,270	35,075
Average capital employed	**36,672**	**34,329**
Recurring operating income	4,924	4,592
Theoretical tax (*)	(1,501)	(1,398)
NOPAT	**3,423**	**3,193**
ROCE	**9.3%**	**9.3%**

(*) Based on the effective rate for the period, excluding the 3% dividend tax and excluding non-recurring tax effects in 2017.

2. Parent company financial statements

VINCI's parent company financial statements show revenue of €16 million for 2018, compared with €12 million in 2017, consisting mainly of services invoiced by the holding company to subsidiaries.

The parent company's net income was €1,275 million in 2018, compared with €469 million in 2017. The 2018 figure includes €1,043 million of dividends received from Group subsidiaries (€141 million in 2017).

Expenses referred to in Article 39-4 of the French General Tax Code amounted to €68,272 in 2018.

Note B.9 to the parent company financial statements contains the disclosures relating to suppliers' payment terms required by France's LME Act on modernising the country's economy and Article L.411-6-1 of the French Commercial Code.

3. Dividends

The Board of Directors has decided to propose to the Shareholders' General Meeting on 17 April 2019 the distribution of a dividend of €2.67 per share for 2018, up 9.0% (€2.45 per share in 2017).
Given that an interim dividend of €0.75 per share was paid in November 2018, the final dividend to be paid in cash on 25 April 2019 (ex-date: 23 April 2019) would be €1.92 per share if approved.

Year	**2015**			**2016**			**2017**		
Type	Interim	Final	Total	Interim	Final	Total	Interim	Final	Total
Amount per share *(in €)*	0.57	1.27	1.84	0.63	1.47	2.10	0.69	1.76	2.45
Number of qualifying shares	555,134,112	552,837,088		555,300,376	553,209,901		556,515,560	553,373,249	
Aggregate amount paid *(in € millions)*	316	702		350	813		384	974	
Tax allowance applicable to individual shareholders	40%	40%		40%	40%		40%	40%	

B. Post-balance sheet events, trends and outlook

1. Material post-balance sheet events

Extension of Lisbon airport and opening of a new civil airport in Montijo, Portugal

On 8 January 2019, VINCI Airports signed a memorandum of understanding with the Portuguese government to increase airport capacity in the Lisbon region. As part of that agreement, ANA undertook to invest, by 2028, €650 million on the first phase of extending Lisbon's existing airport and €500 million to create a new civil airport in Montijo.

Financing operations

On 11 January 2019, as part of its EMTN programme, VINCI placed €950 million of bonds due to mature in January 2029 and paying an annual coupon of 1.625%.

Acquisition of Urbat Promotion

In January 2019, VINCI Immobilier completed the acquisition of a 49.9% stake in Urbat Promotion, a specialist homebuilder operating in the south of France.

2. Information on trends

2.1 Outcome in 2018

When publishing its quarterly results in October 2018, VINCI clarified trends seen during the year:

"The Group is confident going into the final part of 2018. Strong performance in the first nine months of the year confirms the previously announced trends. In full-year 2018, VINCI expects to see growth in revenue, operating income and net income.
• In Concessions, traffic growth at VINCI Autoroutes is expected to be similar to that seen in 2017 provided that fuel prices do not rise further. VINCI Airports' passenger numbers should continue growing in 2018, although at a slower pace than in 2017 because of the high base for comparison.
• In Contracting, business levels are expected to continue growing in all business lines, driven by a favourable French economy and international development, and Ebit margin should improve further."

Overall, these targets were either achieved or exceeded, due in particular to brisker business than expected in the last quarter, particularly in Contracting, but with the exception of VINCI Autoroutes, which suffered from disruption on its networks caused by exceptional social unrest in France at the end of the year.

2.2 Order books of the Contracting business and VINCI Immobilier

At 31 December 2018, the total order book of the Contracting business lines (VINCI Energies, Eurovia and VINCI Construction) stood at €33.1 billion, up 13% year on year (€29.3 billion at 31 December 2017). The order book represents 11 months of average business activity, and more than two-thirds of the orders are to be executed in 2019.
Orders amounted to €15.1 billion in France (down 3%) and €18 billion outside France (up 31%). Orders outside France make up 54% of the total order book (47% in 2017).

VINCI Energies' order book totalled €8.4 billion at 31 December 2018, up 24% over the year (stable in France and up 54% outside France). It represents 8.0 months of VINCI Energies' average business activity.

Eurovia's order book amounted to €7.0 billion, up 23% year on year (up 3.4% in France and up 40% outside France). It represents 9.4 months of Eurovia's average business activity.

VINCI Construction's order book totalled €17.7 billion at 31 December 2018, up 5.0% over the year (down 5.8% in France and up 18.2% outside France). It represents 14.9 months of VINCI Construction's average business activity.

At 31 December 2018, VINCI Immobilier's order book(*) amounted to €0.8 billion, comprising €0.3 billion for commercial property and €0.5 billion for residential property, and representing a 16% decrease relative to 31 December 2017 (€1.0 billion).

(*) VINCI Immobilier's order book corresponds to the revenue, recognised on a progress towards completion basis, that is yet to be generated on a given date with respect to property sales confirmed by a notarised deed or with respect to property development contracts on which the works order has been given by the project owner. Under IFRS 11, VINCI excludes the order books of jointly controlled co-development companies.

Order books

(in € billions)	31/12/2018	of which France	of which outside France	31/12/2017	of which France	of which outside France
VINCI Energies	8.4	3.7	4.6	6.7	3.7	3.0
Eurovia	7.0	2.6	4.4	5.7	2.5	3.1
VINCI Construction	17.7	8.7	9.0	16.9	9.2	7.6
Total Contracting	**33.1**	**15.1**	**18.0**	**29.3**	**15.5**	**13.8**
VINCI Immobilier	**0.8**	**0.8**	**-**	**1.0**	**1.0**	**-**

2.3 Trends in 2019

VINCI expects further growth in its revenue and net income in 2019.

• In **Concessions:**

- passenger numbers at VINCI Airports should, on a constant structure basis, continue to rise, although at a slower pace than in 2018 because of the high base for comparison. London Gatwick Airport should become part of the Group in the second quarter;
- traffic levels on VINCI Autoroutes' networks should track economic activity in France, barring any exceptional events.

• In **Contracting,** strong order books suggest that all business lines will see a like-for-like increase in revenue. Contracting will also receive a boost from the full-year integration of recent acquisitions, mainly located outside France. Its priority will be to continue improving the margin.

C. Report on corporate governance

VINCI's Report on corporate governance is prepared in accordance with the provisions of the last paragraph of Article L.225-37 of the French Commercial Code. This report was approved by the Board of Directors at its meeting of 5 February 2019.

1. Rules of corporate governance

1.1 The Afep-Medef code of corporate governance

The Board of Directors of VINCI (hereinafter the "Board") has opted to refer to the recommendations of the code of corporate governance for listed companies drawn up by Afep and Medef (hereinafter the "Code"), which may be consulted in full on the Medef website (www.medef.com). At the date of this report, the Group's practices were entirely consistent with the Code's recommendations.

1.2 The Board of Directors' internal rules

The Board of Director's internal rules are updated on a regular basis. The last such update was decided by the Board on 17 October 2018 and entered into effect on 1 November 2018. It may be accessed in its entirety on the Company's website (www.vinci.com).

The internal rules cover:
- the organisational and operating procedures of the Board and its committees;
- the respective responsibilities and powers of the Board, the Chairman and Chief Executive Officer, the Vice-Chairman and the Lead Director;
- the rights and obligations of Board members, in particular their right to information, their access to executives and the rules relating to the management of possible conflicts of interest.

2. Organisation of VINCI's corporate governance

At its meeting of 5 February 2019, the Board discussed VINCI's governance structure, as it does each year, and confirmed that the system in which the roles of Chairman of the Board and Chief Executive Officer are combined, with Xavier Huillard serving in both of these positions, remains the one best suited to the Company's situation and interests.

The Board regularly assesses the relevance of this system, in full knowledge of the opinions expressed by some of the Group's stakeholders, and in light of the Group's circumstances, development and human capital.

The Board reached its decision in 2019 on the basis of the considerations presented below:

- The VINCI Group's business activities involve a large number of contracts (in the hundreds of thousands), all relating to unique infrastructure assets, and they therefore do not lend themselves to standardisation. In order to ensure that business is conducted in an optimal manner, there must be considerable delegation of responsibility, since operational decisions must be made at the level closest to those affected by them. This explains the very decentralised organisation, which enables the Group's operating units to respond to customers' requirements in a swift and agile manner, and concurrently enables a large number of managers to gain self-reliance and responsibility.
- VINCI's business lines and the principles underlying its organisation closely interrelate strategy and operations. Each entity in each business line develops its own strategy in accordance with the Group's strategy and in full compliance with the internal control system. That is why practically all business lines and entities have unified governance, resembling the Group's governance.
- Many of the Group's customers in the Contracting business and all its contracting authorities in the Concessions business are central or local government entities, who expect to have access to a sole point of contact to discuss and negotiate short-term operational matters as well as long-term strategic concerns. These public sector entities also attach great importance to the title of chairman, as they equate it to the individual making the final decisions.

The Board defines the Group's strategy: it directs each division's expansion strategy, in particular on international markets, retains decision-making authority whenever the implementation of a strategy entails investments and commitments exceeding a certain threshold, and it reviews diversification opportunities.

This organisational approach, which has more than proven itself, requires a deep understanding of the Group and its business lines by the Chairman and Chief Executive Officer, and the strong commitment of managers to a shared culture set in motion by the Group's Executive Management. This culture's components are naturally reviewed and adapted under the Board's supervision.

The current system is considered as efficient by the Directors, who find the information to which they have access as well as the existing checks and balances not only satisfactory but key to ensuring that the Board completely fulfils its role.

The division of responsibilities between the Company's governance bodies, as set forth in the Board's internal rules, is as follows:

Board of Directors	Chairman and Chief Executive Officer	Vice-Chairman	Lead Director
- Appointment or renewal of the terms of office of the Chairman and Chief Executive Officer, the Vice-Chairman and the Lead Director - Prior approval of strategic choices - Prior approval of strategic investments and material transactions relating to exposures in amounts greater than €200 million - Prior approval of all transactions referred to the Strategy and CSR Committee - Prior approval of all transactions that fall outside the Company's announced strategy	- Organisation and supervision of the work of the Board - Implementation of decisions taken - Operational management of the Group	- Chairmanship of the Strategy and CSR Committee (investments in excess of €50 million) - Representation at the request of the Chairman and Chief Executive Officer - Insight provided to the Board on the Group's operations - Working relationship with the Group's main managers - Participation in meetings with shareholders or proxy advisers at the request of the Chairman and Chief Executive Officer	- Chairmanship of the Appointments and Corporate Governance Committee - Conflicts of interest - Point of contact for Board members, shareholders and proxy advisers at the request of the Chairman and Chief Executive Officer - Meetings of the Board in the absence of the executive company officers

2.1 Chairman and Chief Executive Officer

Xavier Huillard has served as both Chairman of the Board and Chief Executive Officer since 6 May 2010. The Board reappointed him to these positions at its meeting of 17 April 2018, held immediately following the Shareholders' General Meeting that renewed his term of office as Director. He has the duties and responsibilities conferred by law.

He regularly presents the Group's performance, prospects and strategy to the financial community, in particular through road shows. Mr Huillard chairs both the Executive Committee and the Management and Coordination Committee. He also chairs the Risk Committee, with powers to delegate this function chapter D, paragraph 2.4.3, page 186).

2.2 Organisation of VINCI's Executive Management and corporate management structures

Mr Huillard has appointed Pierre Coppey, Richard Francioli and Christian Labeyrie as Executive Vice-Presidents.

He has formed the Executive Committee comprising the Group's main operational and functional executives, which had 13 members at 5 February 2019. The information required under Article L.225-37-4-6° of the French Commercial Code on the means by which the Company aims to achieve gender balance within the Executive Committee is provided in paragraph 2.4.3, page 186.

Apart from implementing the Group's strategy, the Executive Committee defines and monitors the implementation of its cross-cutting policies, particularly in the areas of risk management, finance, human resources, safety, IT and insurance. The Executive Committee met 19 times in 2018.

The Management and Coordination Committee is composed of the members of the Executive Committee, together with the key operational and functional executives of the Group's main companies, and had 29 members at 5 February 2019. Its purpose is to ensure broad consultation on VINCI's strategy and position as well as on cross-cutting policies within the VINCI Group. The Management and Coordination Committee met four times in 2018.

2.3 Vice-Chairman

On 1 November 2018, the Board reappointed Yves-Thibault de Silguy as Vice-Chairman. In this position, he has the duties and responsibilities laid down in the Board's internal rules, as summarised below:

- Providing support to the Chairman, particularly with respect to representation, whenever necessary
- Providing insight to the Board on the Group's organisation, its principal executives and its activities
- Taking part in meetings with shareholders or proxy advisers as often as necessary

The Vice-Chairman chairs the Strategy and CSR Committee.

Until 1 November 2018, Mr de Silguy served as Vice-Chairman and Lead Director.

Furthermore, at various times in 2018, Mr de Silguy was called on to provide support services under an agreement signed on 5 February 2014 between the Company and YTSeuropaconsultants, of which Mr de Silguy is sole shareholder. This agreement remained in force until the Shareholders' General Meeting of 17 April 2018. At this Meeting, shareholders were asked to approve a new agreement, which had been signed on 7 February 2018 and included approval by the Shareholders' General Meeting of 17 April 2018 as the condition precedent for its entry into force. The corresponding resolution was adopted at the meeting, but it was brought to the Company's attention in July 2018 that, due to an error made by BNP Paribas Securities Services in determining the exercisable voting rights, the resolution had not in fact obtained the majority required for its adoption. For this reason, the Board was required to declare this agreement as null and void retroactively to 17 April 2018.
This situation required Mr de Silguy to return the amounts he had received under the new agreement, which is no longer considered as valid.

2.4 Lead Director

The position of Lead Director was created by the Board on 6 May 2010, when it decided to combine the roles of Chairman and Chief Executive Officer.

The purpose of this position, which has since been enshrined in Article 3.3 of the Afep-Medef code, is to ensure that the Board includes a member able to serve as a point of contact for all Directors distinct from the Chairman and Chief Executive Officer and who also has the personal powers necessary to guarantee the Board's responsiveness in all circumstances.

This position, held by Mr de Silguy since its creation in 2010, has been filled by Yannick Assouad, an independent Director, since 1 November 2018.

The duties and responsibilities of the Lead Director, which are laid down in the Board's internal rules, are summarised below:
- Managing conflicts of interest
- Serving as the point of contact for Board members and shareholders regarding governance questions
- Communicating with institutional investors and proxy advisers at the request of the Chairman
- Convening the Board once a year in the absence of the executive company officers to evaluate their performance and assess the effectiveness of governance

The Lead Director chairs the Appointments and Corporate Governance Committee. He or she may request the addition of any item to the agenda of a Board meeting or ask the Chairman to call a meeting of the Board.

3. Executive Management and the Board of Directors

3.1 Composition of the Board of Directors

At 31 December 2018, the Board of Directors had the following 15 members:

Name	Age	Number of years of service	Nationality	Independence	Year first appointed	Term of office ends
Chairman Xavier Huillard	64	12	French	Not independent (Executive company officer)	2006	2022
Vice-Chairman Yves-Thibault de Silguy	70	18	French	Not independent (More than 12 years of service)	2000	2022
Lead Director Yannick Assouad	59	5	French	Independent	2013	2021
Robert Castaigne	72	11	French	Independent	2007	2019
Uwe Chlebos	60	4	German	Not independent (Director representing employees)	2014	2022
Graziella Gavezotti	67	5	Italian	Independent	2013	2021
Miloud Hakimi	60	4	French and Algerian	Not independent (Director representing employees)	2014	2022
Jean-Pierre Lamoure	69	10	French	Independent	2008	2020
Marie-Christine Lombard	60	4	French	Independent	2014	2022
Josiane Marquez	63	3	French	Not independent (Director representing employee shareholders)	2015	2019
René Medori	61	0	French and British	Independent	2018	2022
Ana Paula Pessoa	51	3	Brazilian	Independent	2015	2019
Michael Pragnell	72	9	British	Independent	2009	2021
Pascale Sourisse	56	11	French	Independent	2007	2019
Qatar Holding LLC Permanent representative: Abdullah Hamad Al Attiyah	- 34	8 0	Qatari Qatari	Independent Independent	2010 2018	2022 -

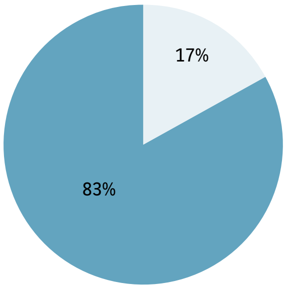
The key features of the Board's composition at 31 December 2018 are summarised below[*]:

Average age
61

Average tenure
6 years

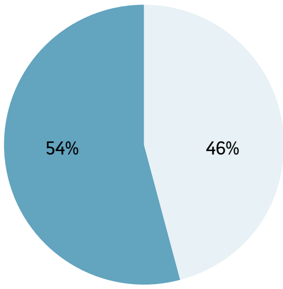
(*) In accordance with the Afep-Medef code.

Independence



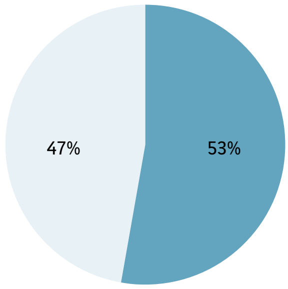
- Independent Directors
- Non-independent Directors

Gender parity



- Men
- Women

Internationalisation



- French citizens
- Foreign nationals

The members of the Board have expertise in the following areas:

	GENERAL EXPERTISE				INDUSTRY-SPECIFIC EXPERTISE					
Name	Technical fields	Economics, Finance	Communications	Legal affairs, Public sector, Regulations	Property development, Construction	Aerospace and aviation	Telecoms, Energy	Land transport	Digital	Services
Xavier Huillard	✓	✓			✓	✓	✓	✓		
Yves-Thibault de Silguy		✓		✓						✓
Yannick Assouad	✓	✓				✓			✓	
Robert Castaigne	✓	✓					✓			
Uwe Chlebos							✓			
Graziella Gavezotti		✓	✓							✓
Miloud Hakimi							✓			
Jean-Pierre Lamoure	✓	✓			✓					
Marie-Christine Lombard		✓						✓		
Josiane Marquez									✓	
René Medori		✓			✓		✓			
Ana Paula Pessoa		✓	✓						✓	✓
Michael Pragnell	✓	✓								
Pascale Sourisse	✓	✓				✓	✓	✓	✓	
Qatar Holding LLC – Abdullah Hamad Al Attiyah	✓				✓		✓			

In 2018, the Board held nine meetings (seven ordinary meetings and two extraordinary meetings). Ordinary meetings of the Board are scheduled nearly a year in advance, whereas extraordinary meetings are often convened at very short notice. The table below provides details on individual attendance rates for all Directors at Board meetings as well as the meetings of its committees. It should be noted that every Director, except for the Chairman and Chief Executive Officer, is a member of at least one Board committee, and that all of them are invited to take part in the meetings of the Strategy and CSR Committee.

	Board of Directors		Audit Committee		Strategy and CSR Committee		Remuneration Committee		Appointments and Corporate Governance Committee	
	Total	Of which, ordinary meetings								
Number of meetings in 2018	**9**	**7**	**5**		**7**		**3**		**6**	
Xavier Huillard	100%	100%								
Yves-Thibault de Silguy	100%	100%			C	100%			M	100%
Yannick Assouad	89%	100%	M	100%					C	100%
Robert Castaigne	100%	100%	C	100%			M	100%		
Uwe Chlebos	89%	100%			M	57%				
Graziella Gavezotti	100%	100%	M	80%						
Miloud Hakimi	100%	100%					M	100%		
Jean-Pierre Lamoure	100%	100%							M	100%
Marie-Christine Lombard	78%	86%							M	100%
Josiane Marquez	100%	100%			M	100%				
René Medori	100%	100%	M	100%						
Ana Paula Pessoa	100%	100%			M	86%				
Michael Pragnell	89%	100%					M	100%		
Pascale Sourisse	78%	71%					C	100%	M	83%
Abdullah Hamad Al Attiyah (permanent representative of Qatar Holding LLC)	100%	100%			M	NA				
Directors or representatives whose term of office ended in 2018										
Henri Saint Olive	100%	100%	C	100%						
Nasser Hassan Faraj Al Ansari (permanent representative of Qatar Holding LLC)	50%	50%			M	71%				
Total	**92%**	**94%**		**95%**		**83%**		**100%**		**96%**

C: Chairman; M: Member

In 2018, the Shareholders' General Meeting approved the renewal of the terms of office of Xavier Huillard, Yves-Thibault de Silguy, Marie-Christine Lombard and Qatar Holding LLC as Directors, as well as the appointment of René Medori as Director. As the terms of office of the Directors representing employees, namely Uwe Chlebos and Miloud Hakimi, ended at the close of the Shareholders' General Meeting of 17 April 2018, the trade union having the highest number of members within the VINCI Group and the European Works Council together re-elected these two individuals to serve until 2022, pursuant to the provisions of Article 11.3 of the Articles of Association.

At its meeting of 5 February 2019, the Board decided that the composition of its committees would be changed after the Shareholders' General Meeting of 17 April 2019, in order to ensure compliance with the recommendations of the Afep-Medef code. From that date, Mr Medori will chair the Audit Committee and Mrs Lombard will chair the Remuneration Committee.

At the Shareholders' General Meeting of 17 April 2019, resolutions will be put to a vote to renew the terms of office of Ana Paula Pessoa, Pascale Sourisse and Robert Castaigne as Directors, and to appoint Caroline Grégoire Sainte Marie as Director. The Board of Directors believes that the renewal of the terms of office of Mrs Pessoa, Mrs Sourisse and Mr Castaigne will be especially beneficial on account of their high level of expertise in their respective fields (Mrs Pessoa in finance, digital technology and services; Mrs Sourisse in telecommunications and digital technology; Mr Castaigne in finance and financial markets). Given that the term of office of Josiane Marquez, the Director representing employee shareholders, ends at the close of this same Shareholders' General Meeting, the process to appoint a new Director representing employee shareholders, provided for in Article 11.2 of the Articles of Association, has been initiated. Shareholders will thus be asked at the Meeting to vote on the candidate or candidates put forward, and voting will conclude once the position has been filled.

The table below highlights the terms of office of Directors having ended in 2018 and those due to end over the next four years:

	Situation at 1 January 2018	Renewal of term of office / Appointment		Situation at 31 December 2018	Term of office ends			
		At the 2018 Shareholders' General Meeting	At meetings of other bodies		2019 Shareholders' General Meeting	2020 Shareholders' General Meeting	2021 Shareholders' General Meeting	2022 Shareholders' General Meeting
Xavier Huillard	X	X		X				X
Yves-Thibault de Silguy	X	X		X				X
Yannick Assouad	X			X			X	
Robert Castaigne	X			X	X			
Uwe Chlebos	X		X	X				X
Graziella Gavezotti	X			X			X	
Miloud Hakimi	X		X	X				X
Jean-Pierre Lamoure	X			X		X		
Marie-Christine Lombard	X	X		X				X
Josiane Marquez	X			X	X			
René Medori		X		X				X
Ana Paula Pessoa	X			X	X			
Michael Pragnell	X			X			X	
Henri Saint Olive	X							
Pascale Sourisse	X			X	X			
Qatar Holding LLC	X	X		X				X
Nasser Hassan Faraj Al Ansari (permanent representative of Qatar Holding LLC)	X							
Abdullah Hamad Al Attiyah (permanent representative of Qatar Holding LLC)			X	X				

As recommended by the Afep-Medef code, the Board regularly reviews its composition so as to ensure balance, particularly in terms of diversity (proportion of women and men, nationalities, international profiles, expertise). The results of this policy are summarised in the table below:

Diversity objective	Observations	At 31 December 2018		At the close of the 2019 Shareholders' General Meeting	
Number of Directors		15		16	
At least 50% of Directors deemed independent in accordance with Article 8.3 of the Afep-Medef code	The Directors representing employees and employee shareholders are not taken into account (see paragraph 3.3.2, pages 144 to 146).	10/12	83%	9/13	69%
Improved gender balance (number of women on the Board)	The two Directors representing employees are not taken into account	6/13	46%	6/14(*) 7/14(*)	43%(*) 50%(*)
International reach (number of Directors who are foreign nationals)		7/15	47%	7/16	44%
Directors representing • employees • employee shareholders		 2 1		 2 1	

(*) Number and percentage to be determined, depending on the individual appointed by the Shareholders' General Meeting of 17 April 2019 as the Director representing employee shareholders.

The term of office of Directors is four years. The Company's Articles of Association provide that no one may be appointed or reappointed as a Director after reaching the age of 75. In addition, no more than one-third of the Directors in office at the close of the financial year for which shareholders are asked to approve the financial statements may be over 70.

The average age of Directors in office was 61 at 31 December 2018, at which time three of them were over 70 and none of them were over 75.

When new Directors take office, and subsequently at regular intervals, they receive legal and financial information on the Company and its group of companies, which is frequently updated, in particular via a dedicated digital platform that gives them access to all documents presented at Board meetings. Following each ordinary Board meeting, the new Directors meet with the members of the Executive Committee. In addition, to improve their knowledge of the Group, Directors regularly receive presentations on Group companies or on cross-cutting policies during Board meetings, in particular with regard to corporate social responsibility, and take part in visits to the Group's worksites and other business premises. If desired, they may also attend training sessions offered by independent organisations, such as the Institut Français des Administrateurs (IFA).

At its meeting of 4 February 2016, and in accordance with the Decree of 3 June 2015, the Board (i) decided that the Directors representing employees and the Director representing employee shareholders would be permitted to dedicate a maximum of 15 hours to preparing for each meeting of the Board or of any Board committee of which they are members and (ii) approved an approach intended to ensure that they receive appropriate training.

3.2 Company officers' appointments and other positions held

The following tables detail the appointments and other positions held by:

- the Chairman and Chief Executive Officer;
- the 14 Board members not serving as executive company officers;
- the individual whose appointment as Director is proposed to the Shareholders' General Meeting of 17 April 2019; and
- the Director whose term of office ended in 2018.

3.2.1 Executive Management

Xavier Huillard	Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
Chairman and Chief Executive Officer, VINCI Age (*): 64 Nationality: French Number of VINCI shares held: 392,545 First appointment: 2006 Term of office ends: 2022 Shareholders' General Meeting Business address: VINCI 1 cours Ferdinand de Lesseps 92500 Rueil Malmaison France	**Within the VINCI Group**	
	Chairman and Chief Executive Officer of VINCI; Chairman of VINCI Concessions SAS; Chairman of the Supervisory Board of VINCI Deutschland GmbH; permanent representative of VINCI on the Boards of Directors of VINCI Energies and of Fabrique de la Cité; permanent representative of Snel on the Board of Directors of ASF and of VINCI Autoroutes on the Board of Directors of Cofiroute; Chairman of the Fondation VINCI pour la Cité; Director of Kansai Airports.	Chairman of VINCI Concessions Management SAS; permanent representative of VINCI on the Board of Directors of Eurovia.
	Outside the VINCI Group in listed companies	
	Permanent representative of VINCI on the Board of Directors of Aéroports de Paris and member of its Remuneration, Appointments and Governance Committee; Director of Air Liquide and Chairman of its Remuneration Committee.	Non-voting Director of Aéroports de Paris.
	In unlisted companies or other structures outside the VINCI Group	
	Member of the Institut de l'Entreprise; Vice-Chairman of the non-profit organisation Aurore.	Chairman of the Institut de l'Entreprise.
	Background	
	Xavier Huillard is a graduate of the École Polytechnique and the École Nationale des Ponts et Chaussées. He has spent most of his working life in the construction industry in France and abroad. Mr Huillard joined Sogea in December 1996 as Deputy Chief Executive Officer in charge of international activities and specific projects, and then became its Chairman and Chief Executive Officer in 1998. He was appointed Deputy General Manager of VINCI in March 1998 and was Chairman of VINCI Construction from 2000 to 2002. He was appointed Co-Chief Operating Officer of VINCI and was Chairman and Chief Executive Officer of VINCI Energies from 2002 to 2004, then Chairman of VINCI Energies from 2004 to 2005. Mr Huillard became Director and Chief Executive Officer of VINCI in 2006 and was appointed Chairman of the Board of Directors and Chief Executive Officer of VINCI on 6 May 2010. He served as Chairman of the Institut de l'Entreprise from January 2011 until January 2017. He was appointed Chairman of VINCI Concessions SAS on 20 June 2016.	

(*) Age on the date when the registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

3.2.2 The Vice-Chairman and the Lead Director

Yves-Thibault de Silguy	Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
Vice-Chairman of the Board of Directors, VINCI **Chairman of the Strategy and CSR Committee and member of the Appointments and Corporate Governance Committee** Age (*): 70 Nationality: French Number of VINCI shares held: 45,696 First appointment: 2000 Term of office ends: 2022 Shareholders' General Meeting Business address: VINCI 1 cours Ferdinand de Lesseps 92500 Rueil Malmaison France	**Within the VINCI Group**	
	Permanent representative of VINCI on the Board of Directors of ASF.	None.
	Outside the VINCI Group in listed companies	
	Director of LVMH, Chairman of its Performance Audit Committee and its Ethics and Sustainable Development Committee, and member of its Nominations and Compensation Committee; Director and Chairman of the Nominations and Compensation Committee of Solvay (Belgium); member of the Supervisory Board and Chairman of the Audit Committee of VTB Bank (Russia – listed on the London Stock Exchange).	None.
	In unlisted companies or other structures outside the VINCI Group	
	Chairman of the Supervisory Board of Sofisport; Managing Director of YTSeuropaconsultants; Vice-Chairman of Medef International (the international branch of the French employers' organisation) and Chairman of the France-Iran committee of Medef International.	Trustee of the IASC Foundation; member of the Conseil des Affaires Etrangères (Foreign Affairs Council); member of the Board of Directors of the Fondation Monoprix and the Fondation du Collège de France; Managing Partner of Ysilop Consulting SARL; member of the Supervisory Board of VTB Bank France.
	Background	
	Yves-Thibault de Silguy has a degree in law from the Université de Rennes, a Masters degree in public law, and is a graduate of the Institut d'Études Politiques de Paris, public service section, and the École Nationale d'Administration. From 1976 to 1981, he worked at the French Ministry of Foreign Affairs and for the European Commission from 1981 to 1985. He then worked at the French Embassy in Washington as a Counsellor (economic affairs) from 1985 to 1986. From 1986 to 1988, Mr de Silguy was an adviser in the Prime Minister's office with responsibility for European affairs and international economic and financial affairs. From 1988 to 1993, he headed the international affairs department of the Usinor Sacilor Group, before being named its Director for International Affairs. From 1993 to 1995, he was Secretary-General of the Interdepartmental Committee for Questions of Economic Cooperation in Europe and at the same time, adviser for European affairs and vice-sherpa in the Prime Minister's office, assisting in the preparation of summits of the industrialised nations. From 1995 to 1999, Mr de Silguy was European Commissioner responsible for economic, monetary and financial affairs. From 2000 to 2005, he was Chairman of Medef's European Policy Committee. In January 2000, he became a member of the Executive Board of Suez Lyonnaise des Eaux, then served as Chief Executive Officer of Suez from 2001 to 2003. He was then Executive Vice-President of Suez from 2003 until June 2006. Mr de Silguy was appointed Chairman of the Board of Directors of VINCI on 1 June 2006 and resigned from all his appointments at Suez. On 6 May 2010, he was appointed Vice-Chairman of VINCI and Lead Director of the Board. Since October 2018, he has been Vice-Chairman of VINCI.	

(*) Age on the date when the registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

Yannick Assouad (*)	Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
Chief Executive Officer, Latécoère **Lead Director of the Board of Directors, VINCI** **Chairman of the Appointments and Corporate Governance Committee and member of the Audit Committee** Age (**): 59 Nationality: French Number of VINCI shares held: 1,000 First appointment: 2013 Shareholders' General Meeting Term of office ends: 2021 Shareholders' General Meeting Business address: Latécoère 135 rue de Périole BP 25211 31079 Toulouse Cedex 5 France	**Outside the VINCI Group**	
	Chief Executive Officer and member of the Board of Latécoère; Director of Arkema.	Member of the Executive Board of Zodiac Aerospace.
	In unlisted companies or other structures outside the VINCI Group	
	Member of the Board of Directors of ENAC (École Nationale de l'Aviation Civile); member of the Executive Committee of Gifas (Groupement des Industries Françaises Aéronautiques et Spatiales).	Chairman and Director of various companies within Zodiac Aerospace's Aircraft Systems segment, and subsequently within its Cabin segment; Director of the Institut de Recherche Technologique Saint Exupéry.
	Background	
	Yannick Assouad is a graduate of the Institut National des Sciences Appliquées de Lyon and the Illinois Institute of Technology. She joined Thomson CSF in 1986, where she was head of the thermal and mechanical analysis group until 1998. From 1998 to 2003, Mrs Assouad served first as Technical Director and then as Chief Executive Officer of Honeywell Aerospace, before being appointed Chairman of Honeywell SECAN. In 2003, she joined Zodiac Aerospace, initially as Chief Executive Officer of Intertechnique Services, a post she held until 2008. Appointed to Zodiac Aerospace's Executive Committee that same year, Mrs Assouad was selected to create the group's Services business segment, which she headed until 2010, when she was appointed Chief Executive Officer of its Aircraft Systems segment. In May 2015, she became the first Chief Executive Officer of Zodiac Cabin, a newly created segment of Zodiac Aerospace. In November 2015, she was named to the Executive Board of Zodiac Aerospace. Since 10 November 2016, she has been Chief Executive Officer of Latécoère.	

(*) Director considered independent by the Board.
(**) Age on the date when the registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

3.2.3 Other Directors

Robert Castaigne (*)	Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
Former Chief Financial Officer and former member of the Executive Committee, Total **Chairman of the Audit Committee and member of the Remuneration Committee** Age (**): 72 Nationality: French Number of VINCI shares held: 1,038 First appointment: 2007 Term of office ends: 2019 Shareholders' General Meeting Renewal of term of office proposed to the Shareholders' General Meeting of 17 April 2019 Business address: Total 6 rue Lincoln 75008 Paris France	**Outside the VINCI Group in listed companies**	
	Director and member of the Audit Committee and the Appointments and Remuneration Committee of Novatek (Russia).	Director and Chairman of the Audit Committee of Sanofi (until May 2018); Director and member of the Audit and Internal Control Committee and of the Nomination and Corporate Governance Committee of Société Générale (until May 2018).
	Background	
	Robert Castaigne is a graduate of the École Centrale de Lille and the École Nationale Supérieure du Pétrole et des Moteurs. He also holds a doctorate in economics from Université de Paris 1 - Panthéon-Sorbonne. He was an engineer at Total from 1 January 1972 and Chief Financial Officer and member of the Executive Committee of Total from June 1994 to May 2008.	

Uwe Chlebos	Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
Insulation installer, G+H Isolierung GmbH **Director representing employees** **Member of the Strategy and CSR Committee** Age (**): 60 Nationality: German Number of VINCI shares held: 86 First designation: 2014 Term of office ends: 2022 Business address: G+H Isolierung GmbH Auf den Holln 47 44894 Bochum Germany	**Within the VINCI Group**	
	Member of the Supervisory Board of VINCI Deutschland GmbH.	Vice-Chairman of the Supervisory Board of VINCI Energies Deutschland GmbH.
	In unlisted companies or other structures outside the VINCI Group	
	Member of the Industrial Union of Construction, Agriculture and Environment (Germany).	None.
	Background	
	Uwe Chlebos joined G+H Isolierung GmbH (VINCI Energies, Germany) in 1972 as an insulation installer. In 1994, he was elected Chairman of the G+H Isolierung GmbH Works Council. Mr Chlebos was named to G+H Isolierung's Economic and Labour Relations Committee in 1996 and became a member of the Executive Committee of the company's General Works Council in 1998 before being appointed the latter's Chairman in 2006. Since 2003, he has been a member of the Supervisory Board of VINCI Deutschland. From 2001 to 2006, he was initially Chairman of the Works Council of VINCI Construction Deutschland before being named Chairman of the equivalent body for VINCI Energies Deutschland. From 2010 to 2013, he was Vice-Chairman of the Supervisory Board of VINCI Energies Deutschland. Since 2010, he has been a member of the Supervisory Board of VINCI Deutschland.	

(*) Director considered independent by the Board.
(**) Age on the date when the registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

Graziella Gavezotti (*)

Chief Operating Officer, Southern Europe and Africa, Edenred

Member of the Audit Committee

Age (**): 67

Nationality: Italian

Number of VINCI shares held: 1,000

First appointment: 2013

Term of office ends: 2021 Shareholders' General Meeting

Business address:
Edenred
via G.B Pirelli 18
20124 Milan
Italy

Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
In unlisted companies or other structures outside the VINCI Group	
Chief Operating Officer, Southern Europe and Africa of Edenred; Chairman of the Board of Directors of Edenred Italia SRL, of Edenred Italia Fin SRL, of Voucher Services SA (Greece) and of Edenred España SA; Vice-Chairman of the Board of Edenred Portugal SA; Director of Edenred Maroc SAS.	Chairman of the Board of Directors of RistoChef SRL and of E-Lunch Italy; Director of Edenred Kurumsal Cozumler SA (Turkey).

Background

Graziella Gavezotti is a graduate of the Università di Comunicazione e Lingue (IULM) and the University of Rijeka. Prior to joining Edenred Italia, she worked for Jacques Borel International, Gemeaz and Accor Services Italia. Until May 2012, she was Chairman and Chief Executive Officer of Edenred Italia. Since July 2012 she has been Chief Operating Officer of Edenred for Southern Europe (Italy, Spain, Portugal, Turkey, Greece, Morocco and Lebanon) while continuing to serve as Chairman of the Board of Directors of Edenred Italia. She is also a member of Edenred SA's Executive Committee.

Miloud Hakimi

Project manager, ViE SAS

Director representing employees

Member of the Remuneration Committee

Age (**): 60

Nationalities: French and Algerian

Number of VINCI shares held: 808

First designation: 2014

Term of office ends: 2022

Business address:
VINCI
1 cours Ferdinand de Lesseps
92500 Rueil Malmaison
France

Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
In unlisted companies or other structures outside the VINCI Group	
Director of Cadase (Toulon).	None.

Background

Trained as an electrical technician, Miloud Hakimi joined Degreane (VINCI Energies) in 1976 as a fitter. In 1989, after completing a BTS, he became a sales technician before achieving certification to serve as an electrical safety trainer (NF C18-510 standard) beginning in 2002. He has been a project manager at ViE SAS since 2014.

Jean-Pierre Lamoure (*)

Chairman of the Supervisory Board, Atlantic SFDT

Member of the Appointments and Corporate Governance Committee

Age (**): 69

Nationality: French

Number of VINCI shares held: 2,026

First appointment: 2008

Term of office ends: 2020 Shareholders' General Meeting

Business address:
Atlantic
58 avenue du Général Leclerc
92340 Bourg la Reine
France

Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
Within the VINCI Group	
Honorary Chairman of Soletanche Freyssinet.	None.
In unlisted companies or other structures outside the VINCI Group	
Chairman of the Supervisory Board of Atlantic SFDT; Manager of Comemi and of HIGB; Chairman of the Executive Board of Sedeco.	Chairman of Psila; Manager of Clamar.

Background

Jean-Pierre Lamoure is a graduate of the École Polytechnique and holds the rank of Master Engineer in the Corps des Mines. He held several different posts at the French Ministry of Industry between 1975 and 1981. From 1981 to 1983, he was Head of Management Control and Planning in the insulation division of Saint-Gobain. In 1983 he joined the Soletanche group as Chief Executive Officer, a position he held from 1983 to 1987, before being appointed Chairman of the Executive Board of Soletanche Entreprise for 1987–1989. He was appointed Chairman and Chief Executive Officer of Soletanche SA in 1989 and served in this same position from 1997 to 2008 at Soletanche Bachy, which became a subsidiary of VINCI Construction in 2007. He served as Chairman of the Board of Soletanche Freyssinet from 2008 to 2012. At Forasol-Foramer, a Soletanche subsidiary, he served as Vice-Chairman from 1983 to 1988, then as Chairman and Chief Executive Officer from 1988 to 1994 and as Chairman of the Supervisory Board from 1994 to 1997. Mr Lamoure has also been Chairman of the Supervisory Board of Atlantic SFDT since 1998. In addition, he was Vice-Chairman of the French National Federation of Public Works (FNTP) from 1998 until 2007, and served as its Secretary from 2007 to 2012. Between 1995 and 1999 and between 2004 and 2009, he was also Chairman of that federation's Technology and Innovation Commission.

Marie-Christine Lombard (*)

Chairman of the Executive Board, Geodis SA

Member of the Appointments and Corporate Governance Committee

Age (**): 60

Nationality: French

Number of VINCI shares held: 1,000

First appointment: 2014

Term of office ends: 2022 Shareholders' General Meeting

Business address:
Geodis
26 quai Charles Pasqua
92300 Levallois Perret
France

Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
In unlisted companies or other structures outside the VINCI Group	
Chairman of the Executive Board of Geodis SA; Director of TLF; member of the Board of Directors of École Polytechnique.	Member of the Supervisory Board of Keolis Group SAS; member of the Executive Committee of the Fondation Emlyon Entrepreneurs pour le Monde; member of the Managing Committee of TLF; member of the Supervisory Board of BPCE and member of both its Audit and Risk Committees; member of the Management Board of BMV.

Background

A graduate of the Essec business school, Marie-Christine Lombard held various positions in the banking sector early in her career, notably with Chemical Bank and Paribas, based successively in New York, Paris and Lyon. She subsequently moved to the express services sector, joining the French company Jet Services as Chief Financial Officer in 1993, before being appointed Chief Executive Officer in 1997, a position she held until TNT Express acquired the company in 1999. Mrs Lombard then became Chairman of TNT Express France, which she soon made one of TNT's most successful business units. In 2004, she was named Group Managing Director of TNT Express. When TNT Express became an independent listed company in May 2011, Mrs Lombard was named Chief Executive Officer. In October 2012, she joined Geodis, first as Chief Executive Officer, before being named Chairman of the Executive Board on 17 December 2013. Mrs Lombard is also a member of the Board of Directors of École Polytechnique.

(*) Director considered independent by the Board.
(**) Age on the date when the registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

Josiane Marquez	Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
Information systems consultant, VINCI Energies Systèmes d'Information **Director representing employee shareholders** **Chairman of the Supervisory Board of the Castor and Castor Relais company mutual funds** **Member of the Strategy and CSR Committee** Age (*): 63 Nationality: French Number of VINCI shares held: 0 First appointment: 2015 Term of office ends: 2019 Shareholders' General Meeting (**) Business address: VINCI Energies Systèmes d'Information 10 avenue du Stade de France 93200 Saint Denis France	**In unlisted companies or other structures of the VINCI Group**	
	Chairman of the Supervisory Board of the Castor and Castor Relais company mutual funds.	Member of the VINCI France Group Works Council and of the VINCI European Works Council; central trade union representative and member of the VINCI Energies Systèmes d'Information Works Council.
	Background	
	Following undergraduate studies in statistics and probability, Josiane Marquez completed a degree in information systems at a school of computer science, also pursuing additional training in database management and analytical methods. She joined CGEE Alsthom in 1983 and worked as a systems analyst from 1984 until 1994 at this company and later at Cegelec. Between 1996 and 2000, Mrs Marquez was a project manager for business applications, first at Cegelec and then at Alstom. In 2000, she was chosen to manage the SAP sales and invoicing module at Alstom, Cegelec and then VINCI Energies, a position she held until 2015. Since 2015, she has been an SAP information systems consultant at VINCI Energies Systèmes d'Information.	

René Medori (***)	Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
Non-executive Chairman, Petrofac Ltd **Member of the Audit Committee** Age (*): 61 Nationalities: French and British Number of VINCI shares held: 1,000 First appointment: 2018 Term of office ends: 2022 Shareholders' General Meeting Business address: Petrofac Ltd. 117 Jermyn Street St James's London SW1Y 6HH UK	**Outside the VINCI Group in listed companies**	
	Non-executive Chairman of Petrofac Ltd; Director of Cobham plc and Chairman of its Audit Committee; Director of Newmont Mining Corporation.	Director of Anglo American Platinum Ltd; Senior Independent Director and Chairman of the Audit Committee of Petrofac Ltd.
	In unlisted companies or other structures outside the VINCI Group	
	None.	Permanent representative of Anglo American plc on the Board of Directors of De Beers; Director of Anglo American plc and of Anglo Gold Ashanti; Director of SSE plc and Chairman of its Audit Committee; Director of Afrox Healthcare Ltd and of African Oxygen Ltd.
	Background	
	René Medori has a doctorate in management and a DEA (diploma of advanced studies) in organisational science from Université Paris Dauphine. He also completed the Financial Management Program at the Stanford Graduate School of Business. After a four-year stint, beginning in 1982, as a consultant with Andersen Worldwide SC, he worked for Schlumberger from 1986 to 1987 as a financial controller in the gas meter division. In 1988, he joined BOC, where he held several positions in the United Kingdom, the United States and France, including that of Group Finance Director. He was also a member of BOC's Board of Directors from 2000 to 2005. From 2005 to 2017, he was Finance Director and a member of the Board of Directors of Anglo American plc.	

(*) Age on the date when the registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).
(**) As Mrs Marquez's term of office ends at the 2019 Shareholders' General Meeting, a new candidate for the position of Director representing employee shareholders will be put forward to the Meeting of 17 April 2019.
(***) Director considered independent by the Board.

Ana Paula Pessoa (*)

Chairman and Chief Strategy Officer, Kunumi AI (Brazil)

Member of the Strategy and CSR Committee

Age (**): 51

Nationality: Brazilian

Number of VINCI shares held: 1,000

First appointment: 2015

Term of office ends: 2019 Shareholders' General Meeting
Renewal of term of office proposed to the Shareholders' General Meeting of 17 April 2019

Business address:
Rua General Tasso Fragoso 33
Bl 5/401
Lagoa
Rio de Janeiro
22470-170 Brazil

Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
Outside the VINCI Group in listed companies	
Independent Director of News Corporation (New York) and Crédit Suisse AG (Zurich) and member of their Audit Committees; independent Director of Aegea Saneamento SA (São Paulo) and member of its Finance and Investment Committee.	None.
In unlisted companies or other structures outside the VINCI Group	
Chairman and Chief Strategy Officer of Kunumi AI (Brazil); member of the Global Advisory Council to the President of Stanford University; member of the Advisory Board of The Nature Conservancy (Brazil); member of the Audit Committee of the Roberto Marinho Foundation; member of the Board of the Stanford University Brazil Association (SUBA); member of the Advisory Board of the Institut Atlântico de Gobierno (Madrid).	Chairman of the Board of Directors of Neemu Internet SA; member of the Consulting Board of the Rio de Janeiro City Council.

Background

Ana Paula Pessoa graduated from Stanford University with a BA in economics and international relations and an MA in economic development. She worked for the United Nations Development Programme (UNDP) in New York and in Benin from 1988 to 1990. Mrs Pessoa returned to Brazil in 1993 and joined Globo Organizations where she stayed for 18 years, occupying several positions in telecommunications, cable and satellite TV, print media, radio and newspapers. From 2001 to 2011, she was Chief Financial Officer and innovation director of Infoglobo, the largest newspaper group in South America. In 2011, Mrs Pessoa founded BlackKey Investments and invested in Neemu Internet, a leader in search and recommendation technology for e-commerce, which was sold in August 2015 to Linx SA, Brazil's largest retail software house. In 2012, she opened the Brazil office of Brunswick Group, a strategic communications company, where she was managing partner for over three years. Mrs Pessoa was Chief Financial Officer of the Organising Committee for the Rio 2016 Olympic and Paralympic Games from September 2015 to March 2017.
Currently, she is Chairman of Kunumi AI, a leading artificial intelligence company, where she also serves as Chief Strategy Officer.

Michael Pragnell CBE (*)

Former founding Chief Executive Officer and Chairman of the Executive Committee, Syngenta AG

Member of the Remuneration Committee

Age (**): 72

Nationality: British

Number of VINCI shares held: 1,027

First appointment: 2009

Term of office ends: 2021 Shareholders' General Meeting

Business address:
VINCI
1 cours Ferdinand de Lesseps
92500 Rueil Malmaison
France

Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
In unlisted companies or other structures outside the VINCI Group	
None.	Member of the Board of Directors of Insead; Chairman of the Council of Trustees of Cancer Research UK.

Background

Michael Pragnell is a graduate of Oxford and Insead. Following a period in the international department of the First National Bank of Chicago in New York, Mr Pragnell held a series of positions in the Courtaulds group from 1975 until 1995: Chief Executive Officer of National Plastics (1985-1986), Chief Executive Officer of International Paint plc (1986-1992) and Chief Financial Officer (1992-1994) of Courtaulds plc, where he was appointed to the Board of Directors in 1990. From 1995 to 2000, he was Chief Executive Officer of Zeneca Agrochemicals and a member of the Executive Committee of Zeneca plc (now known as AstraZeneca plc), and was appointed to its Board of Directors in 1997. From 2000 to 2007, Mr Pragnell was the founding Chief Executive Officer and Chairman of the Executive Committee of Syngenta AG, where he was also a member of the Board of Directors from its creation. Other positions held include being a member of the Board of Directors of David S. Smith (now DS Smith) plc from 1996 to 1999 and of Advanta BV (Netherlands). He was Chairman of CropLife International from 2002 to 2005 and served as Chairman of the Council of Trustees of Cancer Research UK from 2010 to 2016. Mr Pragnell was awarded a CBE in the UK's 2017 New Year's Honours List.

Pascale Sourisse (*)

Senior Executive Vice-President, International Development, Thales

Chairman of the Remuneration Committee and member of the Appointments and Corporate Governance Committee

Age (**): 55

Nationality: French

Number of VINCI shares held: 1,000

First appointment: 2007

Term of office ends: 2019 Shareholders' General Meeting
Renewal of term of office proposed to the Shareholders' General Meeting of 17 April 2019

Business address:
Thales
Tour Carpe Diem
31 place des Corolles
Esplanade Nord
92400 Courbevoie
France

Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
Outside the VINCI Group in listed companies	
Senior Executive Vice-President, International Development of Thales; Director of Renault SA and member of its Audit, Risks and Ethics Committee.	Director of Areva SA, member of its Audit and Ethics Committee and Chairman of its End-of-Cycle Obligations Monitoring Committee.
In unlisted companies or other structures outside the VINCI Group	
Chairman of Thales International SAS; Chairman of Thales Europe SAS; permanent representative of Thales on the Board of Directors of ODAS and member of its Remuneration Committee; fellow of the Académie des Technologies (the French National Academy of Technologies); member of the Board of Directors of École Polytechnique.	Permanent representative of Thales on the Board of Directors of Sofresa; member of the Governing Board of Agence National de la Recherche (ANR, the French National Research Agency). Chairman of the Advisory Board of Télécom ParisTech; member of the Governing Board of Agence Nationale des Fréquences (ANFR, the French National Frequencies Agency).

Background

Pascale Sourisse is a graduate of the École Polytechnique and of Télécom ParisTech. She worked as an engineer at Compagnie Générale des Eaux from 1984 to 1985, as an engineer in the telecommunications division of Jeumont-Schneider from 1985 to 1986, and as head of the enterprise network division at France Telecom from 1987 to 1990. From 1990 to 1994, Mrs Sourisse worked in the French Ministry for Industry as assistant deputy manager, then deputy manager, of the Consumer Electronics and Audiovisual Communication department. She then joined the Alcatel Group, where she held the positions of Director, Planning and Strategy from 1995 to 1997, Chairman and Chief Executive Officer of Skybridge from 1997 to 2001, and Chief Executive Officer and then President and Chief Executive Officer of Alcatel Space from 2001 to 2005. She was President of Alcatel Alenia Space (now Thales Alenia Space) from 2005 to 2008. Since April 2007, she has been a member of the Executive Committee of Thales. From May 2008 until early 2010, Mrs Sourisse was Chief Executive Officer of Thales' Land & Joint Systems Division. In early 2010, she was named Chief Executive Officer, then Senior Vice-President for Defence & Security C4I Systems at Thales. Since early 2013, she has served as Senior Vice-President for International Development at Thales.

(*) Director considered independent by the Board.
(**) Age on the date when the registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

Qatar Holding LLC (*)	Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
Permanent representative: Abdullah Hamad Al Attiyah (replacing Nasser Hassan Faraj Al Ansari) **Member of the Strategy and CSR Committee** Age (**): 34 Nationality: Qatari Number of VINCI shares held (directly or indirectly) by Qatar Holding LLC: 22,375,000 First appointment: 2015 (co-optation) Term of office ends: 2022 Shareholders' General Meeting Business address: Qatar Holding LLC Ooredoo Tower, 8th Floor Diplomatic Area Street West Bay P.O. Box 23224 Doha Qatar	**Outside the VINCI Group in listed companies**	
	Director of Barwa Real Estate (listed on Qatar Stock Exchange).	None.
	In unlisted companies or other structures outside the VINCI Group	
	Chief Executive Officer and Director of Qatari Diar Real Estate Investment Company.	Chief Executive Officer of Qatar Primary Materials Company.
	Background	
	Qatar Holding LLC is a company based in Doha, Qatar, founded in April 2006 and wholly owned by the Qatar Investment Authority ("QIA"), for which it represents the main direct investment subsidiary. QIA was founded in 2005 by Emiri Decision, as a governmental entity of the State of Qatar to develop, invest and manage the reserve funds of the State of Qatar and other assets assigned to it. QIA's objective is to preserve and grow the value of its invested assets for the benefit of future generations. The Chairman of the Board of Directors of Qatar Investment Authority is His Excellency Sheikh Mohamed Bin Abdullahman Al Thani, Deputy Prime Minister and Minister of Foreign Affairs of the State of Qatar. Its Chief Executive Officer is Mansoor Ebrahim Al Mahmoud. On 11 February 2015, Qatar Holding LLC acquired the 31,499,000 VINCI shares initially held (directly or indirectly) by the Qatari Diar Real Estate Investment Company ("Qatari Diar"), which is wholly owned by QIA, and acquired the balance of 1,000 shares from Qatari Diar on 15 April 2015. Following the sale of 7,875,000 shares in 2015 and 1,250,000 shares in 2017, Qatar Holding LLC held 22,375,000 VINCI shares as at 31 December 2017. On 6 December 2018, Qatar Holding LLC named Abdullah Hamad Al Attiyah as its permanent representative to VINCI's Board of Directors, replacing Nasser Hassan Faraj Al Ansari. Abdullah Hamad Al Attiyah holds an MSc in Chemical Engineering from the University of Nottingham (United Kingdom) and a BEng in Mechanical Engineering from Cardiff University (United Kingdom). Mr Al Attiyah has extensive professional experience in Qatar, working in a number of industry sectors and for several government agencies. He began his career with Qatar Petroleum as an operations engineer, before joining RasGas in 2011 as a senior project engineer. In 2012, RasGas made him its Onshore Development and Planning Manager. Mr Al Attiyah took on a new position in 2014 as Acting Executive Director of the Program Management Office of Qatar's Supreme Committee for Delivery and Legacy. In 2015, he was named Director of the Technical Office at the country's Public Works Authority (Ashghal) and subsequently served as the authority's Assistant President. Appointed Vice-Chairman of Qatar Primary Materials Company in 2018, he was named by its Board of Directors as Acting Chief Executive Officer in May 2018. During this same period, Mr Al Attiyah was appointed as a Director of Qatari Diar Real Estate Investment Company in January 2017, before being named the company's Chief Executive Officer in July 2018, while retaining his position as a Board member.	

(*) Director considered independent by the Board.
(**) Age on the date when the registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

3.2.4 Individual whose appointment as Director is proposed to the Shareholders' General Meeting of 17 April 2019

Caroline Grégoire Sainte Marie	Appointments and other positions held at 31/12/2018	Appointments and other positions that have expired during the last five financial years
Company director Age (*): 61 Nationality: French Number of VINCI shares held: 0 Proposal submitted for first appointment: 2019 Shareholders' General Meeting Business address: 36 avenue Duquesne 75007 Paris France	**Outside the VINCI Group in listed companies**	
	Independent Director of Wienerberger (Austria) and member of both its Audit Committee and its Strategy Committee; Director of Elkem ASA (Norway); independent Director of FLSmidth & Co (Denmark) and member of both its Audit Committee and its Technology Committee; Director of Fnac Darty.	Non-voting Director of Safran and member of its Audit Committee; independent Director of Eramet and member of its Strategy Committee.
	In unlisted companies or other structures outside the VINCI Group	
	Independent Director of Groupama, Chairman of its Compensation and Appointments Committee and member of its Audit and Risks Committee.	None.
	Background	
	A graduate of the Institut d'Études Politiques de Paris, Caroline Grégoire Sainte Marie also has a degree in commercial law from Université de Paris 1 - Panthéon-Sorbonne. She began her career with Xerox France in 1981 as a financial controller. In 1984, she joined the Hoechst pharmaceuticals group, holding various financial positions at Roussel Uclaf SA, before being appointed Chief Financial Officer in 1994 of Albert Roussel Pharma GmbH, where she also served on the Executive Board. In 1996, she joined Volkswagen France, before moving to the Lafarge group in 1997 as Chief Financial Officer of Lafarge Speciality Products (LMS). She was named Senior Vice-President, Mergers and Acquisitions in the group's Cement division in 2000, where she notably led the financial strategy for the takeover of Blue Circle. In 2004, she became Managing Director of Lafarge Cement for Germany and the Czech Republic. She was appointed Chairman and Chief Executive Officer of Tarmac for France and Belgium in 2007, before being named Chairman and Chief Executive Officer of Frans Bonhomme in 2009. She was a Director of Eramet from 2012 to 2016 and of Safran from 2011 to 2015. Since 2011, she has served as a company Director. Currently, she is on the Boards of Groupama, FLSmidth,Wienerberger, Fnac Darty and Elkem. In addition, as an investor, she is a Director of Calyos (Belgium). She is also a founding partner of DefInnov, a collaborative innovation platform in the defence and security field, as well as Senior Advisor at HIG European Capital Partners.	

(*) Age on the date when the registration document was filed with the Autorité des Marchés Financiers (AMF, the French securities regulator).

3.2.5 Director whose term of office ended in 2018

Henri Saint Olive	Appointments and other positions held at 17/04/2018	Appointments and other positions that have expired during the last five financial years
Chairman of the Board, Banque Saint Olive Age (*): 74 Nationality: French Number of VINCI shares held (directly or indirectly): 50,673 (*) First appointment: 2000 Term of office ended: 2018 Shareholders' General Meeting Business address: Banque Saint Olive 84 rue Duguesclin 69458 Lyon Cedex 06 France	**Within the VINCI Group**	
	None.	Director and Chairman of the Audit Committee.
	Outside the VINCI Group in listed companies	
	Chairman of the Board of Directors of Banque Saint Olive.	Member of the Supervisory Board of Eurazeo.
	In unlisted companies or other structures outside the VINCI Group	
	Chairman of the Supervisory Board of Saint Olive et Cie and Saint Olive Gestion; Chairman of the Board of Directors of Enyo; Manager of CF Participations and of Segipa; member of the Board of Directors of the Association de l'Hôpital Saint-Joseph in Lyon; Chairman of the Saint Gabriel endowment fund.	Chairman of the Board of Directors of Ciarl; Director of Monceau Assurances Mutuelles Associées and Groupe Monceau-Mutuelles Associées; Managing Partner of LP Participation; member of the Supervisory Board of ANF and of Monceau Général Assurances; Director of Mutuelle Centrale de Réassurance and Compagnie Industrielle d'Assurance Mutuelle; member of the Board of Trustees of Centre Hospitalier Saint-Joseph & Saint-Luc; member of the Supervisory Board of Prodith.
	Background	
	A graduate of HEC, in 1969 Henri Saint Olive joined Banque Saint Olive where he has spent his working life. He was appointed Chairman of the Executive Board of this bank in 1987, then Chairman of its Board of Directors in 1997.	

(*) At 17 April 2018.

3.3 Independence of Board members

3.3.1 Personal situation of company officers and conflicts of interest

Summary of related internal rules

The internal rules of the Board of Directors stipulate that all Directors must inform the Board of any conflict of interest, including a future or potential situation, in which they find or may find themselves and in this case promptly contact the Lead Director to define and implement measures to prevent such conflict. These measures might consist in refraining from attending part or all of any Board or Board Committee meeting during which a sensitive subject in this regard is to be discussed. Directors must abstain from voting on any matter involving a conflict of interest for them and from taking part in the related discussions. The Lead Director may intervene at any time in response to any real or potential conflicts of interest that may come to his or her attention and proceed with investigations in order to further identify, avoid or manage them.

In addition, the Board's internal rules specify that no Director of VINCI may hold a position at any of VINCI's competitors and that all Directors must keep the Board informed of any positions held in other companies, including positions on the board committees of these French and foreign companies.

Implementation

At the time of writing of this document and on the basis of the statements made by each Director:
- no Director of VINCI has declared a conflict of interest in respect of any decisions taken by the Board in 2018 and all of the Directors considered independent by the Board have stated that they did not have any conflict of interest in 2018 between their personal or professional activities and their role as Director of the Company;
- there are no family links between any of VINCI's company officers;
- none of VINCI's company officers has been found guilty of fraud in the last five years;
- none of these individuals has been involved as a company officer in a bankruptcy, sequestration of assets or liquidation during the last five years and none has been incriminated or officially punished by a statutory or regulatory authority. None has been disqualified by a court from serving as a member of a Board of Directors or company management or supervisory body of a securities issuer, nor from being involved in the management or conduct of the affairs of a securities issuer in the last five years.

3.3.2 Independence evaluation

At its meeting of 5 February 2019, after having heard the report of the Appointments and Corporate Governance Committee, the Board conducted an evaluation of the independence of current Directors, as recommended by the Afep-Medef code and in accordance with the criteria of that code.

In line with the recommendations of the Afep-Medef code, the criteria to be taken into account by the Board are as follows:

Article of the Afep-Medef code	Criteria
8.5.1	Not having been an employee or executive company officer of the company, nor an employee, executive company officer or director of any entity consolidated by the company, nor an employee, executive company officer or director of the company's parent company or of any other entity consolidated by this parent company at any time over the last five years
8.5.2	Not having been an executive company officer of an entity in which the company serves, either directly or indirectly, as director or in which an employee designated as such or an executive company officer of the company currently serves or has served at any time over the last five years as director
8.5.3	Not being a customer, supplier, investment banker, merchant banker or consultant that is material for the company or its group, or for which the company or its group represents a significant part of its business
8.5.4	Having no close family ties with a company officer
8.5.5	Not having acted as statutory auditor for the company at any time over the last five years
8.5.6	Not having served as a director of the company for more than 12 years
8.6	Not being eligible to receive variable remuneration from the company or its group if serving as a non-executive company officer
8.7	Not being a representative of a shareholder holding more than 10% of the company's share capital or voting rights

In evaluating the independence of its members with respect to the criteria of Article 8.5.3, the Board took into account the material or non-material nature of the business relationships being examined, the particular circumstances of each Director at the company in question in view of these relationships and the amount of sales or purchases involved, in absolute as well as relative terms.

The table below provides information on the determinations reached by the Board regarding the independence of each of its members:

Xavier Huillard	Mr Huillard is the Chairman and Chief Executive Officer of VINCI.	Not independent
Yves-Thibault de Silguy	Mr de Silguy is the Vice-Chairman of VINCI. He has served as Director for more than 12 years.	Not independent
Yannick Assouad	Mrs Assouad is the Lead Director of VINCI. She has had executive management responsibilities at the Latécoère group since November 2016. Certain VINCI subsidiaries have business relationships with the Latécoère group. However, these relationships arise in the normal course of business and account for only a non-material proportion of business for each of the companies concerned. Furthermore, VINCI's Board of Directors is not involved in any way in these relationships.	Independent
Robert Castaigne	Until May 2008, Mr Castaigne was Chief Financial Officer and a member of the Executive Committee of the Total group. Certain VINCI subsidiaries have business relationships with the Total group. However, these relationships arise in the normal course of business and account for a non-material proportion of business for each of the companies concerned. Furthermore, VINCI's Board of Directors is not involved in any way in these relationships. The Board has noted that, as Mr Castaigne was co-opted as Director by the Board at its meeting of 27 March 2007, he will no longer be considered independent 12 years from that date, thus as from 27 March 2019.	Independent until 27 March 2019
Uwe Chlebos	Mr Chlebos is a Director representing employees.	Not independent
Graziella Gavezotti	Mrs Gavezotti has executive management responsibilities for Southern Europe at Edenred. Certain VINCI subsidiaries have business relationships with the Edenred group. However, these relationships arise in the normal course of business and account for only a non-material proportion of business for each of the companies concerned. Furthermore, VINCI's Board of Directors is not involved in any way in these relationships.	Independent
Miloud Hakimi	Mr Hakimi is a Director representing employees.	Not independent
Jean-Pierre Lamoure	Mr Lamoure served as Chairman of Soletanche Freyssinet, a wholly owned subsidiary of VINCI, until 31 December 2012. Since that date, thus for more than five years, he has not performed any operational functions within the VINCI Group.	Independent
Marie-Christine Lombard	Mrs Lombard has served as Chairman of the Executive Board of Geodis since December 2013. Certain VINCI subsidiaries have business relationships with the Geodis group. However, these relationships arise in the normal course of business and account for only a non-material proportion of business for each of the companies concerned. Furthermore, VINCI's Board of Directors is not involved in any way in these relationships.	Independent
Josiane Marquez	Mrs Marquez is a Director representing employee shareholders, who hold units of the Castor company mutual fund that is mainly invested in VINCI shares.	Not independent
René Medori	Mr Medori is Non-executive Chairman of Petrofac Ltd. This entity does not have business relationships with the VINCI Group.	Independent
Ana Paula Pessoa	Mrs Pessoa is Chairman and Chief Strategy Officer of Kunumi AI. This entity does not have business relationships with the VINCI Group.	Independent
Michael Pragnell	Mr Pragnell was Chairman of Cancer Research UK from 2007 to 2016, after having served in senior management positions at Syngenta AG until 2007. Neither of these entities has business relationships with the VINCI Group.	Independent
Pascale Sourisse	Mrs Sourisse has executive management responsibilities at the Thales group. Certain VINCI subsidiaries have business relationships with the Thales group. However, these relationships arise in the normal course of business and account for only a non-material proportion of business for each of the companies concerned. Furthermore, VINCI's Board of Directors is not involved in any way in these relationships. The Board has noted that, as Mrs Sourisse was co-opted as Director by the Board at its meeting of 27 March 2007, she will no longer be considered independent 12 years from that date, thus as from 27 March 2019.	Independent until 27 March 2019
Qatar Holding LLC and Abdullah Hamad Al Attiyah	Qatar Holding LLC, a company controlled by Qatar Investment Authority (QIA), directly or indirectly holds a 3.9% stake in VINCI. It should be noted that this shareholding had been acquired originally by Qatari Diar Real Estate Investment Company (QD), also controlled by QIA, when the Cegelec group was sold to VINCI. At the time of the sale, it was agreed that QD, which then had a 5.3% stake, would be represented on the Board as long as it held at least 5% of the shares. QD sold its stake to Qatar Holding LLC in February 2015. As a result of the disposal of a block of shares in October 2015, Qatar Holding LLC's stake was reduced to 3.9%. It should also be noted that QD and VINCI Construction Grands Projets (a wholly owned subsidiary of VINCI) are partners in the jointly owned QDVC. QD owns 51% of the capital of QDVC and VINCI Construction Grands Projets has a minority stake of 49% in this company, which it accounts for under the equity method. Given that both Qatar Holding LLC and QD are owned by a sovereign wealth fund, the Board has decided that the former should be considered independent. On 6 December 2018, Qatar Holding LLC appointed Abdullah Hamad Al Attiyah as its permanent representative to VINCI's Board of Directors. The Board has reviewed the situation of Mr Al Attiyah, who serves as QD's Chief Executive Officer, and has concluded that he qualifies as independent.	Independent

The results of the Board's evaluation of each of its members with regard to the independence criteria of the Afep-Medef code are as follows:

	8.5.1	8.5.2	8.5.3	8.5.4	8.5.5	8.5.6	8.6	8.7	Board's evaluation
Xavier Huillard	✗	✗	✓	✓	✓	✓	✓	✓	Not independent
Yves-Thibault de Silguy	✓	✓	✓	✓	✓	✗	✓	✓	Not independent
Yannick Assouad	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Robert Castaigne	✓	✓	✓	✓	✓	✓ 🔔	✓	✓	Independent until 27 March 2019
Uwe Chlebos	✗	✓	✓	✓	✓	✓	✓	✓	Not independent – Director representing employees
Graziella Gavezotti	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Miloud Hakimi	✗	✓	✓	✓	✓	✓	✓	✓	Not independent – Director representing employees
Jean-Pierre Lamoure	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Marie-Christine Lombard	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Josiane Marquez	✗	✓	✓	✓	✓	✓	✓	✓	Not independent – Director representing employee shareholders
René Medori	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Ana Paula Pessoa	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Michael Pragnell	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Pascale Sourisse	✓	✓	✓	✓	✓	✓ 🔔	✓	✓	Independent until 27 March 2019
Abdullah Hamad Al Attiyah, Qatar Holding LLC	✓	✓	✓	✓	✓	✓	✓	✓	Independent

✓: Condition satisfied.
✗: Condition not satisfied.
🔔: Issue examined attentively by the Board.

Based on these results, the Board concluded that 10 of its 12 members, or 83% of its Directors, should be considered independent, bearing in mind that, in accordance with the Afep-Medef code, the Director representing employee shareholders and the two Directors representing employees were not taken into account in this evaluation, and that, as from 27 March 2019, eight of its 12 members, or 67% of its Directors, will be able to be considered independent.

In addition, the Board has reviewed the situation of Caroline Grégoire Sainte Marie, whose appointment as Director will be proposed to the Shareholders' General Meeting of 17 April 2019, and has concluded that she meets all the criteria qualifying her as independent.

At the close of the Shareholders' General Meeting of 17 April 2019, if the renewals of the terms of office of Ana Paula Pessoa, Pascale Sourisse and Robert Castaigne are approved, and if the appointment of Caroline Grégoire Sainte Marie as Director is also approved, nine Directors out of 13 will be qualified as independent, thus 69% of Board members, bearing in mind that, in accordance with the Afep-Medef code, the Director representing employee shareholders and the two Directors representing employees were not taken into account in this evaluation. The Board will remain vigilant to ensure that the composition of its committees is consistent with the independence requirements of the Afep-Medef code.

3.4 Conditions of preparation and organisation of the work of the Board

3.4.1 Functioning and work of the Board in 2018

The Board met nine times in 2018 (for seven ordinary meetings and two extraordinary meetings) and the average attendance rates were 92% for all meetings and 94% for ordinary meetings. Individual attendance rates for each Director at Board meetings held in 2018 are shown in paragraph 3.1, page 136. All documents needed by Directors to perform their duties are made available both in hard copy and in electronic form, the latter via a specific application allowing Directors to view the documents on a tablet or computer.
In 2018, the Board discussed all matters of importance relating to the Group's activities. The Executive Vice-President and Chief Financial Officer attends Board meetings. The General Counsel acts as Board Secretary.

Main areas of oversight	Board activities during financial year 2018
Review of the financial statements and day-to-day management	• Reviewed and approved the consolidated and parent company financial statements for the year ended 31 December 2017 and the consolidated and parent company financial statements for the six months ended 30 June 2018, reviewed the reports of the Statutory Auditors relating to these financial statements and reviewed the 2018 budget updates • Approved the terms of the various reports to shareholders, including the Report of the Board of Directors (which contained the Report on corporate governance), prepared and convened the Shareholders' General Meeting of 17 April 2018, and approved its agenda and the resolutions submitted for shareholder approval • Took note of the work done by the Audit Committee • Regularly reviewed the Group's business activities, ongoing developments, financial situation and indebtedness • Decided to pay an interim dividend on 2018 earnings • Reviewed changes in the share capital and the share buy-back programme • Approved the renewal of the Chairman and Chief Executive Officer's powers regarding guarantees and collateral as well as the implementation of the share buy-back programme • Renewed the delegation of authority to the Chairman and Chief Executive Officer to issue bonds and was informed of the use of this delegation • Renewed the delegation of authority to the Chairman and Chief Executive Officer to record capital increases carried out by way of the creation of new shares resulting from the exercise of rights and in connection with the exercise of share purchase options as well as shares held as part of the Group savings plan and to maintain the rights of beneficiaries of share subscription options and performance shares upon leaving the Group • Received information in conjunction with the preparation of the half-year and annual financial statements identifying financial difficulties experienced by companies in order to prevent insolvency • Received information about the restructuring of syndicated credit facilities • Was notified about the arrangement of a loan granted to VINCI Finance International • Reviewed the report on payments to government authorities made by VINCI subsidiaries with respect to their mining and quarrying activities • Approved the Audit Committee's recommendation concerning the selection of VINCI's Statutory Auditors for the terms of office covering the financial years from 2019 to 2024
Corporate governance	• Took note of the work done by the Appointments and Corporate Governance Committee • Evaluated the independence of the Board's members with regard to the criteria of the Afep-Medef code and submitted the renewal of the terms of office of four Directors and the appointment of one Director for the approval of the Shareholders' General Meeting • Confirmed the continued application of the system of governance in which the roles of Chairman of the Board and Chief Executive Officer are combined, with Xavier Huillard serving in both of these positions • Reappointed Mr Huillard as Chairman and Chief Executive Officer and Yves-Thibault de Silguy as Vice-Chairman and Lead Director • Amended the Board's internal rules • Confirmed Mr de Silguy in his position as Vice-Chairman, accepted Mr de Silguy's resignation as Lead Director and appointed Yannick Assouad, an independent Director, as Lead Director • Changed the composition of the Board committees
Remuneration	• Took note of the work done by the Remuneration Committee • Set Mr Huillard's variable remuneration for financial year 2017 as well as the remuneration policy applicable to the Chairman and Chief Executive Officer in the event of his reappointment to these positions • Decided to set up two performance share plans for the Group's employees, one for performance share awards granted under the Twelfth resolution of the Shareholders' General Meeting of 19 April 2016 and the other for performance share awards granted under the Sixteenth resolution of the Shareholders' General Meeting of 17 April 2018, as well as a long-term incentive plan for the executive company officer • Approved the percentage of vested shares under the long-term incentive plan set up on 14 April 2015 • Determined an allocation for the special Director's fee in the amount of €100,000, previously paid to the Vice-Chairman and Lead Director, now divided between the Vice-Chairman and the Lead Director
Employee savings plans	• Set the subscription price of shares to be issued under the French employee savings plan for the periods from 2 May to 31 August 2018, from 3 September to 31 December 2018 and from 2 January to 30 April 2019 • Reviewed a proposed international employee share purchase plan for 2019 and granted delegations of authority to set the subscription price as well as the definitive start and end dates for the subscription period in each country concerned • Reaffirmed, subsequent to the Shareholders' General Meeting, the decisions previously taken by the Board relating to the Castor France and Castor International 2018 company mutual funds • Reviewed the results of the international employee share purchase programme offered in 2018 to employees of VINCI's foreign subsidiaries in connection with the Group savings plan outside France
Strategy	• Took note of the work done by the Strategy and CSR Committee • Reviewed the proposed acquisitions of eight airports located in the United Kingdom, the United States, Sweden and Costa Rica • Reviewed several airport concession acquisition opportunities outside France • Reviewed an acquisition project in the services sector • Received a presentation on the CSR policy • Reviewed several motorway concession acquisition opportunities • Reviewed the proposed acquisition of Lane Construction's Plants & Paving division • Reviewed the proposed acquisition of a majority stake in London Gatwick Airport
Other	• Reviewed the regulated agreements and commitments entered into and/or authorised in 2017 and 2018 and the regulated agreements that remained in force in 2017 • Responded to questions submitted in writing by shareholders prior to the Shareholders' General Meeting of 17 April 2018 • Received information about a sponsorship initiative • Approved the issue of guarantees • Received information on the schedule of meetings for the Board and its committees in 2019 and 2020

One of the Board meetings was held in Santiago de Chile in October 2018. It was followed by a presentation of the Group's business activities in Chile and a visit to the airport.

Discussions between the Directors and the members of the Executive Committee took place at all of the Board's ordinary meetings during the year.

A Board meeting in the absence of the executive company officer was held on 7 February 2018, in particular to evaluate his performance and discuss governance.

3.4.2 The Board committees

The Board has established four specialised committees:
• the Audit Committee;
• the Strategy and CSR Committee;
• the Appointments and Corporate Governance Committee; and
• the Remuneration Committee.

The role of the committees is to prepare and provide support for decision-making processes in several areas. The responsibilities and modus operandi of the committees are governed by the Board's internal rules. Each committee has consultative powers and acts under the authority of the Board, of which it is an extension and to which it is accountable. Minutes of each committee meeting are drawn up and circulated to the members of the Board.

During the Shareholders' General Meeting held to approve the financial statements, all Board committee chairmen present reports to the shareholders on the work performed by their committees over the course of the year.

The Audit Committee

Number of Directors	Membership at 31 December 2018	Proportion of independent Directors	Number of meetings held in 2018	Average attendance rate in 2018
4	Robert Castaigne (Chairman) Yannick Assouad Graziella Gavezotti René Medori	100%	5	95%

Composition

In accordance with the Board's internal rules, the Audit Committee comprises at least three Directors designated by the Board. The Executive Vice-President and Chief Financial Officer and the Statutory Auditors attend Audit Committee meetings. Until 17 April 2018, the Audit Committee had the following members: Henri Saint Olive (Chairman), Yannick Assouad, Graziella Gavezotti and Robert Castaigne. Since that date, its membership has been as follows: Robert Castaigne (Chairman), Yannick Assouad, Graziella Gavezotti and René Medori. The Board plans to change the composition of the Audit Committee at the close of the Shareholders' General Meeting of 17 April 2019, in order to have an independent Director, René Medori, as Chairman (see paragraph 3.1, page 136).

The Board considers all four Audit Committee members to be independent Directors. By virtue of their professional experience and/or qualifications, the members of the Audit Committee have the financial, accounting and auditing expertise necessary to serve thereon. Their main areas of expertise in relation to VINCI's operations are indicated in the table in paragraph 3.1, page 135. Further details of their experience and qualifications are provided in the curriculum vitae set out in paragraph 3.2, pages 138 to 144.
The Executive Vice-President and Chief Financial Officer acts as secretary to the Audit Committee.

Responsibilities

The Audit Committee helps the Board monitor the accuracy and fair presentation of VINCI's parent company and consolidated financial statements, and the quality of the information provided. In particular, its duties are to monitor:
• the process of compiling financial information (i) by examining the Group's annual and half-year parent company and consolidated financial statements before they are presented to the Board, verifying the quality of the information given to the shareholders; (ii) by ensuring that the accounting policies and methods are appropriate and consistently applied, warning of any deviation from these rules; (iii) by reviewing the scope of consolidation and, where applicable, the reasons why certain companies would not be included; and (iv) by carefully reviewing significant transactions in the course of which a conflict of interest might have arisen, subsequently formulating recommendations to ensure the integrity of such transactions;
• the effectiveness of internal control and risk management systems (i) by verifying the existence of these systems, their proper deployment and the successful implementation of corrective measures in the event of any material weakness or significant deficiency in internal control and (ii) by reviewing the Group's financial position and major risk factors on a regular basis, examining material risks and off-balance sheet commitments and evaluating the importance of any failures or weaknesses of which it is made aware, bringing them to the attention of the Board where applicable;
• the statutory audit of the parent company and consolidated financial statements and the independence of the Statutory Auditors: (i) by tracking the assignments carried out by the Statutory Auditors, including the review of their work programmes, audit conclusions and recommendations, as well as the follow-up actions taken; (ii) by verifying compliance by the Statutory Auditors with their legal obligation to be independent; (iii) by approving the supply of services mentioned in Article L.822-11-2 of the French Commercial Code; and (iv) by evaluating proposals for the appointment of the Company's Statutory Auditors or the renewal of their terms of office as well as their remuneration and issuing a recommendation on this matter;
• the Group's policy in respect of insurance;
• the setting up of procedures regarding business ethics and competition, while ensuring that a system is in place able to verify that they are being enforced;
• the entry into or continuation in force of any agreement concluded between the Company and any of its executive or non-executive company officers.
To carry out its remit, the Board's internal rules specify that the Audit Committee may seek external advice, the cost of which is borne by the Company.

Activities in 2018

In its meetings, the main subjects addressed by the Audit Committee were:
• the process of compiling accounting and financial information: review of the Group's parent company and consolidated financial statements prepared during the year, budget updates, cash positions and financial debt, the Group's financial strategy and ongoing or completed financial transactions;
• the effectiveness of the Group's internal control and risk management systems: analysis of the results of the annual 2018 self-assessment, presentation of the systems in use at VINCI Construction UK and VINCI Construction France, presentation of VINCI Construction's Maestro management tool, post-mortem review of difficult contracts in Concessions and Contracting, presentation of the "Risk factors and management procedures" chapter of the Report of the Board of Directors, review of ongoing disputes and litigation, presentation of incidents of attempted fraud and their prevention, presentation of the risk mapping exercise and the 2018 audit programme, review of off-balance sheet commitments at 31 December 2017 and 30 June 2018;
• the statutory auditing of the parent company and consolidated financial statements and the independence of the Statutory Auditors: discussions with the Statutory Auditors and review of their conclusions, adherence to legal and regulatory obligations concerning accounting and financial information, approval of services other than statutory audit assignments, submission of a recommendation to the Board of Directors concerning the selection of VINCI's Statutory Auditors for the terms of office covering the financial years from 2019 to 2024;
• update on the implementation of the system provided for under the Sapin 2 law;
• review of the assistance provided in 2017 by YTSeuropaconsultants, of which Mr de Silguy is sole shareholder, under its services agreement with the Company.
For the purposes of this work, the following executives were interviewed: the Executive Vice-President and Chief Financial Officer; the Deputy Financial Director, whose responsibilities include treasury, financing and tax matters; the Senior Vice-President for Corporate Controlling and Accounting; the Chief Audit Officer; the General Counsel; and the Statutory Auditors. During their presentation, the Statutory Auditors emphasised the important points relating to their assignment and the accounting options chosen.

The Strategy and CSR Committee

Number of Directors	Membership at 31 December 2018	Number of independent Directors (*)	Number of meetings held in 2018	Average attendance rate
5	Yves-Thibault de Silguy (Chairman) Abdullah Hamad Al Attiyah (permanent representative of Qatar Holding LLC) Uwe Chlebos (Director representing employees) Josiane Marquez (Director representing employee shareholders) Ana Paula Pessoa	2/3 (excluding the Directors representing employees and employee shareholders)	7	- For Directors who were Committee members: 83% - For Directors who were not Committee members: 72%

(*) As defined by the Afep-Medef code.

Composition

In accordance with the Board's internal rules, the Strategy and CSR Committee comprises at least three Directors designated by the Board. Since 14 April 2015, the Strategy and CSR Committee has consisted of five Directors serving as permanent members: Yves-Thibault de Silguy (Chairman), Uwe Chlebos, Ana Paula Pessoa, Josiane Marquez and the permanent representative of Qatar Holding LLC. Until 6 December 2018, the permanent representative of Qatar Holding LLC was Nasser Hassan Faraj Al Ansari. On that date, he was replaced by Abdullah Hamad Al Attiyah. All Board members who wish to do so may attend the Strategy and CSR Committee's meetings, with voting rights. Before each meeting, a dossier on the items to be discussed is sent to all Directors.
VINCI's Chairman and Chief Executive Officer, Executive Vice-President and Chief Financial Officer, and Vice-President for Business Development attend the meetings of the Strategy and CSR Committee. The Board Secretary acts as secretary to the Committee.

Responsibilities

The Strategy and CSR Committee helps the Board review the Group's overall strategy. In advance of their presentation to the Board, it examines multi-year contracts implying an investment on the part of the Group, strategic investments and all transactions, including acquisitions and disposals, with the potential to have a material impact on the Group's scope of consolidation, business activities, risk profile, earnings or balance sheet or on the Company's stock market valuation. It also monitors all corporate social responsibility issues.
In particular its duties are to:
- prepare the Board's discussions on the Group's strategy;
- express an opinion, for the benefit of the Executive Management, on proposed acquisitions or disposals of shareholdings of a value exceeding €50 million that do not come under the Board's direct terms of reference;
- give its opinion to the Executive Management on plans for significant changes to the Group's legal or operational structure;
- prepare a document each year to be submitted to the VINCI Works Council on the strategic choices made by the Group and their consequences;
- ensure that matters relating to corporate social responsibility are taken into account in the Group's strategy and its implementation;
- ensure that whistleblowing systems have been put in place within the Group and are functioning well;
- examine the VINCI Group's sustainability commitments with respect to the issues faced in its business activities and in achieving its objectives.

Activities in 2018

In its meetings, the Strategy and CSR Committee addressed the following subjects in particular:
- 12 acquisition projects in Contracting;
- two proposed multi-year contracts;
- four airport concession acquisition opportunities;
- presentation of VINCI's envrionmental policy ("Acting for green growth") and the Group's approach to encouraging civic engagement among its employees;
- presentations on business ethics, human rights, health and safety, and employee share ownership.

The Remuneration Committee

Number of Directors	Membership at 31 December 2018	Number of independent Directors (*)	Number of meetings held in 2018	Average attendance rate
4	Pascale Sourisse (Chairman) Robert Castaigne Miloud Hakimi (Director representing employees) Michael Pragnell	3/3 at 31/12/2018 (excluding the Director representing employees)	3	100%

(*) As defined by the Afep-Medef code.

Composition

In accordance with the Board's internal rules, the Remuneration Committee comprises at least three Directors designated by the Board. Until 17 April 2018, the composition of the Remuneration Committee was as follows: Robert Castaigne (Chairman), Miloud Hakimi, Michael Pragnell and Pascale Sourisse. Since that date, it has been chaired by Pascale Sourisse, with Robert Castaigne, Miloud Hakimi and Michael Pragnell still serving as the remaining members. The Board plans to change the composition of the Remuneration Committee at the close of the Shareholders' General Meeting of 17 April 2019, in order to have an independent Director, Marie-Christine Lombard, as Chairman (paragraph 3.1, page 136). With the exception of Mr Hakimi, one of the two Directors representing employees, all of the Committee's members are considered independent by the Board.
The Vice-President responsible for Human Resources and Sustainable Development attends the meetings of the Committee. The Chairman and Chief Executive Officer also attends the Committee's meetings except when the Committee examines questions relating personally to him. The Board Secretary acts as secretary to the Committee.

Responsibilities
The Remuneration Committee's duties are to:
• make recommendations to the Board concerning remuneration, pension and insurance plans, benefits in kind and miscellaneous pecuniary rights, including any performance share awards or share subscription or share purchase options granted to the executive company officers as well as employee members of the Board, where applicable;
• submit a draft of resolutions to the Board intended to be put to a non-binding vote at the annual Shareholders' General Meeting relating to the remuneration of executive company officers;
• propose to the Board the setting up of long-term incentive plans for executives and employees, involving grants of performance share awards or of subscription or purchase options on the Company's shares, as well as the general and specific terms and conditions applying to these grants;
• express an opinion on the Executive Management's proposals regarding the number of beneficiaries;
• propose to the Board an aggregate amount of Directors' fees and the manner of their allocation.
In addition, the Remuneration Committee is informed of the remuneration policy applicable to the principal executives who are not company officers.

Activities in 2018
In its meetings, the Remuneration Committee addressed the following subjects in particular:
• assessment of the performance of VINCI's Executive Management, carried out jointly with the Appointments and Corporate Governance Committee;
• determination of Mr Huillard's variable remuneration for financial year 2017;
• determination of the remuneration policy applicable to the Chairman and Chief Executive Officer in the event of his reappointment to these positions for the 2018–2022 period;
• update on the implementation of the agreement between the Company and YTSeuropaconsultants;
• satisfaction of performance conditions under the long-term incentive plan set up on 14 April 2015;
• draft of an ordinary resolution to be submitted to the 2018 annual Shareholders' General Meeting relating to the Group savings plan;
• validation of the "Company officers' remuneration and interests" section of the Annual Report;
• examination of draft resolutions relating to the remuneration policy and the remuneration of the executive company officer;
• review of two proposed long-term incentive plans to be put in place in 2018 for employees and executives other than the Chairman and Chief Executive Officer;
• examination of a proposed long-term incentive plan to be put in place in 2018 for the executive company officer;
• update on the employee share ownership policy;
• change in the mechanism for the allocation of Directors' fees in order to improve its variability.

The Appointments and Corporate Governance Committee

Number of Directors	Membership at 31 December 2018	Number of independent Directors (*)	Number of meetings held in 2018	Average attendance rate
5	Yannick Assouad (Chairman) Jean-Pierre Lamoure Marie-Christine Lombard Yves-Thibault de Silguy Pascale Sourisse	4/5	6	96%

(*) As defined by the Afep-Medef code.

Composition
In accordance with the Board's internal rules, the Appointments and Corporate Governance Committee comprises at least three Directors designated by the Board. Until 1 November 2018, this committee had four members: Yves-Thibault de Silguy (Chairman), Jean-Pierre Lamoure, Marie-Christine Lombard and Pascale Sourisse. Since that date, it has had five members, serving as follows: Yannick Assouad (Chairman), Jean-Pierre Lamoure, Marie-Christine Lombard, Yves-Thibault de Silguy and Pascale Sourisse. The Board recognises four of these five members as independent Directors.
The Chairman and Chief Executive Officer attends the Committee's meetings except when it performs its assessment of the Executive Management. The Board Secretary acts as secretary to the Committee.

Responsibilities
The Appointments and Corporate Governance Committee's duties, grouped into the two main areas under its purview, are listed below.
With respect to appointments, the Committee:
• examines all candidacies for appointments to the Board and expresses an opinion and/or recommendation to the Board on those candidacies;
• prepares, in a timely manner, recommendations and opinions on the appointment of executive company officers and succession plans;
• examines, on a consultative basis, the Executive Management's proposals relating to the appointment and dismissal of the Group's principal executives;
• is informed of the Executive Management's policy for managing the Group's senior executives and, in this regard, examines the procedures for succession plans;
• expresses an opinion on the membership of committees and makes proposals for the appointment and renewal of the Chairman of the Audit Committee.

With respect to corporate governance, the Committee:
• verifies adherence to the rules of corporate governance and ensures that the recommendations of the Afep-Medef code are being followed, while also making sure that any departures from this code are justified, particularly in the chapter of the Annual Report dedicated to corporate governance;
• supervises the process for the assessment of the work of the Board;
• prepares the Board's discussions on the assessment of the Company's Executive Management in consultation with the Strategy and CSR Committee and the Remuneration Committee for matters within their respective purviews;
• reviews the independence of serving Board members each year.

Activities in 2018

Among the items of business handled in its meetings, the Appointments and Corporate Governance Committee:
• performed the assessment of VINCI's Executive Management together with the Remuneration Committee;
• proposed that the Board submit a resolution for the appointment of a new Director to the Shareholders' General Meeting of 17 April 2018;
• evaluated each Board member with regard to the independence criteria of the Afep-Medef code and made proposals to the Board;
• reviewed the Report on corporate governance to be included within the Annual Report;
• reviewed the decision on the separation of the roles of Chairman and Chief Executive Officer as well as the functioning of the Board;
• proposed changes in the composition of the Board's committees;
• received feedback on the Shareholders' General Meeting;
• made proposals relating to changes in governance;
• proposed a revision to the Board's internal rules;
• was informed of the succession plan for one of the Group's senior executives;
• received a presentation relating to the Executive Review procedures carried out in 2018;
• received information concerning the 2018 report of the AMF on corporate governance, executive remuneration, internal control and risk management;
• considered Directors' terms of office ending in 2019;
• defined the search criteria for a new Director, whose appointment will be proposed to the Shareholders' General Meeting of 17 April 2019;
• was informed of the consequences of the invalidated resolution concerning the agreement entered into between YTSeuropaconsultants and VINCI.

3.5 Assessment of the composition and functioning of the Board

The Board's internal rules require that the agenda of one of its meetings each year include a discussion on the functioning of the Board with the aim of improving its effectiveness. In addition, a formal assessment of the Board must be carried out once every three years, with the assistance of an outside consultant or firm of consultants.

In practical terms, these requirements entail the following:
• An informal meeting of Directors, without the executive company officer being present, is organised each year by the Lead Director. The purpose of these meetings – which were held most recently on 7 February 2018 and 5 February 2019 – is to prepare the formal meeting of the Board during which it will vote on various aspects of its internal functioning and discuss the performance of VINCI's Executive Management.
• A formal assessment process is carried out at regular intervals with the assistance of an outside consultant or firm of consultants, selected through a bidding process and then validated by the Appointments and Corporate Governance Committee. The most recent formal assessments were carried out in 2013 and 2016. The consultants present the results of their assessment first to the Appointments and Corporate Governance Committee and then to a formal meeting of the Board. As the most recent formal assessment was carried out in 2016, the Board decided to launch a new assessment process with the assistance of an outside consultant during the second half of 2019.

4. Company officers' remuneration and interests

4.1 Chairman and Chief Executive Officer

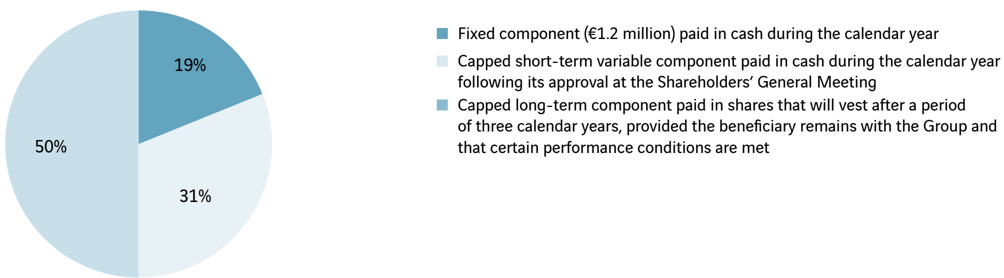
4.1.1 Remuneration policy applicable for the period 2018–2022

At its meetings of 7 February and 17 April 2018, the Board established the remuneration policy applicable to Xavier Huillard in his capacity as Chairman and Chief Executive Officer for the period 2018–2022, acting on a proposal from the Remuneration Committee. At its meeting of 5 February 2019, the Board modified this policy.

The Chairman and Chief Executive Officer's yearly remuneration consists of three components:
• a short-term fixed component;
• a short-term variable component;
• a long-term component.

Each of these components is explained below.

Overall structure of the upper limit for the Chairman and Chief Executive Officer's remuneration



The breakdown of the Chairman and Chief Executive Officer's actual remuneration depends on the extent to which the performance conditions governing the amount of the variable components are met.

The aims of the modifications made by the Board at its meeting of 5 February 2019 were to:
- cap Mr Huillard's long-term remuneration at 100% of his short term remuneration, rather than 200%;
- change the weighting of the short-term indicators to place more emphasis on non-economic indicators;
- introduce an environmental indicator among the performance conditions applicable to his long-term remuneration.

Mr Huillard's remuneration is structured as follows:

<table>
<tr><th>Item of remuneration</th><th>Type of payment</th><th>Amount
(€ thousands)</th><th>Upper limit
(€ thousands)</th><th>Performance conditions</th><th>Performance indicators</th><th>Relative weight of indicator</th></tr>
<tr><td>Fixed component</td><td>Cash paid during calendar year</td><td>1,200</td><td>1,200</td><td>No</td><td></td><td></td></tr>
<tr><td rowspan="6">Short-term variable component</td><td rowspan="6">Cash paid during calendar year following its approval at the Shareholders' General Meeting</td><td rowspan="6">0 to 1,920</td><td rowspan="6">160% of fixed component</td><td rowspan="6">Yes</td><td>Recurring operating income</td><td rowspan="3">60%</td></tr>
<tr><td>Operating cash flow</td></tr>
<tr><td>Earnings per share attributable to owners of the parent</td></tr>
<tr><td>Environmental, social and governance (ESG) indicators</td><td>25%</td></tr>
<tr><td>Group expansion</td><td>15%</td></tr>
<tr><td>Total</td><td>100%</td></tr>
<tr><td rowspan="4">Long-term component</td><td rowspan="4">Paid in shares that vest after three calendar years</td><td rowspan="4">Number of shares set by Board</td><td rowspan="4">100% of upper limit of short-term remuneration (fixed and variable)</td><td rowspan="4">Yes</td><td>Internal criteria: ROCE/WACC</td><td>65%</td></tr>
<tr><td>External criteria: VINCI TSR/CAC 40 TSR</td><td>20%</td></tr>
<tr><td>Environmental criteria
CDP CARBON score</td><td>15%</td></tr>
<tr><td>Total</td><td>100%</td></tr>
</table>

On the basis of the above structure, the Chairman and Chief Executive Officer's remuneration has the following features:

It is balanced.	It achieves a balance between: • short- and long-term components, which ensures it is aligned with shareholder interests; • economic and financial performance and the implementation of sustainable development policies.
It is capped.	Each element has an upper limit: • the fixed component is capped for the entire 2018-2022 term of office; • the short-term variable component is capped in relation to the fixed component and each indicator corresponds to a capped bonus; • the long term component is capped when it is initially granted.
It is subject to a large extent on demanding performance conditions.	81% of the upper limit of this remuneration is subject to meeting performance conditions. Future performance is assessed in relation to past performance, and therefore on a concrete basis.

4.1.1.1 Benchmarking exercise

At the request of the Remuneration Committee, a benchmarking exercise relating to the components of Mr Huillard's remuneration package is conducted by an independent firm and updated on a regular basis.

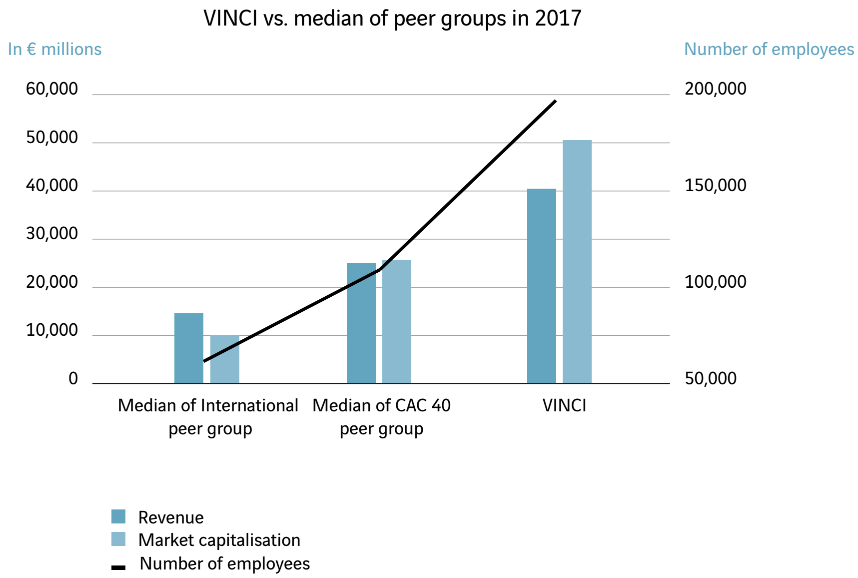
The aim of this exercise is to ensure that the remuneration of the Group's top executive remains coherent and in line with the market.

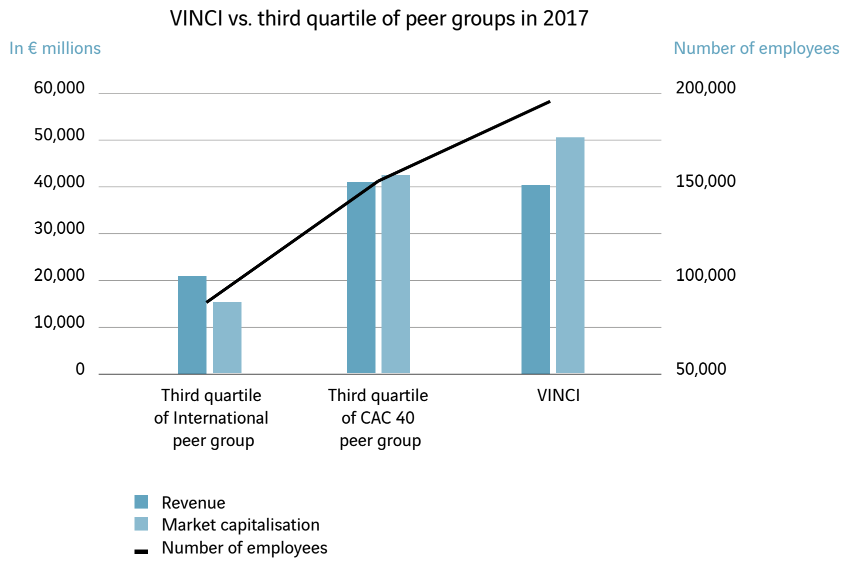
To this end, the Committee has selected two representative peer groups, the first comprised of 17 French industrial companies that are members of the CAC 40 (the "CAC 40 peer group"), and the second comprised of 10 European companies operating in comparable markets (the "International peer group").

These two peer groups are as follows:

CAC 40 peer group	Air Liquide, Bouygues, Saint Gobain, Danone, Engie, EssilorLuxottica, Legrand, L'Oréal, Michelin, Pernod Ricard, PSA, Renault, Safran, Schneider Electric, Total, Valeo and Veolia Environnement
International peer group	Bouygues, Eiffage, ACS, AENA, Atlantia, Ferrovial, Fraport, Hochtief, Strabag and Skanska

Although these peer groups are deemed to be representative, the benchmarking exercise reveals that the VINCI Group consistently ranks among the top companies included in terms of market capitalisation, revenue and number of employees, as shown in the charts below:

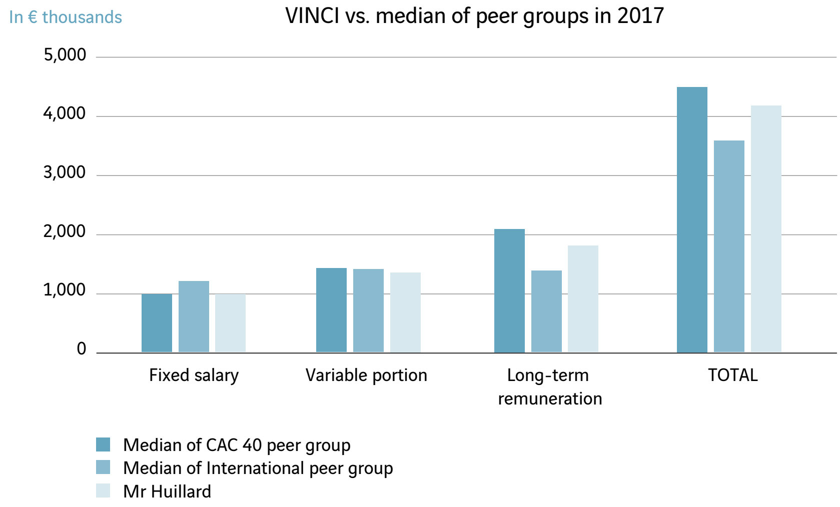


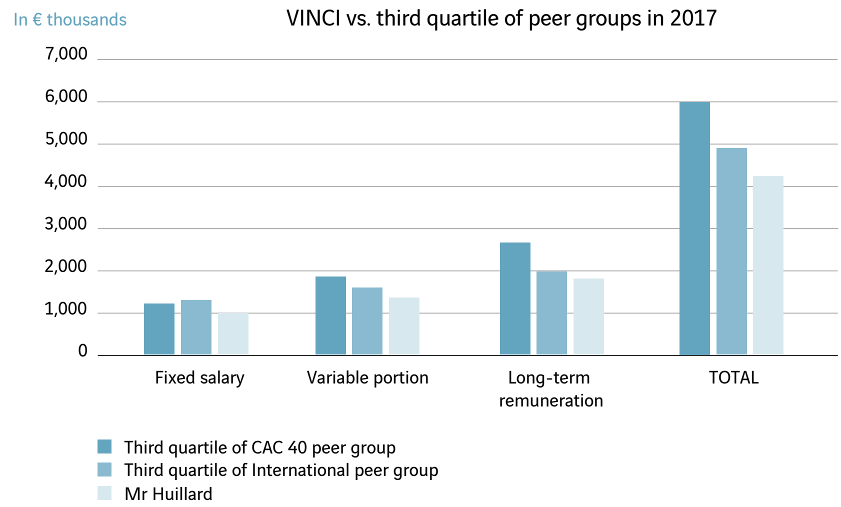


Source: Mercer

According to the results of the benchmarking exercise for 2017, the total remuneration received by VINCI's Chairman and Chief Executive Officer was:

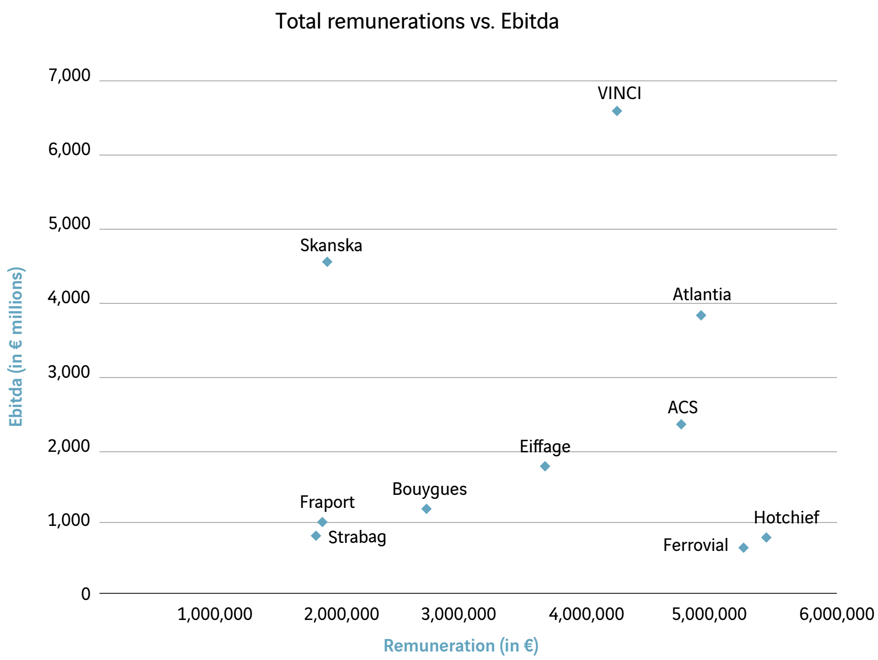
- above the International peer group median and below the CAC 40 peer group median;
- below the third quartile of both peer groups.





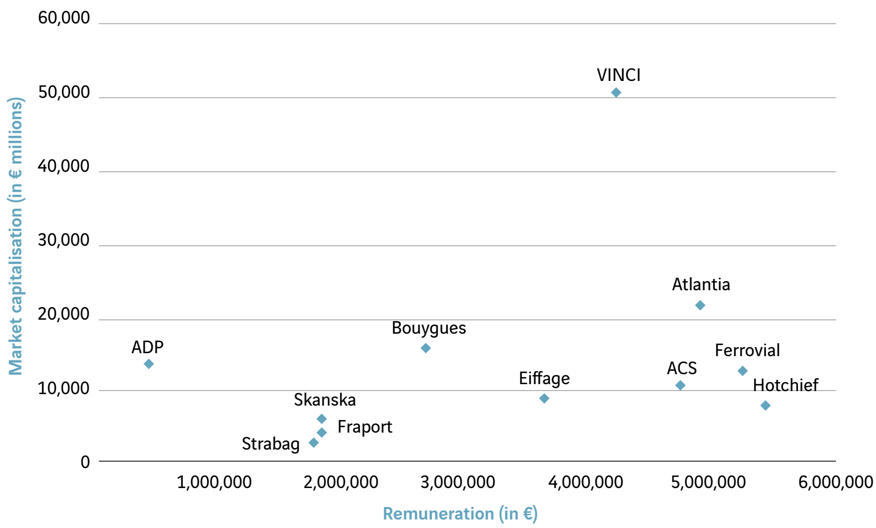
Source: Mercer

The charts below compare the actual total remuneration paid to VINCI's Chairman and Chief Executive Officer in 2017 with that of senior executives in the peer groups, plotted relative to Ebitda and market capitalisation at 31 December 2017.



Source: Mercer.

Total remuneration vs. market capitalisation



Source: Mercer.

4.1.1.2 Fixed component

The short-term fixed component of Mr Huillard's remuneration was set at €1,200,000 per year for the duration of his term of office, thus over the period 2018–2022. This component is paid in cash, in 12 monthly instalments.

4.1.1.3 Short-term variable component

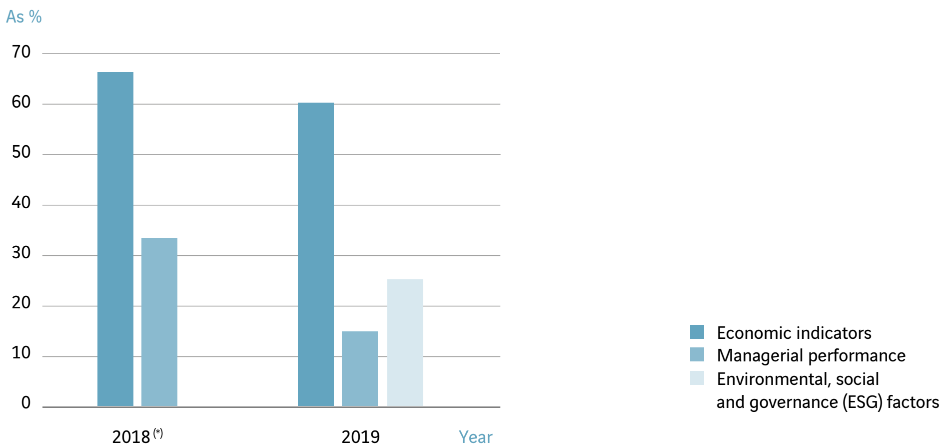
The short-term variable component of Mr Huillard's remuneration is an amount paid in cash, which is determined by the Board when approving the financial statements for the previous year.

It has a lower limit of €0 and an upper limit of €1,920,000, which corresponds to 160% of the fixed component.

To calculate this component, the Board follows a methodology that involves economic and financial criteria as well as non-economic criteria. This approach was defined by the Board in February 2018 and then modified in February 2019 to better take into account environmental, social and governance (ESG) factors, using both quantitative and qualitative indicators.

The chart below illustrates the impact of these modifications.

Weighting of performance indicators entering into the determination of Mr Huillard's short-term remuneration



(*) In 2018, the managerial performance indicators included CSR criteria.

The short-term variable component is based on movements in three indicators used to measure the Group's economic and financial performance, together with a fourth indicator assessing the Group's expansion, as well as several criteria relating to the Group's ESG performance:

		Indicator	Relevance of the indicator
OVERALL PERFORMANCE	60% Economic and financial performance indicators	Earnings per share	These indicators offer insight into the quality of the Group's economic and financial management from different complementary angles.
		Recurring operating income	
		Operating cash flow	
	25% ESG performance indicators	Workforce and safety	Safety at the Group's worksites is of major importance. The social integration policy is also an important factor in VINCI's sustainable development plan.
		Environment	VINCI wishes to contribute to implementing a policy of natural resource conservation and continuous improvement in relation to its greenhouse gas emissions, water consumption and waste recycling.
		Governance and compliance	Through these indicators, the Board's intention is to ensure the effective implementation of procedures to provide high-quality governance and prevent non-compliance with legal and regulatory requirements.
	15% Managerial performance indicators	Expansion in the Group's business and operations	The purpose of the Board's choice of indicators is to reflect the international expansion sought by the VINCI Group and the overall quality of its acquisitions.

The method adopted by the Board to set the amount of the short-term variable component involves examining the above indicators and comparing them with those of the previous year in order to determine an appropriate bonus for each of them. All of these bonus amounts are subject to upper limits.

The economic performance indicators selected are as follows:

	Indicator	Bonus for a negative change of at least 10% compared with previous financial year	Bonus for a positive change of at least 10% compared with previous financial year (applicable from 2019)	Bonus for a positive change of at least 10% (applicable until 2018)
1	Annual change in earnings per share, after taking account of dilutive instruments	None	384,000	424,000
2	Annual change in recurring operating income	None	384,000	424,000
3	Annual change in operating cash flow	None	384,000	424,000
	Total	**-**	**1,152,000**	**1,272,000**

Each of these indicators is associated with a bonus, the amount of which depends on the movement in this indicator during the financial year in question and compared with the previous year. This amount is calculated by linear interpolation between two limits: €0 for a negative change of 10% and €384,000 for a positive change of at least 10%. The upper limit of the bonus was reduced in 2019 due to the readjustment of the short-term variable component in favour of ESG criteria. However, the Board reserves the right to amend these rules in order to cover exceptional situations.

The economic part accounts for a maximum of 60% of the upper limit for short-term variable remuneration (i.e. a total amount of €1,152,000 in relation to the overall ceiling of €1,920,000 for short-term variable remuneration).

Short-term variable remuneration also includes a part based on the Executive Management's managerial and ESG performance. Starting with the 2019 financial year, this part is structured as follows:

Indicator	Maximum percentage of short-term variable remuneration	Maximum amount
ESG performance	25%	480,000
Managerial performance: expansion in the Group's business and operations	15%	288,000
Total	**40%**	**768,000**

Managerial and ESG performance are assessed as follows:

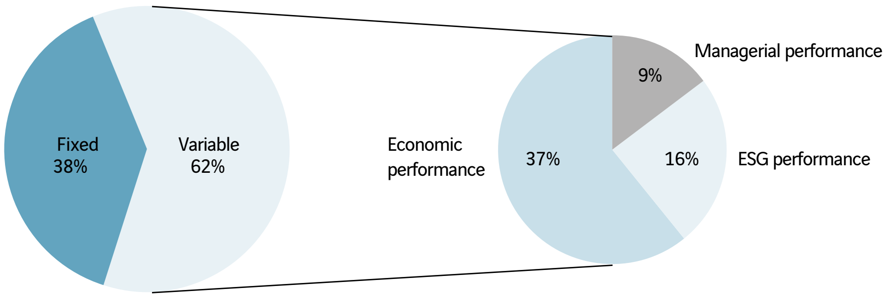
- at the start of the year, the Board sets goals, applying a weighting coefficient to those considered as priorities;
- at the end of the year, the Remuneration Committee and the Appointments and Corporate Governance Committee meet, first separately and then together, to assess the level of performance achieved for each indicator, with reference to factual elements. Their assessment is shared with all of the Board members, with the exception of the executive company officer. The Board then determines the percentage corresponding to the performance for each goal. This allows the Board to set the amount of the qualitative part.

The Board reserves the option to change the indicators used depending on the environment and the context.

The short-term variable component is equal to the sum of these bonus amounts.

Based on the limits thus set, the Chairman and Chief Executive Officer's short-term remuneration is structured as follows:

Structure of the upper limit for Mr Huillard's short-term variable remuneration beginning in 2019



4.1.1.4 Long-term component

The Chairman and Chief Executive Officer's remuneration also includes a long-term portion intended to align the interests of the top executive with those of the shareholders, taking a multi-year perspective.

To this end, the Board carries out an analysis each year to determine the appropriate structure of the award for this component. It may be comprised of physical or synthetic VINCI shares and may be granted either under a plan set up in accordance with ordinary law or under any other plan permitted by law. In practice, the awards thus far have consisted of VINCI shares and have been granted in accordance with ordinary law. It should be noted that, under current French law, VINCI's executive company officers are not eligible to receive performance share awards as provided for in Article L.225-197-1 of the French Commercial Code, due to the criteria laid down by Article L.225-197-6 of that Code.

When the award is granted, the Board decides on the maximum number of shares that will vest at the end of a three-year period, provided that the Chairman and Chief Executive Officer remains with the Group and that certain performance conditions are met. The fair value of these annual awards may not exceed 100% of the limit for the Chairman and Chief Executive Officer's short-term remuneration (fixed and variable components), i.e. €3,120,000, with the number of shares determined accordingly.

In the event that the Chairman and Chief Executive Officer has not remained with the Group, the annual award vests as indicated below:

Reason for departure	Impact on awards not yet vested
Resignation	Automatic forfeiture of awards not yet vested
Death, disability, retirement	Eligibility maintained
Dismissal by the Board	Partial eligibility maintained for awards not yet vested, on a pro rata basis for the period of service rendered
Non-renewal of term of office as Director at its expiry in 2022	Eligibility maintained

The Board reserves the right to maintain eligibility in other cases, depending on its assessment of the circumstances.

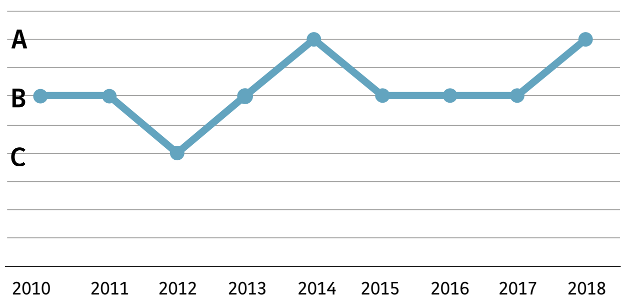
The vesting of the award is also subject to performance conditions, which may decrease the number of shares delivered and even eliminate the award entirely.

Starting with the 2019 financial year, these performance conditions are as follows:

Condition	Calculation procedure	Percentage of the award concerned
Internal condition: measurement of value creation by examining the ratio of the return on capital employed (ROCE) to the weighted average cost of capital (WACC). ROCE must be greater than WACC.	Three-year average: ROCE/WACC (Year 1 + Year 2 + Year 3) / 3 = X X at least equal to 1.1: 100% X = 1.0875: 90% X = 1.0750: 80% X = 1.0625: 70% X = 1.05: 60% X = 1.0426: 50% X = 1.0333: 40% X = 1.0250: 30% X = 1.0167: 20% X = 1.0083: 10% X = 1 or less: 0% Linear interpolation between the two limits	65%
External condition: measurement of the VINCI share's performance by examining the difference between VINCI's total shareholder return (TSR) and that of the CAC 40 index	Movement over three years: +5%: 100% +4%: 90% +3%: 80% +2%: 70% +1%: 60% 0%: 50% <0%: 0% Linear interpolation between the two limits	20%
Environmental criterion	Achieving a CDP Carbon score in the B band or higher each year: • 3 annual scores at this level: 100% • 2 annual scores at this level: 66% • 0 or 1 annual score at this level: 33%	15%

The trend in VINCI's CDP Carbon scores since 2010 is shown in the chart below. It should be noted that the score achieved each year measures performance against the increasingly stringent requirements set by the CDP.

VINCI's CDP Carbon score 2010–2018



4.1.1.5 Pension and insurance plans

Mr Huillard is eligible to participate in the defined contribution pension plans and insurance plans set up by VINCI for its employees. In order to ensure clarity in this regard, the Board decided to formally confirm his senior executive status.

He is also eligible to participate in the supplementary defined benefit pension plan (known in France as an "Article 39" plan) set up in 2010 by VINCI for senior executives of VINCI SA and VINCI Management, described in paragraph 4.1.7, page 163.

At its meeting of 5 February 2019, the Board noted that the performance condition set for the increase in the payment limit for benefits had been met and that Mr Huillard is thus eligible from 1 January 2019 to participate in the supplementary defined benefit pension plan entitling him to a pension capped at 8 times the annual French social security ceiling, i.e. the amount of €324,192 at 1 January 2019.

It should be noted that the benefits under these plans were taken into account in determining Mr Huillard's overall remuneration.

4.1.1.6 Severance pay

The Shareholders' General Meeting of 17 April 2018 approved, in its Eleventh resolution, a commitment to provide Mr Huillard with severance pay in the event that the Board simultaneously terminates both of his appointments as Chairman of the Board and Chief Executive Officer prior to the normal expiry of his term of office as Director, except in the case of gross negligence or retirement. This commitment is limited to 24 months of his remuneration, in line with the recommendations of the Afep-Medef code.

The amount of severance pay would be determined by the Board with regard to the Group's economic performance, measured by applying the same indicators as those used for the calculation of the economic part of his variable remuneration (earnings per share, recurring operating income, operating cash flow).

Severance pay could reach the equivalent of 24 months of his remuneration if the average rate of achievement of the quantitative targets used to calculate the variable part of his remuneration over the two years preceding the termination of his appointments were above 100% of the objective and nil if the average rate were less than or equal to 85% of the objective. Between these two limits, the amount of severance pay would be determined by linear interpolation.

The amount of severance pay would be halved if the termination occurs during the fourth year of Mr Huillard's term of office.

4.1.1.7 Benefits in kind

Mr Huillard has the use of a company car.

4.1.2 Items of remuneration subject to shareholder approval in accordance with Article L.225-37-2 of the French Commercial Code

4.1.2.1 Summary table

At the Shareholders' General Meeting of 17 April 2019, in accordance with Article L.225-37-2 of the French Commercial Code, shareholders will be asked to vote on a draft resolution to establish the following principles and guidelines used to determine the Chairman and Chief Executive Officer's remuneration:

Item of remuneration	Principles	Guidelines for determination
Fixed remuneration	The Chairman and Chief Executive Officer receives fixed remuneration paid in 12 monthly instalments.	The amount is set at €1,200,000 on an annual basis.
Short-term variable remuneration	The Chairman and Chief Executive Officer receives variable remuneration linked to performance achievements. This remuneration is paid during the financial year following that in respect of which the performance was achieved. In accordance with Article L.225-37-2 of the French Commercial Code, the payment of variable remuneration is contingent upon the approval by the Shareholders' General Meeting, called in ordinary session, of the items of remuneration payable to the Chairman and Chief Executive Officer, as laid down in Article L.225-100 of the French Commercial Code.	This component of his remuneration comprises five distinct bonuses determined in relation to overall performance. Three of these amounts are tied to the movements from one year to the next in three economic indicators (earnings per share, recurring operating income and operating cash flow) and the other two reflect managerial performance and ESG performance. An overall ceiling of €1,920,000 (1.6 times the amount of the fixed remuneration) applies to this remuneration.
Long-term remuneration	Each year, the Chairman and Chief Executive Officer is the beneficiary of a conditional award that may be comprised of physical or synthetic shares in the Company. The Board determines the number of shares or units in this award that vest at the close of a period of three calendar years, after evaluating his performance against the criteria it has identified. In accordance with Article L.225-37-2 of the French Commercial Code, the receipt of this conditional award is contingent upon its approval by the Shareholders' General Meeting, called in ordinary session during the year following that in which the conditional award was decided, as laid down in Article L.225-100 of the French Commercial Code.	The number of shares or units included in the award is set by the Board. The value of these shares or units depends on the VINCI share price at the grant date, subject to the vesting conditions associated with the award. The amount of this long-term component may not exceed the maximum amount of Mr Huillard's fixed and variable remuneration at the date of the initial grant, i.e. €3,120,000. Vesting of awards is subject to performance conditions and also depends on whether the Chairman and Chief Executive Officer has remained with the Group as well as the reason for his departure.
Supplementary pension plan	The Chairman and Chief Executive Officer is also eligible to participate in the supplementary pension plan set up by the Company for its senior executives.	At 31 December 2018, the limit applying to benefits under this supplementary pension plan was 7.45 times the annual French social security ceiling. At 1 January 2019, it reached the maximum of 8 times this ceiling. Further details concerning this plan are provided in paragraph 4.1.7, page 163. The related commitment, for the portion of benefits not yet vested, was approved by the Shareholders' General Meeting of 17 April 2018 (Tenth resolution).
Severance pay	The Chairman and Chief Executive Officer is eligible for severance pay in the event that the Board decides to terminate his appointment prior to the normal expiry of his term of office as Director.	Severance pay is subject to performance conditions and its total is limited to 24 months of fixed and variable remuneration. This amount is halved if the termination occurs during the last year of the term of office. The related commitment was approved by the Shareholders' General Meeting of 17 April 2018 (Eleventh resolution).
Benefits in kind	The Chairman and Chief Executive Officer has the use of a company car.	

4.1.2.2 Draft resolution put to a vote at the Shareholders' General Meeting of 17 April 2019

Sixteenth resolution

Approval of the principles and guidelines used to determine and structure the fixed, variable and exceptional components of the total remuneration and benefits of any kind payable to the Chairman and Chief Executive Officer.

The Shareholders' General Meeting, acting in accordance with Article L. 225-37-2 of the French Commercial Code, having reviewed the Report of the Board of Directors and in particular the Report on corporate governance included therein, hereby approves the principles and guidelines used to determine and structure the fixed, variable and exceptional components of the total remuneration and benefits of any kind payable to the Chairman and Chief Executive Officer, as detailed in the report required by the final paragraph of Article L.225-37 of this same Code and provided on page 159 of the 2018 registration document.

4.1.3 Decisions relating to the Chairman and Chief Executive Officer's remuneration for financial year 2018

4.1.3.1 Short-term variable remuneration payable to the Chairman and Chief Executive Officer in respect of 2018

At its meeting of 5 February 2019, the Board, acting on a proposal from the Remuneration Committee and, for the qualitative part, on a proposal prepared jointly by this Committee and the Appointments and Corporate Governance Committee, approved as shown below the variable remuneration payable to Mr Huillard in respect of 2018:

Indicator	2017	2018	Performance level achieved	2018 bonus *(in €)*	Upper limit	Percentage of maximum bonus received
Earnings per share *(in €)*	4.89 (*)	5.32	108.8%	405,664	424,000	96%
Recurring operating income *(in € millions)*	4,592	4,924	107.2%	380,038	424,000	90%
Operating cash flow *(in € millions)*	3,735 (*)	4,053 (*)	108.5%	400,320	424,000	94%
Total economic part *(in €)*	**880,509**			**1,186,022**	**1,272,000**	**93%**
CSR and managerial criteria *(in €)*	**508,250**			**505,440**	**648,000**	**78%**
Total variable remuneration *(in €)*	**1,388,759**			**1,691,462**	**1,920,000**	**88%**
Total variable remuneration following Mr Huillard's decision to waive part of the remuneration				**1,391,462**		

(*) Excluding non-current taxes paid.

The Board noted the challenging nature of the economic objectives set, since although the Company delivered outstanding performance in 2018, the economic part of the 2018 bonus corresponds to only 93% of the maximum amount.

With respect to the qualitative part of the variable component of Mr Huillard's remuneration for 2018, the Board had decided to take into account the Group's expansion over the medium term, duty of vigilance and compliance, health and safety in the workplace, and the quality of corporate governance. At its meeting of 5 February 2019, the Board concluded that it was appropriate to award him 78% of the maximum amount, in light of his managerial performance in 2018.

In reaching this determination, the Board noted in particular the quality of the external growth transactions carried out in 2018, especially in the airport sector, as well as by VINCI Energies and Eurovia; the Group's responsiveness in proposing and implementing governance methods appropriate to circumstances; and the resources deployed for duty of vigilance and prevention programmes. Noting that the workplace accident prevention policy rolled out in the different Group entities is bringing results, with declines in both frequency and severity rates, the Board calls on the Executive Management to maintain and intensify the Group's efforts in this area.

The Board therefore decided to set the amount of Mr Huillard's short-term variable remuneration at €1,691,462, before deducting Directors' fees received in 2018 (€13,830 net).

However, at its meeting of 5 February 2019, Mr Huillard informed the Board of his wish that the short-term variable component of his remuneration for financial year 2018 should remain at a level similar to that of financial year 2017. He thus proposed to the Board that the variable component of his remuneration be reduced by €300,000, and requested that this amount be paid by VINCI to the Fondation VINCI pour la Cité; the Board accepted this proposal.

4.1.3.2 Long-term component of the Chairman and Chief Executive Officer's remuneration

At its meeting of 7 February 2018, the Board noted that the performance conditions under the long-term incentive plan set up on 14 April 2015 had been met (see paragraph 5.4.1, page 167). Accordingly, the Board decided that all of the 23,240 shares initially included in the award granted to Mr Huillard would vest at 14 April 2018.

At its meeting of 5 February 2019, the Board noted that the performance conditions under the long-term incentive plan set up on 19 April 2016 had been met at 97.27% (see paragraph 5.4.1, page 168). Accordingly, the Board decided that 25,290 of the 26,000 shares initially included in the award granted to Mr Huillard would vest at 19 April 2019.

It should be noted that the vesting of this award was subject to the same performance conditions as those applying to grants of share awards under the performance share plans set up by the Company for the Group's employees, which are described in paragraph 5.3.2, page 167.

Furthermore, at its meeting of 17 April 2018, the Board decided to grant a conditional award to Mr Huillard, corresponding to a maximum of 32,000 VINCI shares.
At that time, the fair value of this award was €2,051,840. All or some of the shares in question will vest at the end of a three-year period on 17 April 2021, provided that Mr Huillard remains with the Group and subject to the fulfilment of performance conditions that will be evaluated at 31 December 2020 as described in paragraph 5.3.2, page 167.

Mr Huillard is eligible to receive awards under the following long-term incentive plans remaining in force in 2018:

	Number of shares	Value at the grant date *(in €)*	Percentage of the year's total remuneration	Vesting date
Plan set up on 14 April 2015	23,240	1,097,393	32%	14/04/2018
Plan set up on 19 April 2016	26,000	1,460,420	38%	19/04/2019
Plan set up on 20 April 2017	30,000	1,836,000	43%	20/04/2020
Plan set up on 17 April 2018	32,000	2,051,840	45% (*)	17/04/2021

(*) Percentage takes into account the voluntary reduction in remuneration requested by Mr Huillard for 2018.

4.1.3.3 Pension and insurance plans

The Board had noted that Mr Huillard met all eligibility requirements at 1 January 2018 to claim his pension under the defined benefit plan set up in March 2010 by the Company for its senior executives, namely having reached the legal retirement age, having completed at least 10 years' service as specified by the plan and having ended his professional career within the Group as stipulated by the Board in March 2010 for company officers not holding employment contracts.

The Board had also noted that the pension benefits Mr Huillard would be entitled to receive at 1 January 2018 were subject to a payment limit equal to 7.45 times the annual French social security ceiling.

The renewal of Mr Huillard's term of office did not affect the amount of his pension benefits, due to the existence of this payment limit, except for the fact that by deferring his claim to this pension, Mr Huillard could benefit in future from the payment limit equal to 8 times the annual French social security ceiling (instead of 7.45 times this ceiling), which enters into effect on 1 January 2019.

Given that the increase in this limit (equivalent to 0.55 times the annual French social security ceiling, or €22,288 in 2019) occurred during Mr Huillard's term of office, the Board had decided to make the benefit of this increase subject to a performance condition.

The performance condition selected by the Board and approved by the Shareholders' General Meeting of 17 April 2018 (Tenth resolution) was based on the ratio of the return on capital employed (ROCE) to the weighted average cost of capital (WACC), as noted by the Board at 31 December 2018. Both the numerator and the denominator of this ratio were calculated as an average over the same three years (2016, 2017 and 2018). This ratio needed to be equal to or greater than 1.10 in order for the increase in the payment limit to vest at 100%.

At its meeting of 5 February 2019, the Board noted that the performance condition had been met.

With respect to the defined benefit pension plan mentioned in paragraph 4.1.1.5 on page 158, and as required by Decree no. 2016-182 of 23 February 2016, the following points should be noted:

Estimated amount of future pension payments at 31 December 2018	Company's obligation at 31 December 2018 (*)
€296,003 per year, equivalent to 11.7% of the fixed and variable remuneration received by Mr Huillard in 2018.	VINCI's obligation in respect of the supplementary pension plan for Mr Huillard mentioned in paragraph 4.1.1.5 on page 158 amounted to €8,442,593. Tax, employment and social benefit liabilities are not individualised. The tax option selected by the Group is taxation on contributions.

(*) Retirement benefit obligations are also described in the Notes to the consolidated financial statements on page 348.

4.1.4 Employment contract, specific pension plans, severance pay and non-competition clause

Executive company officer	Employment contract	Supplementary pension plan	Allowances or benefits that could be due as a result of the cessation of duties or a change in duties	Allowances for non-competition clause
Xavier Huillard, Chairman and Chief Executive Officer (*)	No	Yes	Yes (**)	No

(*) Term of office renewed: 17 April 2018; term of office ends: 2022 Shareholders' General Meeting.
(**) Mr Huillard is eligible for severance pay in the event that the Company terminates his appointment as Chairman and Chief Executive Officer prior to the normal expiry of his term of office as Director, as described in paragraph 4.1.1.6, page 158.

4.1.5 Remuneration due and/or paid to the Chairman and Chief Executive Officer in 2018

4.1.5.1 Summary of remuneration due and options and share awards granted *(in €)*

Xavier Huillard	2018	2017
Remuneration due in respect of the year	2,536,082	2,392,823
Value of grants under the long-term incentive plan set up on 20 April 2017	NA	1,836,000
Value of grants under the long-term incentive plan set up on 17 April 2018	2,051,840	NA
Total	**4,587,922**	**4,228,823**

4.1.5.2 Summary of remuneration *(in €)*

Xavier Huillard	2018 Amount due in respect of the year	2018 Amount paid during the year	2017 Amount due in respect of the year	2017 Amount paid during the year
Gross fixed remuneration (1)	1,140,556	1,140,556	1,000,000	1,000,000
Gross variable remuneration including Directors' fees (2)	*1,391,462 (4)*	-	*1,388,759*	-
Gross variable remuneration excluding Directors' fees (1) (2)	1,377,632 (4)	1,374,929	1,374,929	1,335,997
Directors' fees (net amount) (2)	13,830	13,830	13,830	13,830
Benefits in kind (3)	4,064	4,064	4,064	4,064
Total	**2,536,082**	**2,533,379**	**2,392,823**	**2,353,891**

(1) See paragraph 4.1.1.2, page 155.
(2) Directors' fees received by Mr Huillard from companies belonging to the VINCI Group are deducted from the variable remuneration decided by the Board, as proposed by the Remuneration Committee. Since his appointment as Chairman and Chief Executive Officer, thus with effect from 6 May 2010, Mr Huillard has not received Directors' fees from VINCI SA. For the duration of this appointment, the only Directors' fees he receives are those paid in respect of appointments in other Group companies.
(3) Mr Huillard had the use of a company car in 2017 and 2018.
(4) Amount takes into account the voluntary reduction in remuneration requested by Mr Huillard for 2018.

4.1.6 Items of remuneration due or granted in respect of the 2018 financial year to the executive company officer, subject to the approval of the Shareholders' General Meeting of 17 April 2019

At the Shareholders' General Meeting of 17 April 2019, in accordance with Article L.225-100 of the French Commercial Code, shareholders will be asked to vote on a draft resolution relating to the items of remuneration due or granted in respect of the 2018 financial year to Mr Huillard, Chairman and Chief Executive Officer.

Xavier Huillard

Item of remuneration	Amount	Observations
Fixed remuneration	€1,140,556	Annual gross fixed remuneration in respect of the 2018 financial year set at €1,000,000 by the Board at its meetings of 5 February and 15 April 2014 for the period from 1 January to 17 April 2018 and at €1,200,000 by the Board at its meetings of 7 February and 17 April 2018 for the period from 18 April to 31 December 2018.
Variable remuneration	€1,391,462	Gross variable remuneration in respect of the 2018 financial year, following Mr Huillard's decision to waive a portion, in the amount of €300,000, of the remuneration set by the Board at its meeting of 5 February 2019 as explained in paragraph 4.1.3.1. This remuneration comprises: - an economic part in the amount of €1,186,022. This amount is tied to the changes from the previous year in earnings per share, recurring operating income and operating cash flow; - a managerial part in the amount of €505,440. This amount is tied to the evaluation reached by the Board of the Chairman and Chief Executive Officer's performance against qualitative criteria, including a significant portion relating to corporate social responsibility performance.
Annual deferred variable remuneration	NA	Not applicable.
Multi-year variable remuneration	NA	Not applicable.
Long-term incentive plan set up in 2018	€2,051,840	At its meeting of 17 April 2018, the Board granted Mr Huillard an award of 32,000 VINCI shares, which will vest on 17 April 2021, subject to the internal and external performance conditions described in paragraph 5.3.2, page 167.
Directors' fees	€13,830	Mr Huillard does not receive Directors' fees from VINCI SA, but he received Directors' fees from a foreign subsidiary, the amount of which will be deducted from the variable portion of his remuneration.
Exceptional remuneration	NA	Not applicable.
Benefits of any kind	€4,064	Mr Huillard has the use of a company car.

Items of remuneration that required the approval of the Shareholders' General Meeting in line with the procedure for regulated agreements and commitments

	Amount	Observations
Severance pay	No payment	Mr Huillard is eligible for severance pay in the event that the Company terminates his appointment before its normal expiry in 2022. This commitment is halved if the termination occurs during the last year of the term of office. Severance pay is subject to performance conditions. The related commitment was authorised by the Board at its meeting of 7 February 2018 and approved by the Shareholders' General Meeting of 17 April 2018 (Eleventh resolution).
Non-competition payment	NA	Mr Huillard is not eligible for any non-competition payment.
Supplementary pension plan	No payment	Mr Huillard is eligible for coverage under the supplementary defined benefit pension plan (known in France as an "Article 39" plan) in force within the Company under the same conditions as those applicable to the category of employees to which he is deemed to belong for the determination of employee benefits and other ancillary items of remuneration. The related commitment, for the portion of benefits not yet vested, was approved by the Board at its meeting of 7 February 2018 and by the Shareholders' General Meeting of 17 April 2018 (Tenth resolution). Mr Huillard is also eligible for coverage under the mandatory defined contribution pension plan set up by the Company for its executives and other management-level personnel.

4.1.7 Supplementary pension plan set up for senior executives

VINCI SA and its subsidiary VINCI Management have set up a defined benefit pension plan for their senior executives, with the aim of guaranteeing them a supplementary annual pension. The table below presents the main features of this plan:

Type of disclosure required by Decree no. 2016-182 of 23 February 2016	Information
Name of the obligation	Defined benefit pension plan set up on 1 January 2010
Applicable legal provisions	Article 39 of the French Tax Code
Eligibility requirements for beneficiaries	At least 10 years' service within the Group
Beneficiaries	Employees of VINCI or VINCI Management having the status of senior executive ("cadre dirigeant") as defined by Article L.3111-2 of the French Labour Code
Conditions for receiving pension payments	- Career within the Group has ended - At least 10 years' service within the Group - No further payments are due under the mandatory and supplementary pension plans - Aged 67 or older, with the option to receive early benefits, at a reduced level, from the age of 62
Method for determining the remuneration reference amount	Monthly average of the gross fixed and variable remuneration received over the last 36 months of activity multiplied by 12
Vesting formula	The beneficiary's gross pension is determined using the following formula: Gross pension = 20% R1 + 25% R2 + 30% R3 + 35% R4 + 40% R5, where: R1 = remuneration reference amount between 0 and 8 times the annual French social security ceiling; R2 = remuneration reference amount between 8 and 12 times this ceiling; R3 = remuneration reference amount between 12 and 16 times this ceiling; R4 = remuneration reference amount between 16 and 20 times this ceiling; R5 = remuneration reference amount greater than 20 times this ceiling (all ranges in the formula are inclusive). The remuneration reference amount taken into account for the calculation of the pension will be equal to the gross average monthly remuneration (fixed component + bonuses), including paid leave, received by the beneficiary over the last 36 months multiplied by 12. The limit for this gross pension was equal to 7.45 times the annual French social security ceiling at 31 December 2018 and to 8 times this ceiling at 1 January 2019, which is its maximum amount
Pension payment limit	The pension payment limit, which was 3.05 times the annual French social security ceiling when the plan was set up in 2010, increases by 0.55 times this ceiling per year (thus €39,732 in 2018) to reach a maximum of 8 times the annual French social security ceiling at 1 January 2019. At 31 December 2018, the limit was 7.45 times the annual French social security ceiling, or €296,003. At 1 January 2019, the limit was 8 times the annual French social security ceiling, or €324,192.
Funding of benefits	The Group uses an insurance contract to externalise its pension plan, to which VINCI and VINCI Management make contributions.

4.2 Non-executive company officers

4.2.1 Principles and rules for determining the remuneration and benefits of the Vice-Chairman

In his capacity as Vice-Chairman and Director, Yves-Thibault de Silguy receives specific Directors' fees calculated as described in paragraph 4.2.2 below.

In addition, on 5 February 2014 the Company had entered into a services agreement with YTSeuropaconsultants, of which Mr de Silguy is sole shareholder. This agreement was authorised by the Board and approved by the Shareholders' General Meeting of 15 April 2014 (Twelfth resolution).

When the renewal of Mr de Silguy's term of office as Director was approved by the Shareholders' General Meeting of 17 April 2018, the Company entered into a new services agreement with YTSeuropaconsultants, under the same terms as the previous one. As it was also approved by the Shareholders' General Meeting of 17 April 2018, the condition precedent specified in this agreement signed on 7 February 2018 had been met and it thus came into effect at the close of the Meeting. However, it was brought to the Company's attention by BNP Paribas Securities Services in July 2018 that an error had been made at the Meeting in determining the exercisable voting rights. The Board was thus required to declare this agreement as null and void retroactively to 17 April 2018. This situation required Mr de Silguy to return to the Company the amounts he had received under the new agreement, which had become null and void.

Lastly, it should be noted that Mr de Silguy has received a pension paid by the Company since 30 April 2010. VINCI's commitment under this pension totalled €7,576,525 at 31 December 2018. Mr de Silguy also has the use of a company car.

4.2.2 Principles and rules for the payment of Directors' fees

The Shareholders' General Meeting of 20 April 2017 had set the aggregate amount of Directors' fees at €1,400,000 for each financial year, starting on 1 January 2017.

A resolution will be put to the Shareholders' General Meeting of 17 April 2019 to raise this aggregate amount to €1,600,000. This increase is justified due to the introduction of rules to give greater weight to variable fees (which are based on physical attendance at meetings of the Board and its committees as well as the number of meetings held), the appointment of an additional Director to be put to a vote at this same Meeting, together with the fact that Miloud Hakimi, who had waived his Director's fees until 17 April 2018, requested that they be paid from this date to the CFDT.

At its meeting of 15 December 2017, the Board decided to set the allocation rules for Directors' fees as follows in order to improve their variability (amounts given on an annual basis, unless otherwise stated), effective 1 July 2017:
- the Chairman and Chief Executive Officer receives no Directors' fees from the Company;
- each Director receives €25,000 in fixed fees and €3,500 in variable fees per Board meeting for physical attendance per Board meeting or €1,750 in the event of participation via audio or video conferencing (if more than one Board meeting is held on the same day, a single variable fee is paid, with the exception of the two meetings held on the date of the Shareholders' General Meeting, in which case Directors receive two fees if they take part in both Board meetings);

- the Chairman of each committee receives €20,000 in fixed fees, the members of the Audit Committee receive €10,000, the members of the Strategy and CSR Committee receive €4,000, and the members of the Appointments and Corporate Governance Committee and of the Remuneration Committee receive €5,500; Directors also receive €1,500 in variable fees for physical attendance at each committee meeting and €750 in the event of participation via audio or video conferencing;
- an additional amount of €1,000 is paid per Board or committee meeting for Directors residing in an EU country other than France and €2,000 for Directors residing outside the EU, provided that they physically attend these meetings.

At its meeting of 17 October 2018, having decided to separate the roles of Vice-Chairman and Lead Director, the Board accordingly determined an allocation for the special Director's fee in the amount of €100,000 previously paid to the Vice-Chairman and Lead Director, dividing it into payments of €70,000 for the Vice-Chairman and €30,000 for the Lead Director.

4.2.3 Directors' fees and other remuneration due and/or paid to non-executive company officers in 2018

The total amount of Directors' fees paid in 2018 by the Company (for the second half of 2017 and the first half of 2018) amounted to €1,233,750. Some company officers also received Directors' fees in 2018 from companies controlled by VINCI.

The total amount of Directors' fees payable by VINCI in respect of 2018 was €1,214,584.

The table below summarises the Directors' fees and other remuneration paid in 2017 and 2018 to non-executive company officers of VINCI.

Directors' fees and other remuneration paid to non-executive company officers *(in €)*

	Amount paid in 2018 (*)		Amount paid in 2017 (*)	
	By VINCI	**By companies consolidated by VINCI**	**By VINCI**	**By companies consolidated by VINCI**
Serving Directors				
Yves-Thibault de Silguy [1]	233,000	–	201,500	–
Abdullah Hamad Al Attiyah [2]	–	–	-	-
Yannick Assouad	87,250	–	66,500	–
Robert Castaigne	109,816	–	88,000	–
Uwe Chlebos [3]	69,500	10,160	61,500	10,000
Graziella Gavezotti	92,000	–	57,500	–
Miloud Hakimi [3][4]	41,750	–	–	–
Jean-Pierre Lamoure	77,250	–	61,500	–
Marie-Christine Lombard	62,500	–	54,500	–
Josiane Marquez [3]	79,500	–	61,500	–
René Medori	23,030			
Ana Paula Pessoa	82,250	–	68,000	–
Michael Pragnell	71,000	–	60,500	–
Pascale Sourisse	81,274	–	64,500	–
Former Directors				
Nasser Hassan Faraj Al Ansari [2]	52,000		37,000	-
Henri Saint Olive	81,630		76,500	-
Total Directors' fees and other remuneration	**1,233,750**	**10,160**	**959,000**	**10,000**

(*) Amount before taxes and withholdings in accordance with applicable legislation.
(1) Mr de Silguy's remuneration package from the time of his appointment as Vice-Chairman is described in paragraph 4.2.1, page 163. It should be noted that (a) Mr de Silguy is entitled to receive a non-externalised pension benefit, payable in the amount of €392,285 for 2017 and €392,678 for 2018 and that (b) the Company had entered into a services agreement with YTSeuropaconsultants, of which Mr de Silguy is sole shareholder, authorised by the Board and approved by the Shareholders' General Meeting of 15 April 2014, which was terminated on 17 April 2018. Under this agreement, YTSeuropaconsultants received from VINCI total payments excluding VAT of €330,000 for financial year 2017 and €97,167 for the period from 1 January to 17 April 2018. The amounts mentioned in points (a) and (b) are not included in the table above.
(2) Mr Al Ansari was the permanent representative of Qatar Holding LLC until 6 December 2018, on which date he was replaced by Mr Al Attiyah.
(3) The salaries received by Mrs Marquez, who is currently the Director representing employee shareholders, and by Mr Chlebos and Mr Hakimi, the Directors representing employees, are not included in the table above.
(4) Mr Hakimi waived his Director's fees until 17 April 2018. He requested that his Director's fees be paid from this date to the CFDT.

4.3 VINCI shares held by company officers

4.3.1 Shares held by Directors of the Board

In accordance with the Company's Articles of Association, each Director (other than the Director representing employee shareholders and the Directors representing employees) must hold a minimum of 1,000 VINCI shares which, on the basis of the share price at 31 December 2018 (€72.02), amounts to a minimum of €72,020 invested in VINCI shares.

The number of shares held by each of the company officers, as declared to the Company, is included in the information presented in paragraph 3.2, pages 138 to 144.

4.3.2 Share transactions by company officers, executives and persons referred to in Article L.621-18-2 of the French Monetary and Financial Code

The Group's company officers and executives subject to spontaneous declaration of their share transactions carried out the following transactions in 2018:

(in number of shares)	Acquisitions (*)	Disposals (**)
Pierre Coppey, Executive Vice-President and Chairman of VINCI Autoroutes	2,538	-
Richard Francioli, Executive Vice-President in charge of Contracting	20,835	10,700
Xavier Huillard, Chairman and Chief Executive Officer	-	36,713
Christian Labeyrie, Executive Vice-President and Chief Financial Officer	9,965	20,750
René Medori, Director	1,000	-

(*) Excluding grants of performance share awards.
(**) Excluding donations and disposals of units in company savings funds invested in VINCI shares.

5. Options, performance shares and long-term incentive plans

5.1 Policy on the granting of options and other awards

In 2014 and 2015, the Board decided to put in place a system for awards split between a cash amount and a number of shares in the Company that would be granted in accordance with ordinary law. These awards would only vest if their beneficiaries remained with the Group and, for the share-based portion, if certain performance conditions were met. As a result, the Company did not make use, in these same years, of plans that involve the granting of performance share awards or the granting of share subscription or share purchase options, respectively pursuant to Articles L.225-197 and L.225-177 of the French Commercial Code, which include specific provisions relating to tax treatment and social security contributions.

In 2016, the Board decided to continue its policy aimed at ensuring the long-term commitment of its executives and company officers (about 280 individuals) and senior managers (about 1,800 individuals) by providing deferred benefits tied to the Group's performance.

To this end, the Company set up long-term incentive plans in 2016, 2017 and 2018 for its employees, which involved the granting of performance share awards pursuant to Article L.225-197 of the French Commercial Code. Under these plans, shares only vest at the end of a three-year period, subject to continued employment within the Group, and the number of shares vested is tied to both internal and external performance conditions applicable for all beneficiaries.

VINCI's executive company officer was not eligible for these plans due to the conditions laid down by Article L.225-197-6 of the French Commercial Code, but was eligible to receive share awards in 2016, 2017 and 2018 under specific plans set up in accordance with ordinary law.

5.2 Share subscription option plans

5.2.1 Option plans remaining in force in 2018

Record of share subscription options granted

Only those plans for which the exercise period has not expired or expired in 2018 are mentioned.

	VINCI 2011 plan	VINCI 2012 plan	Total
Date of Shareholders' General Meeting	02/05/11	02/05/11	
Date of Board meeting	02/05/11	12/04/12	
Original number of beneficiaries	266	302	
Number of options initially granted	1,592,493	2,457,980	4,050,473
of which, options initially granted to:			
- company officers (*)	-	-	
- top 10 employee beneficiaries (**)	243,346	336,015	579,361
Date from which options may be exercised	02/05/14	12/04/15	
Date of expiry of options	02/05/18	12/04/19	
Number of options exercised in 2018	185,296	309,236	494,532
Number of options cancelled or expired in 2018	-	-	
Number of options remaining to be exercised at 31 December 2018	0	460,126	460,126
Number of remaining beneficiaries at 31 December 2018	0	85	85
Adjusted exercise price *(in €)*	43.70	39.04	39.04 (***)

(*) Company officers serving at the time the award was granted.
(**) Not company officers.
(***) Based on the number of options remaining to be exercised at 31 December 2018.
Note: one option gives the right to subscribe for one VINCI share.

Total number of shares that can be subscribed for or purchased by the executive company officer at 31 December 2018
None.

5.2.2 Options granted in 2018

The Board decided not to set up a new share subscription or share purchase option plan in 2018.

5.2.3 Options exercised in 2018

Between 1 January and 31 December 2018, 494,532 options were exercised. During this same period, no options were cancelled or expired.

Taking all these elements into account, a total of 460,126 options remained to be exercised at 31 December 2018, at an average exercise price of €39.04, all of which were subscription options.

Exercise of options by the executive company officer
In 2018, Xavier Huillard, Chairman and Chief Executive Officer, did not exercise any subscription options.

Exercise of options by the 10 Group employees (not company officers of VINCI SA) having exercised the largest number of options
In 2018, share subscription options exercised by the 10 Group employees (not company officers of VINCI SA) having subscribed for or purchased the largest number of shares concerned the following plans:

Plan	Type	Number of options exercised during the year	Exercise price *(in €)*
VINCI 2011	Subscription	24,450	43.70
VINCI 2012	Subscription	92,800	39.04
Total/weighted average		**117,250**	**40.01**

5.3 Performance share plans

5.3.1 Existing performance share plans

The main features of the performance share plans set up pursuant to Article L.225-197 of the French Commercial Code and still in force at 1 January 2019 are as follows:

Record of performance share awards

Plan	Date		Initial number		Shares in awards initially granted to		Definitive number(***)	Vesting period		At 31/12/2018	
	Shareholders' General Meeting	Board meeting	Bene-ficiaries	Performance shares	Company officers(*)	Top 10 employee bene-ficiaries(**)	Determined at the end of the vesting period	Start of vesting period	End of vesting period	Number of remaining shares	Number of remaining beneficiaries
VINCI 2016	19/04/2016	19/04/2016	2,076	2,232,124	-	123,500	Unknown	19/04/2016	19/04/2019	2,083,086	1,914
VINCI 2017	19/04/2016	20/04/2017	2,568	2,315,655	-	142,500	Unknown	20/04/2017	20/04/2020	2,234,234	2,464
VINCI 2018 / 2016 SGM	19/04/2016	17/04/2018	41	297,800	-	129,500	Unknown	17/04/2018	17/04/2021	297,800	41
VINCI 2018 / 2018 SGM	17/04/2018	17/04/2018	2,946	2,042,591	-	36,550	Unknown	17/04/2018	17/04/2021	2,014,374	2,897

SGM: Shareholders' General Meeting
(*) Company officers serving at the time the award was granted.
(**) Not company officers.
(***) Subject to performance conditions, comprising an internal condition relating to the measurement of net value creation and an external condition relating to the measurement of the VINCI share's performance in comparison with the CAC 40 index.

Number of performance shares in awards granted to the executive company officer pursuant to Article L.225-197 of the French Commercial Code
None.

Vesting of shares under the plan set up by the Board of Directors on 19 April 2016
On 19 April 2016, the Board set up a performance share plan to grant awards satisfied using a total of 2,232,124 existing VINCI shares to 2,076 senior executives or employees of the VINCI Group, with the understanding that Xavier Huillard, Chairman and Chief Executive Officer, and Pierre Coppey, who served as Chief Operating Officer at the time, would not be eligible to receive these awards. These awards, which were initially granted on 19 April 2016, will vest at the end of a three-year period, thus on 19 April 2019. The vesting of shares is subject to continued employment within the VINCI Group as well as performance conditions, comprising an internal condition for 80% of the award and an external condition for 20% of the award, both described in paragraph 5.3.2 below.

The Board noted at its meeting of 5 February 2019 that:
• with respect to the internal condition, VINCI's average ROCE from 2016 to 2018 was 9.18% and its average WACC over the same three years was 5.20%. The ROCE/WACC ratio was thus 1.77. As it was greater than 1.10, 100% of the shares subject to this condition (accounting for 80% of the total award) were able to vest;
• with respect to the external condition, the average TSR for the VINCI share from 2016 to 2018 was 11.67% and the average TSR for the CAC 40 index over the same three years was 4.40%. The difference between the TSR for the VINCI share and the TSR for the CAC 40 index thus equates to 7.27 percentage points. As it was lower than 10%, according to the rule of linear interpolation, 86.35% of the shares subject to this condition (accounting for 20% of the total award) were able to vest.
Overall, 97.27% of the performance shares in the plan set up on 19 April 2016 were able to vest.

5.3.2 Performance share plans set up by the Board at its meeting of 17 April 2018

On 17 April 2018, the Board decided to set up two performance share plans.

Plan to grant performance share awards under the Twelfth resolution of the Shareholders' General Meeting of 19 April 2016

The Board decided to use the delegation of authority given by the Shareholders' General Meeting of 19 April 2016 to set up a performance share plan to grant awards satisfied using existing VINCI shares pursuant to Article L.225-197 of the French Commercial Code, with effect from 17 April 2018.

This plan provides for the granting of awards including a total of 297,800 existing shares to 41 beneficiaries. The members of the Executive Committee, with the exception of Mr Huillard, thus a total of 12 persons, are eligible to receive 148,000 shares, thus about 49.7% of the shares in the awards. The executive company officer is not eligible to receive performance shares under this plan.

Plan to grant performance share awards under the Sixteenth resolution of the Shareholders' General Meeting of 17 April 2018

The Board decided to use the delegation of authority given by the Shareholders' General Meeting of 17 April 2018 to set up a performance share plan to grant awards satisfied using existing VINCI shares pursuant to Article L.225-197 of the French Commercial Code, with effect from 17 April 2018.

This plan provides for the granting of awards including a total of 2,042,591 existing shares to 2,946 beneficiaries. The members of the Executive Committee are not eligible to receive awards under this plan.

General conditions of the two plans

Both plans call for the vesting of shares at the end of a three-year period, which runs from 17 April 2018 to 17 April 2021. The vesting of shares is subject to continued employment within the VINCI Group as well as performance conditions, comprising an internal condition for 80% of the award and an external condition for 20% of the award.

The internal condition relates to the measurement of net value creation, which is determined on the basis of the ratio of the return on capital employed (ROCE), calculated as an average over three years (2018, 2019 and 2020), to the weighted average cost of capital (WACC), also calculated as an average over three years (2018, 2019 and 2020), as noted by the Board at 31 December 2020. The proportion of shares vested in line with this internal condition will depend on this ratio. It will be 100% if the ratio is greater than or equal to 1.10 and 0% if it is less than or equal to 1, with linear interpolation between these two limits.

The external condition relates to the measurement of the VINCI share's performance in comparison with the CAC 40 index. This performance is determined on the basis of the difference, whether positive or negative, noted at 31 December 2020, between the total shareholder return (TSR) achieved by a VINCI shareholder, calculated as an average over three years (2018, 2019 and 2020), and the TSR that a shareholder invested in the CAC 40 index would have achieved, calculated as an average over the same three years, the latter with dividends reinvested. The proportion of shares vested in line with this external condition will depend on this difference. It will be 100% if the difference is greater than or equal to 10%, 50% if it is nil, and 0% if it is less than or equal to -10%. The proportion will be set by linear interpolation if the difference falls between the two limits of this range.

It will be the responsibility of the Board to record the proportion of shares that will vest in line with the internal and external conditions described above.

5.4 Long-term incentive plans

5.4.1 Existing long-term incentive plans

The main features of the long-term incentive plans set up in accordance with ordinary law and still in force at 1 January 2019 are shown in the table below. These plans apply exclusively to executive company officers not eligible to receive performance shares under plans pursuant to Article L.225-197 of the French Commercial Code. The awards will be satisfied using VINCI shares in accordance with ordinary law.

Record of awards under long-term incentive plans

Plan	Date		Initial number		Shares in awards initially granted to		Definitive number	Vesting period		At 31/12/2018	
	Shareholders' General Meeting	Board meeting	Beneficiaries	Shares in awards subject to conditions	Company officers (1)	Top 10 employee beneficiaries (2)	Determined at the end of the vesting period (4)	Start of vesting period	End of vesting period	Number of remaining shares	Number of remaining beneficiaries
VINCI 2016	19/04/2016 (3)	19/04/2016	2	42,500	2	None	Unknown	19/04/2016	19/04/2019	42,500	2
VINCI 2017	20/04/2017 (3)	20/04/2017	1	30,000	1	None	Unknown	20/04/2017	20/04/2020	30,000	1
VINCI 2018	17/04/2018 (3)	17/04/2018	1	32,000	1	None	Unknown	17/04/2018	17/04/2021	32,000	1

(1) Company officers serving at the time the award was granted.
(2) Not company officers.
(3) Delegation of authority relating to the setting up of a share buy-back programme.
(4) Subject to performance conditions, comprising an internal condition relating to the measurement of net value creation and an external condition relating to the measurement of the VINCI share's performance in comparison with the CAC 40 index.

Vesting of shares under the plans set up by the Board of Directors on 14 April 2015

At its meeting of 14 April 2015, the Board of Directors set up a long-term incentive plan involving simultaneous awards of existing VINCI shares (initially 1,036,658 existing shares) and a cash amount, granted on that date to 1,846 senior executives or employees of the VINCI Group. It was decided that these awards would vest provided their beneficiaries remained with the Group and, for the share-based portion, if the Board noted that certain performance conditions were met. The Board had decided to grant awards satisfied exclusively using VINCI shares to the two executive company officers, corresponding to a total of 38,240 shares in the Company, with an award of 23,240 shares granted to Mr Huillard, Chairman and Chief Executive Officer, and an award of 15,000 shares granted to Mr Coppey, who served as Chief Operating Officer at the time.

The vesting of shares was subject to performance conditions, comprising an internal condition for 80% of the award and an external condition for 20% of the award. The internal condition is described in paragraph 5.3.2 above.

The external condition is described in that same paragraph, with the two limits used to calculate the proportion of shares able to vest set at +5% and -15%.

With respect to the internal condition, the Board noted at its meeting of 7 February 2018 that the ROCE/WACC ratio was 1.65 and that, as it was thus greater than 1.10, the proportion of shares able to vest was 100%. With respect to the external condition, the Board noted that the difference between the TSR for the VINCI share and the TSR for the CAC 40 index was 16.30 percentage points on average and that, as it was thus greater than 5%, the proportion of shares able to vest was 100%.
On 14 April 2018, the Board thus decided that the cash amount and 100% of the shares in awards initially granted to beneficiaries of the two long-term incentive plan set up on 14 April 2015 would vest for these beneficiaries, provided that the other conditions set out in the plan, in particular that they had remained with the Group, were also met.

Vesting of shares under the plan set up by the Board of Directors on 19 April 2016

On 19 April 2016, the Board set up a long-term incentive plan to grant awards satisfied using existing VINCI shares to the two executive company officers, corresponding to a total of 42,500 shares in the Company, with an award of 26,000 shares granted to Mr Huillard, Chairman and Chief Executive Officer, and an award of 16,500 shares granted to Mr Coppey, who served as Chief Operating Officer at the time. The Board decided that these awards would vest provided their beneficiaries remained with the Group and if the Board noted that certain performance conditions were met. The vesting of shares was subject to performance conditions, comprising an internal condition for 80% of the award and an external condition for 20% of the award, both described in paragraph 5.3.2 above.
At its meeting of 5 February 2019, the Board noted that the performance conditions had been partially met and that 97.27% of the shares were able to vest as a result. These conditions are described in paragraph 5.3.1 above.

5.4.2 Long-term incentive plan for the executive company officer set up by the Board on 17 April 2018

At its meeting of 17 April 2018, the Board decided to set up a long-term incentive plan for the Chairman and Chief Executive Officer that involves the granting, in accordance with ordinary law, of awards satisfied using existing VINCI shares that vest at the end of a three-year period, provided that the Board has noted that both internal and external performance conditions are met. The purpose of these performance conditions is to measure both the value created by the Group and the performance of the VINCI share.
This plan, which entered into effect on 17 April 2018, calls for the granting of an award of 32,000 existing shares in the Company to VINCI's executive company officer. The plan stipulates that the shares will vest at the end of a three-year period on 17 April 2021. These awards are subject to the same continued employment and performance conditions as those applying to the performance share plan set up by the Board on 17 April 2018 and described in paragraph 5.3.2.
It will be the responsibility of the Board to record the proportion of shares that will vest in line with these conditions.
The condition requiring Mr Huillard to remain with the Group is defined as follows, given that he does not have an employment contract: the Chairman and Chief Executive Officer will not be eligible to receive the vested shares, unless the Board of Directors decides to maintain his eligibility, in the event of the simultaneous termination of his positions as Chairman of the Board and Chief Executive Officer before their expiry on the date of the Shareholders' General Meeting called in 2022 to approve the 2021 financial statements, for any reason whatsoever (except in the case of disability or death).

5.4.3 Holding requirements applicable to the share awards under the long-term incentive plans to VINCI's executive company officers

At its meeting of 7 February 2017, the Board decided, in accordance with Article 22 of the Afep-Medef code, that the Company's executive company officers will be required to hold a number of registered VINCI shares equal to the higher of:
- 20,000 VINCI shares;
- a number of shares corresponding, in value, to the individual's current fixed remuneration for one year.

Any executive company officer not already in possession of this number of shares when taking office will need to ensure that 30% of the shares arising from the exercise of options or from grants of awards consisting of Company shares will not be transferred or sold until this holding requirement for shares is met.

6. Summary table of delegations of authority to increase the share capital and other authorisations given to the Board of Directors

6.1 Authorisations in force

The authorisations currently in force are as follows:

	Date of Shareholders' General Meeting	Date of expiry	Maximum amount of issue (nominal value)
Share buy-backs [(1)]	17/04/18 (Ninth resolution)	16/10/19	€2,000 million 10% of the share capital
Capital reductions by cancellation of treasury shares	17/04/18 (Fifteenth resolution)	16/06/20	10% of the share capital over a period of 24 months
Capital increases through capitalisation of reserves, profits and share premiums [(1)]	20/04/17 (Thirteenth resolution)	19/06/19	[(2)]
Issues, maintaining the shareholders' preferential subscription rights, of all shares and securities giving access to the share capital of the Company and/or its subsidiaries [(1)]	20/04/17 (Fourteenth resolution)	19/06/19	€300 million (shares) [(3)] €5,000 million (debt securities) [(4)]
Issues of bonds convertible into and/or exchangeable for new shares, while cancelling the preferential subscription rights of shareholders in the Company and/or its subsidiaries [(1) (a)]	20/04/17 (Fifteenth resolution)	19/06/19	€150 million (shares) [(3) (5) (8)] €3,000 million (debt securities) [(4) (6)]
Issues of debt securities, other than bonds that are convertible into and/or exchangeable for new shares, giving access to the share capital while cancelling the shareholders' preferential subscription rights [(1) (b)]	20/04/17 (Sixteenth resolution)	19/06/19	€150 million (shares) [(3) (5) (8)] €3,000 million (debt securities) [(4) (6)]
Increase of the amount of an issue if it is oversubscribed	20/04/17 (Seventeenth resolution)	19/06/19	15% of the initial issue [(3) (4)]
Issues of all shares and securities giving access to the share capital to use as consideration for contributions in kind made to the Company in the form of shares or securities giving access to the share capital [(1)]	20/04/17 (Eighteenth resolution)	19/06/19	10% of the share capital [(8)]
Capital increases reserved for employees of VINCI and its subsidiaries under Group savings plans [(c)]	17/04/18 (Seventeenth resolution)	16/06/20	1.5% of the share capital [(7)]
Capital increases reserved for a specific category of beneficiaries in order to offer employees of certain subsidiaries outside France benefits comparable to those offered to employees who subscribe directly or indirectly through a company mutual fund in a savings plan [(d)]	17/04/18 (Eighteenth resolution)	16/10/19	1.5% of the share capital [(7)]
Authorisation to grant performance share awards satisfied using existing shares	17/04/18 (Sixteenth resolution)	16/06/21	1% of the share capital [(9)] Other conditions [(10)]

(1) Except during a public offer period.
(2) Total amount of reserves, profits or share premiums arising on issue that may be capitalised.
(3) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Fourteenth, Fifteenth, Sixteenth and Seventeenth resolutions adopted by the Shareholders' General Meeting of 20 April 2017 may not exceed €300 million.
(4) The cumulative nominal amount of issues of debt securities that may be undertaken by virtue of the Fourteenth, Fifteenth and Sixteenth resolutions adopted by the Shareholders' General Meeting of 20 April 2017 may not exceed €5,000 million.
(5) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Fifteenth and Sixteenth resolutions adopted by the Shareholders' General Meeting of 20 April 2017 may not exceed €150 million.
(6) The cumulative nominal amount of issues of debt securities that may be undertaken by virtue of the Fifteenth and Sixteenth resolutions adopted by the Shareholders' General Meeting of 20 April 2017 may not exceed €3,000 million.
(7) The total number of shares that may be issued under the Seventeenth and Eighteenth resolutions of the Shareholders' General Meeting of 17 April 2018 may not exceed 1.5% of the shares representing the share capital when the Board of Directors takes its decision.
(8) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Fifteenth, Sixteenth and Eighteenth resolutions of the Shareholders' General Meeting of 20 April 2017 may not exceed 10% of the shares representing the share capital when the Board of Directors takes its decision.
(9) The total number of performance shares that may be granted under the Sixteenth resolution of the Shareholders' General Meeting of 17 April 2018 may not exceed 1% of the shares representing the share capital when the Board of Directors takes its decision.
(10) Shares only vest at the end of a minimum period of three years from the grant date, provided the beneficiaries are still Group employees or company officers on the vesting date. The vesting of shares will be subject to performance conditions.

Price determination procedures:
(a) The issue price of bonds convertible into and/or exchangeable for new shares will be set such that, on the basis of the conversion or exchange rate, the issue price of shares that may be created by conversion or exchange will at least be equal to the amount provided for by legal and regulatory provisions applicable at the issue date, which at this writing corresponds to the weighted average price of the VINCI share over the three trading days preceding the date on which the conversion or exchange price of bonds convertible into and/or exchangeable for new shares is determined, less a maximum discount of 5%, after adjustment for any difference in the dates of attachment of dividend or coupon rights.
(b) The issue price of debt securities will be set such that, on the basis of the conversion or exchange rate, the issue price of shares that may be created by conversion or exchange will at least be equal to the amount provided for by legal and regulatory provisions applicable at the issue date, which at this writing corresponds to the weighted average price of the VINCI share over the three trading days preceding the date on which the issue price of bonds convertible into and/or exchangeable for new shares is determined, less a maximum discount of 5%, after adjustment for any difference in the dates of attachment of dividend or coupon rights.
(c) The subscription price of newly issued shares may not be more than 5% below the average opening price of the VINCI share over the 20 trading days preceding the date of the decision by the Board of Directors setting the start date of the subscription period.
(d) The reference share price used to determine the subscription price of newly issued shares may not be more than 5% below the average price of the VINCI share over the 20 trading days preceding the opening of the subscription period or preceding the date of the decision by the Board of Directors setting the start date of the subscription period.

6.2 Authorisations presented for approval at the Shareholders' General Meeting of 17 April 2019

The authorisations proposed to the Shareholders' General Meeting of 17 April 2019 are as follows:

	Date of Shareholders' General Meeting	Date of expiry	Maximum amount of issue (nominal value)
Share buy-backs (1)	17/04/19 (Fifteenth resolution)	16/10/20	€2,000 million 10% of the share capital
Capital reductions by cancellation of treasury shares	17/04/19 (Eighteenth resolution)	16/06/21	10% of the share capital over a period of 24 months
Capital increases through capitalisation of reserves, profits and share premiums (1)	17/04/19 (Nineteenth resolution)	16/06/21	(2)
Issues, maintaining the shareholders' preferential subscription rights, of all shares and securities giving access to the share capital of the Company and/or its subsidiaries (1)	17/04/19 (Twentieth resolution)	16/06/21	€300 million (shares) (3) €5,000 million (debt securities) (4)
Issues of debt securities giving access to shares in the capital, by the Company and/or its subsidiaries, while cancelling the preferential subscription rights of shareholders, through a public offer (1) (a)	17/04/19 (Twenty-first resolution)	16/06/21	€150 million (shares) (3) (5) (7) €3,000 million (debt securities) (4) (6)
Issues of debt securities giving access to shares in the capital, by the Company and/or its subsidiaries, while cancelling the shareholders' preferential subscription rights, through a private placement (1) (a)	17/04/19 (Twenty-second resolution)	16/06/21	€150 million (shares) (3) (5) (7) €3,000 million (debt securities) (4) (6)
Increase of the amount of an issue if it is oversubscribed	17/04/19 (Twenty-third resolution)	16/06/21	15% of the initial issue (3) (4)
Issues of all shares and securities giving access to the share capital to use as consideration for contributions in kind made to the Company in the form of shares or securities giving access to the share capital	17/04/19 (Twenty-fourth resolution)	16/06/21	10% of the share capital (7)
Capital increases reserved for employees of VINCI and its subsidiaries under Group savings plans (b)	17/04/19 (Twenty-fifth resolution)	16/06/21	1.5% of the share capital (8)
Capital increases reserved for a specific category of beneficiaries in order to offer employees of certain subsidiaries outside France benefits comparable to those offered to employees who subscribe directly or indirectly through a company mutual fund in a savings plan (c)	17/04/19 (Twenty-sixth resolution)	16/10/20	1.5% of the share capital (8)

(1) Except during a public offer period.
(2) Total amount of reserves, profits or share premiums arising on issue that may be capitalised.
(3) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Twentieth, Twenty-first, Twenty-second and Twenty-third resolutions adopted by the Shareholders' General Meeting of 17 April 2019 may not exceed €300 million.
(4) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Twentieth, Twenty-first and Twenty-second resolutions adopted by the Shareholders' General Meeting of 17 April 2019 may not exceed €5,000 million.
(5) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Twenty-first and Twenty-second resolutions adopted by the Shareholders' General Meeting of 17 April 2019 may not exceed €150 million.
(6) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Twenty-first and Twenty-second resolutions adopted by the Shareholders' General Meeting of 17 April 2019 may not exceed €3,000 million.
(7) The cumulative nominal amount of share capital increases that may be undertaken by virtue of the Twenty-first, Twenty-second and Twenty-fourth resolutions of the Shareholders' General Meeting of 17 April 2019 may not exceed 10% of the shares representing the share capital when the Board of Directors takes its decision.
(8) The total number of shares that may be issued under the Twenty-fifth and Twenty-sixth resolutions of the Shareholders' General Meeting of 17 April 2019 may not exceed 1.5% of the shares representing the share capital when the Board of Directors takes its decision.

Price determination procedures:
(a) The issue price of debt securities will be set such that the issue price of shares that may be created by conversion, exchange or any other mechanism will at least be equal to the amount provided for by legal and regulatory provisions applicable at the issue date, which at this writing corresponds to the weighted average price of the VINCI share over the three trading days preceding the date on which the issue price of said securities is determined, less a maximum discount of 5%, after adjustment for any difference in the dates of attachment of dividend or coupon rights.
(b) The subscription price of newly issued shares may not be more than 5% below the average opening price of the VINCI share over the 20 trading days preceding the date of the decision by the Board of Directors setting the start date of the subscription period.
(c) The reference share price used to determine the subscription price of newly issued shares may not be more than 5% below the average price of the VINCI share over the 20 trading days preceding the opening of the subscription period or preceding the date of the decision by the Board of Directors setting the start date of the subscription period.

7. Matters that could be relevant in the event of a public offer

In application of Article L.225-37-5 of the French Commercial Code, matters that could be relevant in the event of a public offer are as follows:

a) Structure of the Company's share capital	F. General information, paragraph 3.3 "Changes in the breakdown of share capital and voting rights during the last three years"
b) Restrictions in the Articles of Association on the exercise of voting rights and the transfer of shares or clauses of agreements brought to the Company's knowledge in application of Article L.233-11	F. General information, section 1 "Provisions on statutory thresholds (excerpt from Article 10a of the Articles of Association)"
c) Direct or indirect investments in the Company's share capital of which it has knowledge by virtue of Articles L.233-7 and L.233-12	F. General information, paragraph 3.3 "Crossing of shareholding thresholds"
d) The list of holders of any shares granting special control rights and description thereof	F. General information, paragraph 3.3 "Pledging of registered shares"
e) Control arrangements provided if there is an employee shareholding system in place, whenever rights to control are not exercised by the employees	F. General information, paragraph 3.3 "Employee shareholders"
f) Any agreements between shareholders of which the Company has knowledge and that could entail restrictions on the transfer of shares and the exercise of voting rights	F. General information, paragraph 3.3 "Shareholder agreements and concerted actions"
g) The rules applicable to the appointment and replacement of members of the Board of Directors and to amendments of the Articles of Association	C. Report on corporate governance, pages 132 to 171, and provisions of law and the Articles of Association
h) The powers of the Board of Directors, in particular for the issue or buy-back of shares	Table of delegations of authority to increase the share capital, paragraph 6.1, page 169 and F. General information, paragraph 3.2 "Potential capital"
i) Agreements entered into by the Company that are amended or cease in the event of a change of control of the Company, unless this disclosure would seriously undermine its interests, except when such disclosure is a legal obligation	Note 23.3 to the consolidated financial statements
j) Agreements providing for compensation payable to members of the Board of Directors or employees if they resign or are dismissed without valid grounds or if their employment is terminated due to a public tender or exchange offer	C. Report on corporate governance, pages 132 to 171

8. Formalities for participation of shareholders in the Shareholders' General Meeting

The formalities for shareholders to participate in the Shareholders' General Meeting are described in Article 17 of the Articles of Association and reproduced below:

Article 17 – Shareholders' General Meetings
"Shareholders' General Meetings are called and take place in accordance with the legislation and regulations in force.

"The meetings are held either at the registered office or at another location specified in the notice of meeting.

"All shareholders may, regardless of the number of shares they own, participate in meetings personally or by proxy, on producing evidence of their identity and shareholding in the form of either:
- a registration of the shares in their own name; or
- a record of the shares in a bearer securities account with an authorised intermediary, confirmed by the intermediary in the form of a share ownership certificate, which can be communicated by electronic means, if necessary.

"These formalities must be completed no later than midnight (Paris time) on the second business day before the meeting. Shareholders wishing to attend the meeting in person but who have not received their admission card by midnight (Paris time) of the second business day before the meeting will be issued a share ownership certificate, which they will need to present in order to attend and vote at the meeting. However, the Board of Directors may shorten or remove this time period provided that any such decision applies to all shareholders.

"If the Board of Directors so decides when the Shareholders' General Meeting is called, individual shareholders may take part in the meeting by video conference or vote by any telecommunication or electronic means including via the internet, in accordance with the applicable regulations in force at the time such means are used. Any such decision must be communicated in the notice of meeting and the invitation to the meeting.

"Postal votes may be cast, subject to the terms and conditions defined by law and regulations. Shareholders may transmit proxy forms and postal votes for every Shareholders' General Meeting, under the conditions set out by law and regulations, either in paper form or, if the Board of Directors so authorises, by electronic means, including over the internet. Those shareholders who, within the required time period, use the electronic voting form on the website made available by the meeting centraliser, are counted as attending or represented shareholders. Shareholders may complete and sign the electronic voting form directly on the centralising bank's website by any process determined by the Board of Directors that meets the conditions set forth in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code and Articles R.225-77, subsection 2, and R.225-79 of the French Commercial Code and, more generally, the provisions of law and regulations in force. This process may include the use of a personal identifier and password.

"Proxy forms received and votes cast prior to the Shareholders' General Meeting by electronic means, together with the acknowledgement of receipt provided, shall be considered as irrevocable acts enforceable with regard to all parties involved, it being specified that in the event of a sale of shares that takes place before the second business day prior to the meeting at midnight (Paris time), the Company shall invalidate or amend, as necessary, any proxy form or vote cast prior to such date and time.

"Shareholders' General Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by the Vice-Chairman of the Board of Directors, if a Vice-Chairman has been designated, or by a member of the Board of Directors specifically appointed by the Board to that effect. Failing that, shareholders elect their own Chairman.

"The minutes of the Shareholders' General Meetings are drawn up and copies thereof are certified and delivered in compliance with regulations in force."

D. Risk factors and management procedures

1. Risk factors

The risks that may affect VINCI's performance, within the framework of VINCI's decentralised organisation, are identified, assessed and handled at the most appropriate level of responsibility (holding company, business line, subsidiary) depending on their criticality. They can have an impact on the Group's business activities and give rise, if necessary, to provisions in the Group's accounts (see Notes H.18 and H.19 to the consolidated financial statements, pages 305 and 307), notably in the event of losses on completion of construction projects or unsatisfactory impairment tests.
Group companies might also be subject to risks related to the environmental and social conditions in the areas where they operate.
As VINCI is a major participant in several sectors of the economy, any risk that materialises could tarnish the entire Group's image.

Managing the Group's activities includes taking into account the principal risks, as detailed below:

Type of risk	Description
Operational	Risks specific to VINCI's activities, acquisition and disposal of companies
Legal	Contractual, regulatory and legislative risks
Information systems	Financial losses, degradation of digital systems, business interruptions, damage to reputation due to the accidental failure or sabotage of information systems
Ethical and fraud	Ethical risk and risks of fraud
Workforce-related, environmental and social	Human resource management, social risks, political instability, permanent or temporary deterioration of natural environment
Financial and economic	Counterparty, credit and liquidity risks, financial rating downgrade risks, economic and tax risks

1.1 Operational risks

The VINCI companies within the Group's two main businesses (Concessions and Contracting), as well as the property business line, are exposed to specific operational risks, which are prevented, controlled and managed differently.

One of the main elements of VINCI's risk management system is the holding company Risk Committee. This committee examines in advance the business lines' proposals for making commitments or investments above certain thresholds that are defined in the general guidelines provided to each manager, and which differ depending on the business involved. The committee's procedures and members are described in paragraph 2.4.3.

1.1.1 Contracting

Definition

In Contracting, the Group operates under fixed-term contracts whose duration extends from a few weeks to several years. Its customers are numerous public and private entities in many different countries.
Performance under these contracts includes a study phase and a construction phase, followed by the handover of the finished project.

In this context, Group companies are exposed to risks involving the following situations:
• in the preliminary phase, the selection of customers and countries of operation;
• in the study phase, difficulties in the design of the project or in the related calculations, either through underestimation of quantities or overestimation of yields, errors in analysing the contract terms proposed by the customer or in analysing the technical and legal regulations of the country where the work is to be executed;
• in the construction phase, constituting the necessary teams and equipment, making land available and providing access to it, delays in developing and approving plans and procedures, unexpected obstacles (geotechnical problems, particularly underground), quality of supplies, monitoring of subcontractors, calendar delays, changes imposed by the customer, managing contract amendments, risk of unpaid bills;
• in the handover phase, managing the acceptance of the project and the clearing of defects, determination and settlement of the final breakdown of expenses.

Risk management procedures

Risks – Contracting business	Impact on activities	Risk mitigation methods
Preliminary phase - Evaluating the choice of country, customer and project	- Difficulty of executing the project	- Prior analysis as part of a "go / no go" meeting
Study phase - Difficulties in design and cost estimations - Evaluating contract clauses	- Cost overruns and delays during execution - Poor evaluation of factor costs and yields - Poor evaluation of technical risks - Poor evaluation of contract risks	- Presentation to the Risk Committee before a bid is submitted (see 2.4.3 below) - Assessment of the size of internal and external teams - Improving the quality of cost studies, taking prior experience into account - Preparing reasoned risk charts when presenting projects to the Risk Committee (see paragraph 2.4.3 below)
Construction phase - Insufficient preparation time - Unexpected events and obstacles - Changes imposed by the customer - Management of contract amendments - Cost inflation - Failure of partners - Risk of unpaid invoices	- Inappropriate management - Poor preparation - Erroneous choice of tools and methods - Cost overruns and delays - Disorganisation and worksite delays - Cash difficulties - Damage to third parties	- Better worksite preparation - Specific management systems (Quartz at VINCI Energies, Kheops at Eurovia, Orchestra at VINCI Construction) - Applying price adjustment formulae - Transferring risk to subcontractors and suppliers - Choosing robust solutions or equipment in advance to deal with uncertainties - Dialogue with the customer - Amicable settlement committees set up with project managers - Improved drafting of clauses concerning reciprocal commitments - Warranties put in place for payment and contract clauses - Insurance policies put in place (see paragraph 2.5 below)
Handover phase - Failure to clear defects - Preparation of final breakdown	- Cost overruns and penalties	- Improving end-of-contract management by implementing appropriate systems

1.1.2 Concessions

Definition

The risks of a concession contract, whose duration can vary from a few years to several decades, are carefully evaluated before bid submission during the study phase, which is generally much longer than it is in contracting. The Concession business therefore has time to call upon the construction expertise as well as the economic, legal and financial expertise of internal experts and external advisors. The preferred legal structure for concession contracts and public-private partnerships (PPP) is a special-purpose vehicle (SPV). In order to limit the Group's commitments and the amount it invests in SPVs, share capital and control may be shared with one or more partners. A majority of the financing is comprised by debt with no recourse or only limited recourse against the shareholders.

The SPV generally transfers the risks related to project design and construction of concession assets to the contractors in charge of construction. These terms are validated by the lenders at the time of the financial closing. Financing risks, however, remain managed at the level of the SPV and its shareholders.
Some risks may remain with the granting authority, in particular in relation to making land available. However, default by the authority cannot always be ruled out, resulting in penalties being paid to the concession company.

The main risks on the operation of concession assets relate to changes in traffic, toll charges and collection, and maintaining the viability of the assets with respect to maintenance and repair targets set in the concession contract. Traffic levels on motorway concessions are correlated to economic activity and are generally affected by changing fuel prices. Toll increases are determined by set formulae, the main aim of which is to offset the risk of inflation. As for airport concessions, traffic may be affected by a variety of events, including public health crises, natural events or harsh weather conditions as well as by terrorist attacks or threats. In addition, social disturbances such as those experienced in 2018 can hamper concession operation and lead to acts of vandalism.

Risks connected with changes in the legal and regulatory environment throughout the lifetime of contracts must be assessed on the basis of the contractual framework governing their terms. This framework may or may not provide for compensation mechanisms applying in the event of changes in the legislative, regulatory or tax framework. In addition, obtaining administrative authorisations, especially environmental permits before the start-up of works, can be fraught with significant uncertainty for the concession company. There is also a risk of early termination of a concession contract, either for reasons outside the control of the parties concerned that render contract execution impossible or too onerous (termination for force majeure or unforeseen circumstances); or at the initiative of the concession-granting authority, whether at the discretion of the authority or for a reason of general interest.
Termination clauses in concession contracts make it possible to determine the penalty due to the concession company in the circumstances mentioned above; if no such clauses exist, the penalty is decided by legislation or jurisprudence.

For all concession infrastructure under operation, provisions are taken to cover the cost of renovating installations – particularly motorway road surfaces and airport runways – and the cost of building maintenance, based on maintenance expense plans (see Note H.18 to the consolidated financial statements, page 305).

Risk management procedures

Risks – Concessions business	Impact on activities	Risk mitigation methods
Study phase - Erroneous business plan - Poor estimate of investments required - Difficulties in meeting budget	- Cost overruns and delays - Project delay or decrease in quality - Non-profitable project	- Presentation to the Risk Committee before a bid is submitted (see paragraph 2.4.3 below) - Creating an SPV to circumscribe the risk - Using the expertise of the Group's Construction business line - Involvement of lenders from the preliminary phase - Using specialised independent advisory firms
Construction phase - Poor choice of contractors - Difficulties during construction	- Cost overruns and delays	- Improving preparation phase, using "Cooperate" best practices guide - Using back-to-back principle for construction contracts
Operating phase - Lower traffic levels than expected - Difficulties in concession management with the contracting authority, regulatory authorities or end-users - Damage to the infrastructure - Climate change - Change in usage	- Unprofitable project - Unilateral decision by the contracting authority - Legislative changes - Change in behaviour - Unavailablility of the infrastucture - Tarnished image	- Reviewing when the initial contract and the periodic economic regulation contracts are drafted - Improving service to end-users - Adhering strictly to surveillance and maintenance procedures (e.g. ITSOA, the regulations of the French public roads administration)

1.1.3 Property

Definition

The Group's property development activities are exposed to various administrative, technical, commercial, tax and economic uncertainties as well as any business failures of joint venture partners or subcontractors that may result in delays (or even the abandonment of certain projects), budget overruns and uncertainty regarding programme selling prices. The various property operations conducted by the Group are mainly carried out in France, where they are sensitive to the country's economic and regulatory climate. This business is carried out essentially by VINCI Immobilier, which accounted for 2.3% of Group revenue in 2018. Any VINCI Immobilier commitments that would exceed defined thresholds undergo prior examination by the VINCI Risk Committee. The Group's policy in the property development business is to launch a new project only after it has reached a minimum reservation percentage. Some construction subsidiaries, mainly in France, may participate in property transactions or property development programmes, with a limited assumption of risk.

Risk management procedures

Risks – property business line	Impact on activities	Risk mitigation methods
- Cyclical and long-term business - Risk of obtaining permits - Implementation of General Data Protection Regulation (GDPR) - Poor choice of companies - Defects in workmanship	- Overvaluation of land - Construction permit not obtained - Risk of unsold properties - Violation of GDPR, in an increasingly digital business - Cost overruns - Tarnished image	- Presentation to the Risk Committee at the start of operations (see paragraph 2.4.3 below, page 186) - Developing complex, multi-product operations, with higher value added - Diversifying activities into three business lines: • residential property • business property • property services - Condition precedent in land purchase contracts - Limiting transactions with no reservations and systematically imposing a pre-sale threshold - Implementing a control structure and procedures - Developing a "zero-defect" strategy in the context of quality programmes

1.1.4 Acquisition and disposal of companies

Definition

For several years now, the Group has had an active acquisitions policy in both Contracting and Concessions, involving significant amounts. The risks of these acquisitions relate to the truthfulness of the financial statements, the relevance of the business plan, continuity in corporate governance, the absence of hidden disputes, and the compatibility of corporate cultures, which all play a part in successful integration.

Risk management procedures

Proposed acquisitions and disposals are submitted to the VINCI Risk Committee for approval (see paragraph 2.4.3 below, page 186). The largest projects are also submitted to the Strategy and CSR Committee (see chapter C, "Report on corporate governance", paragraph 3.4.2, in the Report of the Board of Directors, page 149) and in some cases, to VINCI's Board of Directors (see chapter C, "Report on corporate governance", paragraph 3.4.2, page 133).
VINCI's external growth policy is:
• to target companies with which synergies can be created due to their expertise and geographic locations;
• generally, to take a majority interest in the share capital of targeted companies in order to limit risks associated with integration of these companies and to be able to quickly apply the Group's management principles;
• seek out corporate culture compatibility in order to facilitate the integration of new acquisitions into the Group;
• aim for value creation for VINCI shareholders.

1.2. Legal risks

1.2.1 Contractual relationships

Definition

The Group's business activity is based on contracts that, as a general rule, are subject to the laws of the countries in which the projects are executed. However, it also tries to obtain arbitration clauses from the International Chamber of Commerce for countries where the legal system may not seem to offer sufficient protection.
As mentioned in the section on operational risks, disputes may arise during the performance of said contracts.

Risk management procedures

The Group's policy is to limit its risk during the proposal phase by seeking to negotiate terms – not always successfully – with contracting authorities that:
- pass onto the client the extra costs and/or delays stemming from changes in the client's requests;
- halt the project in the event of non-payment;
- exclude indirect damages;
- exclude or limit liability relating to existing pollution;
- limit its contractual responsibility for the total project to a reasonable percentage of the contract's price;
- cap delay and performance penalties to an acceptable percentage of the contract price;
- stipulate contractual provisions allowing for adjustments (price and time schedule) to account for legal, tax or regulatory changes;
- obtain protection via a force majeure clause (against political risk, client's unilateral decision, economic upheaval, poor weather conditions) or for early contract termination;
- obtain an international arbitration clause, if possible.

Detailed information on the principal disputes and arbitrations in which the Group is involved can be found in Note M to the consolidated financial statements, page 334. These disputes are examined on the date the financial statements are approved. Following a review by legal advisers, any necessary provisions are constituted to cover the estimated risks.

1.2.2 Legal and regulatory compliance

Definition

Given the diversity of their activities and geographical locations, the Group's companies operate within specific legal and regulatory environments that vary depending on the place where the service is provided and on the sector involved. Moreover, laws in effect in some countries may have an extraterritorial scope that could concern the business of some Group companies.

In particular, Group companies must comply with rules deriving from:
- the terms of agreement and performance of public- and private-sector contracts and orders;
- laws governing construction activities and the applicable technical rules governing the delivery of services, supplies and works;
- environmental law, commercial law, labour law, competition law, and financial and securities law;
- personal data protection;
- duty of vigilance and accident prevention (especially the Sapin 2 law and the duty of vigilance law in France).

With respect to concession operators, aside from the legislative, regulatory and tax policy changes that are always possible during such long-term contracts, the Group is dependent on public authorities that may, as is the case in France, have the right to unilaterally alter the terms and conditions of public service, PPP and concession contracts during their execution phase or even terminate the contract itself, subject to compensation.

In the performance of their activities, Group companies could be held civilly or criminally liable and thus be required to bear the financial or administrative consequences. Similarly, Group executives and employees may also be held criminally liable.

A large share of the risks of non-compliance is therefore likely to lie primarily with executives and/or company officers and with employees to whom responsibility has been delegated, but may also lie with legal entities. The consequences may be financial (fines) or penal (conviction and/or being banned from operating).

Risk management procedures

The main measures relating to legal and regulatory controls are presented in paragraphs 3.4, "Information relating to ethical practices", page 225, and 3.5, "Information relating to actions taken in favour of human rights", page 226, of chapter E, "Workforce-related, environmental and social information".

The financial risks relating to the potential invoking of the third-party liability of Group companies are covered within certain limits by the insurance policies described in paragraph 2.5 of this chapter, "Insurance cover against risks", page 187.

1.2.3 Relationship with stakeholders

Definition

New construction under concession contracts, property development projects and major construction sites require numerous permits before they can be launched. Opposition from non-governmental organisations (NGOs), environmental organisations or local residents in the form of legal challenges can cause delays and risks increasing the cost of compensation. This opposition can even prompt the granting authority to abandon the project. If opposition is reported in the media, there is a risk it can damage the Group's image.

Risk management procedures

These procedures are detailed in the paragraph pertaining to social risks (see paragraph 1.5.3.2 below).

1.3 Information system risks

1.3.1 Strategic importance

Protecting VINCI's informational capital is of major strategic importance, for reasons of competitiveness, trust in the company and data protection. With digital technologies being deployed in all its business activities, the Group has begun to reinforce the sources employed to ensure the security of its information systems and thereby maintain its operating performance.

1.3.2 Definition and consequences of cyber risks on Group activities

Cyber threats leading to compromised data or an information system breakdown can have unfavourable financial, legal or operational effects as well as a negative impact on VINCI's performance and/or reputation.
The table below derives from the VINCI general information systems security policy and presents the major cyber risks the VINCI Group must handle:

Major risks

Cyberattacks
Attacks on a set of IT resources

Information leaks
Data loss or opportunistic/intentional data disclosure

Cyber spying
Eavesdropping or theft of confidential data

Fraud
Intentional act by an employee or a third party aimed at embezzling assets

Consequences

Damaged reputation
Impact that an incident could have on the Group's image

Financial loss
Impact that an incident could have on the Group's earnings

Information system unavailability
Inability of the information system to function normally

Non-compliance
Judicial, administrative or disciplinary penalties based on legal and regulatory provisions

Certain large multinationals have been affected by numerous cyber incidents, including wide-scale attacks that have compromised their data integrity. Owing to its size, the diversity of its operations and its overall standing, VINCI is equally exposed.

1.3.3 Risk management procedures

The VINCI Group's Information Systems Department has drafted a document on the general information systems security policy that redefines the roles and responsibilities of all participating individuals.

The Information Systems Security Committee is in charge of the risk management policy for this area.

The Chief Information Security Officers (CISOs), who were reinforced in number in 2018, report in most cases to the information system directors of the business lines. They ensure this organisation is properly replicated and that information systems security correspondents are appointed at the right level in the subsidiaries.

The general information systems security policy is broken down into "Information Systems Security Directives", which specify mandatory security rules for each area of the information system. These rules derive from best industry practices, such as those in the ISO/IEC 27001 standard (information security management) or the guidelines of the French national agency for information system security (https://www.ssi.gouv.fr/).

In 2018, the Group defined and launched a multi-year strategic transformation plan through its information systems security coordinators. The plan is aimed at better protecting the Group from cyber risks. VINCI has decided to invest significantly in the management of the security of its data and platform assets.

VINCI implemented several procedures in 2018 to protect itself from cyberattacks that could damage data and critical systems or disrupt operations. The Group also launched several initiatives to strengthen IT infrastructure security and implement effective post-incident recovery plans. It now also has procedures facilitating detection, internal dialogue and the circulation of information about cybersecurity and cyber risks.
The Group also launched a plan to raise awareness among all information system users. The objective is to remind them of good habits and practices to develop in using information systems.
These good practices are also communicated to users through VINCI's information systems user guide, which was updated in 2018.

Lastly, in 2018, internal audit tightened up its monitoring of cybersecurity:
- VINCI's internal control chose cybersecurity as this year's specific theme for the internal control self-evaluation survey sent to all Group entities;
- critical systems representing all of the Group's activities were subjected to a series of intrusion tests. The results of these tests were presented to the Executive Committee.

The recommendations deriving from these audits will be implemented in 2019.

1.4. Ethical risk and risks of fraud

1.4.1 Ethical risk

Definition

VINCI entities work autonomously in an international environment with a multitude of stakeholders:
- project managers and contracting authorities;
- various regulatory authorities;
- project manager representatives, contractors, architects and design offices;
- joint contractors;
- subcontractors;
- suppliers, some of whom are very local (concrete, aggregates and water suppliers);
- service providers (inspectors, transporters, freight forwarders, charterers, insurers, bankers, etc.).

The Group's expansion in this type of environment increases the risk of exposure to infringements of anti-corruption laws and regulations imposed on the Group. If such infringements were committed, VINCI would be subject to possible fines, exclusion from public contracts, remedial action or contract termination. Such infringements could also tarnish the Group's image or reputation and reduce its chances to bid on future contracts.

Risk management procedures

VINCI's internal system for managing ethical risks is detailed in paragraph 3.4, "Information relating to ethical practices", of chapter E, "Workforce-related, environmental and social information", page 225.

1.4.2 Risks of fraud

Definition

The business of a group as decentralised and diversified as VINCI is subject to the risk of both internal and external fraud on payments. Virtually all attempted fraud uses information technology and targets, in particular, the individuals involved in the supplier and subcontractor payment chain.

Risk management procedures

External fraud prevention involves several Finance Department, Security Department and Information Systems Department units. The core system includes reporting via email to a dedicated address, enabling central services to react immediately, if necessary, and facilitating statistical analysis of fraud attempts. The information is then analysed, and specific information and recommendations are disseminated to CFOs and the Group's anti-fraud coordinators. In this regard, four fraud warning notes were posted on the Group's intranet in 2018.

The Group's Finance Department, in conjunction with the Security Department and the Information Systems Department, has developed a set of measures to prevent fraud that are available on the Group intranet. In particular, these include instructions specifying correct conduct in the event of suspicion, guidelines concerning means of payment, and awareness-raising measures to be taken in regard to the main people faced with this kind of situation.

Internal fraud prevention is based on the Code of Ethics and Conduct as well as on specific training or awareness initiatives. It is described in chapter E, "Workforce-related, environmental and social information" of the Report of the Board of Directors, page 225.

1.5 Workforce-related, environmental and social risks

The VINCI Group's workforce-related, environmental and social risks are set out in full in section E.4 of the Registration Document, which reports on the duty of vigilance plan (page 228). The information provided in this section supplements that provided in section E.4; together the two sections disclose the effects of VINCI's activities on workforce-related, environmental and social issues and, vice versa, the impact of those issues on the Group's risks.

1.5.1 Workforce-related risks

Group companies are subject to several types of risk related to the working conditions of their employees. Workforce-related risks are taken into account at every project stage. They analyse such risks far upstream so as to identify local and circumstantial issues as well as the expectations of stakeholders, including employees and their representatives. These analyses evolve over the course of the project and the company's presence in the region, against a given economic and social background. Measures intended to reduce these risks are implemented as a result. Many solutions are possible, including human resource development and risk prevention processes.

1.5.1.1 Health, safety and security of employees and subcontractors

Definition

Health and safety

Employees of Group companies and subcontracting companies are required to work on increasingly complex projects and operations. This can threaten their health, safety, hygiene and the quality of their life at work. The health and safety coordinators of the Group's business lines have identified several types of risks considered as major risks:
- risks of moving mass (equipment, vehicles);
- risks of falling objects;
- risks of working at height;
- risks of electrical equipment;
- risks of handheld mechanical tools;
- traffic risks.

In case of accident or near miss, the affected company's business can be slowed considerably, and numerous corrective measures must be implemented before it can be restarted. The frequency of work accidents involving lost time decreased from 7.77 in 2013 to 6.10 in 2018, and the percentage of companies with no work accident involving lost time increased from 66% to 72% over the same period.

Security
Given the large number of countries where the Group operates, some activities may be affected by various forms of social and political instability (terrorism, armed conflict, embargo, seizure of bank accounts or equipment, etc.), as well as malevolent acts such as vandalism and theft on construction sites, or criminal acts such as attacks or kidnapping.

Risk management procedures

Health, safety and security of employees and subcontractors	Impact on activities	Risk mitigation methods
Health and safety *Causes* - Increasing worksite complexity and requirements *Development* - The number of accidents in VINCI companies is declining steadily. - The "zero accidents" objective heads the Group's priorities. The use of digital solutions has enhanced the methods for reducing worksite accidents.	- Deterioration in health and safety conditions for employees and subcontractors - Construction delays due to worksite shutdowns and business operating losses due to investigations and other corrective measures - Potential harm to the Group's reputation in the event of a large number of accidents in its activities	- Analysing risks as far upstream as possible and at the start of operations - Supplying appropriate individual protection equipment - Implementing prevention and operating procedures deriving from the evaluation of risks (markers, guardrails, stairways etc.) - Performing dedicated audits and obtaining certifications (OHSAS, ISO 45001) - Organising dedicated training and awareness-raising events - Implementing reporting tools, in particular digital tools - Creating partnerships with outside organisations such as France's Institute for an Industrial Safety Culture (ICSI) - Including dedicated clauses in contracts with subcontractors
Security of employees and subcontractors *Causes* - Local geopolitical context always linked to the economic, social and political issues present in the region, influencing the security conditions of employees and subcontractors. *Development* - The local geopolitical context can change rapidly and unexpectedly.	- Deterioration in security conditions for employees - Threat to business continuity with potential contractual consequences	- Constant surveillance of geopolitical and security-related issues and dissemination of information about evolving risks to Group companies and projects - Providing drivers in high-risk areas - Specific recommendations for protection of people and property - Awareness programmes for travelling employees and expatriates - Audits and special protection plans - Crisis management measures - Discussions with customers about terms of partial or full shutdown of activity

1.5.1.2 Attracting and retaining talent

Definition

It is essential for the Group to be able to attract and retain talent. Worksite activity changes very quickly, and companies that have specialised skills and expertise have a competitive advantage in responding to calls for tender.
The activities of Group companies are subject to market developments and the economic context. To deal with the cyclical nature of their activities, some companies may use fixed-term employment contracts or temporary employment agencies.

Risk management procedures

Attracting and retaining talent	Impact on activities	Risk mitigation methods
Causes - Lack of attractiveness for the employer brand associated with Group companies - Lack of inducement and professional advancement *Development* - The risk of difficulties in hiring and retaining employees is constantly present in the Group's human resources development.	- Difficulty in retaining qualified employees trained in the Group's specific business lines and in the management of complex projects - Need to maintain a high level of knowledge and competitiveness so as to respond to customers' specific needs - Potential harm to the Group's reputation in the event of deficient work quality due to a lack of proper skills	- Developing the skills of Group employees according to a human capital development cycle (development and advancement objectives in the annual performance review) - Implementing an ambitious training programme for every employee - Creating programmes that foster internal job mobility - Promoting diversity among employees by combating discrimination in Group companies - Employee profit-sharing (Group level) - Encouraging community outreach among Group employees

1.5.1.3 Labour-management dialogue

Definition

Changes to regulations and to the way business is organised affect employees' working conditions. Such changes form part of labour-management dialogue with employees, their employee representatives and trade union representatives. If dialogue breaks down, changes may lead to conflict such as strikes. This kind of tension during labour-management dialogue obliges the company to review its ways of functioning, sometimes intensively, and take on board the issues presented by employees, their representatives and trade unions.
At VINCI, labour-management dialogue takes place at the local level, in accordance with the Group's decentralised modus operandi. In 2018, 8,274 employees worldwide were designated as employee representatives of their Group company, including 6,977 in France. Together with the committees in charge of health, safety and working conditions, local employee representative bodies contribute to the quality of labour-management dialogue.

Risk management procedures

Tension in labour-management relations	Impact on activities	Risk mitigation methods
Causes - Changes in the business - Regulatory changes *Development* Risks deriving from tension in labour-management relations are constantly present and vary depending on the current labour climate in the regions where Group companies are present.	- Breakdown of dialogue with employee representatives - Potential work stoppages	- Creating an ongoing labour-management dialogue with sharing of information between the company and employee representatives - Training of employee representatives - Recognising the importance of trade unions - Maintaining a constant balance between union advocacy and the maintenance of strong ties to professional activity - Developing coordination and collective bargaining throughout the world - Developing union representation throughout the world, including in countries where labour freedoms are limited - Implementing collective agreements aimed at improving working conditions, hygiene, health and safety, and devising better ways to organise work time

1.5.2 Environmental risks

Group companies might also be subject to risks related to the environmental conditions in the areas where they operate. Environmental risks are analysed during the tendering phase with respect to the technical aspects, monetary amounts and legal consequences they represent. Solutions are then developed and tailored to the situation, in liaison with the development teams, so as to integrate environmental risks in the early stages of the project. VINCI seeks to obtain and analyse the expectations of local stakeholders so as to better understand the environmental protection needs of the affected region. These risks are regularly re-evaluated in accordance with changes in business activities, and VINCI implements whatever technical and organisational solutions it can to reduce these risks to a minimum. They are evaluated with the insurance companies so as to adapt contracts to the projects' environmental risks.

How these risks are taken into consideration changes over the course of a project's life, in particular during the infrastructure's operation phase, when it can represent significant maintenance costs. A flooded airport or motorway infrastructure, for example, generates a business interruption loss during the time the facilities are closed and entails expenditure to repair them. Part of the cost is assumed by the insurance companies. In addition, if such risks materialise, the operating company's image may be damaged for a long time.

1.5.2.1 Extreme climate events

Definition

Climate change has made extreme climate events more frequent and more severe, increasing environmental risks for the Group's activities. These climate phenomena, which affect our activities every year, include the following:
- "storms", a general term that includes climate phenomena causing wind gusts and precipitation (rain, snow or hail);
- wide variations in temperature (heat or cold waves);
- flooding, from rivers overflowing their banks, run-off from heavy precipitation or rising sea levels, which can cause landslides and exacerbate erosion;
- subsurface rockslides or other ground movements, such as the expansion and contraction of clay, which can affect buildings and infrastructure.

In 2018, Group activities were impacted by storms causing flooding (Osaka airport closure in Japan in September 2018, A64 motorway closure in France in July 2018) and by the heatwave in France, which caused worksite delays in the summer of 2018.

Risk management procedures

Extreme climate events	Impact on activities	Risk mitigation methods
Causes - Greenhouse gas emissions - Loss of natural and agricultural land and fragmentation of landscapes *Development* - The risk related to the increasing frequency and severity of extreme climate events is high in VINCI's businesses, which are particularly affected by them. This risk is exacerbated by climate change at the worldwide level.	- Increase in the costs to maintain or repair damaged facilities - Deterioration in health and safety conditions for employees - Construction delays (worksite shutdowns, infrastructure and equipment deterioration) and business operating losses due to supply difficulties, worker transport problems, etc.	- Prior identification of the risks affecting the area and implementation of technical facilities to mitigate them (cofferdams, pumps, retention basins, cooling equipment, etc.) - Putting in place a business continuity plan (BCP) for some assets (Kansai International Airport) - Emergency procedures to respond to extreme climate events (inclement weather work stoppages for employees, equipment removal, etc.) - Managing unplanned events with the appropriate insurance company departments - Cooperating with local authorities to implement appropriate measures during emergencies and restart operations after the event has passed

1.5.2.2 Pollution and deterioration in environmental quality

Definition

The risk of working on a deteriorated or polluted parcel of land is substantial in the urban environment, where past industrial installations may have had a negative impact on the ground and the natural environment. If it is impossible to determine who caused the deterioration, the developer is often responsible for restoring the site so as to ensure the durability of the new buildings and infrastructure. Filling in old quarries, decontaminating soil and treating waste are activities that entail significant cost and extend the lead-times of certain worksites and development projects.

Risk management procedures

Pollution and deterioration in environmental quality	Impact on activities	Risk mitigation methods
Causes - Overuse of certain resources (sand, water, aggregates, rare metals, oil, etc.) - Emission or discharge into the air, ground or water of toxic or hazardous substances - Use, handling or transport of hazardous substances - Expansion of certain exotic, invasive species *Development* - The risk of deterioration in environmental quality is significant and is increasing, in particular in the highly urbanised environments where VINCI operates.	- Increase in the costs to rehabilitate the affected environments - Deterioration in health and safety conditions for employees - Tightening of national and international regulations on environmental protection in response to such risks and in an attempt to avoid them as far as possible - Potential harm to the Group's reputation in the event of deficient quality of service, such as substandard work or missed delivery deadlines	- Identifying polluted and degraded land and estimating treatment costs - Managing unplanned events with the appropriate insurance company departments - Protecting employees working on land exposed to risks - Implementing techniques and procedures to decontaminate and reprocess polluted or degraded components

1.5.2.3 Rarity of raw material resources

Definition

The VINCI Group's construction and concession activities are affected by the increasing rarity of raw material resources (water, inert materials, rare metals, fuels, etc.) at the global level. For example, the amount of available sand has declined significantly, and this has a direct influence on supplying worksites that use concrete. Similarly, worksites or infrastructure located in regions of high water stress (sub-Saharan Africa, Gulf countries) must limit their use of water resources and find ways to recycle and reuse water.

Risk management procedures

Rarity of raw material resources	Impact on activities	Risk mitigation methods
Causes - Overuse of certain resources (sand, water, aggregates, rare metals, oil, etc.) *Development* - The risk related to the rarity of raw materials is increasing, as there is global competition for access to these resources (rare metals, water, sand, fuel). Climate change is exacerbating the rarity of these materials. In addition, regions of high water stress are expanding.	- Growth in client demand for materials of the required quality and, as a consequence, increases in their prices, resulting in additional project costs - Tightening of national and international regulations on environmental protection in response to such risks and in an attempt to avoid them as far as possible - Potential harm to the Group's reputation in the event of deficient quality of service, such as substandard work or missed delivery deadlines	- Anticipating that certain raw materials will become rare and implementing ecologically designed solutions to reduce their use or recycle construction materials after demolition in a circular economy approach - Identifying project sites located in regions facing water stress so as to adapt construction and operation methods to them

1.5.3 Social risks

Group companies design, finance, build and sustainably operate facilities and infrastructure for public use. These structures contribute to the long-term development of the regions in which they are built. In this regard, their activities can have a significant impact on these regions and on the people and stakeholders involved. The impact can vary widely and can generate risks for Group companies, in particular with regard to their reputation, image, acceptability or licence to operate. There are several types of social risk, as mentioned below, and they are analysed during tender preparation and at each stage of a project. They often serve as decision-making tools for the companies as well as for customers, whose expectations in this realm are increasing. Solutions are then developed and tailored to the situation, in liaison with the development teams, so as to integrate these expectations in the early stages of the project. VINCI analyses the issues surrounding projects developed by Group companies in the region concerned and reaches out to local stakeholders to understand their expectations. This analysis is regularly re-evaluated throughout the life of the project, depending on changes in business activities.

1.5.3.1 Human rights violations

Definition

VINCI companies perform activities that are closely connected with the areas in which they operate; these areas have very different labour standards. Nevertheless, they must meet international standards of human rights: the Global Compact, which VINCI signed in 2003, the UN Guiding Principles on Business and Human Rights and the ILO Fundamental Principles.
If Group companies or their subcontractors do not ensure that they respect human rights in their operations, they could be involved in controversies with employees, their representatives, human rights organisations, local communities and residents, international organisations or financial institutions. Human rights violations and the conflicts they might engender have a strong impact on the company's image, in particular in the eyes of customers, investors and current or potential employees, because working conditions are central to the Group's values.

Risk management procedures

Human rights violations	Impact on activities	Risk mitigation methods
Causes - Construction sector at risk by its very nature, because it involves a high proportion of labour, is cyclical and project-oriented, and because there are many participants in the value chain - Lack of personnel training and clear guidelines *Development* - Owing to better regulation and increased awareness in civil society, human rights violations are now more clearly identified.	- Damage to the Group's reputation in the event of identified human rights violations - Legal proceedings and potential conflicts with personnel representative bodies and human rights organisations - Lack of credit with investors and international organisations - Unfavourable image in recruitment of young talent	- Developing and disseminating VINCI human rights guidelines (https://www.vinci.com/vinci.nsf/en/item/guide-on-human-rights.htm), identifying Group-level risks and the related guidelines in favour of human rights - Identifying risks in the region and implementing the appropriate legal and management tools (clauses for subcontractors, election of personnel representatives, etc.) - Evaluating human rights in subsidiaries - Implementing training and raising awareness among managers and other employees - Taking part in sectoral and collaborative human rights initiatives

1.5.3.2 Acceptability of projects to external stakeholders

Definition

For certain stakeholders, the regional development projects carried out by VINCI companies constitute major changes in the local area. They transform transport routes, develop neighbourhood social and economic interaction, change natural environments and landscapes, etc. Even though the Group's construction and/or concession companies do not have the decision-making power to initiate these projects – they become involved at the project design stage at the earliest – they are often perceived as sharing responsibility with the contracting authorities. For this reason, Group companies must do their best to create a constructive dialogue with the affected stakeholders, providing relevant information and carrying out the additional analyses that might be required.

Risk management procedures

Acceptability of projects to external stakeholders	Impact on activities	Risk mitigation methods
Causes - Limited or insufficient consultation and cooperation in certain development projects - Doubts resurfacing about the usefulness of certain infrastructure projects - Complexity in evaluating the responsibility of each participant *Development* - The number of challenges to development projects is increasing significantly in all countries where VINCI operates.	- More resources and analysis devoted to evaluating the impact of projects - Longer lead-times and more constraints - Deterioration in the customer relationship - Potential harm to the Group's reputation if it takes part in a particularly controversial project	- Identifying potential sources of project controversy when responding to calls for tender - Implementing coordination with external stakeholders and strengthening governance with the customer - Managing unplanned events with the appropriate insurance company departments - Training employees in consultation methods

1.5.3.3 Contribution to regional economic development

Definition

Group companies contribute to regional economic development and help to structure territories, both urban and rural. VINCI companies create value that cannot be delocalised. They produce value locally in the form of income, subcontracting, ancillary activities, local tax revenue and support for non-profit organisations. Local stakeholders, be they elected officials, companies, public institutions, local residents, training centres, etc., expect to reap these benefits. If the actual benefits are less than those initially projected, stakeholders might direct their disappointment against the construction companies, because the public and society at large are increasingly demanding of corporate contribution to the development of the local economy.

Risk management procedures

Contribution to regional economic development	Impact on activities	Risk mitigation methods
Causes - Limited resources (financial, human, technical, time) devoted to the project - Lack of partnerships with local entities *Development* - Given reductions in public spending in the principal countries where the Group operates, socioeconomic benefits deriving from development projects might be lower or different from those initially expected.	- Financing from local government authorities that feel they did not receive sufficient socioeconomic benefits from the project might be partially cancelled or delayed - Potential harm to the Group's reputation in the event it does not follow through on commitments with regard to regional economic and social development	- Precise, upstream evaluation of the socioeconomic impact of a project when responding to calls for tender (Utopies® method used in the Group) and after the project - Forging local partnerships with economic, social, institutional, academic and non-profit entities - Developing the skills of locally recruited employees, especially those hired under programmes to help people integrate the workforce - Implementing mechanisms to support local citizen initiatives

1.6 Financial and economic risks

1.6.1 Counterparty risk and credit risk

Definition

The Group is exposed to counterparty risk stemming from contracts and financial instruments contracted with banks and other financial institutions, should the debtor be unable to honour all or part of its commitment. The consequence for VINCI may be a loss of value (in its cash investments, the acquisition of negotiable debt securities, marketable securities, financial receivables, derivative instruments and guarantees or sureties received) or a loss of liquidity (on the amounts of its unused, confirmed credit facilities). VINCI is also exposed to credit risk on client default, as described in paragraph 1.1 above, "Operational risks".

Risk management procedures

The Group's counterparty and credit risk exposure and its procedures to manage them are specified in Note J.25.3 to the consolidated financial statements, page 323.

1.6.2 Liquidity risk

Definition

Group liquidity must be evaluated via its cash and unused, confirmed bank credit facilities.
The Group's exposure to liquidity risk stems from its existing debt repayment obligations, the financing of its future needs associated in particular with concession companies' investment programmes, and the Group's general needs.

Risk management procedures

The Group diversifies its funding sources by using bond markets, commercial banks and supranational banking organisations such as the European Investment Bank (EIB).
Some financing agreements include accelerated maturity clauses in the event of non-compliance with financial covenants. At 31 December 2018, VINCI was in compliance with the thresholds imposed under these ratios.
Net cash is managed using a reporting system that includes the yield of the various assets and the level of associated risks.
In light of these measures, the Group considers that it will have no exposure to liquidity risk in 2019.
Details of the above elements can be found in Note J "Financing and financial risk management" to the consolidated financial statements, page 311.

1.6.3 Market risks (interest rates, currency, equity and commodity risks)

Definition

VINCI is exposed to changes in interest rates on its floating rate debt and to changes in credit spreads applied by lenders. The Group is also exposed to currency risk stemming from its activities outside the eurozone. In 2018, these represented approximately 29% of total revenue.

Risks associated with commodity prices vary according to business activities. Exposure to oil prices mainly affects Eurovia's roadworks activities, which consume bitumen and, to a lesser extent, fuel. It is worth noting that Eurovia sources 34% of its aggregates from its own quarries. Lastly, fluctuations in prices for hydrocarbons (oil and gas) affect the revenue of oil companies and oil-producing countries that are clients. They may reduce or postpone investments and thereby have an impact on the planned workload of any Contracting entities concerned.

Equity risk relates to listed shares held directly or indirectly by VINCI: treasury shares, other shares, assets to cover retirement benefit obligations, etc.

Risk management procedures

The risk on commodity price increases is relatively limited because, as stated in paragraph 1.1.1 and Note J.25.4 to the consolidated financial statements (page 323), a large share of the Group's revenue is generated under short-term contracts or contracts containing price-indexing clauses. As a general rule, unprocessed raw materials form a small proportion of cost structures.

In the case of multi-year and/or fixed-price contracts, the risk of fluctuations in prices for commodities is assessed on a case-by-case basis and managed via the use of:

- firm price agreements with suppliers for a given time period;
- cash-and-carry deals, with supplies bought or paid for by the client at the beginning of the site works;
- more marginally, hedging derivatives based on commodity indexes, particularly where the supplier uses a price review mechanism based on an index that can be hedged in financial markets. In view of these arrangements, the Group considers this risk to be properly managed.

The risk of listed equities is described in Note J.25.4 to the consolidated financial statements, page 323, as well as in Note B.3 "Treasury shares" to the parent company financial statements, page 347.

1.6.4 Risks of financial rating downgrade

Definition

VINCI enjoys investment grade ratings granted by two rating agencies, Standard & Poor's and Moody's.

This rating gives the Group access to the financial markets at favourable terms and enables it to secure long-term resources to meet its investment needs.

Credit ratings may be downgraded by the agencies as a result of events significantly affecting VINCI's financial condition or a change in the agencies' methodology. Depending on the extent of such downgrades, the Group's financing terms could become more expensive and its access to the financial markets more difficult.

Risk management procedures

To reduce this risk, VINCI monitors the financial ratios (actual and projected) tracked by the agencies and contributing to the determination of the rating, maintains regular dialogue with agency analysts and tracks any agency methodology changes that might have an impact on the Group's rating. In addition, when the Group is considering a major acquisition, it performs financial projections to simulate the acquisition's impact on its financial structure. For the most significant acquisitions, these simulations are presented to the rating agencies so as to obtain their preliminary opinion on the potential impact of the proposed transaction on the Group's rating.

1.6.5 Changes in the economic and tax environment

Political uncertainty, changes in commodity prices and slowing economic growth could lead to a worsening of conditions on markets where VINCI operates. This could weaken demand and heighten competition.

In addition, harsher tax provisions in countries exposed to rising government debt levels are putting further pressure on the profit margins of Group companies. Given uncertainty about the future course of tax provisions, their impact cannot always be incorporated into proposals made to customers, or into external growth transactions.

2. Risk management principles and participants

2.1. Introduction

2.1.1 Reference framework and definitions

In July 2010, the Autorité des Marchés Financiers (AMF, the French securities regulator), published a document entitled "Risk management and internal control systems: reference framework". The VINCI Group uses this document as its reference framework.

The risk management and internal control systems participate in a complementary manner in keeping control over the Group's businesses. The two systems aim to identify and analyse the principal risks to which the Group's subsidiaries are exposed. They contribute to:

- preserving the value, assets and reputation of the Group;
- securing decision-making procedures and other internal processes;
- ensuring that initiatives are in line with the Group's values;
- fostering a shared view among employees of the principal risks.

These systems, however well designed and implemented, cannot provide an absolute guarantee that the Group will achieve its objectives.

2.1.2 Scope of risk management and internal control

In addition to setting up a specific system for the VINCI holding company, the Group also ensures that appropriate risk management and internal control systems function in its subsidiaries.

The scope of risk management and internal control covers fully consolidated subsidiaries (see Note B.2 "Changes in consolidation scope" to the consolidated financial statements, page 275).

2.2 Environment and organisation

2.2.1 Principles of action and conduct

The businesses in which VINCI operates require the personnel involved to be geographically close to customers in order to ensure the prompt delivery of solutions that are suited to their needs. To enable the manager of each business unit – of which there are around 3,200 in total in the Group – to take the required operational decisions rapidly, each business line has put in place an organisational structure suitable for its own needs and decentralised to different extents depending on the activities involved.

In this context, the Group has delegated authority to operational and functional staff at all levels of the organisation. These staff fulfil their responsibilities in compliance with the general guidelines (see paragraph 2.4.2) and with VINCI's principles of action and conduct:
• compliance with the rules common to the whole Group in respect of commitments, risk-taking (see paragraph 2.4.3), acceptance of contracts (see paragraph 2.4.3), and reporting of financial, accounting and management information (see paragraph 2.4.5);
• transparency and loyalty of managers towards their line management superiors and towards the central functional departments of the business lines and the holding company. An integral part of operational managers' duties is to take decisions on matters falling within their area of responsibility, within the framework of the general guidelines they have received and accepted. Nevertheless, any significant difficulties encountered must be handled with the assistance, as necessary, of their line management superiors and/or the functional departments of the business lines or the VINCI holding company;
• compliance with the laws and regulations in force in the countries where the Group operates;
• a culture of financial performance.

2.2.2 Organisational structures involved in risk management and internal control

VINCI's **Board of Directors** is a collegial body responsible for defining the Group's strategic choices, ensuring that these choices are properly implemented and that the Group functions properly. It carries out the controls and verifications that it believes are timely and appropriate. It considers all major matters concerning the Group's business. In its annual management report, the Board sets out the principal risks and uncertainties the Group faces.
In 2003, the Board adopted a set of internal rules and created four specialised committees: the Audit Committee, the Strategy and CSR Committee, the Remuneration Committee, and the Appointments and Corporate Governance Committee. The tasks delegated to the **Audit Committee** and the principal activities carried out in 2018 in this regard are presented in chapter C, "Report on corporate governance", of the Report of the Board of Directors, page 148. They take into account the measures resulting from the 17 March 2016 Order relating to statutory auditing, as well as the revisions made to the Afep-Medef code in November 2016.
The **Executive Committee**, composed of 13 members at 5 February 2019, is in charge of implementing the Group's strategy, and of defining and monitoring the application of its risk management, finance, human resources, safety, information systems and insurance policies.

The holding company's functional departments ensure that the Group's rules and procedures as well as the decisions of VINCI's Executive Management are correctly enforced. Furthermore, these departments advise business lines on technical matters without interfering with operational decisions, which are the responsibility of the business lines under the Group's decentralised structure. The holding company had a staff of 294 people at 31 December 2018.

To support the implementation and deployment of compliance programmes in the business lines and to ensure fair business practices, an **Ethics and Vigilance Department**, reporting to the Group's Executive Management, was created on 1 January 2018, and an **Ethics and Vigilance Committee** was created in March 2018. This seven-member committee includes five Executive Committee members and ensures that the compliance procedures covered by the Code of Ethics and Conduct are deployed and amended as necessary, in particular with regard to:
• combating corruption;
• preventing serious violations of human rights and fundamental freedoms, harm to human health and safety or damage to the environment resulting from Group activities.
The Committee met eight times in 2018 and will report annually on its activity to the Board of Directors' Strategy and CSR Committee. The Group's duty of vigilance plan is presented in section 4 of chapter E, "Workforce-related, environmental and social information" on page 228 of the Report of the Board of Directors.

A **VINCI Information Systems Security Committee** was created at the end of 2018. The committee's role is to:
• validate the VINCI information systems security strategy and allocate the resources and funding necessary to implement it;
• be aware of incidents and manage major information system security crises;
• examine the key performance indicators of information system security.
The Information Systems Security Committee is composed of VINCI's Executive Vice-President and CFO, who is also the Executive Committee's information systems security coordinator, the Group's Chief Information Officer, the VINCI's Chief Information Security Officer, the Chief Audit Officer, and VINCI's Chief Security Officer. It will meet twice a year and report on its activity to the Board of Directors' Audit Committee.

The **Audit Department**'s role covers the following areas:
• risk management: based on guidelines from the Group's Executive Management, it heads up the deployment and implementation of a structured system that makes it possible to identify, analyse and handle the principal risks. In this framework, the Audit Department provides methodological support to the subsidiaries' operational and functional departments. It organises and ensures the follow-up for the meetings of the VINCI Risk Committee (see paragraph 2.4 below, page 185), which reviews and authorises tenders exceeding certain thresholds set by the Group's Executive Management or presenting particular technical or financial risks;
• internal control: in addition to drafting and disseminating the general internal control procedures set by the holding company, the Audit Department organises an annual self-assessment survey of internal control. In 2018, 576 legal entities, representing 86% of the Group's consolidated activities, were evaluated. Apart from the two chapters covering recurrent topics related to the internal control system and to financial and accounting information, to which a new chapter on compliance oversight was added in 2017, the specific topic highlighted this year was control of cyber risks. The survey was conducted using specialised software that also enables entities to manage their action plans. It included a statement signed by the company officers and the chief financial officers of the participating entities indicating whether internal control was both sufficient and enforced. The report prepared by the holding company's Audit Department was presented to the Audit Committee in December 2018;
• participation in running the fraud prevention system in collaboration with the Security, Information Systems, Treasury and Financing departments;

• auditing: the department carries out its own assignments in the field, alongside or in support of the work performed by the business lines as well as assignments related to internal alert procedures. In 2018, 30 audits were carried out in the Group, in support of business line audits. One of the assignments was to verify the procedures for monitoring and maintaining bridges and tunnels at VINCI Autoroutes following the collapse of the Genoa bridge in August 2018.
These various controls did not reveal any problems that might have a significant impact on the Group's business or financial statements.

The work of the holding company mainly consisted of coordinating the rollout of:
• compliance oversight in the Group;
• cybersecurity policies in the Group's various business lines;
• the social and environmental policy in the Group's various business lines;
• the policy to bring data processing into compliance with the EU's new General Data Protection Regulation (GDPR).

2018 activities are summarised in the table below:

Missions	Description	2018 business
Risk management	- Risk mapping in the 12 business lines and divisions [1], and the holding company - Risk Committee	- Annual review - 310 committee meetings for 359 projects presented by business lines
Internal control	- Self-assessment survey	576 entities questioned representing 86% of revenue
Fraud prevention	- Register of fraud attempts	- 1,700 alerts - 4 recommendations
Audit	- Support for business line audits	30 joint audits between business lines and holding company

The **Insurance Department** proposes and implements the Group's insurance strategy, as validated by the Executive Management (see paragraph 2.5 below).

The **business lines** carry out their activities based on the principles of action and conduct described in paragraph 2.2.1 above. The operational teams in each business line are monitored at several levels – operational management and support functions (cost control, quality, safety, information systems) – and are subject to periodic internal audits.
Various committees bring together the people involved in decision-making, in particular the VINCI Risk Committee (see paragraph 2.4.3 for information on how it functions), the business line risk committees, and the treasury committees (see Note J.25 to the consolidated financial statements, page 317).

2.3 Management of business risks

The policy set by VINCI's Executive Committee aims to comply with the legal requirements and to ensure that risks are monitored in as formalised, systematic and uniform a manner as possible. Risk monitoring is integrated into the reporting process (for accounting and financial, health and safety, social and environmental data) and into the schedules set by the existing procedures related to commitments and periodic monitoring of operations as described in paragraph 2.4 below. Through this approach, the Executive Management is informed on risks that have materialised, their consequences and related action plans.

Risk maps have been created for the Group's 12 main business lines and divisions [1] as well as for the holding company, thereby encompassing all the Group's activities, in line with the methodology of the white paper entitled "Implementing the AMF reference framework". These maps are reviewed annually. The review involves:
• listing the main sources of identifiable risk, either internal or external, that represent obstacles to the achievement of the Group's objectives and which can be financial risks, risks to people or reputation risks;
• assessing risk severity on a qualitative scale, taking into account the potential impact, likelihood, and degree of control of the various events constituting risks;
• implementing proper handling of these risks.
Risk scorecards are created for each business line, based on the principal entities' risk maps. They are used to present and assess, in a uniform manner, events that might affect projects examined by the Risk Committee.

2.4 Internal control

The main procedures described below are common to all companies in the Group. They are complemented by specific procedures within each business line, in particular for the monitoring of projects and forecasting of results.

2.4.1 Compliance with laws and regulations

The Legal Department of the holding company is responsible for:
• maintaining a legislative watch related to the various applicable rules;
• informing affected employees about rules pertaining to securities transactions;
• monitoring major acquisition projects and disputes.

(1) VINCI Autoroutes, VINCI Airports, VINCI Concessions, VINCI Immobilier, VINCI Energies, Eurovia, VINCI Construction France, VINCI Construction International Network, VINCI Construction UK, Soletanche Freyssinet, Entrepose and the Major Projects Division of VINCI Construction.

The main measures relating to legal and regulatory controls are presented in paragraphs 3.4, "Information relating to ethical practices", and 3.5, "Information relating to actions taken in favour of human rights", of chapter E, "Workforce-related, environmental and social information", pages 225 to 228.

2.4.2 Application of the guidelines and instructions of the Executive Management

The Chairman of VINCI Autoroutes, the Chief Executive Officer of VINCI Concessions, the Chairmen of the companies heading business lines in the Contracting business (VINCI Energies, Eurovia and VINCI Construction), and the Chairman of VINCI Immobilier exercise the powers given to them by law. Under the Group's internal organisation, they are also required to comply with the general guidelines issued for them by VINCI's Chairman and Chief Executive Officer.

These guidelines apply to the following areas:
• adherence to the VINCI Manifesto, the Code of Ethics and Conduct, and the supplementary anti-corruption code of conduct;
• new commitments;
• reporting to the holding company of accounting and financial information, and information relating to human resources, safety, environment, human rights, disputes and litigation, insurance policies and claims, etc.

These general guidelines include compliance with the holding company's procedures regarding bidding or investments. These procedures define the thresholds above which specific authorisation must be obtained from the appropriate committees, namely the Risk Committee (see paragraph 2.4.3 below) or the Board of Directors' Strategy and CSR Committee, or where prior notification must be given to the Chairman and Chief Executive Officer of VINCI and/or to certain VINCI functional departments.

These guidelines are cascaded through the organisation by the heads of the business lines to their operational and functional staff for the provisions concerning them, as well as to managers serving as company officers in the companies in their business line.

2.4.3 Procedures related to commitments and the VINCI Risk Committee

The role of the VINCI Risk Committee is to assess, ahead of the commitment phases:
• acquisitions and disposals of businesses;
• the terms and conditions of tenders for construction works which, by virtue of their complexity, specific financing characteristics, location or technical characteristics, entail specific risks, especially those of a technical, legal or financial nature;
• property development transactions;
• public-private partnerships (PPPs), concessions or long-term commitments.

The monetary thresholds for vetting by the VINCI Risk Committee before a bid is submitted are defined in the general guidelines. Thresholds below those necessitating a review by the Risk Committee require that an information sheet be sent to VINCI's Executive Management.

The VINCI Risk Committee has the following members:
• the Chairman and Chief Executive Officer of VINCI or a delegated executive vice-president for the largest projects;
• the Chairman (or Chief Executive Officer) of the business line involved;
• the Executive Vice-President and Chief Financial Officer of VINCI for property development projects, concession projects and acquisitions;
• the Chief Audit Officer;
• the operational representatives of the entity presenting the project.

2.4.4 Procedures related to monitoring of operations

The business lines each have an operations monitoring system that is tailored to the specific nature of their activities and that enables them to monitor the progress of projects and contracts as well as human resources (HR) indicators. These systems are compatible with those used to prepare and process financial and accounting information as described below, as the holding company performs a consolidation for the principal indicators.

Monthly dashboard reports on business, new orders, the order book and the Group's net financial debt are prepared on the basis of information provided by the business lines.

The senior managers of the business lines and divisions prepare a monthly report on key events.

The budget procedure is common to all Group business lines. It is built around five key dates in the year: the initial budget for year Y at the end of year Y-1, followed by four updates in March, May, September and November of year Y.

The business lines also participate in regular monitoring of VINCI's social and environmental responsibility commitments as indicated in the "Sustainable development" chapter, page 21, and in HR monitoring, with a particular emphasis on the safety of people working at each of the Group's sites.

2.4.5 Procedures related to financial and accounting information

The Budgets and Consolidation Department, reporting to the Finance Department, is responsible for the integrity and reliability of VINCI's financial information (VINCI SA and consolidated financial statements), which is disseminated inside and outside the Group. To ensure the statements are produced, the department is specifically in charge of:
• preparing, approving and analysing VINCI's half-year and annual parent company and consolidated financial statements, as well as quarterly information, forecasts and the monthly dashboard reports;
• identifying, consolidating, monitoring and controlling the off-balance sheet commitments of the Group's subsidiaries;
• establishing, disseminating and monitoring the Group's accounting procedures and checking their compliance with the accounting standards in force;
• coordinating the Group's financial information system, which includes the consolidation process and unifies VINCI's various reporting systems.

The Budgets and Consolidation Department establishes the timetable and closure instructions for the preparation of the quarterly, half-year and annual accounts and disseminates these in the business lines. The Group's accounting rules and methods are available on VINCI's corporate intranet. At each accounts closing, business lines transmit a package to the Budgets and Consolidation Department containing an analysis of the consolidated data submitted and comments thereon.
The Statutory Auditors present their observations, if any, on the half-year and annual accounts to the Audit Committee before they are presented to the Board of Directors.

Before signing their reports, the Statutory Auditors request representation letters from VINCI's Executive Management and senior management of the business lines.

2.5 Insurance cover against risks

2.5.1 Overall policy

VINCI's general insurance policy places a strong emphasis on prevention and risk protection. Given the Group's decentralised organisation, this policy is defined at several levels of responsibility.

VINCI's Executive Management, based on recommendations from the Insurance Department, lays down the general guidelines and in particular the standards applicable to all subsidiaries.

Within this framework, and after identifying and analysing the risks relating to their activities, the managers of the business lines or major subsidiaries define the optimum trade-off between the level and extent of the guarantees available in the market and the cost level (premiums and uninsured losses) enabling business units to remain competitive. With a view to preventing accidents and optimising costs, policyholder deductibles are defined on an individual subsidiary basis. Self-insurance budgets have been set up for liability insurance, motor vehicle insurance, and property and casualty insurance in certain business lines.

In addition to subsidiaries' own specific cover, VINCI also takes out cover on behalf of all its subsidiaries, in particular regarding:
- supplementary liability cover in addition to the first levels of cover arranged by subsidiaries;
- liability protection for company officers;
- liability for environmental damage;
- fraud risks;
- cyber risks.

VINCI has its own brokerage firm, VINCI Assurances, in charge of consolidating insurance policies and harmonising cover within the Group. VINCI Assurances acts as a broker for most of the French subsidiaries and bears no financial risk as an insurer.

2.5.2 Loss prevention and claims record

Loss prevention arrangements are systematically adopted on construction sites as well as operating sites. This policy, which places importance on training, forms part of the VINCI companies' approach to quality assurance and the prevention of workplace accidents.
The Group's claims record in the area of civil liability is characterised, on the basis of available statistics and without prejudging any actual liability in the specific cases involved, by a small number of incidents involving more than €1 million, a few medium-sized incidents, ranging from €100,000 to €1 million, and a high number of small incidents (several thousand) of less than €100,000 each. To a large extent, this last category is borne directly by subsidiaries as policyholder deductibles or under self-insurance cover.

2.5.3 Insurance in concessions and service activities

Property and business interruption insurance

Operating infrastructure under concession involves potential Group damage exposure to assets under its responsibility, whether accidental or not, that could result in an obligation to rebuild (including the related costs), and to financial consequences resulting from the interruption of operations and debt service requirements to financing providers. Business interruption insurance is intended to allow concession operators to restore an income stream interrupted or reduced by an accidental event affecting the normal operation of an asset, thus enabling the operator to meet any financial commitments towards lenders and cover ordinary operating overheads during the reconstruction period.

As a general rule, bridges and tunnels are insured for accidental destruction. Resulting operating losses are also guaranteed, less the deductible, which varies from one contract to another and is expressed as a fixed amount or as a number of days of interruption. Linear infrastructure (motorways and rail lines), the complete destruction of which is deemed highly unlikely, is not systematically covered for business interruption losses, since the total and prolonged shutdown of their operations is not taken into consideration. Deductibles are determined on a case-by-case basis to ensure that the concession's earnings are not materially affected by an accidental interruption in traffic.

Liability insurance

Concession assets operated by VINCI subsidiaries in France or elsewhere are also covered by specific liability insurance arrangements, which are coordinated with the complementary cover at Group level. These arrangements are specifically designed to meet local legal requirements and those specified in concession agreements. Concession operations in which VINCI is a minority shareholder do not generally benefit from the Group's complementary liability insurance taken out on behalf of all entities.

Responsibility linked to airport activity is covered by specific airport operator liability insurance programmes:
• the programme set up by the Union des Aéroports Français (UAF) for the French airports managed by VINCI Airports;
• a VINCI programme for airports under concession in Portugal, Cambodia, the Dominican Republic, Brazil and Serbia;
• specific programmes for all other countries, undersigned by the concession companies.

2.5.4. Insurance in contracting activities

Liability insurance
Subsidiaries are exposed to their liability for bodily, physical or consequential damage caused to third parties, including customers or project owners.

The liability insurance taken out by the Group comprises the primary coverage put in place at subsidiary level, intended to cover usual incidents, and additional coverage taken out for the common benefit by VINCI.

In addition to this basic cover, specific insurance is taken out as a result of legal or contractual requirements or management decisions, particularly in areas such as:
• 10-year liability in France;
• motor vehicle liability insurance.

Property and casualty insurance
Contractor's All Risks (CAR) insurance is generally taken out for major construction sites. In particular, this covers physical damage arising from accidents or natural events up to the value of the project as a maximum.

Office buildings and fixed production facilities are covered for a contractual rebuilding value. Site plant and equipment are covered case by case and depending on the economic advantage of insuring them, based on value, type and age.

Vehicles, which are mostly pooled within fleets by subsidiary, are generally covered only by third-party insurance.

2.6. Tasks to be carried out in 2019 and beyond

VINCI aims to improve its risk management and internal control organisation within the Group, while maintaining streamlined central structures, both at the holding company level and at the level of the business lines, in accordance with the Group's decentralisation principles. The Group's internal audit department will pay particular attention to the international dissemination of the Group's rules regarding compliance, cybersecurity, CSR and personal data protection.

E. Workforce-related, environmental and social information

This report is compiled pursuant to Articles L.225-102-1, R.225-104 and R.225-105 of the French Commercial Code, as well as French Order no. 2017-1180 and Decree no. 2017-1265. It is based on such international reporting guidelines and standards as the Global Reporting Initiative (see the cross-reference table on page 365) and ISO 26000. It has also been prepared in compliance with the decree on companies' disclosure requirements for social and environmental data, and presents the duty of vigilance measures implemented by VINCI.

It contains four sections:
- workforce-related information (pages 190 to 202);
- environmental information (pages 202 to 214);
- social information (pages 214 to 228);
- duty of vigilance plan (pages 228 to 245).

VINCI's sustainable development policy and strategy are presented on pages 20 to 29 of this Annual Report. Additional, regularly updated information is available on the Group's website at www.vinci.com, in particular examples of the innovative approaches implemented by the Group's companies, arranged by category and type of challenge. VINCI requests one of its Statutory Auditors to issue an opinion on the completeness and sincerity of its workforce-related, environmental and social reporting. The report on this audit work and its conclusions, along with a note about the reporting methods used by VINCI, is presented on pages 245 to 248. In addition to complying strictly with legislation, VINCI has voluntarily committed to observing the 10 principles of the UN's Global Compact and to reporting annually on its progress in this area. VINCI has also made a commitment to Global Compact France (the French branch of the Global Compact Network) to promote these initiatives among businesses. Advance, a sustainable development self-assessment questionnaire, enables managers to review the Group's workforce-related, environmental and social categories, and take strategic decisions related to them. The method was developed by VINCI in accordance with the principles of the Global Compact, the fundamental conventions of the International Labour Organisation (ILO) and ISO 26000. VINCI's sustainable development policy also encompasses the Sustainable Development Goals that were adopted by the United Nations General Assembly in 2015, and which officially went into effect on 1 January 2017.

Global Compact implementation

Commitments/Principles	Initiatives in 2018
Human rights	
1. To support and respect the protection of internationally proclaimed human rights within the Group's sphere of influence.	- Ongoing work of the human rights working group, which brings together the human resources directors of companies that operate in potentially sensitive regions. - Publication, translation into 21 languages and broad dissemination within the Group of VINCI's Guide on Human Rights to teach best practices in this area. Publication of the Guide on the Group's website. - Continuation of the dissemination of the Group's Subcontractor Relations Guidelines, which cover all the Group's business activities and countries where it operates.
2. To ensure that Group companies are not complicit in human rights abuses.	- Publication, translation into 21 languages and broad dissemination within the Group of VINCI's Guide on Human Rights to teach best practices in this area. Publication of the Guide on the Group's website. - Ongoing integration of the "Labour standards and human rights" chapter in the Group's new framework contracts with its suppliers. - Implementation of tools to measure risk and performance in matters concerning human rights for Group companies. Development of an e-learning module to raise awareness and provide information about human rights issues.
Labour standards	
3. To uphold the freedom of association and the effective recognition of the right to collective bargaining.	- 1,190 collective agreements signed. - Organisation of measures to promote labour-management relations in countries where VINCI operates that have not ratified the International Labour Organisation's conventions on trade union rights.
4. To uphold the elimination of all forms of forced and compulsory labour.	- Risks explained in VINCI's Guide on Human Rights, including definitions and case studies. - Inclusion of specific clauses to prohibit forced and compulsory labour in framework contracts with suppliers.
5. To uphold the effective abolition of child labour.	- Risks explained in VINCI's Guide on Human Rights, including definitions and case studies. - Inclusion of specific clauses to prohibit child labour in framework contracts with suppliers.
6. To uphold the elimination of job and occupational discrimination.	- Diversity programme rolled out via the Group's worldwide network of 288 diversity coordinators. - Diversity courses included in the training of the Group's operational managers. - Guidebook produced by VINCI distributed to all diversity coordinators to prepare them to lead local meetings to heighten awareness of stereotypes, fight against discrimination and promote equal opportunities for all.
Environmental protection	
7. To support a precautionary approach to environmental challenges.	- Measures to systematically take environmental criteria into consideration at the earliest stages of projects and when assessing business activity risk, product risk (REACH) and pollution prevention. - Nearly 37,000 hours of environmental training across the Group. - Voluntary participation in the rating of the transparency and performance of corporate water strategy by CDP Water - Disclosure, resulting in a management score of C. - Continued high ranking in the CDP Climate Change Program with a score of A-. - Systematic application of life cycle analysis during tender and design phases: multi-criteria analysis of each phase of the project life cycle.
8. To undertake initiatives to promote greater environmental responsibility.	- Ongoing work to conserve biodiversity in partnership with environmental non-profit organisations: introduction of environmental labels at worksites, training courses, best practice handbooks.
9. To encourage the development and dissemination of environmentally friendly technologies.	- Implementation of measures to limit energy consumption and greenhouse gas emissions. Development of electricity consumption from renewable energy sources. - Development of biodiversity conservation initiatives: ecological engineering services, protection of urban biodiversity, combating invasive non-native species. - Support given to the research and teaching efforts of the VINCI-ParisTech Chair in the Eco-design of Buildings and Infrastructure: 15 research projects involving VINCI correspondents and three conferences per year.
Anti-corruption	
10. To work towards combating all forms of corruption, including extortion and bribery.	- Further reinforcement of internal controls through the creation of an Ethics and Vigilance Department. - Ongoing distribution of the Code of Ethics and Conduct among all VINCI employees. Translation into 26 languages to facilitate distribution and understanding. - Distribution of the anti-corruption code of conduct. Translation into 26 languages to facilitate distribution. - Rollout of an anti-corruption e-learning module for Group entities. - Development of a whistleblowing procedure allowing any employee to report serious violations of the Group's rules and commitments, especially those relating to anti-corruption. - Inclusion of social responsibility criteria including anti-corruption in the supplier and subcontractor selection process, as well as in framework contracts with VINCI subsidiaries. - Implementation of Advance, a sustainable development self-assessment questionnaire that deals in particular with fundamental social rights; the questionnaire is intended for the management committees of Group companies.

VINCI has submitted its workforce-related, environmental and social information for review by its Statutory Auditors since 2002. In 2018 the Group designated one of its Statutory Auditors as an independent third party to attest to the inclusion and fair presentation of the CSR information published in this report, in compliance with Decree no. 2012-557 of 24 April 2012 on companies' disclosure requirements for social and environmental data. As well as checking the consolidation of information from the different business lines, the independent third party carries out interviews and surveys on the application of the guidelines at subsidiaries. In 2018, the following subsidiaries were interviewed: Dodin Campenon Bernard, Entrepose, Eurovia, Soletanche Freyssinet, VINCI Airports (Dominican Republic), VINCI Construction Dom-Tom, VINCI Construction International Network, VINCI Construction Grands Projets, VINCI Construction UK, VINCI Energies International & Systems, VINCI Stadium. International companies are closely monitored, particularly in Brazil, the Dominican Republic, Morocco, Romania and the United Kingdom. Environmental data is presented in compliance with Decree no. 2012-557 of 24 April 2012, in application of Article 225 of France's Grenelle II Environment Act of 12 July 2010, and additional provisions set forth in Decree no. 2016-1138 of 19 August 2016 on changes resulting mainly from the law on the energy transition for green growth (Article 173) and the law on combating food waste. The following regulatory subjects are not dealt with in the report because they have not been identified as being among the major challenges facing the activities of the Group's companies:
- fighting food insecurity;
- respect for animal welfare;
- responsible and sustainable food production and fair food trade.

VINCI also meets the requirements of Order no. 2017-1180 of 19 July 2017 and Decree no. 2017-1265 of 9 August 2017, which transposed the European directive on disclosure of non-financial information by certain large undertakings and groups into French law.

Having been one of the first French companies to support voluntary reviews of its data, VINCI is continuing its efforts. The Group considers transparency with respect to stakeholders to be an element of its performance. The data presented in this report is consolidated using the same method as VINCI's financial data. Some entities, such as QDVC (Qatari Diar VINCI Construction Grands Projets), are still consolidated proportionally.

1. Workforce-related information

1.1 General human resources policy

This section follows precisely Article 225 of France's Grenelle II Environment Act. It is also based on the standards of the Global Reporting Initiative (GRI) – see the cross-reference table on page 365.

VINCI's economic development policy is based on a complementary set of short- and long-term business activities performed through a decentralised organisation. The Group's employees are vital to the success of its business model. Its operating methods therefore prioritise people over systems and are based on the view that sustained business success requires an ambitious approach to human resources. To support its growth, in particular outside France, since 2010 the Group has applied employee development plans adapted to its forward-looking management of jobs and skills. The measures involve all phases of staff's occupational life, be it recruitment, the annual appraisal, training, collegial workforce review, direct exchanges. New information and communications technologies are used to implement individual development plans covering such areas as job mobility and training, and extending to the employee's departure from the company due to retirement, end of employment contract, and so on.

As a major player in very fragmented and extremely competitive sectors, VINCI works hard to stand out by producing compelling results.

An employer brand campaign, entitled "You will enjoy working with us", was launched at the beginning of 2018. The idea was to communicate that, in addition to education and professional experience, VINCI firmly believes in the importance of the human qualities of its future employees. Disseminated exclusively via social media, the campaign was highly successful and mainly appealed to students, based on the growing number of logins on the Group's recruitment websites. This employer brand programme was extended further through VINCI Camp. Under this initiative, information days have been or are to be held at the six Insa engineering schools in France between December 2018 and March 2019. These events allow students and faculty to discover the Group through the prism of its social commitments and promote the integration of social issues into technical education programmes.

1.2 Employment

1.2.1 Workforce

At the end of 2018, VINCI had 211,233 employees in more than 100 countries, higher than the number at year-end 2017 (194,428 employees). This increase reflects both a recovery in business activity for some companies in the Contracting business, especially in Europe, and the inclusion of new companies within the Group. Staff employed by European entities as a percentage of the total workforce came to more than 75% in 2018. Staff employed outside Europe increased, from 22% of the total workforce in 2017 to nearly 25% in 2018, in particular due to business growth in the Americas.

VINCI's companies have held up well against strong market fluctuations by implementing a number of human resources management methods, including more coordination between regional activities and solidarity measures, as well as efforts to facilitate job transfers between regions and sectors in order to keep pace with changing activities.

Workforce at 31 December 2018 by geographical area and by business line, with change

	2018									2017	2018/2017
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	%	Total	Change
France	**6,168**	**1,085**	**529**	**34,873**	**23,285**	**31,790**	**1,198**	**98,928**	**46.8%**	**96,621**	**+2.4%**
United Kingdom	-	-	26	955	2,642	5,468	-	**9,091**	4.3%	8,943	+1.7%
Germany	-	-	34	11,152	3,642	346	9	**15,183**	7.2%	14,728	+3.1%
Benelux	-	-	-	5,032	529	218	6	**5,785**	2.7%	5,597	+3.4%
Central and Eastern Europe	-	1,974	45	3,057	5,332	3,966	-	**14,374**	6.8%	11,724	+22.6%
Rest of Europe	-	3,521	95	10,273	433	1,462	4	**15,788**	7.5%	13,875	+13.8%
Europe excl. France	**-**	**5,495**	**200**	**30,469**	**12,578**	**11,460**	**19**	**60,221**	**28.5%**	**54,867**	**+9.8%**
Americas	**-**	**1,701**	**770**	**5,568**	**7,777**	**7,442**	**-**	**23,258**	**11.0%**	**16,496**	**+41.0%**
Africa	**-**	**-**	**-**	**2,363**	**-**	**12,650**	**-**	**15,013**	**7.1%**	**13,654**	**+10.0%**
Rest of the world	**-**	**1,744**	**9**	**4,001**	**-**	**8,059**	**-**	**13,813**	**6.5%**	**12,790**	**+8.0%**
Total	**6,168**	**10,025**	**1,508**	**77,274**	**43,640**	**71,401**	**1,217**	**211,233**	**100%**	**194,428**	**+8.6%**

At 31 December 2018, VINCI's workforce consisted of 40,172 managers and 171,061 non-managers. Since 2013, the percentage of managers has grown from 18% to 19%. Over the same period, the percentage of female staff rose from 14.2% to 15.4% of total staff, representing an 8.4% increase. Women account for 14.4% of non-managers and 19.9% of managers.

Workforce at 31 December 2018 by category, gender and business line, with change

	2018									2017	2018/2017
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	%	Total	Change
Managers	**1,021**	**1,051**	**456**	**14,488**	**5,359**	**17,064**	**733**	**40,172**	**19.0%**	**37,769**	**+6.4%**
Men	652	666	304	12,056	4,582	13,496	408	**32,164**	80.1%	30,492	+5.5%
Women	369	385	152	2,432	777	3,568	325	**8,008**	19.9%	7,277	+10.0%
Non-managers	**5,147**	**8,974**	**1,052**	**62,786**	**38,281**	**54,337**	**484**	**171,061**	**81.0%**	**156,659**	**+9.2%**
Men	2,960	6,157	583	55,099	34,110	47,448	151	**146,508**	85.6%	135,150	+8.4%
Women	2,187	2,817	469	7,687	4,171	6,889	333	**24,553**	14.4%	21,509	+14.2%
Total	**6,168**	**10,025**	**1,508**	**77,274**	**43,640**	**71,401**	**1,217**	**211,233**	**100%**	**194,428**	**+8.6%**
Men	3,612	6,823	887	67,155	38,692	60,944	559	**178,672**	84.6%	165,642	+7.9%
Women	2,556	3,202	621	10,119	4,948	10,457	658	**32,561**	15.4%	28,786	+13.1%

The age structure at VINCI shows an even breakdown between the various age brackets. In five years, the share of the workforce aged under 25 has remained at around 9%, while the over-50 age bracket has remained stable at about 26%.

Workforce at 31 December 2018 by age and business line, with change

	2018									2017	2018/2017
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	%	Total	Change
Under 25	110	777	184	8,432	3,642	6,881	144	**20,170**	9%	17,605	+15%
26-35	390	2,793	582	19,682	9,601	21,412	398	**54,858**	26%	50,547	+9%
36-50	2,710	4,560	570	29,048	17,053	27,866	436	**82,243**	39%	76,842	+7%
Over 50	2,958	1,895	172	20,112	13,344	15,242	239	**53,962**	26%	49,434	+9%
Total	**6,168**	**10,025**	**1,508**	**77,274**	**43,640**	**71,401**	**1,217**	**211,233**	**100%**	**194,428**	**+9%**

1.2.2 Recruitment and departures

The rise in staff levels between 2017 and 2018 is the result of a turnaround in activity in the Contracting business in some European countries, and of the Group's international expansion, in particular in the Americas. Employee turnover of approximately 26% in 2018, which is in line with that of the sector, results from the expiry of worksite contracts, in particular outside France. This reflects a Group recruitment policy adapted to new worksites.

1.2.2.1 Recruitment

Worldwide, the proportion of permanent jobs (permanent job contracts, unlimited-term contracts, site contracts) rose from nearly 49.3% in 2017 to 53.6% in 2018. VINCI again pursued its recruitment policy in 2018. In particular, 4,863 young people were hired, accounting for more than 16% of all new hires in permanent jobs. VINCI hired 56,554 people worldwide in 2018, including 30,299 in permanent jobs (10,941 in France).

1.2.2.2 Types of employment contract

Of the Group's 211,233 staff worldwide at end-2018, 182,492 were employed under permanent job contracts and 28,741 under non-permanent contracts (primarily fixed-term contracts in France). The Group's business lines make use of temporary staff to adjust labour needs to the pace of their business activities. In 2018, 14,306 temporary staff (full-time equivalent) worked for VINCI in France, up 7.6% from 2017. VINCI promotes the inclusion of young people on work-study programmes to help them acquire both on-the-job experience and classroom training. It signed the "Charter in favour of training through work-study programmes" with France's Ministry for Apprenticeship and Professional Training in 2011. On average over the year, 5,029 young people received training under work-study programmes within the Group in 2018 (4,478 in 2017).

Workforce at 31 December 2018 by type of employment contract and business line, with change

	2018									2017	2018/2017
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	%	Total	Change
Permanent job contracts(*)	6,019	8,478	1,172	70,341	40,160	54,111	1,078	**181,359**	86%	167,296	+8%
Site contracts(**)	-	-	-	171	178	784	-	**1,133**	0%	1,082	+5%
Non-permanent job contracts(***)	77	1,523	316	3,706	2,148	15,173	49	**22,992**	11%	20,936	+10%
Work-study programmes	72	24	20	3,056	1,154	1,333	90	**5,749**	3%	5,114	+12%
Total	**6,168**	**10,025**	**1,508**	**77,274**	**43,640**	**71,401**	**1,217**	**211,233**	**100%**	**194,428**	**+9%**
Temporary staff (full-time equivalent)	6	425	6	9,379	3,828	13,889	28	27,561	13%	23,769	+16%

(*) Unlimited-term contracts for France.
(**) Contract type specific to France.
(***) Fixed-term contracts for France.

VINCI promotes local employment and career progression within the Group. Intra-group staff transfers totalled 2,298 in 2018. Group companies offer international volunteering programmes that give graduates the opportunity to work abroad. In 2018, 196 people were welcomed under these programmes, a slight decrease on the number in 2017 (214). The Group had 1,703 expatriate employees at end-2018.

Worldwide intra-group transfers

	2018								
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	Percentage of 2018 staff
Transfers within a business line	9	8	4	1,189	278	646	4	2,138	93%
Transfers to another business line	4	3	7	41	31	65	9	160	7%
Total	**13**	**11**	**11**	**1,230**	**309**	**711**	**13**	**2,298**	**100%**

1.2.2.3 Reasons for departure

Contracting business operations take place at temporary worksites over a relatively short period. They typically employ a large number of people whose contracts expire once the project is completed or who seek employment with another local company to avoid having to move. In the Concessions business, particularly in the Motorways business line, the seasonal variations in activity also explain the number of departures, which are included under the line item "expired contracts".

Departures by business line, with change(*)

	2018									2017	2018/2017
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	%	Total	Change
Expired contracts(**)	1,009	1,211	143	3,429	4,110	12,252	87	**22,241**	45%	18,714	+19%
Resignations	31	255	67	5,659	2,228	5,117	49	**13,406**	27%	11,443	+17%
Redundancies	-	-	-	303	159	796	-	**1,258**	3%	1,756	-28%
Dismissals	47	79	22	1,993	1,010	2,678	19	**5,848**	12%	4,598	+27%
Other reasons(***)	91	102	30	2,101	1,364	2,474	73	**6,235**	13%	5,842	+7%
Total	**1,178**	**1,647**	**262**	**13,485**	**8,871**	**23,317**	**228**	**48,988**	**100%**	**42,353**	**+16%**

(*) Excluding changes in consolidation scope.
(**) Expiry of fixed-term, site or work-study contract, or retirement.
(***) Includes termination during trial period and mutually agreed contract termination for France and others.

1.2.2.4 Workforce reduction and employment protection plans, redeployment efforts, rehiring and support measures

When the economic environment is challenging, and as VINCI's business activities cannot be relocated, senior management and human resources managers work together to ensure economic and social solidarity through job mobility and redeployment plans, which are facilitated by the Group's extensive presence. VINCI Insertion Emploi (ViE), the Group entity specialising in employment, leveraged its expertise in 2018 to support businesses that needed to reduce their workforce and help their employees develop a long-term career path. Also, when VINCI makes an acquisition, it strives to retain staff whenever possible, since they are the guardians of valuable skills and expertise, while benefiting from Group synergies to share resources and operate in networks. Some Group companies occasionally implement redundancy plans or redeploy employees. On the major sites, Group companies manage large-scale redundancy and staff redeployment moves. VINCI's Human Resources Department and local HR managers conduct monthly reviews of sites that are experiencing business or employment difficulties in and outside France, and define suitable employment policies with them.

1.3 Remuneration and employer social contributions worldwide

1.3.1 General remuneration policy

The remuneration policy is based on common principles of allowing staff to take part in their company's success through profit-sharing and incentive plans that reward individual performance. It is in keeping with the Group's decentralised management structure. These principles are implemented through different means in the countries where VINCI operates, in accordance with national contexts, laws and regulations. Employee remuneration takes different forms: wages, bonuses, profit-sharing, incentive plans, employee share ownership, insurance and retirement plans, and other company benefits. VINCI encourages the improvement of all these efforts. All employees, regardless of position, are rewarded in accordance with their responsibilities and performance.

At the end of 2018, 97% of employees in France benefited from incentive plans and/or profit-sharing agreements. VINCI distributed higher amounts in France under profit-sharing and incentive plans than the previous year (€163.4 million, up from €151.6 million shared from the Group's growth in 2017).

Employee benefits, with change

(in € millions)	2018	2017	2018/2017 change	Of which France 2018	Of which France 2017	2018/2017 change
Incentive plans	**83.7**	79.9	+4.8%	72.3	68.3	+5.9%
Profit-sharing	**102.5**	95.9	+6.9%	91.1	83.3	+9.4%
Welfare protection	**42.7**	40.6	+5.2%	35.3	33.9	+4.1%
Employer contribution	**203.5**	130.7	+55.7%	185.9	113.6	+63.6%
Total	**432.4**	**347.1**	**+24.6%**	384.6	**299.1**	**+28.6%**

1.3.2 Remuneration and employer social contributions

Payroll expenses totalled €9,987 million in 2018 (€9,215 million in 2017). Payroll-to-revenue remained stable on 2017, at about 23%.

All the Group's main human resources directors meet on a monthly basis, at which time they share best practices and set forth guidelines relating to remuneration and employer social contributions, which vary in accordance with the labour laws of each country and as a function of the manager and non-manager categories. VINCI presents these consolidated figures for the world and France.

The analysis performed each year of gaps in remuneration shows that men have historically held the operating positions, which partially explains the lag in remuneration between men and women, although women are making headway in these jobs (see section 1.8.2). Each entity carries out the analysis of remaining pay gaps and ensures equal remuneration for the same job and job potential.

Remuneration and employer social contributions worldwide

	Total		Managers		Non-managers	
(in € thousands)	2018	2017	2018	2017	2018	2017
Average VINCI salary	**37**	36	**65**	64	**30**	29
Men	**37**	36	**68**	67	**30**	29
Women	**33**	33	**50**	50	**27**	27
Employer social contributions	**33%**	34%	**38%**	38%	**31%**	32%

In the case of France, the presentation shows more precise segmentation: managers; office, technical and supervisory staff; and manual workers. Figures designate gross annual averages in thousands of euros.

Remuneration and employer social contributions in France

	Total		Managers		Office, technical and supervisory staff		Manual workers	
(in € thousands)	2018	2017	2018	2017	2018	2017	2018	2017
Average VINCI salary	**41**	41	**67**	67	**34**	34	**29**	29
Men	**42**	41	**71**	71	**35**	35	**29**	29
Women	**39**	38	**53**	53	**30**	30	**28**	26
Employer social contributions	**47%**	46%	**49%**	48%	**48%**	47%	**43%**	43%

1.3.3 Employee savings plans

1.3.3.1 Employee share ownership

VINCI continued its employee savings efforts, carrying out three share issues during the year, as provided for under the terms of its Group savings plan in France. The regularity of share issues ensures the strength and continuity of this plan, which has been available to employees since 1995.
Employee investment in the Castor fund, which invests exclusively in VINCI shares, is encouraged through a 5% discount on a predetermined share price and an employer contribution. Employer contributions were raised in 2018. To encourage more employees to participate in its savings plan, especially those within the lowest pay bracket, in 2018 VINCI increased the percentage of its matching contributions to 200% of the amount invested by employees for the first tranche of savings, and raised its maximum annual contribution to €3,500 (€2,500 in 2017). The new employer contributions break down as follows:

- 200% up to €500;
- 100% from €501 to €2,000;
- 50% from €1,001 to €4,000.

The employer's maximum annual contribution per employee thus amounts to €3,500. The total employer's contribution for the Castor Fund was over €185 million for France in 2018.

To support its international business development and strengthen staff's sense of belonging to the Group, VINCI decided to extend its employee savings arrangements by giving employees in countries other than France the chance to acquire (directly or indirectly) VINCI shares at preferential prices and thereby give them a greater interest in the Group's financial performance and growth. In 2018, a new plan was initiated in 31 countries(*) to benefit employees that have been working at least six months at subsidiaries in which VINCI owns more than a 50% stake. The plan covered about 500 subsidiaries. Subject to holding their shares for three years, employees may receive an employer contribution from VINCI in the form of a bonus share award, deferred to avoid initial taxation (with exceptions) and dependent on employees remaining with the Group for the required time period.

To develop these plans outside France, VINCI decided to carry out a similar plan in 2019 in 36 countries, adding five countries – Finland, Norway, Greece, Cameroon and Italy – and bringing the number of employees covered to about 80,000 in 550 subsidiaries. This increases the plan's coverage to more than 75% of Group employees outside France who are eligible to become VINCI shareholders.

In eight years, staff covered by the employee savings plan has climbed from about 59% to 88% of Group employees worldwide.

Coverage of employee savings plans

	2014	2015	2016	2017	2018
Number of countries covered (including France)	24	28	30	30	**31**
Percentage of employees covered	88%	87%	88%	88%	**88%**

At end-2018, just over 130,000 current and former Group employees held 9% of VINCI shares via the various investment funds invested in VINCI shares. Collectively, its employees are VINCI's largest shareholder, reflecting their confidence in their Group's future. At the same date, the average employee portfolio totalled more than €31,700.

Created in 2011, VINCI's Employee Shareholders' Circle had about 14,000 members at 31 December 2018, up slightly from the preceding year. The Circle offers a toll-free phone number and a secured and personalised space on VINCI's internet and intranet websites. Employee shareholders may use these facilities to register as Circle members or participate in events such as discovery tours of Bordeaux, Lyon, Marseille or Paris, as well as visits to worksites or VINCI projects. The e-letter "En Direct" keeps readers informed of Group events and news.

1.3.3.2 Retirement plans

In France, the Group's collective retirement savings plan, Perco Archimède, came into force in December 2010 in France following the collective agreement with French trade unions CFDT, CFE-CGC and CFTC on 25 June 2010. It rounds out the Group savings plan, and is gradually gaining in popularity. This plan was established to allow employees to offset reduced income from mandatory pension plans and to save for retirement under more attractive terms than they could obtain individually. It allows them to:

- receive a lump-sum payment or annuity upon retirement;
- manage their investment themselves or opt for guided management;
- select from a wide range of investment vehicles in accordance with their particular savings or investment profile.

To help its employees more in forming a supplementary retirement plan, in 2016 VINCI decided to double the percentage and amount of the matching contributions it makes: voluntary contributions are now matched 100% with an annual ceiling of €400 for contributions of €400. At end-September 2018, almost 32% of employees in France had subscribed to the Perco Archimède plan, more than 59% of whom were under the age of 50. The average portfolio value was nearly €2,035, an increase of 3% from 2017. The percentage of investments under guided management continued to rise steadily to reach 54%, while 46% were managed by employees themselves.

Employer contributions to the Group's collective retirement savings plan totalled €4.8 million in 2018 for France, up 12% from the €4.3 million contributed in 2017.

(*) Australia, Austria, Bahrain, Belgium, Brazil, Cambodia, Canada, Chile, Czech Republic, Dominican Republic, Germany, Hong Kong, Indonesia, Luxembourg, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Peru, Poland, Portugal, Romania, Singapore, Slovakia, Spain, Sweden, Switzerland, UAE, UK and USA.

In 2013, VINCI established a fixed-contribution supplementary pension plan in France to help executives and other management-level personnel form a supplementary pension plan and take into account the mandatory pension plans affecting this personnel category in particular. Called Reverso, this plan complements Perco Archimède, which is available to all personnel in France, and combines the technical, financial, social and tax advantages of a company pension plan with those of an individual plan. The plan is vested exclusively by annuity.
Reverso is funded by equal contributions from employee and employer (based on the contribution rate rising proportionately to remuneration), and the basic contributions are deductible from the employee's taxable income, as are any additional contributions the employee chooses to make. The plan was set up under an insurance contract between VINCI SA and the insurer ACM-Vie in the summer of 2013 and has since been rolled out at subsidiaries. At end-2018, Reverso was available to all Group subsidiaries and eligible employees in France, covering 746 companies and representing a potential of 25,000 employees.

1.4 Organisation of working hours

1.4.1 Hours worked and overtime

Working hours in all VINCI Group companies are subject to each country's legal requirements and collective agreements. In 2018, employees worked nearly 360 million hours. The percentage of overtime hours has been stable for more than a decade, at between 4% and 6% of hours worked, compared with 5.5% in 2018, for a total of more than 19 million hours in 2018.

Organisation of working hours, with change

	2018			2017	2018/2017
	Managers	Non-managers	Total	Total	Change
Total hours worked	66,836,919	292,843,893	**359,680,812**	334,545,509	+8%
Of which overtime	*375,195*	*19,346,732*	***19,721,927***	*15,743,161*	*+25%*
Number of part-time employees	969	5,561	**6,530**	6,081	+7%

1.4.2 Absenteeism

Employees were absent from work 3.7 million days out of 48 million calendar days in 2018. Absenteeism represented almost 8% of working days. The percentage of non-occupational illnesses in absenteeism has been stable at about 60% for more than a decade (58% in 2018). The percentage of workplace accidents stood at 4.1% of total days of absenteeism.

Days of absenteeism by cause and by business line, with change

	2018									2017	2018/2017
(in number of calendar days)	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding cos.	Total	%	Total	Change
Non-occupational illness	104,612	47,203	5,867	905,262	513,821	543,354	8,285	**2,128,404**	57.8%	2,015,315	+5.6%
Workplace accident	5,449	7,364	500	36,537	40,118	60,797	75	**150,840**	4.1%	156,510	-3.6%
Commuting accident	822	1,966	106	10,910	7,972	8,081	71	**29,928**	0.8%	30,079	-0.5%
Recognised occupational illness	1,014	482	-	12,160	22,759	25,734	-	**62,149**	1.7%	62,417	-0.4%
Maternity/paternity leave	5,074	17,147	4,130	134,817	58,248	98,748	5,753	**323,917**	8.8%	288,846	+12.1%
Short-term work	-	-	-	7,261	9,271	22,273	-	**38,805**	1.0%	80,237	-51.6%
Other cause	13,630	17,026	1,368	209,879	328,993	377,656	2,287	**950,839**	25.8%	777,492	22.3%
of which weather events(*)				*15,767*	*144,409*	*87,354*		*247,530*	*6.7%*	-	-
Total	**130,601**	**91,188**	**11,971**	**1,316,826**	**981,182**	**1,136,643**	**16,471**	**3,684,882**	**100%**	**3,410,896**	**+8.0%**

(*) Indicator not reported in previous years.

1.5 Health and safety

1.5.1 General health and safety policy

Achieving zero accidents remains VINCI's priority. This objective, reiterated in VINCI's Manifesto, applies not only to VINCI employees but also to temporary staff and anyone else on a VINCI site, including the employees of joint contractors and subcontractors and on sites under operation (motorway and airport users, etc.). The Group encourages and supports its subcontractors and suppliers in this effort by sharing tools and resources with them and involving them in safety actions. Safety performance has improved significantly since this priority policy began to be implemented, in particular in recent years, with the reduction in frequency of lost-time workplace accidents to 6.10 (from 7.77 in 2013). VINCI's commitment to attain zero accidents was confirmed in a statement issued in 2017 with the Group's European Works Council. The statement provides a set of guidelines for the essential and fundamental steps to be taken, along with measures for progress and initiatives within Group companies to explore ways of improving health protection and the prevention of occupational risks. It upholds the shared belief that progress can only take place with the support of all employees and their representatives by promoting a culture of workplace safety.

In 2018, the Group continued its drive to instil a culture of safety awareness in all employees as well as its work on the reporting and analysis of near-miss incidents. The early detection of near-miss and at-risk situations helps keep down the number of accidents but, above all, contributes to the creation of a daily safety awareness culture. Taking further steps in this area, VINCI joined the Institute for an Industrial Safety Culture (ICSI) in 2018 and will join the Foundation for Industrial Safety Culture (FonCSI) in 2019 to take part in a research programme on ensuring safety in the future. The Contracting business lines regularly organise safety events throughout the world. In 2018, these events included World Safety Week organised by VINCI Energies and VINCI Construction, and Eurovia's International Prevention Day.

The inclusion of temporary staff and subcontractors in safety training and awareness activities continues to develop within the Group. Moreover, safety data on temporary staff and subcontractors is increasingly included in performance monitoring indicators.

1.5.2 Health and safety of VINCI employees

The main goal of the Group's health and safety policy is to anticipate and prevent occupational hazards, including psychosocial risks. It also consists in ensuring the quality of hygiene, health, safety and quality of life in the workplace, and ensuring the redeployment of employees who have suffered a workplace accident or illness. The health and safety coordination system ensures the implementation of VINCI's H&S policy. This worldwide system brings together the health and safety managers in all the business lines. It aims to foster the sharing of best practices, improve the reliability of H&S indicators, and propose new ways of making progress in keeping with each business activity's specific situation. Accident prevention Pivot Clubs and internal collaborative platforms help disseminate and monitor safety measures for the community made up of several hundred H&S coordinators and managers.

Training, awareness and employee support campaigns are among the various measures taken to promote health and safety. With respect to occupational health actions, the Group's initiatives, campaigns and reports focus mainly on substance abuse, studies of workstation ergonomics and musculoskeletal disorders. A number of measures have been taken to upgrade equipment and tools and to implement flexible work arrangements. Several companies in France develop their policy on improving quality of life in the workplace in partnership with the French national agency for the improvement of working conditions (Anact). Training programmes for managers have been developed at most Group business lines to reinforce the culture of safety among management.

As a result of these various actions, the proportion of companies with no lost-time workplace accidents has risen from 66% to 72% in five years, which represents an improvement of more than 9%.

Frequency and severity rates, percentage of VINCI companies with no lost-time workplace accidents, with change

	Group				Of which France		
	2018		2017	2018/2017 change	2018	2017	2018/2017 change
Lost-time workplace accident frequency rate(*)	**6.10**	☑	6.60	-7.6%	**8.54**	9.33	-8.5%
Lost-time severity rate(**)	**0.42**	☑	0.47	-10.6%	**0.81**	0.85	-4.7%
Percentage of companies with no lost-time workplace accidents	**72%**	☑	72%	0%	**66%**	65%	+2%

(*) Lost-time workplace accident frequency rate = (number of lost-time workplace accidents x 1,000,000)/number of hours worked.
(**) Lost-time severity rate = (number of days lost due to workplace accidents x 1,000)/number of hours worked.
☑ The indicators presented in the table have been checked to a level of reasonable assurance.

In five years, the frequency of lost-time accidents declined from 7.77 in 2013 to 6.10 in 2018.

Frequency and severity rates of lost-time workplace accidents by business line

	Frequency rate		Severity rate	
	2018	2017	2018	2017
Concessions	**11.31**	**13.42**	**0.55**	**0.58**
VINCI Autoroutes	4.45	6.71	0.66	0.74
VINCI Airports	14.61	18.93	0.57	0.55
Other concessions	15.79	9.28	0.15	0.19
Contracting	**5.74**	**6.09**	**0.41**	**0.46**
VINCI Energies	4.79	5.23	0.29	0.36
Eurovia	7.15	7.15	0.59	0.56
VINCI Construction	5.92	6.30	0.44	0.49
Group	**6.10** ☑	**6.60**	**0.42** ☑	**0.47**

☑ The indicators presented in the table have been checked to a level of reasonable assurance.

In 2018, occupational illnesses recognised in the Group were responsible for 62,149 days lost out of a total of 48 million days worked.

Number of days lost through recognised occupational illnesses and the severity and frequency rates, with change

	Group			Of which France		
	2018	2017	2018/2017 change	2018	2017	2018/2017 change
Days lost through recognised occupational illness	**62,149**	62,417	-0.4%	**61,789**	62,020	-0.4%
Recognised occupational illness frequency rate(*)	**0.80**	0.99	-19.2%	**1.88**	2.21	-15.4%
Recognised occupational illness severity rate(**)	**0.17**	0.19	-10.5%	**0.42**	0.43	-2.3%

(*) Occupational illness frequency rate = (number of recognised occupational illnesses x 1,000,000)/hours worked.
(**) Occupational illness severity rate = (number of days lost through occupational illness x 1,000)/hours worked.

1.5.3 Health and safety of temporary staff

Under the terms of the Group's framework agreement in France with its partners, temporary employment agencies participate fully in the Group's health and safety policy aims, notably its zero accidents objective.
A new list of approved temporary employment agencies came into effect on 1 January 2016. They are selected from the Group's framework agreement based on stricter occupational health and safety criteria.

The gap between the workplace accident frequency rates of VINCI employees and temporary staff reflects differences in the jobs performed, in safety awareness, and in technical know-how and experience. Reports on workplace accidents involving temporary staff enable VINCI companies to take concrete action to prevent them from recurring. The accident frequency rate was 15.03 in 2018. After a period of economic crisis, the use of temporary staff increased. Worldwide, the number of temporary staff rose from 23,769 in 2017 to 27,561 in 2018 (full-time equivalent).

Lost-time workplace accident frequency of temporary staff worldwide and by business line, with change (*)

	2018	2017	2018/2017 change
Concessions	29.68	6.22	+377.2%
Contracting	14.81	14.53	+1.9%
Total	**15.03**	**14.40**	**+4.4%**

(*) Temporary staff lost-time workplace accident frequency rate = (number of lost-time workplace accidents involving temporary staff x 1,000,000)/number of hours worked by temporary staff.

1.5.4 Subcontractor health and safety

Subcontracting accounted for €8.2 billion in 2018, around 19% of Group revenue. In VINCI's business activities, subcontracting is multifaceted and performed on diverse levels, and some VINCI companies also act as subcontractors. Under such complex circumstances, many VINCI companies have signed framework agreements with their subcontractors. The zero accidents objective is the common denominator in these agreements, which include special clauses covering the wearing of personal protective equipment, and reporting of workplace accidents and ongoing information on any change in worksite hazards. VINCI's Subcontractor Relations Guidelines underscore the Group's determination to ensure that the employees of its partner companies work under the same safety conditions as those of its own staff. The guidelines are disseminated by the regional Pivot Clubs where the regional managers of the Group's businesses meet regularly and exchange ideas.

1.5.5 Health and safety agreements

As part of its health and safety policy, VINCI negotiates and enters into specific agreements with trade unions and employee representatives on subjects related to improving staff working conditions, thereby enhancing the overall performance of Group companies. In 2018, the main subjects of collective bargaining were remuneration, working conditions and arrangements, especially relating to quality of life in the workplace.
In France, the public authorities decided to use labour-management discussions to develop the regulatory measures set up in 2015 relating to arduous work conditions. VINCI contributed to this dialogue and actively pursued it in its occupational fields in 2018, and will continue to do so in the years ahead.
The joint statement on occupational health and safety at VINCI was signed by Xavier Huillard and the secretary of the Group Works Council, Noureddine Boudjeniba, on 1 June 2017. It sets out four fundamental actions: accident risk analysis, wearing of protective equipment provided, implementation of procedures and processes to assess risks, and safety awareness.

1.6 Labour relations and collective agreements

1.6.1 General policy regarding dialogue between management and labour

VINCI's policy regarding dialogue between management and labour reflects its fundamental principles: recognising the role played by trade unions in the Group and the right of employees to belong to a union; achieving a constant balance between union involvement and close links with professional activities; facilitating communication and meetings between trade union representatives and employee representative bodies; ensuring that employee and trade union representatives are properly informed and trained by involving them in the Group's major initiatives (e.g. in the areas of health, safety, sustainable development, gender equality, and employing people with disabilities); and working to foster communication and collective bargaining worldwide. In this regard, dialogue between management and labour is confirmed as a key component to the success of the Group Manifesto and its commitments.

VINCI's decentralised organisational structure facilitates dialogue between management and labour at all Group levels. In 2018, 8,274 employees around the world served as employee representatives (including 6,977 in France). An overall budget of €220,000 is distributed to the trade unions represented on the Group Works Council in proportion to their membership, with the aim of assisting them and giving them the means of exercising their mandates.

In countries that have not ratified the International Labour Organisation's conventions on trade union rights, VINCI companies are working to give employees the means of expressing themselves.

1.6.2 Employee representative bodies

Employee representative bodies strengthen dialogue between management and labour by working with the various local organisations that oversee occupational hygiene, health, safety and working conditions.

A number of organisations covering specific cases or national situations have been set up to complement individual companies' employee representative bodies. France, for example, has a Group Works Council comprising representatives from about 50 entities that meets at least twice a year. It receives information about the Group's business and financial situation, employment trends and forecasts, and health and safety actions at Group and company levels. It is kept informed of the economic and business outlook for the coming year and has access to the Group's financial statements and the associated Statutory Auditors' reports. It is also informed, prior to any decision, of any significant projects that may affect the Group's consolidation scope or its legal or financial structure, and of their potential impact on employment. In certain business lines, bodies have also been established for each business activity to ensure the continuity of dialogue between management and labour.

The European Works Council takes up discussions within these various local or national organisations at the European level. The council's mandate, renewed in 2018 under an agreement signed by 15 out of 16 organisations, makes provisions for representatives from 15 countries in which VINCI operates: Austria, Belgium, the Czech Republic, France, Germany, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland and the United Kingdom. The role of the council, which meets once a year, is to inform and consult with employee representatives of the Group's subsidiaries in the European Economic Area and Switzerland. To ensure that the members of the European Works Council are properly informed and trained in CSR issues and to involve them in implementing CSR measures taken by the Group, a CSR commission was created in 2018 until the end of the forthcoming term. At end-2018, the council was composed of 45 representatives.

1.6.3 Trade union freedoms

Since almost 84% of the Group's business is in Europe, the European Works Council is the prime guarantor of freedom of association and the right to organise. An online platform was set up for members of the European Works Council to improve communication within the council and better inform employees of VINCI's European subsidiaries about the council's work. To fulfil its role, every year the European Works Council receives three days of training on legal, economic and social issues.
Elsewhere, VINCI companies observe the laws and regulations of the countries in which they do business. Operational managers are assisted by human resources managers, who propose the solutions best adapted to local conditions and in compliance with VINCI's commitments to observe trade union freedoms.

1.6.4 Collective agreements

The collective agreements negotiated and signed by VINCI companies are a concrete example of the Group's decentralised approach to human resources management, which takes account of the realities on the ground and aims to improve working conditions, health and safety, and the organisation of working hours. In 2018, 1,190 collective agreements were signed, of which 19% outside France.

The agreement to promote labour-management relations covering all the French companies of the VINCI Group was signed with labour representatives at end-2015, confirming consultation with employee representatives as one of VINCI's core values. This agreement provides for reinforcing the information forwarded to employee representatives and for assistance for them throughout their terms of office and also following the expiry of their terms. A joint commission has been set up to offer an alternative to disputes about restrictions on exercising terms of office to represent staff. At the end of their term of office, representatives receive a contribution to their personal training account (CPF account), subject to certain conditions relating to length of term, to help them acquire the skills needed to facilitate their reintegration into the workforce.

Collective agreements by category, with change

	2018	Portion of total agreements	2017	2018/2017 change
Flexible work arrangements	138	11.6%	104	+32.5%
Economic and social database	4	0.3%	-	0.0%
Equality and diversity	65	5.5%	55	+18.2%
Union rights	93	7.8%	64	+45.3%
Economic and Social Committee procedures	32	2.7%	-	0.0%
Training	16	1.3%	13	+23.1%
Job and skill management systems	21	1.8%	51	-58.8%
Mandatory negotiations (topic, frequency, etc.)	7	0.6%	-	0.0%
Collective performance	-	0.0%	-	0.0%
Health and safety	31	2.6%	49	-37.8%
Welfare protection	35	2.9%	92	-62.0%
Remuneration and benefits	592	49.7%	594	-0.3%
Pensions	16	3.7%	19	-15.8%
Collective mutual termination	-	0.0%	-	0.0%
Other	73	6.1%	112	-34.8%
Total	**1,190**	**100%**	**1,153**	**+3.2%**

More than 49% of the agreements related to salary. Among the other collective agreements, many involved flexible work arrangements, with 138 agreements signed in 2018. The number of agreements relating to union rights rose from 64 in 2017 to 93 in 2018.

1.6.5 Collective conflicts

Absenteeism due to strikes is very marginal at VINCI. In 2018, employee absences due to strikes totalled 5,161 days (of which 2,682 in France) out of a total of 48 million days worked in the year. Salary demands, mainly stemming from national actions, were the main cause of the strikes.

1.7 Training

1.7.1 General training policy

The main goals of the general training policy are to share the fundamentals of the Group's business culture among all employees and to transmit know-how and expertise in order to meet clients' expectations and be their best partner, as well as to maintain a high level of operational performance. This policy also strives to promote the inclusion and career development of each employee via technical and management training as well as meetings devoted to personal and career development.

Skills development is driven by the need of each business activity to improve productivity and adapt to changing techniques and technologies. With the trend towards ever more complex and comprehensive engineering structures, new training needs arise as business lines work more closely together.

To achieve these goals, VINCI's business lines and divisions have set up internal training centres. At Group level, VINCI Academy organises cross-disciplinary management and project management training programmes, and other courses for senior managers of the Group and its operational subsidiaries. VINCI Academy continued to revamp its pedagogical approach in 2018. Rollout of the new online learning solution continued at Group entities throughout the year. The tool is designed to serve as a comprehensive knowledge base for disseminating the Group's approaches and expertise.
Three new e-learning modules have been introduced for all VINCI employees. The first covers anti-corruption, the second the right to disconnect, and the third is designed to provide support for Group employees on the application of the European General Data Protection Regulation (GDPR).

In 2018, the training courses delivered by internal training centres as a proportion of all training courses was stable, at 23%. During the year, VINCI pursued its Group strategy by accelerating the creation of training content in innovation, project management, human resources management, safety, know-how and skills development for staff and subcontractors, as well as partners.

The increasing use of digital technology and new learning techniques made such acceleration possible. To expand its range of training courses, VINCI Autoroutes launched a digital learning development programme. The programme meets the goals of its companies to provide their employees with ongoing training opportunities through new self-study formats, which they can use outside the workplace. This ambitious project will add 30 newly developed training modules to the existing set of courses by the end of 2019. Training content covers a wide range of topics designed for employees from all business lines and departments, including construction, human resources, prevention, viability, IT, tolls, services, legal issues, sustainable development, customer management, and traffic information and safety.
The VINCI Energies Academy is also upgrading its learning methods with digital tools and modular workspaces to promote interactivity, collaboration and creativity. Based on sharing and interaction, this training approach emphasises the ability to learn with others while giving trainees a proactive role in the learning process. One of the key training courses available from VINCI Energies was redesigned into a business game in which participants, organised into workshops, can share their work in real time using interactive screens. The next step will be to provide training in virtual classrooms. This format brings back the "physical" presence of the instructor while saving time and meeting remote learning needs.
Innovation was the focus of Eurovia's training programme in 2018. Several training courses on innovation were introduced in France to support the company's development plan. The programme features a seminar for branch managers called "The Keys to Innovation" to help them explore innovation and the startup ecosystem while introducing the fundamentals of design thinking.

Activity of internal training centres: number of training hours, with change

Business line	Internal training centre	Number of training hours in 2018	2018/2017 change	Number of trainees in 2018	2018/2017 change
VINCI (*)	**VINCI Academy**	**10,080**	**+66.1%**	**806**	**+73.0%**
Concessions		**150,006**	**-23.5%**	**23,883**	**+13.9%**
VINCI Autoroutes	Parcours ASF, Parcours Cofiroute, Parcours Escota	136,154	-13.5%	21,060	+8.5%
VINCI Airports	VINCI Airports Academy	13,852	-64.3%	2,823	+81.9%
Other concessions		-	0.0%	-	0.0%
Contracting		**724,999**	**+12.9%**	**51,147**	**+20.6%**
VINCI Energies	VINCI Energies Academy	180,835	+14.8%	12,097	+25.2%
Eurovia	Eurovia Academy	99,454	+0.9%	4,745	-6.2%
VINCI Construction	Cesame, Eugene Freyssinet Centre, Sogea-Satom Centre, VINCI Construction Grands Projets	444,710	+15.1%	34,305	+23.8%
Total		**885,085**	**+4.8%**	**75,836**	**+18.8%**

(*) VINCI Academy covers all VINCI Group business lines in France and abroad.

1.7.2 Training initiatives

In 2018, an average of 19 hours of training was provided per employee within the Group. Managers received 21 hours and non-managers 18 hours, with 74% of managers receiving training. More than €225 million was spent on training in 2018. Nearly 3.8 million hours of training (up 10% from 2017) were given, mainly involving technical areas (39%), and health and safety (39%). In 2018, VINCI advanced its goal of fostering the professional development of all its employees by providing each of them with personalised training: 141,276 employees received training, representing 69% of staff.

Breakdown of training hours by subject, with change

	2018							2017	2018/2017
	Managers	Non-managers	Men	Women	Total	%	Of which France	Total	Change
Admin and support	132,227	176,163	203,833	104,557	**308,390**	**8.1%**	172,020	270,061	+14.2%
Diversity	4,000	19,014	19,267	3,747	**23,014**	**0.6%**	3,639	15,250	+50.9%
Environment	7,781	29,186	29,205	7,762	**36,967**	**1.0%**	13,651	53,924	-31.4%
Ethics and vigilance	7,700	4,612	10,241	2,071	**12,312**	**0.3%**	5,344	-	0.0%
Health and safety	206,908	1,273,207	1,364,888	115,277	**1,480,115**	**38.8%**	761,609	1,306,245	+13.3%
Languages	61,090	79,126	93,490	46,726	**140,216**	**3.7%**	45,435	130,087	+7.8%
Management	161,126	110,412	225,895	45,643	**271,538**	**7.1%**	149,322	233,614	+16.2%
Technical	226,219	1,248,256	1,305,785	168,690	**1,474,475**	**38.6%**	676,285	1,379,549	+6.9%
Other	25,270	44,009	48,263	21,016	**69,279**	**1.8%**	26,300	83,656	-17.2%
Total	**832,321**	**2,983,985**	**3,300,867**	**515,439**	**3,816,306**	**100.0%**	**1,853,605**	**3,472,386**	**+9.9%**
Hours of training per employee	21	18	19	17	**19**	**-**	19	18	+5.6%

☑ *Data checked by auditors, see page 254 of this report.*

Environmental training

All VINCI companies make efforts to raise awareness of environmental issues, and a total of 36,967 hours of environmental training were delivered in 2018. Environmental training is increasingly incorporated into existing courses (works, studies, operations, etc.). Awareness is proactively promoted at worksites among employees, temporary staff and subcontractors with weekly "15-minute environment sessions". This initiative has been rolled out across all activities in the Contracting business in France, while more broadly, environmental training is being developed in other countries. VINCI Construction Grands Projets now offers a two-day environmental training course for all interested staff around the Group.

Environmental training and awareness, with change

	Number of hours of training		Change
	2018	2017	2018/2017
Concessions	**7,491**	**8,584**	**-13%**
VINCI Autoroutes	**6,331**	6,668	-5%
VINCI Airports	**766**	1,368	-44%
Other concessions	**394**	548	-28%
Contracting	**29,476**	**45,340**	**-35%**
VINCI Energies	**6,733**	5,273	28%
Eurovia	**5,060**	7,452	-32%
VINCI Construction	**17,683**	32,615	-46%
Total	**36,967**	**53,924**	**-31%**

1.8 Equality and diversity

1.8.1 General policy for promoting diversity and preventing discrimination

In this area, VINCI is pursuing the diversity policy it initiated in 2004, which is based on preventing any type of discrimination in its hiring, training, promotion and remuneration of employees and in their working conditions. It also aims to ensure equality for everyone, with a special focus on gender equality, employing people with disabilities as well as those from an immigrant background, and age pyramid management.

A worldwide network of diversity coordinators and trainers designs and implements VINCI's diversity policy. There were 288 of them at end-2018, which was almost 40% higher than in 2017. The number of coordinators outside France was doubled in 2018, rising to 48. The coordinators are trained and regularly pool know-how during diversity days or via their collaborative platform. Together, they devise policies and initiatives that can be rolled out across the Group. Two coordinator meetings were held in 2018.

Use of the digital platform "VINCI fights discrimination – what about you?" increased in 2018. The platform, which can be accessed by all employees and measures how well companies fare when tested for discrimination, had nearly 1,500 logins, up 57% compared with 2017. This self-assessment tool is made up of 150 questions, grouped into nine modules: recruitment, hiring and integration, managing jobs and skills, training, remuneration, departures and sanctions, dialogue between management and labour, quality of life in the workplace, and diversity policy. The questions are divided into two categories: anti-discrimination basics and areas for improvement. An international version in English is being developed with the support of human resources teams outside France.

In France, the Group continues to pursue its policy of expanding the number of companies with the Diversity label awarded by Afnor Certification. At the end of 2018, 11 Group companies had earned the label, covering 8.4% of staff in France, about the same as in 2017. For several Group companies, the label was successfully renewed in 2018 for another four years. Meanwhile, several other companies have entered into the accreditation process. Two Group companies in the United Kingdom have also been granted Diversity awards from the National Centre for Diversity.

In 2018, the Group set up a partnership with Elles Bougent, a non-profit organisation that aims which aims to encourage women into the engineering professions. The initiative is reaching its audience. On 31 December 2018, 563 VINCI employees participated as company representatives in events for high school students to raise their awareness about working in technical fields.

Diversity is an integral part of dialogue between management and labour. Sixty-five collective agreements (up 18%) were signed on equality and diversity in 2018. The Group's diversity policy and its main points were presented at a VINCI Group Works Council meeting.

1.8.2 Measures to promote gender equality

VINCI pursued its drive to significantly improve its gender mix and in particular to increase the percentage of women in managerial roles to 25% by end-2020. Women accounted for 19.9% of the total number of managers worldwide and 22.6% of managers in France at the end of 2018 (21.5% in 2017).

Since 2013, the number of the Group's women employees has grown from 27,095 to 32,562, representing an increase of almost 20%. During the same time frame, the number of Group employees rose 11%.

To accelerate the integration of women into its governance bodies, VINCI has set a target to double the number of women serving on all management and executive committees at Group business lines and divisions within the next two years.
This policy will ultimately allow female senior executives to join the Group's Executive Committee.

Women employees by business line, with change

	2018						2017	2018/2017
	Number of women managers	As a % of managers in the workforce	Number of women non-managers	As a % of non-managers in the workforce	Total women employees	As a % of the total workforce	Total	Change
Concessions	**906**	**36%**	**5,473**	**36%**	**6,379**	**36%**	**5,049**	**+26%**
VINCI Autoroutes	369	36%	2,187	42%	**2,556**	41%	2,612	-2%
VINCI Airports	385	37%	2,817	31%	**3,202**	32%	1,923	+67%
Other concessions	152	33%	469	45%	**621**	41%	514	+21%
Contracting	**6,777**	**18%**	**18,747**	**12%**	**25,524**	**13%**	**23,266**	**+10%**
VINCI Energies	2,432	17%	7,687	12%	**10,119**	13%	9,176	+10%
Eurovia	777	15%	4,171	11%	**4,948**	11%	4,378	+13%
VINCI Construction	3,568	21%	6,889	13%	**10,457**	15%	9,712	+8%
VINCI Immobilier and holding cos.	**325**	**44%**	**333**	**69%**	**658**	**54%**	**471**	**+40%**
Total	**8,008**	**20%**	**24,553**	**14%**	**32,561**	**15%**	**28,786**	**+13%**

1.8.3 Measures to promote the employment and social integration of disabled people

The accident prevention policy aims to ensure that everything possible is done to minimise workplace accidents and their consequences in terms of incapacity. Measures to promote the employment and social integration of people with disabilities have three main strands: the redeployment of incapacitated staff, the hiring of people with disabilities, and the use of social enterprises (EA) and sheltered workshops (ESAT) that specifically employ people with disabilities.

Trajeo'h was established to help incapacitated staff remain in employment, hire people with disabilities and generally support Group companies in France in the area of disability. The non-profit organisation's activity developed significantly in 2018. The eight Trajeo'h establishments took on 840 of the requests received from VINCI employees over the year, up 9% from 2017. Trajeo'h helped keep 215 staff in employment in 2018, a 13% increase on 2017, through the adaptation of work stations, redeployment within the Group, career guidance or redeployment outside the Group.

In 2018, worldwide, 3,982 people with disabilities were working within the Group, representing 1.9% of employees. VINCI Facilities Entreprise Adaptée, a Group social enterprise working in the field of facilities management, had a total of 68 employees with disabilities, accounting for more than 92% of total staff at end-2018.

In 2018, €6.1 million of revenue was awarded to companies in Europe with workforces primarily comprised of employees with disabilities, remaining stable from the previous year. A guidebook continued to be distributed to purchasing officers and managers, explaining the workings of organisations employing mainly people with disabilities and the types of service they perform. The entire kit includes the guidebook, a contract template, a film and visual awareness props. The geo-tracking system developed by VINCI Energies France to find EA and ESAT organisations was adapted for use by all the Group's business lines.
In some countries, legislation requires companies to employ a certain percentage of staff with disabilities (certain sectors are excluded from this requirement). Companies that do not meet the requirement must pay a compensatory levy. This levy amounted to €5.2 million in 2018.

Proportion of employees with disabilities by business line, with change

	2018						2017		2018/2017
	Managers	As a % of managers in the workforce	Non-managers	As a % of non-managers in the workforce	Total	As a % of the total workforce	Total	As a % of the total workforce	Change
Concessions	**44**	**1.7%**	**475**	**3.1%**	**519**	**2.9%**	**516**	**3.6%**	**+0.6%**
VINCI Autoroutes	33	3.2%	433	8.4%	**466**	7.6%	472	7.5%	-1.3%
VINCI Airports	9	0.9%	36	0.4%	**45**	0.4%	34	0.5%	+32.4%
Other concessions	2	0.4%	6	0.6%	**8**	0.5%	10	0.7%	-20.0%
Contracting	**396**	**1.1%**	**3,047**	**2.0%**	**3,443**	**1.2%**	**3,370**	**1.9%**	**+2.2%**
VINCI Energies	216	1.5%	1,442	2.3%	**1,658**	2.1%	1,594	2.3%	+4.0%
Eurovia	28	0.5%	693	1.8%	**721**	1.7%	715	1.8%	+0.8%
VINCI Construction	152	0.9%	912	1.7%	**1,064**	1.5%	1,061	1.5%	+0.3%
VINCI Immobilier and holding cos.	**6**	**0.8%**	**14**	**2.9%**	**20**	**1.6%**	**15**	**1.6%**	**+33.3%**
Total	**446**	**1.1%**	**3,536**	**2.1%**	**3,982**	**1.9%**	**3,901**	**2.0%**	**+2.1%**

2. Environmental information

2.1 General environmental policy: "Acting for green growth"

2.1.1 Environmental organisation

The implementation of VINCI's environmental policy, "Acting for green growth" (see page 24), is built on the Group Executive Committee's commitment, the empowerment of all operational staff within Group companies, and open dialogue with national, European and international public authorities and with environmental protection organisations. The operational departments coordinate and ensure the application of VINCI's environmental policy in all aspects of day-to-day work. They rely on a network of over 500 correspondents who are in charge of managing environmental risks and developing initiatives to protect the environment. The Group's Delegation for Sustainable Development steers this network, organises technical working groups comprising experts from each business line – such as the Biodiversity Task Force, the Circular Economy group, or the Energy Performance group – and coordinates the Group's environmental actions. The sustainable development self-assessment questionnaire, Advance, is used by all Group companies. Based on the ISO 26000 concept, it enables each subsidiary's management committee to assess its level of commitment and validate its environmental action plan.

2.1.2 Environmental reporting coverage and scope

VINCI's environmental reporting system deals with the themes listed in Article 225 of France's Grenelle II Environment Act and covers further provisions under Article 173 of France's 2016 law on the energy transition for green growth. The system provides information beyond that required to meet France's law on the duty of vigilance, as set out in section E.4 of this chapter, "Duty of vigilance plan" (Law no. 2017-399 of 27 March 2017 and Order no. 2017-1162 of 12 July 2017). It uses the Group's common financial and social reporting software and is based on the standards of the Global Reporting Initiative's Sustainability Reporting Guidelines, which have been adapted to the Group's activities (see the cross-reference table on page 365). Reporting covers nearly all of the Group's companies and uses around 60 quantitative indicators for measuring performance against key environmental parameters such as the consumption of resources (especially water) and energy, greenhouse gas emissions, waste and recycling, certification, environmental incidents and environmental risk provisions. Environmental reporting is prepared using updated methodological guidebooks and procedures that are available on the Group's intranet. In addition to this central reporting system, each business line uses its own management indicators. The note about the reporting methods used by VINCI, on pages 245 to 248, covers the key points.

Environmental reporting covered 96% of the Group's consolidated revenue at end-2018. Despite a slight decrease, this rate was maintained thanks to the steadfast dedication of Group companies and the consolidation of new companies outside France. At VINCI Construction, coverage has decreased since 2015 primarily due to project phasing: the completion of major projects outside France, which are the main international projects to be monitored for reporting purposes, and the launch of new projects.

Environmental reporting coverage – excluding acquisitions in 2018

(as a percentage of revenue)	2018	2017	2016
Concessions	**100**	**99**	**100**
VINCI Autoroutes	100	100	100
VINCI Airports	100	100	100
Other concessions	100	89	100
Contracting	-	-	-
VINCI Energies	100	100	99
Eurovia	100	100	99
VINCI Construction	88	90	90
VINCI Immobilier	100	100	100
Total	**96**	**97**	**95**

VINCI has submitted its environmental information for review by its Statutory Auditors since 2002. Environmental data is presented in compliance with Article 225 of France's Grenelle II Environment Act and additional provisions set forth mainly in application of the law on the energy transition for green growth (Article 173) and the law on combating food waste. It also meets the requirements of Order no. 2017-1180 of 19 July 2017 and Decree no. 2017-1265 of 9 August 2017, which transposed the European directive on disclosure of non-financial information by certain large undertakings and groups into French law.

Having been one of the first French companies to support voluntary reviews of its data, VINCI is continuing its efforts. The Group considers transparency with respect to stakeholders to be an element of its performance. The data presented in this report is consolidated using the same method as VINCI's financial data. Some entities, such as QDVC (Qatari Diar VINCI Construction Grands Projets), which is 49%-owned by VINCI Construction Grands Projets, are still consolidated proportionally.

2.1.3 Environmental certification

VINCI encourages its companies to obtain ISO 14001 or similar environmental certification to confirm and improve the effectiveness of their environmental management system. Operational activities maintained their high certification level in 2018. All of VINCI Autoroutes' in-service motorways are ISO 14001 certified, while VINCI Airports has 12 airports certified, corresponding to 52% of its revenue. In Contracting, the proportion of revenue generated by certified entities is steadily increasing at VINCI Energies, with 47% now certified compared with 24% in 2010.

Group activities covered by ISO 14001 environmental certification

	ISO 14001			
(as a percentage)	2018	2017	2016	Scope/base reference
VINCI Autoroutes				France
Motorways in service	**100**	100	100	Kilometres
Motorways under construction	**-**	-	100	Kilometres
VINCI Airports, percentage of revenue	**52**	52	72	France and worldwide
Other concessions, percentage of revenue	**7**	24		France and worldwide
VINCI Energies, percentage of revenue	**47**	44	43	France and worldwide
Eurovia				France and worldwide
Production from quarries owned	**50**	60	60	Tonnes
Production from coating plants owned	**58**	48	45	Tonnes
Production from binder plants owned	**77**	67	33	Tonnes
Revenue from the works activity	**30**	27	25	France and worldwide
VINCI Construction, percentage of revenue	**79**	83	81	France and worldwide

VINCI companies have acquired substantial expertise in meeting a variety of environmental standards, including HQE®, BREEAM® and LEED®. In 2018, they delivered 298 certified projects, of which 35 BREEAM® projects and 20 LEED® projects involving both new and refurbished buildings for a total of €2.5 billion. Since 2010, these certification labels have been awarded to 2,969 projects amounting to €29.2 billion. For example, VINCI Construction France worked on the VO2 building project in Vaucresson outside Paris, which aims to obtain the Cradle to Cradle certification awarded to products that make a positive contribution to the circular economy. The project will use a system to capture the heat produced by the A86 tunnel (heat that would otherwise be lost), providing low-carbon energy to supply 50% of the town's hot water and heating requirements. The Le Ray programme in France's south-eastern city of Nice was launched in early 2018 by VINCI Immobilier. The project and materials used meet NF Habitat certification standards and comply with the Bâtiments Durables Méditerranéens (Sustainable Mediterranean Buildings) approach. The building's green structure was awarded the BiodiverCity® label.

Some Group companies have also created their own labels, such as Attitude Environnement by VINCI Construction France and Environmental Excellence by Eurovia. Eurovia's label is awarded to projects that meet the 45 assessment criteria reviewed in an internal audit. These criteria are grouped into five categories: soil and water conservation, climate change, waste management and recovery, biodiversity conservation, and local residents. To obtain the label, each worksite must not only comply with a set of basic requirements that applies to all projects, but also identify one or more specific issues in the project that reflect how it demonstrates this excellence. In 2018, the Bailly Romainvilliers worksite outside Paris was awarded the Environmental Excellence label for taking into account issues such as users, retail outlets and local residents, managing surface water, reducing energy consumption, and using digital tools to improve acceptance of the project by the local community. In 2018, 19 worksites obtained the Eurovia Environmental Excellence label.

2.2 Prevention and restoration

2.2.1 Preventing environmental incidents

VINCI continuously works to improve practices at Group companies to avoid and reduce as much as possible the impact of its business activities on the environment. This commitment, supported at the highest level of the Group's organisation, is adapted and monitored in line with the Group's decentralised management structure to meet each company's specific needs and take appropriate measures. Each Group entity prepares and updates environmental incident prevention plans that address its specific environmental risks. Under regulations passed in France (Law no. 2017-399 of 27 March 2017), VINCI is establishing a duty of vigilance plan (see section E.4, "Duty of vigilance plan", page 228). The Group's major environmental issues have been analysed and prioritised. This review showed that the most significant issue was environmental incidents. Assessment procedures and measures taken to mitigate environmental incidents were reviewed at Group subsidiaries and some subcontractors. Findings show that appropriate measures are in place, and VINCI companies provide staff with regular training on these issues.

Many projects undergo a preliminary analysis of environmental risks to determine the appropriate prevention equipment and procedures. Specific documents and equipment are provided to help prepare for and respond to emergency situations.

A large number of prevention measures are taken to limit the pollution risks related to the Group's business activities. To prevent accidental oil and chemical leaks into soil or water, machine operators are provided with containment trays that they can place under fuel tanks when working in high-risk natural environments. The concentration of suspended solids in drainage water is also checked as the water flows out of the settling basins at worksites and airport, quarry and motorway operating sites before these solids enter nearby watercourses.
Emergency response procedures have been established if pollution is detected at worksites or operating sites. For example, machine operators working at most sites are provided with anti-pollution kits to respond if a machine pollutes the natural environment. For cases of major pollution, companies are required to rehabilitate the site and environment affected. Companies prepare for these response situations with the 15-minute environment sessions regularly organised at worksites to raise staff awareness.

In 2018, VINCI or its subcontractors were involved in one major environmental incident (three in 2017). A major incident is defined as one that creates extensive pollution requiring clean-up by external specialists and has consequences stretching beyond the entity's responsibility. This incident occurred at the beginning of the year in Peru (at the concession operator Lamsac) and involved a fuel leak, which contaminated the soil. All available resources were implemented to repair the damage caused, in accordance with applicable regulations.

2.2.2 Legal and regulatory compliance

In regard to France's Grenelle II Environment Act, VINCI implements processes to comply with changing legislation. Special IT tools for managing regulatory and QHSE risks are also used, such as VINCI Energies' Préventéo®, which supports regulatory monitoring and the standardisation of criteria for the Group's regulatory audit. The Group pools this expertise and environmental regulation monitoring efforts within cross-business working groups.
In application of the French law on the duty of vigilance (Law no. 2017-399 of 27 March 2017 and Order no. 2017-1162 of 12 July 2017), whistleblowing procedures were strengthened to support staff members who report environmental incidents arising at any Group project. These procedures are part of the Group's whistleblowing system set up by the Ethics and Vigilance Department (see paragraph 4.5).

2.2.3 Prevention of environmental impacts and associated costs

Expenditure on protecting the environment (e.g. soil remediation at Soletanche Bachy, cleaning and decontamination of structures at Freyssinet, environmental offsetting policy at VINCI Concessions, and recovery of organic materials at VINCI Environnement) is generally included directly in each project's operating expenses and is not consolidated centrally.

2.2.4 Environment provisions and guarantees

Due to the Group's wide range of business activities, costs and investments made to prevent these risks are not monitored at a consolidated Group level. However, identified risks are analysed on a case-by-case basis and provisions set aside if necessary. At 31 December 2018, provisions set aside by Eurovia, covering most of the company's environmental risks, represented €20 million, of which €10 million for business operations carried out in France. Provisions set aside by other VINCI subsidiaries are immaterial.
Nine VINCI facilities, all operated by Eurovia, are concerned by phase III of France's National Allocation Plan under the EU emissions trading system. Of these nine sites, Eurovia's CIFC plant at Fos sur Mer near Marseille accounts for most of these emissions, which totalled 215,090 tonnes of CO_2 in 2017. As this quantity exceeded emissions allowances, Eurovia purchased an additional allowance of 50,000 tonnes to cover its requirements until 2020.

2.2.5 Damages paid in 2018 following legal decisions on environmental matters and lawsuits filed for damage to the environment

Legal decisions regarding the environment are handled directly by the business units concerned and the amounts paid are not consolidated at Group level. No VINCI companies appear to have paid any significant damages in 2018 subsequent to a court decision on an environmental matter.

2.3 Resource conservation and the circular economy

Sustainable management of resources, in line with the concept of a circular economy, is a fundamental component in VINCI's environmental policy, which focuses on the three key areas and seven pillars defined by Ademe, the French environment and energy management agency. The circular economy concept is incorporated into a variety of aspects of VINCI's business, ranging from the eco-design strategy used in its products and services to the management of resources (water, soil, waste, energy, etc.). VINCI firmly believes that the circular economy must be central to its business activities, drawing on three main concepts: eco-design, a systemic and regional approach, and inclusive and collaborative methods.

2.3.1 Sustainable use of resources

2.3.1.1 Protecting water resources

VINCI answered the CDP Water Information Request for the seventh time, to be once again among the 2,113 companies worldwide capable of replying to the information request supported by 656 global investors. The Group achieved a rating of C for 2017, outscoring many other companies in its sector in the area of water management. The Group's water strategy is based on its environmental policy: it includes water consumption and pollution prevention in risk analyses; measures and reduces water consumption resulting from its business activities and products; and protects aquatic environments and their ecosystems. A Marine and Inland Waterway Works Pivot Club identifies expertise and designs new, specific offerings that account for approximately 5% of VINCI Construction's revenue. Many opportunities are developing in this sector. The demand for fresh water is expected to result in huge investment, and extreme weather events (flooding, tsunamis, etc.) are likely to require large-scale works in the future.

Group companies monitor water resources particularly carefully. Subsidiaries have adopted a number of specific initiatives to reduce their consumption. Leak detection programmes have been implemented at VINCI Autoroutes. VINCI Construction has introduced a wastewater recycling policy in France. About 100 closed-loop concrete mixer washing stations have significantly reduced water consumption at worksites. All of their concrete batch plant installations feature settling basins to treat effluents and recycle water. On Reunion Island (France), almost all of the process water from prefabrication sites is collected on the worksite of the new coastal highway so that it operates as a closed-loop system.

Conserving water resources also involves protecting wetlands. For example, of all the VINCI motorways in service in France, 78.6% have been equipped with either natural water protection systems or engineering structures that address potential problems to prevent accidental pollution in the surrounding natural environment.
The life cycle analysis tools used by VINCI provide a detailed assessment of the water footprint of specific neighbourhoods, with particular emphasis given to ground permeability, rainwater harvesting and wastewater treatment. Some subsidiaries have created specific products and services to conserve fresh water resources. VINCI Construction Terrassement developed Aqua-eco, a new technology that applies technical processes to reduce by up to 40% the amount of water used for hosing down civil engineering project worksites. VINCI Construction Grands Projets set up Water Management International, a structure designed to manage and optimise drinking water systems outside France. The research on urban rainwater management led in 2018 under the VINCI-ParisTech Chair in the Eco-design of Buildings and Infrastructure came up with several solutions that could be applied to urban agriculture and the creation of green roofs. As a result, 65% of rainwater runoff can be collected in planters installed on roofs.

Consumption of water purchased (in cubic metres)

	2018	2017	Change
Concessions	**2,778,392**	**2,482,359**	**+11.9%**
VINCI Autoroutes	811,742	792,587	+2.4%
VINCI Airports	1,870,792	1,635,207	+14.4%
Other concessions	95,858	54,565	+75.7%
Contracting	**7,839,213**	**9,796,878**	**-20.0%**
VINCI Energies	326,170	312,630	+4.3%
Eurovia	3,085,122	3,192,610	-3.4%
VINCI Construction	4,427,921(*)	6,291,638	-29.6%
VINCI Immobilier	**4,123**	**3,344**	**+23.3%**
Total	**10,621,728**	**12,282,581**	**-13.5%**

(*) Scope does not include Seymour White (VINCI Construction International Network).

In the Contracting business, the marked variation in consumption is explained by the significant differences in the types of project from one year to the next. Consumption rose for the Concessions business, partly due to the inclusion of new airport concessions in the reporting scope and to the integration of Lamsac by VINCI Highways. Many of the Concessions business companies have taken steps to reduce their water consumption. For example, ANA, part of VINCI Airports, is the only airport operator in the world that measures its water footprint across all 10 of its airports. An action plan has been defined for each airport to control and reduce consumption and pollution throughout the value chain.

VINCI continues to improve its monitoring of water consumption by consolidating the monitoring of consumption of water from boreholes and of water pumped directly from the natural environment. The programme at VINCI Autoroutes to monitor its consumption of water from boreholes now covers most of its network.

Consumption of water taken directly from the natural environment (in cubic metres)

	2018				2017			
	VINCI Autoroutes	**VINCI Airports(*)**	**Other concessions(**)**	**Total Concessions**	**VINCI Autoroutes**	**VINCI Airports**	**Other concessions(**)**	**Total Concessions**
Water from boreholes and taken directly from the natural environment	399,454	197,954	3,376	**600,784**	392,235	206,884	3,550	602,669

(*) Scope includes Lyon-Saint Exupéry Airport as of 2017.
(**) In Other concessions, the Le Mans stadium is the only one with its own borehole.

Measuring the consumption of water purchased or taken directly from the environment by drilling or pumping remains complex. Measurements should be combined with a qualitative analysis to assess the actual impact of water use and how it returns to the natural environment. By way of an example, earthworks activities use water mainly for hosing down work areas to reduce the amount of dust produced. In Africa, water is often pumped using electric generators installed near villages so that communities can have easy access to water. The water itself undergoes no transformation whatsoever. It either evaporates or runs back to the water table without being polluted. For foundations operations (tunnels, metro lines), the underground water is pumped before returning into the water table, unpoluted, after analysis and treatment if needed. These examples show the complexity of measuring consumption given the diversity of VINCI's businesses.

2.3.1.2 Raw materials consumption

In the Concessions business, most raw materials consumption is monitored and consolidated. In 2018, 1,629,378 tonnes of asphalt mix, including nearly 743,100 tonnes of recycled mix, were used for motorway maintenance. Due to harsher weather conditions in the first quarter of 2018, 42,032 tonnes of de-icing salt were used (against 24,033 tonnes in 2017) and enhanced preventive measures were implemented to guarantee user safety.
In the Contracting business, raw materials purchasing is decentralised, with purchases generally not consolidated at Group level. Efforts to manage raw materials consumption include purchasing recycled materials that have equivalent performance to new materials, recycling waste produced by business activities (see paragraph 2.3.2) and sourcing local products. For its property development businesses, VINCI Immobilier is developing a sustainable product library for choosing raw materials and materials for finishing work on residential buildings based on a set of social and environmental criteria.

There is also a focus on designing products that use fewer raw materials. VINCI Construction France implements this approach in developing eco-designed housing, offices, student accommodation and other projects. The Pulse project, to be delivered in early 2019 in Saint Denis outside Paris and built by Bateg (subsidiary of VINCI Construction France), will feature 20,000 sq. metres of false flooring made by reusing deconstruction materials. The project aims to achieve the certifications HQE® Passeport Excellent, BREEAM® Excellent, BBCA® Excellence and E+C– (for energy positive and low-carbon buildings).

Arbonis, the subsidiary of VINCI Construction France specialised in timber design and construction, generated revenue of €46 million in 2018. Over the year, Arbonis developed its expertise in renovation, with its wood-frame wall product featuring an external thermal insulation system. The company also strengthened its positioning in 3D modular construction (Arbo 3D) and the creation of multi-storey buildings in wood. A prime example is The People Hostel, a youth hostel located at Les Deux Alpes, a ski resort in eastern France, where the wooden structure was renovated, raised and extended. The work of Arbonis fully contributes to the Group's efforts in advancing towards the ecological and energy transition.
Eurovia's Granulat+ programme is its sector's first experiment in industrial ecology and has been recognised by France's Ministry of the Environment, Energy and the Sea as a leading initiative in the circular economy since 2013. For its first phase adopted at quarries in the Mediterranean area, the aim of the programme is to recover all the resources needed to produce aggregates used in construction. It is based on the combined effort of quarry managers, local waste producers and raw materials users. In addition to its direct benefits, the programme provides a way for regional actors to integrate environmental issues into their processes. Since 2015, Granulat+ has been rolled out and adapted in the Greater Paris region and Normandy. Further strengthening its relations with its stakeholders, Eurovia continued its involvement with the French Circular Economy Institute in 2018. Eurovia continues to develop its expertise in reclaimed asphalt pavement.

VINCI set up focus groups to advance its study of the circular economy. More specifically, it aimed to find new ways of integrating reused or recycled materials and recycling waste produced by construction activities in line with the French law on the energy transition for green growth. The next step is to develop Group-wide tools or initiatives that can facilitate the operational implementation of the circular economy throughout the project life cycle. At the La Samaritaine refurbishment worksite in Paris, all of the wooden steps from the building's historical staircase were reused, and a half tonne of soundproof wooden false floor tiles were reused for a concert venue less than a kilometre away from the worksite.

To gain a better understanding of the environmental impact of raw materials, VINCI collaborates with professional groups to prepare life cycle inventories (LCI) of its materials and works with France's energy, environment and transport observatory (OEET) and the French underground tunnel association (Aftes). Recybéton, France's nationwide collaborative research project to promote concrete recycling, published its findings in November 2018. In parallel, advances have been made to develop low-carbon concrete, which significantly reduces the CO_2 emissions produced by the concrete industry.

2.3.1.3 Energy consumption

VINCI actively participates in the debates launched by French and European government authorities on the energy transition, in particular on retrofitting buildings and developing eco-mobility.

To meet stricter requirements while remaining competitive, VINCI is developing new systems for both housing and offices, drawing on the expertise of VINCI Construction to minimise energy losses through the building shell and on that of VINCI Energies to install innovative equipment such as all-air heating using the Green Floor process. VINCI Construction France is taking an active role in co-developing the regulations set to pass in 2020 that will take into account all of a building's impacts throughout its life cycle. Two calculations will have to be made – energy costs and costs to reduce greenhouse gas emissions – for each building use to assess the project's environmental impact more accurately. Every player involved over a building's complete life cycle – from material manufacturing to construction, operation and deconstruction – will have to determine the best possible balance between energy performance and greenhouse gas emissions reduction. That is the idea behind the E+C– label (for Énergie Positive & Réduction Carbone) to promote energy positive, low-carbon buildings. VINCI Construction France is taking part in this new certification through test projects such as the La Canopée residence in Nantes in western France and the Origine & Nouvelle Vague combined-use urban complex in Nanterre near Paris.

VINCI Energies' activities in facilities management are using their expertise in areas such as energy diagnostics and audits, monitoring and optimisation work to develop energy efficiency contract solutions for their clients through their dedicated structure, Hub Energy, and an energy monitoring tool.

Within the framework of the Chair in the Eco-design of Buildings and Infrastructure, Mines ParisTech has developed an energy and environmental performance simulation tool, NovaEquer. A spin-off under the Chair, the startup Kocliko has developed a platform that uses dynamic energy simulation and artificial intelligence to assess a building's energy consumption more accurately based on user behaviour and weather averages. The system then measures and checks performance once the building is completed or renovated.

Total energy consumption (including natural gas and electricity), with change

	2018				2017	
	Natural gas (MWh)	Propane / LPG (MWh)	Electricity (MWh)	Total energy (MWh)(*)		Change
Concessions	**55,408**	**3,629**	**392,582**	**600,259**	**544,288**	**+10.3%**
VINCI Autoroutes	5,512	1,824	126,640	226,072	223,871	+1.0%
VINCI Airports	49,303	1,733	233,702	330,379	297,875	+10.9%
Other concessions	592	72	32,241	43,807	22,542	+94.3%
Contracting	**1,045,369**	**7,324**	**848,043**	**7,677,091**	**7,533,703**	**+1.9%**
VINCI Energies	55,926	738	97,464	935,264	886,693	+5.5%
Eurovia	956,995	358	352,656	3,930,776	3,849,334	+2.1%
VINCI Construction	32,448	6,228	397,923	2,811,051	2,797,676	+0.5%
VINCI Immobilier	**4**	**-**	**1,919**	**4,692**	**4,251**	**+10.4%**
Total	**1,100,781**	**10,953**	**1,242,544 ☑**	**8,282,042 ☑**	**8,082,242 ☑**	**+2.5%**

(*) The total includes consumption of fuel, natural gas, propane, electricity, heavy fuel oil, coal and used oils.
☑ *Data checked to a level of reasonable assurance.*

Group companies pay close attention to their energy consumption, the absolute value of which had risen 2.5% at the end of 2018 compared with 2017. In relative terms, Group energy intensity totalled 190 MWh per million euros of revenue for the reporting period, compared with 201 MWh in 2017 and 206 MWh in 2016. This decrease rewards the efforts made by Group companies. Improvements to reporting methods since 2016 have made it possible to consolidate the monitoring of new energy sources, such as propane, and for Eurovia to extend its reporting to encompass liquefied petroleum gas (LPG).

Due to the industrial nature of its business, Eurovia accounts for a large proportion of total energy consumption. It was the first Group business line to set up an ambitious energy and CO_2 reduction plan, including improvements to the energy efficiency of coating plants, quarry equipment and worksite machinery. Energy consumption is monitored at different operational levels (delegation, region, etc.) using a dashboard and six priority actions based on the energy life cycle. The Eurovia business line also develops products and services that reduce energy consumption, such as the Tempera® warm mix process that enables energy savings of between 20% and 40%.

One of the four main goals of the environmental policy developed by VINCI Airports in 2015 is to reduce energy intensity by 20% between 2013 and 2020. To meet this target, VINCI Airports is boosting the energy efficiency measures taken at all its airports in operation. In 2018, measures taken under this environmental policy included the launch of an extensive relamping campaign to switch to LED lighting at the airports in Rennes, Dinard, Chambéry, Grenoble, Toulon and Clermont Ferrand, and the installation of more than 3 MWp (nominal power) in solar PV systems for self-consumption in the Dominican Republic. The policy includes an action plan that lets each airport define its own performance targets in line with its activities. Energy consumption and associated greenhouse gas emissions are one of the seven environmental performance criteria.

Fuel consumption, with change

	2018	2018	2018	2017	
(in thousands of litres)	Diesel(*)	Petrol	Total		Change
Concessions	**14,059.0**	**233.3**	**14,292.3**	**13,352.2**	**+7.0%**
VINCI Autoroutes	8,847.6	7.8	**8,855.4**	8,663.7	+2.2%
VINCI Airports	4,212.2	176.4	**4,388.6**	4,150.1	+5.7%
Other concessions	999.3	49.0	**1,048.3**	538.4	+94.7%
Contracting	**492,239.1**	**16,975.3**	**509,214.5**	**503,908.1**	**+1.1%**
VINCI Energies	71,120.5	3,988.8	**75,109.2**	71,318.0	+5.3%
Eurovia	198,311.8	8,479.7	**206,791.6**	195,066.7	+6.0%
VINCI Construction	222,806.8	4,506.8	**227,313.7**	237,523.4	-4.3%
VINCI Immobilier	**266.3**	-	**266.3**	**231.2**	**+15.2%**
Total	**506,564.4**	**17,208.6**	**523,773.0**	**517,491.5**	**+1.2%**

(*) Since 2011, the "diesel" indicator has taken into account diesel and heating oil.

The 1.2% increase in fuel consumption in 2018 is mainly due to the inclusion of new companies in the reporting scope. Group companies continue their efforts to reduce consumption.
VINCI Autoroutes provides its customers with tools and services to help them reduce their fuel consumption, such as no-stop electronic toll lanes and carpool parking facilities located near toll plazas. In autumn 2018, 31 car parks providing over 2,545 parking spaces were reserved for carpooling, up from 28 car parks with 2,241 spaces in 2017.

VINCI Highways is also taking steps to reduce the energy consumption of its concessions. In 2018, a programme was implemented to upgrade the lighting in the Patras bypass tunnels and Kakia Skala tunnels in Greece. The programme is expected to reduce the electricity consumption of these tunnels by 60%, thereby lowering the resulting greenhouse gas emissions.

2.3.1.4 Use of renewable energy

For a number of years, VINCI companies have been substantially increasing their purchases of electricity generated from renewable energy sources. In 2018, these purchases, at both fixed sites and worksites, totalled 98,338 MWh compared with 57,793 MWh in 2017.

VINCI Energies' business units have expertise in and are expanding their activities in the design, supply, installation and connection to renewable energy power plants. Omexom, the VINCI Energies brand specialised in electrical power generation, transmission, transformation and distribution, takes part in developing renewable energy, contributing to the installation of more than 20% of the wind power in France and 30% of that in Morocco. In 2018, Omexom continued to expand its international operations, for example in Indonesia where it built the country's first wind farm, with a capacity of 70 MW. The company is also involved in tackling new challenges in the development of renewable energy, such as stabilising the power grid. Omexom was selected to build the synchronous condenser at the Kiamal solar farm in the state of Victoria in south-eastern Australia. This unit will help regulate the voltage at the connection point of the 200 MW facility with the grid. VINCI Construction is developing technical solutions to industrialise construction and optimise the installation of onshore and offshore wind farms.

VINCI Autoroutes has 3,464 renewable energy installations generating solar, thermal and wind power (excluding heat pumps).

Eurovia also increasingly uses renewable energy. The largest photovoltaic installation in Belgium's Walloon region opened at Carrières Unies de Porphyre in June 2018. The facility will cover 40% of the quarries' annual consumption by using 70% of the solar power generated.

2.3.1.5 Land use

Combating the loss of natural and agricultural land and maintaining an attractive habitat for the species living there are factors taken into consideration before project implementation and throughout the operating life of infrastructure. More detailed study goes into projects with a significant or long-term impact on the land, such as linear infrastructure or Eurovia's quarries. Some Group companies specialise in ecological engineering, including Eurovia's subsidiaries Cognac TP and Sethy, and Equo Vivo, the new brand developed by VINCI Construction Terrassement. They take measures to restore the ecological balance of land and environments affected by construction works, such as planting native species, combating invasive non-native species, and restoring wetlands and waterways with diminished ecological functions. The operations of extraction companies such as Eurovia are likely to have a lasting impact on the land's biological balance. These long-term changes to the biological balance also offer the opportunity to create new environments and bring back new, even protected, species. The initial diagnostics are now improved by taking inventories while infrastructure is in operation to assess the effectiveness of measures that are implemented at sites to protect species. Biodiversity is even more carefully taken into account during the rehabilitation of quarries, a phase essential for remediating the site so that it regains its original ecological function.
Extract, a subsidiary of VINCI Construction France, is the French leader in the treatment of sediment. Its polluted site and soil remediation activities are primarily carried out at its recovery facility near Paris, which can treat up to about 230,000 tonnes of sediment a year. Its operations align perfectly with the circular economy and improved use of land.
In 2018, VINCI extended its partnership with the Institute for Sustainable Development and International Relations (IDDRI). Research focused on the loss of natural land, more specifically through the construction of business and retail parks. Based on this work, a discussion group on the issue will be formed and led by IDDRI in 2019.

2.3.2 Waste prevention and management

VINCI's general policy is based on a circular economy model and focuses on three aims: producing less waste at the source; waste sorting and traceability; and recovering waste to use as a resource. Waste management is important to both Contracting entities – which deal mainly with construction site waste – and Concessions entities, which have to dispose of their customers' waste at airports, motorways, etc. The Group's subsidiaries implement waste management plans at their worksites in accordance with local waste management procedures and systems. VINCI makes an annual count of the amounts of waste it generates and recovers.

Once sorted, the waste from operations produced by VINCI Autoroutes is delivered to external recovery and treatment facilities; 79% of VINCI Autoroutes waste was recovered in 2018 versus 68.5% in 2017. As for waste produced by users, all of the rest areas along VINCI Autoroutes motorways are equipped with sorting bins. The staff at VINCI Autoroutes emphasise awareness and guidance campaigns to fight littering and encourage users to sort their waste, especially through summertime activities and events along motorways. In France, the Revalo programme was instituted by VINCI Construction France and is supported by Ademe and France's Ministry for the Ecological and Inclusive Transition. This programme increases materials recovery while reducing the carbon impact of worksites by optimising waste sorting. The Optidéchets platform is used to improve waste management and prevention by applying key indicators (sorting rates, cost, average volume, density, etc.) throughout an organisation and provides each worksite with a regulatory registry and report for its customers. This solution has been implemented at 200 worksites per year since 2016. The waste recovery rate is 80%, surpassing the French and European regulatory requirements of 70%. In 2018, VINCI Construction France continued to work with Circolab, an organisation that promotes the circular economy, focusing on the reuse of construction materials.
In June 2018, stadium operators Consortium Stade de France, MMArena in Le Mans, Allianz Riviera in Nice and Matmut Atlantique in Bordeaux signed the Eco-responsibility Charter of Sports Facility Operators, co-written with the Ministry of Sports and WWF. The charter is comprised of 15 commitments for 2020, covering diverse issues such as responsible food management, sustainable mobility, renewable energy and access for people with disabilities. Targets in the area of waste management include a 15% reduction in waste by 2020; the reuse, recycling or recovery of 40% of waste; and biowaste treatment of 60% of food waste.

Hazardous and non-hazardous waste

(in tonnes)	2018 VINCI Autoroutess	2018 VINCI Airports	2018 Other concessions	2018 VINCI Energies	2018 VINCI Construction(*)	2017 VINCI Autoroutes	2017 VINCI Airports	2017 Other concessions	2017 VINCI Energies	2017 VINCI Construction(**)
Non-hazardous waste (customers + operations)	**22,885**	**30,630**	**19,702**	**452,995**	**1,201,212**	18,777	12,559	2,464	397,996	567,145
Hazardous waste (customers + operations)	**897**	**748**	**21**	**4,514**	**30,250**	784	1,355	153	4,019	16,483

(*) Scope includes VINCI Construction UK and 42% of the revenue of VINCI Construction Grands Projets.
(**) Scope includes VINCI Construction UK and 50% of the revenue of VINCI Construction Grands Projets.

Waste is monitored at all Concessions businesses. In the Contracting business, the increase at VINCI Construction in 2018 is due to the types of project undertaken. A number of large-scale infrastructure projects, such as the Grand Paris programme, require extensive excavation works. The soil excavated may be polluted, which results in a significant amount of inert and hazardous waste.
Recycling has been a priority at Eurovia for some 20 years and has garnered increasing interest from customers in the development of innovative products and processes that use smaller amounts of natural resources and energy. Eurovia now has 130 platforms that recycle most of the waste produced by worksites. In 2018 the company forged ahead in its transition to promote the circular economy and recycling in its business. Eurovia has set a target to increase the use of reclaimed asphalt pavement in its total asphalt mix production to over 20%. In France in 2018, the percentage stood at 14.8%. After over two years of research and development, the world's first "fully recycled road" opened in 2018. This achievement results from the collaboration between Eurovia and VINCI Autoroutes on a 1 km section of the A10 motorway between Pons and Saint Aubin in south-west France. The research project won the "Route du futur" call for projects launched by Ademe as part of the French government's "Investissements d'Avenir" (Investment for the future) programme. To build the road, an innovative mobile continuous asphalt plant was designed in partnership with Marini-Ermont (Fayat group), which makes it possible to recycle up to 100% of products from pavement milling operations. The plant's mobility also contributes to reducing the carbon footprint of the construction work, cutting greenhouse gas emissions by 50%. Other projects integrating recycled materials are already under way. For instance, in Alberta, western Canada, a project to upgrade 15 intersections involves milling 440,000 sq. metres of asphalt, of which 90,000 tonnes of recycled mix will be used out of the total 190,000 tonnes required.

Waste recycling and recovery at Eurovia, with change

	2018 World	2018 2018/2017 change	2018 France	2018 2018/2017 change	2017 World	2017 France
Percentage of asphalt mix made with reclaimed asphalt pavement	16.1	+1%	14.8	+9.6%	16.0	13.5
Production of recycled material(*) *(in millions of tonnes)*	10.6	-89%	6.9	-100.0%	5.6	4.6
Total recycled material as a percentage of total aggregate production	10.4	-60%	11.2	-100.0%	6.5	7.9

(*) "Recycled material" includes total production of recycled aggregates and reclaimed asphalt pavement in Eurovia production facilities.

The law introduced by the French government to combat food waste does not have a significant impact on VINCI's activities, as the Group does not directly manage any catering enterprises. However, Group companies take action when possible, and its concession companies that are in direct contact with customers and users put measures in place. The Stade de France for example set up a partnership with Le Chainon Manquant. The day after an event at the Stade de France, this non-profit organisation collects sandwiches and desserts that have been maintained in the cold chain to redistribute them. In 2018, 2,325 tonnes of unsold food, the equivalent of 4,650 meals, were collected and redistributed.

2.3.3 Measures to prevent, reduce and offset pollution

2.3.3.1 Air pollution

VINCI companies focus on issues concerning both indoor and outdoor air quality. The VINCI business lines most concerned with the problem of atmospheric emissions are the Concessions business and the Eurovia and VINCI Construction business lines. In Concessions, especially VINCI Airports and VINCI Autoroutes, most air emissions are generated by users of cars, trucks, aircraft, etc. To reduce traffic congestion and combat air pollution, VINCI Autoroutes has introduced speed limitation measures and no-stop electronic toll lanes, and promotes shared mobility.
Group companies also encourage reducing emissions from their own vehicles generated during their business activities. For instance, Spiecapag (Entrepose) has introduced an in-vehicle monitoring system (IVMS). Along with improving safety, the IVMS effectively manages fuel use for the project, for an average reduction in fuel consumption of 15%.

Nine VINCI facilities are concerned by phase III of France's National Allocation Plan under the EU emissions trading system (see page 204). Eurovia's CIFC plant at Fos sur Mer near Marseille accounts for most of these emissions, which totalled 138,894 tonnes of CO_2 in 2018.

To treat road surfaces, Eurovia has developed NOxer®, an innovative air pollution treatment process that removes nitrogen oxides. The process removes between 15% and 25% of total air pollution and eliminates up to 75% of nitrogen oxides for local residents. The solution has been adapted and combined with noise barriers to abate noise pollution as well. VINCI Construction France and the facilities management business units of VINCI Energies are developing new techniques that guarantee air quality in the buildings they build and operate. VINCI Construction France is moving forward with its indoor air quality management plan that integrates this factor into each project from the briefing phase until after handover.

VINCI companies also develop solutions to measure and control urban air quality for government organisations. For example, the VINCI Energies company Citeos, with its partner Clarity, came up with a novel micro-sensor system to monitor air quality. The project won the City of Paris Air Quality experimentation programme, a bid to encourage new, innovative solutions. Installed on public lighting poles in sensitive areas, the micro-sensors are designed to work with Airparif stations, which monitor air quality in the Paris region. The innovation features a dashboard showing real-time data on a hypervisor.

2.3.3.2 Water and soil pollution

Substances released into the environment due to VINCI business activities are carefully monitored by Group companies and project stakeholders. Government services, local residents, civil society, customers and investors develop advanced tools to monitor the impact of Group operations and check compliance with anti-pollution regulations on the ground. Discharges are gauged in preliminary studies before projects are implemented, and are measured throughout the project. The concentration of suspended solids in drainage water is checked as the water flows out of the settling basins at worksites, quarries, and airport and motorway operating sites, before these solids enter nearby watercourses.

A large number of prevention measures are taken to limit the pollution risks related to the Group's business activities. To prevent accidental oil and chemical leaks into soil or water, machine operators are provided with containment trays that they can place under fuel tanks when working in high-risk natural environments.

Emergency response procedures have been established if pollution is detected at worksites or operating sites. For example, machine operators working at most sites are provided with anti-pollution kits to respond if a machine pollutes the natural environment. For cases of major pollution, companies are required to rehabilitate the site and environment affected.

2.3.3.3 Noise and light pollution

All VINCI projects are subject to a preliminary noise study to limit the pollution generated by urban construction sites, motorway traffic and so forth. VINCI companies systematically offer technical solutions during the construction phase, including changing a motorway route, erecting noise barriers and embankments, and using special low-noise road surfacing materials such as Eurovia's Viaphone®. This quiet, fine-graded asphalt concrete substantially reduces road traffic noise, enhancing acoustic comfort.
For its project to extend Paris metro Line 12, VINCI Construction set up a "truck-free" worksite, using two-way underground and waterway transport to reduce noise pollution for local residents.
VINCI Airports takes measures to reduce noise pollution as much as possible for local residents at all of its airports in operation.
These measures include a system that continuously monitors noise and flight paths, noise insulation for nearby housing, and studies and action plans to reduce noise.

Noise levels on motorways in France are measured regularly to enable VINCI's motorway concession companies to identify and reduce noise black spots. Affected homes may then be protected using noise insulation in their facades, or noise barriers or embankments planted with shrubs or trees. In 2018, 2,545 new homes were protected from noise on VINCI Autoroutes motorways, making a total of 7,753 since 2010.

Opaque screens can be installed along motorways and adapted lighting systems (light directed only towards the ground) set up to limit light pollution caused by the operation of infrastructure. Citeos (VINCI Energies) has incorporated measures into its contracts for operating public lighting networks. These measures include efficient anti-light pollution equipment, smart lighting systems, automatic shutdown of certain light sources, and respect of "dark corridors" provided for in lighting plans to reduce the impact on biodiversity. On the worksite of the new coastal highway on Reunion Island, lighting systems were installed to protect marine birdlife. Lights are a yellow-orange colour and directed towards the ground to avoid attracting and disorienting birds, limiting the risk of them being washed ashore. The lights are turned off during periods when this risk is high, in line with recommendations from local naturalists.

2.4 Combating climate change

In 2007, VINCI initiated a proactive programme to reduce and control greenhouse gas (GHG) emissions and to anticipate and monitor legislation worldwide. The impact of current carbon emissions regulations on VINCI's activities is mainly indirect. VINCI has nine facilities that are subject to phase III of the European emissions trading scheme's National Allocation Plan (see page 204) and must comply with the Carbon Reduction Commitment in the United Kingdom. VINCI Autoroutes continued to work on the CO_2 impact of its business activities and supports the actions of the Shift Project. New regulations are opening up opportunities for VINCI, whose companies now offer their customers climate-adapted solutions that enable them to reduce their own GHG emissions. VINCI has been committed to green growth since 2012, with a target to reduce GHG emissions 30% by 2020. This target covers the Group's like-for-like Scope 1 and 2 CO_2 emissions and uses 2009 as its base year (the first year when coverage exceeded 90%). The Group is also taking initiatives to reduce its indirect energy emissions. The Concessions businesses monitor their customers' emissions, which qualify as Scope 3 emissions. A new methodological tool was developed in 2018 to estimate indirect emissions resulting from VINCI's construction businesses, covering materials used, the energy performance of buildings completed and sold, and the energy performance of buildings operated. Monitoring these indirect emissions from Group operations not only measures them, but enables their source to be identified and the most effective ways of reducing them to be found.

2.4.1 Greenhouse gas emissions

The methodology used to determine the greenhouse gas (GHG) emissions of VINCI's businesses is based on the Group's environmental reporting data and measures ISO 14064 Scope 1 and 2 emissions. Scope 1 includes direct emissions from the use of fossil fuels (fixed sites, worksites and company vehicles), as well as non-energy emissions. Scope 2 includes indirect emissions produced to make energy (mainly electricity) purchased and used at fixed sites and for projects. VINCI's CO_2 emissions in 2018 amounted to about 2.7 million tonnes based on the new methodology and updated emission factors (2.3 million tonnes of CO_2 equivalent based on the emission factors applied up to 2015). The Group's emissions are calculated using factors included in the Base Carbone® database administered by Ademe. The most recent factors used by VINCI date from 2015.

Greenhouse gas emissions (Scopes 1 and 2), with change

(in tonnes of CO_2 equivalent)	Actual values (emissions updated based on new emission factors) 2018	Monitoring of the reduction target (applying previous emission factors) 2018	2017	2018/2017 change
Concessions	**176,737**	**157,351**	**147,349**	**+6.8%**
VINCI Autoroutes	40,176	32,709	32,133	+1.8%
VINCI Airports	128,401	117,875	110,780	+6.4%
Other concessions	8,160	6,767	4,436	+52.6%
Contracting	**2,492,990**	**2,151,362**	**2,169,363**	**-0.8%**
VINCI Energies	275,432	236,391	221,791	+6.6%
Eurovia	1,261,443	1,096,178	1,146,892	-4.4%
VINCI Construction	956,116	818,794	800,680	+2.3%
VINCI Immobilier and holding cos.	**1,002**	**831**	**735**	**+13.1%**
Total	**2,670,730** ☑	**2,309,546** ☑	**2,317,447** ☑	**-0.3%**
Carbon intensity (tonnes of CO_2 equivalent per million euros of revenue)	**-**	**53.1**	**57.6**	**-7.9%**

Data extrapolated to cover 100% of VINCI's revenue – excluding acquisitions in 2018.
☑ *Data checked to a level of reasonable assurance.*

The Group's direct greenhouse gas emissions (Scope 1 and 2) fell slightly compared with 2017 using the methodology that applies the same emission factors from one year to the next to monitor the reduction target. This decrease in emissions, a factor in climate change, results from the reduction in energy consumption in the Contracting business, especially at Eurovia. Carbon intensity in tonnes of CO_2 equivalent per million euros of revenue also fell in 2018 to 53.1 tCO_2eq. In 2009, carbon intensity stood at 71 tCO_2eq, with the target of reaching 50 tCO_2eq per million euros of revenue. Since that year, the figure has decreased 25%. These figures have fallen due to the many measures taken over the past few years to control and reduce carbon intensity.

To broaden its range of low-CO_2 solutions, VINCI continues to develop specific tools and carry out studies to better quantify and control GHG emissions resulting from its business (ISO Scope 1, 2 and 3). In 2016, the Group began a study to create a methodology for measuring the Scope 3 emissions of its buildings business in all countries where it operates. The work carried out was applied to better quantifying Scope 3, especially through the use of a purpose-designed reporting tool for VINCI's construction business. VINCI's long-term plan is to come up with new methodologies for assessing Scope 3 that account for the diversity of the Group's businesses. In doing so, the Group will not only meet the requirements of Article 173 of the French law on the energy transition for green growth but will also gain more insight into its carbon impact throughout the value chain and contribute to the objectives of the Paris Agreement signed in 2015. By working to create the criteria of the French experimental label Énergie Positive & Réduction Carbone, or E+C– (for energy positive and low carbon) with other organisations from the construction industry, VINCI combines energy performance targets with carbon footprint reduction.

CO_2 emissions (Scope 1, 2 and 3) of VINCI Concessions companies, customers and end users

(in tonnes of CO_2 equivalent)	VINCI Autoroutes 2018	VINCI Autoroutes 2017	VINCI Airports(*)(**) ACA 2018	VINCI Airports(*)(**) ACA 2017
ISO Scope 1 and 2 emissions	40,176(***) ☑	39,485(***) ☑	256,481	45,328
User/third-party emissions (Scope 3)	13,906,030 ☑	13,865,424 ☑	1,008,782	764,182(**)

(*) Scope includes ANA airports and Lyon-Saint Exupéry Airport, year Y-1 emissions taken into account in the Airport Carbon Accreditation (ACA) of year Y.
(**) Scope includes only ANA airports, 2016 emissions taken into account in the Airport Carbon Accreditation of year Y.
(***) Emissions based on the new methodology using Ademe's 2015 emission factors.
☑ *Data checked to a level of reasonable assurance.*

Since 2014, the GHG emissions produced by VINCI Autoroutes companies have been verified by a third party with a reasonable level of assurance, providing the highest level of transparency a company can achieve. The no-stop 30 km/hour electronic toll lanes lowered CO_2 emissions by 78,697 tonnes over the year (71,390 tonnes in 2017), or 360,886 tonnes since they opened in 2010. VINCI Airports operates 35 of the 251 airports with Airport Carbon Accreditation (ACA) certification in the world, including 13 Level 2 (Reduction) airports (all 10 ANA Group airports in Portugal, along with the airports in Rennes, Dinard and Kobe). The Kansai and Osaka Itami airports achieved Level 3, which reflects stakeholder engagement in carbon footprint reduction, and the calculation and verification of their carbon footprint for the three scopes. Lyon-Saint Exupéry Airport renewed its Level 3+ accreditation, carbon neutrality, which is the highest certification level in the ACA programme. In 2018, VINCI Airports calculated virtually all emissions from the aircraft LTO (Landing and Takeoff) cycle, which accounts for around 60% of Scope 3 emissions. LTO emissions totalled 236,246 tonnes of CO_2 equivalent for the year (emissions calculated over the same period as for environmental reporting).

Investors have responded positively to the measurement of GHG emissions and actions taken to reduce them. VINCI was again included in the Carbon Disclosure Leadership Index (CDLI) France in 2018, attaining level A- with its response to the Carbon Disclosure Project (level B in 2017). This project, which is conducted on behalf of 658 investors representing $87 trillion in assets under management, assesses how large companies are responding to climate change.

2.4.2 Adapting to climate change

VINCI has adopted France's plan for adapting to climate change and takes a forward-looking approach. The Group plans in advance for any necessary changes to cities and buildings, particularly through eco-design projects in which studies span the structure's whole life cycle. Similarly, VINCI companies use scientific scenarios predicting a 50 cm rise in sea levels by 2050, according to the Intergovernmental Panel on Climate Change (IPCC). Although they cannot take action regarding political strategy on receding coastlines, they are developing expertise in technical improvements, notably to strengthen sea walls. VINCI plays a central role in making new and existing structures more resistant to extreme weather events, ensuring long-term durability and providing innovative construction solutions. It carries out extensive research, both internally and through its scientific partnerships, in areas such as adapting neighbourhoods to heat waves, handling urban heat spots and flood prevention. Launched as part of the Leonard intrapreneurial programme, the startup Resallience is a design office that provides consulting, modelling and business strategy services to adapt projects and regions to climate change.
In 2018, following an internal study conducted to assess the impact of extreme weather events on the Group's business, a campaign was implemented to raise the awareness of VINCI's operational managers to the issue. The Group's goal is to instil a true culture of adaptation to extreme weather events caused by climate change. Due to their growing frequency, these events are managed at each stage of a project. VINCI companies are often called on following extreme weather events to restore the normal operation of transport and energy infrastructure.

2.4.3 Reduction targets and resources implemented

Group companies have introduced ambitious policies to achieve the target of reducing greenhouse gas (GHG) emissions 30% by 2020. Since 2016 Eurovia has developed and deployed a new environment and green growth strategy, based on achieving high energy efficiency for each business segment in order to meet the Group's emissions reduction target for 2020. A number of solutions have also been developed to reduce emissions, such as the plant-based fuel Dertal G. The fuel is derived by distilling pine resin and can replace the fuel oil used at production facilities to dry asphalt mixes. The use of Dertal G is also in line with circular economy principles. After one year in use and 150,000 tonnes of asphalt mix produced, no heavy metal or polycyclic aromatic hydrocarbons (PAHs) were detected in the air.

Other levers for reducing GHG emissions are mainly to be found in how structures are used by customers and end users: operations account for over 50% of lifetime emissions for a rail line, 90% for a building and over 95% for a motorway. Reducing the CO_2 emissions of VINCI structures is part of an eco-design approach that takes into account the construction, operation and end-of-life phases to compare and select the most appropriate technologies during the design phase. The approach uses life cycle analysis (LCA) tools that measure CO_2 emissions and other indicators such as water consumption, depletion of natural resources and impacts on human health. These tools allow the Group to ensure that CO_2 reductions do not generate other impacts at any point in the life cycle of its structures. LCA tools, primarily developed within the framework of the Chair in the Eco-design of Buildings and Infrastructure, are used in numerous subsidiaries. The CO_2NCERNED methodology developed by VINCI to measure a project's carbon footprint is deployed across all Group business lines to assess construction options at VINCI Construction, the effectiveness of solutions at VINCI Energies and motorway routes in the Concessions business, and to optimise the carbon footprint of rail infrastructure.

VINCI Energies companies have developed significant expertise in supporting local government authorities with the implementation of energy performance contracts for cities, through actions such as optimising public lighting, monitoring building energy consumption and installing smart grids.

VINCI is an active member of national and international working groups within its industry (Association Bilan Carbone and Encord) that are defining standards for quantifying Scope 3 emissions. VINCI Construction shows building occupants how they can consume less energy through its OXYGEN® solution, an eco-commitment that guarantees performance and assistance for building users. To date, 80 design-build and property development projects have been awarded the label. VINCI Construction France and the facilities management business units of VINCI Energies continued to work together in 2018 to develop the Oxygen® energy performance guarantee for the in-use phase of buildings, focusing on indoor air quality.

In 2018, VINCI Construction France took part in the new Énergie Positive & Réduction Carbone, or E+C–, programme, to prepare for the new environmental regulations that will go into effect in 2020. Test projects led as part of this experiment include the Origine & Nouvelle Vague combined-use urban complex in Nanterre near Paris, the housing worksite on Rue Obert in Wambrechies in northern France, the La Canopée residence in Nantes to the west, and the Bastide Bondoux office buildings in Chapanost in the east of the country. Energy consumption and carbon impact are tracked for each building use. The new calculation covers the entire life cycle of a building, from material manufacturing through to deconstruction, over a theoretical life span of 50 years.

2.5 Biodiversity conservation

2.5.1 General biodiversity policy

The Biodiversity Task Force, which implements the Group's biodiversity policy, brings together about 40 ecology experts and environment managers from the Group's different activities. It is primarily responsible for monitoring the regulatory environment, developing scientific expertise, analysing risks, promoting initiatives and sharing best practices. The task force encourages organisations, engineering and design departments, government authority representatives and companies to transmit information on what they do and the tools they use. The Group has developed a network of more than 500 biodiversity coordinators, who come together once a year in a day-long meeting to discuss technical issues. In 2018, some 100 people attended the meeting, which focused on plant-based engineering (using local plants, combating invasive non-native species and biomimetics).

In the six years since the Biodiversity Task Force was formed, a number of Group-wide initiatives have been launched at the Group's business lines. In 2018, the Group developed a location-based system specifically designed to address biodiversity conservation issues. The system will eventually hold data from inventories and monitoring surveys conducted near Group projects and infrastructure.

2.5.2 Measures to promote biodiversity

Several Group companies with long-cycle business activities that directly impact natural environments – notably those involved in the concession-construction of transport infrastructure (motorways, airports), earthworks and quarries – have been deploying a biodiversity action plan for many years.

Measures to avoid and reduce impacts on natural environments or, as last choice, to offset them are developed and applied in partnership with the most appropriate stakeholders, depending on the project, location, species and ecosystems. Across all VINCI companies, more than 430 partnership agreements on biodiversity issues with non-profit organisations, research centres and engineering and design firms were signed or in effect in 2018.

For example, a whole region-wide network of partners – government services, environmental organisations, scientific partners, chambers of agriculture, hunting and fishing federations, and so on – is involved in the environmental management of the South Europe Atlantic high-speed rail line. They bring together the ecological and local expertise necessary to make sure environmental measures are implemented properly along the entire line.

The target to submit 3,500 hectares of compensatory mitigation land for review by government services was surpassed (3,548 hectares) in September 2018. Fifty-two environmental restoration projects were launched in 2018 as part of compensatory mitigation measures. The effectiveness of environmental measures, environmental transparency structures and compensatory mitigation measures can only be judged over the long term. As such, the LISEA environmental observatory monitors all environmental measures throughout the duration of the concession and all regions crossed by the South Europe Atlantic high-speed rail line. This provides an overarching perspective of the steps taken to support the environment and address the impact of the infrastructure. Forty-five ecological monitoring tools were launched in 2018.

To maintain a continuous hands-on approach, the Group gave special focus to deploying training and awareness modules on biodiversity issues in 2018. Eurovia has integrated specific modules on biodiversity into its training programmes for young quarry and technical engineers and its environmental regulations training for operational staff. At certain worksites, "15-minute biodiversity sessions" were introduced to make sure that employees understand and properly take into account the signage used concerning biodiversity. As part of its Attitude Environnement label, VINCI Construction France continued rolling out its training modules on factoring biodiversity into projects, especially in urban settings. A technical manual on green roofs is also provided for company employees. VINCI Construction Grands Projets devotes a large portion of its environmental training programme to biodiversity conservation.

Operators of linear infrastructure concessions are primarily concerned with limiting the fragmentation of natural habitats during construction work, focusing their efforts on the ecological transparency of their infrastructure, the reversibility of barriers and the restoration of ecological connectivity. This includes installing wildlife crossings, making improvements to hydraulic structures, restoring and enhancing sites of ecological interest, redeveloping slopes, sustainable roadside grass mowing, and so on. Several wildlife crossings opened in 2018 along VINCI Autoroutes motorways A89, A52 and A8. VINCI Autoroutes also worked to keep users informed about biodiversity conservation at the environmental awareness spaces it sets up at rest areas along summer routes, and invited children from nearby schools to visit wildlife crossing construction sites.

VINCI Autoroutes has also taken steps to reduce the impact of the operation phase of motorways on natural environments. For example, the considerable efforts engaged to limit the use of phytosanitary products have led to a 64% decrease in their use since 2008.

Wildlife crossings and fenced sections on the motorways of VINCI Autoroutes companies

	2018	2017	2016
Crossings for small and large wildlife *(in number)*	**956**	883	806
Fenced sections *(in km)*	**8,730**	8,651	8,543

The main biodiversity issue faced by Eurovia is the production of aggregates at quarries currently in operation or during the site rehabilitation phase. Eurovia established a partnership with the natural heritage department of France's Natural History Museum (MNHN) in 2012, which was renewed in 2016. They developed a methodology used to analyse natural environments and a study of the balance of plant and animal life at each site. Using this approach, Eurovia sites can be mapped based on their natural environment and species living there. Measures can then be determined to conserve and provide a favourable environment for new plant and animal species.

At these sites, Eurovia implemented an assessment methodology designed by the MNHN to determine their ecological potential and environmental quality index (IQE). This approach helps define actions to improve how biodiversity is taken into account during both operation and rehabilitation phases. In addition to the MNHN, other local partners (non-profit organisations such as those approved as Permanent Centres for Environmental Initiatives) have gradually been trained and authorised to use this methodology. The IQE was tested on 26 quarries from 2013 to 2018.

Eurovia's biodiversity indicators specific to quarries

	2018	2017	2016
Quarries that have set up a CLCS(*)	**44%**	39%	19%
Quarries that have formed partnerships with local naturalists	**18%**	35%	25%
Quarries that have joined the Unicem Environment Charter(**)	**68%**	47%	72%
Number of data on flora and fauna sent to the INPN by Eurovia quarries(***)	**12,867**	12,120	9,800

(*) Commission Locale de Concertation et de Suivi (local consultation and monitoring commission).
(**) National Union of the Quarrying and Construction Materials Industries.
(***) Inventaire National du Patrimoine Naturel (national inventory of natural heritage).

With the Equo Vivo brand, VINCI Construction Terrassement brings together its technical expertise, know-how and experience in environmental improvement projects to better serve its customers. Equo Vivo services cover three areas: ecological connectivity, restoration of aquatic environments and wetlands (streams, marshes, ponds, etc.), and plant-based engineering. In 2018, some 30 new environmental improvement projects were launched or completed by VINCI Construction Terrassement with Equo Vivo. A number of operational staff members (site managers and machine operators) gained and developed significant experience in biodiversity conservation techniques and methods.

The environmental policy at VINCI Airports includes a section on biodiversity conservation that involves conducting an assessment of biodiversity issues at all of its airport sites by 2020. This assessment can then be applied to adapt action plans to the local context, primarily addressing wildlife hazards. The methodology and assessment tool were completed in 2017, and used at Nantes Atlantique, Clermont Ferrand Auvergne, Grenoble Alpes Isere, Chambéry Savoie Mont Blanc and Poitiers-Biard airports. In 2018, VINCI Airports signed a partnership with France's national beekeepers association (Unaf) to show that, if managed properly, land surrounding airports can provide a particularly favourable habitat for pollinators.

2.5.3 Sponsorship, research and development to promote biodiversity

The LISEA Biodiversity Foundation, set up at the end of 2012 with a budget of €5 million for the period 2012-2020, helps to finance local projects submitted by non-profit organisations, companies or research centres located in any of the six French administrative departments crossed by the Tours–Bordeaux rail line: Indre et Loire, Vienne, Deux Sevres, Charente, Charente Maritime and Gironde.

Under the sponsorship programme of the Chair in the Eco-design of Buildings and Infrastructure, the students of AgroParisTech have developed a number of tools and solutions designed to conserve biodiversity in the urban environment.
Biodi(V)strict® is a diagnostics and decision-making tool used to measure the biodiversity potential of an urban or peri-urban development project. This solution is the result of a collaborative project that teamed up urban development experts with scientists under the partnership between VINCI, VINCI Construction France and AgroParisTech within the framework of the VINCI-ParisTech Chair initiated in 2008. A Biodi(V)strict® study of a construction or renovation project determines points that can be improved and suggests ways to promote local plant and wildlife. Biodi(V)strict® is used for projects under public-private partnerships, development or design-build projects and can be applied at various project stages (planning, design, bidding, etc.). This tool has been used on more than 40 projects since 2014 and was tested as part of the implementation of HQE® Performance standards for housing, offices, retail space, schools and university campuses. Created in 2017, Urbalia is the culmination of a unique partnership initiated by AgroParisTech and VINCI under the Chair in the Eco-design of Buildings and Infrastructure to promote biodiversity and urban agriculture. Urbalia supports property professionals in creating spaces that strengthen biodiversity and integrate local agriculture. These spaces are not only more resilient to climate change, but also provide a better setting for people to live in, along with numerous services (urban cooling, rainwater management, local production, and health and well-being areas). In the 12 months since it was founded, Urbalia has supported more than 30 projects ranging from the level of the building to the neighbourhood.
The Chair's research on urban agriculture was published in 2018 and applied to Group programmes relating to this area, especially to develop new dedicated solutions. The thesis entitled "Technosols built using urban waste: ecosystem services and evolution", presented in December 2017, offers guidelines for VINCI companies that want to develop productive green roofs on buildings. Six scientific articles were published in 2018 based on this thesis.
Since 2014, VINCI has been part of the Strategic Guidance Council at the Foundation for Research on Biodiversity (FRB), whose members (non-profit organisations, research centres, government services, businesses, etc.) work to support dialogue and exchange on best practices to address biodiversity issues. The Group has also formed a partnership with the Institute for Sustainable Development and International Relations (IDDRI) and is contributing to a thesis on issues relating to the loss of natural land.

3. Social information

3.1 Social commitments to promote sustainable development

3.1.1 Impact of VINCI's business on employment and local development

3.1.1.1 Group companies with strong local roots

VINCI is made up of a network of local companies that have long-established roots in their operating regions (nearly 68% of Group companies have fewer than 100 employees). Owing to these local roots, as well as the autonomy and opportunities for initiative made possible by the Group's decentralised management model, VINCI companies play an important part in the life of surrounding communities. In 2018, VINCI had operations in 104 countries through more than 1,500 companies.

Size of Group companies by number of employees at 31 December 201

	2018								
	VINCI Autoroutes	VINCI Airports	Other concessions	VINCI Energies	Eurovia	VINCI Construction	VINCI Immobilier and holding companies	Total	
From 1 to 99 employees	1	9	13	536	164	286	21	**1,030**	**68%**
From 100 to 499 employees	-	6	4	184	70	134	1	**399**	**26%**
More than 500 employees	3	6	1	19	25	36	1	**91**	**6%**
Total	**4**	**21**	**18**	**739**	**259**	**456**	**23**	**1,520**	**100%**

3.1.1.2 Promoting the sustainable development of regions

Always taking a long-term perspective, VINCI companies design, finance, build and operate bridges, tunnels, roads and other infrastructure in the public interest that contributes to the sustainable development of regions. Group companies therefore help to structure territories and improve their coherence while playing a key role in economic and social development. Whether engaged in construction or concession activities, Group companies create value that cannot be delocalised and generate significant local benefits in the form of revenue, subcontracting, the development of ancillary activities, local tax contributions and support for local non-profit organisations.

Apart from economic contributions in the form of locally generated revenue and tax payments by companies at local level, the types of activity pursued by the Group promote the growth and attractiveness of regions through the construction or upgrading of infrastructure. In addition, at a time when the requirements of customers – especially those of public sector or quasi-public sector customers, which generated €14.4 billion in revenue for VINCI in 2018 (more than 33% of total revenue) – are increasingly focusing on the environmental and social impacts of projects, Group companies are constantly working to provide innovative solutions, particularly in terms of energy performance, the design of urban eco-districts, promoting the sustainable city, as well as mobility and end-user services.

In 2018, VINCI participated in a working group organised around the theme "Co-construction of relationships between businesses and communities" that was launched by the sustainable development consultancy Utopies©. The working group brought together several large companies in order to discuss the strategic and practical approaches that may be used by them and their peers to drive the growth of sustainable entrepreneurship opportunities at the local and regional levels. In fact, Group companies are already contributing to successful economic development and working to improve economic vitality in the areas where they operate, notably by forging relations with local startups and pursuing open innovation initiatives.

As regional actors, Group companies are key contributors to development, stimulating local and regional economies and spurring entrepreneurship.
As part of the Group's actions in connection with its strong local presence, VINCI entities in the Loire Atlantique administrative department conducted a study in 2018 to measure the socioeconomic impact of their business activities at the local and regional levels. The report on this study, produced by Utopies©, shows that VINCI's business activities create many direct and indirect jobs in this region, and by extension and in the same proportions throughout the rest of France. At local level, the salaries paid by VINCI, its other expenses for purchases, taxes and duties, together with those of its staff, help support jobs in government agencies and across the subcontractor chain, owing to the consumer activities of employees. The report also examines the wide range of sectors affected and opens up new ways to think about VINCI's impact on the development of communities and regions.

For many years, VINCI Concessions has worked closely with startups on the development of pilot projects to test and evaluate new services for customers and new approaches to improve the user experience. VINCI Airports continued the testing of Business in the Air at the Porto and Lisbon airports during the year. This application feature helps business passengers awaiting their flights find and establish new professional contacts or even organise business meetings at the airport via their LinkedIn profiles.

Also in 2018, VINCI Energies stepped up the development of La Factory, a space dedicated to innovation where its teams can come together to work out concepts, exchange ideas and co-construct its future offerings alongside startups as well as the Group's partners and customers. La Factory houses VINCI Energies' brand management staff, its personnel focusing on the service sector and smart cities, as well as its Development and Innovation Department, and has a number of startups in residence.
On 5 March 2018, VINCI Energies inaugurated the Hermes platform as a means to link up all of its companies in order to facilitate exchanges on topics relating to innovation. Hermes includes details on all innovative projects being carried out at VINCI Energies, along with their proofs of concept, as well as information on the startups considered as particularly of interest for its various business activities. To date, 276 startups have been selected, out of a total of 2,500 candidate companies.
Along these same lines, VINCI Energies has also launched Energize, its accelerator programme for innovative in-house projects. Any VINCI Energies employee can submit a proposal for an innovative project to the Development and Innovation Department, which will then be reviewed by a selection committee. If the project is approved, the department offers operational support to the employee. By joining the Energize programme, employees seeking to develop a project benefit from mentoring, training and/or financial assistance, as well as support provided by VINCI Energies' international network of technology experts.

To lend further support to startups, VINCI Energies has also established a managerial investment fund called Inerbiz.
This programme aims to build long-term industrial and commercial partnerships by investing in startups working in areas closely linked to the business challenges faced by VINCI Energies. The Inerbiz programme offers startups:
- made-to-measure operational support (mentoring);
- platforms to test prototype designs for innovations alongside VINCI Energies business units.

Any VINCI Energies employee can recommend a startup to the Development and Innovation Department, which will then be reviewed by a selection committee. If the startup is approved, VINCI Energies acquires a non-controlling stake in the startup, offering the latter access to its innovation ecosystem.

Lastly, among other initiatives to promote innovation, VINCI continued the development of Leonard in 2018, its new cross-activity platform dedicated to insight, innovation and foresight, which is open to both Group employees and partner startups.

3.1.1.3 Social and economic impact of VINCI's activities

For several years, VINCI companies have had access to tools developed by the Group to measure the social and economic effects of their projects. They have applied this type of assessment to specific sites as well as projects for infrastructure, facilities, upgrades and other works. These studies allow companies not only to highlight the operations being carried out, but also to better take into account the operating environment and adapt their strategies for upcoming phases. They are also helpful when engaging in dialogue with local and regional stakeholders and other key actors (elected officials, business leaders, etc.).

In 2012, LISEA, the concession company for the South Europe Atlantic high-speed rail line (SEA HSL) connecting Tours and Bordeaux, set up a monitoring unit in partnership with the concession grantor, SNCF Réseau, designed to record socioeconomic data for a period of 10 years from the opening of the line to traffic. Its core mandate is to analyse the challenges and opportunities brought by the arrival of the high-speed rail line as they relate to geographical mobility, the local economy and regional development. This monitoring unit involves the participation, alongside the concession company and grantor, of French government agencies, regional and local authorities, chambers of commerce, universities, and all other stakeholders legitimately considered as experts in the chosen research areas.

In addition, studies have been carried out since 2014 by an external partner to measure the direct, indirect and induced impacts of both planned and ongoing operations, using the Local Footprint® tool developed by Utopies©. As examples, this type of study was conducted on:
- the Solignac sur Loire quarry and the quarries managed by Jalicot (Eurovia);
- the project to upgrade the Bambeto roundabout, in Guinea;
- the Stade de France operation;
- QDVC's worksites in Qatar;
- the airports operated by VINCI Airports in France;
- the works and operational phases of the western Strasbourg bypass;
- the T3C works package of the Paris metro's Line 15 South, as a validation of the consortium's Grand Paris SME strategy.

Given the social situation in France and in response to the French government's call for companies to take part in measures to boost purchasing power for workers, VINCI's Executive Management asked the various entities in each of the Group's business lines to award a special year-end bonus to employees, which was paid in January 2019.
The terms for awarding this special bonus, offered to employees at the lower end of the wage scale, were defined by each entity and resulted in individual payments of between €300 and €500, depending on the employee's gross annual salary, the number of working hours actually completed in 2018 and the annual working time stipulated in his or her employment contract. The special bonus was received by more than 50,000 employees out of the Group's total workforce of about 100,000 in France.

3.1.1.4 Social integration through work

In France, public procurement contracts include social integration clauses requiring the recruitment of the long-term unemployed. The French construction industry accounts for 70% of these clauses, corresponding to between 2 and 3 million work hours per year for VINCI companies. To help companies honour their commitments in this area, VINCI created VINCI Insertion Emploi (ViE) in 2011, a social enterprise focused on employment and the only one of its kind in France. ViE recruits locally and currently covers 90% of France.

Activity of the ViE social enterprise, and change

	2018 (*)	2017	2016	2018/2017 change
Number of people benefiting from social integration measures	**2,107**	1,941	2,157	+8.6%
Number of hours of integration employment	**804,678**	777,238	921,135	+3.5%
Number of hours of training	**20,999**	22,852	16,716	-8.1%

(*) Data provided reflects information at 30 November 2018.

To help those benefiting from social integration measures build their skills, ViE seeks to lengthen their periods of employment with the Group. In 2018, about 21,000 hours of training were delivered, together with 6,170 hours corresponding to the Group's 15-minute safety sessions, an increase of 9% compared with 2017. Furthermore, 21% of people taken on under social integration clauses were offered an additional contract once their first project was completed (18% in 2017, 14% in 2016, 12% in 2015). Over the year, 614 of the 2,107 people benefiting from these measures (thus nearly 30%) were subsequently hired by the Group or one of its subcontractors, thanks to the effective and ongoing support provided to teams. The increase in the number of hours of integration employment in 2018 was due to the start of work on some of the projects with which ViE was associated, including those initiated under the Grand Paris programme, as well as the opening of a new ViE office for the Normandie Centre region.

For the last five years, ViE has been developing an innovative approach to the mapping of skills and competencies that are transferable to all types of work at a basic level. It puts this approach to use either directly for the long-term unemployed entering the workforce or in its relations with social and solidarity economy (SSE) organisations in order to facilitate stable employment for the individuals involved. Currently, ViE receives no public funding and is continuing to test solutions to improve employability while exploring the ways in which it can promote social innovation and the most effective forms of assistance it can provide.

Given the fact that positive social integration outcomes for people benefiting from these measures who are employed by Group companies sometimes prove difficult to achieve, ViE has been working on a new integration programme entitled "Stratégie territoriale pour l'emploi" (Territorial strategy for employment), known by its French acronym Step, based on the nurturing of talent and the identification of particularly promising candidates. Step is structured as a 12-month programme, including various periods of training, business immersion and support measures to secure lasting employment for the long-term unemployed. The aim is to ensure that these individuals are able to successfully join the workforce, while developing their personal and organisational skills so as to improve their employability; Step is an integration policy "by companies and for companies". Following a first successful experiment in a major city in the northern French region of Hauts de France in 2017, the Group decided in 2018 to extend the coverage of the programme to 10 priority neighbourhoods for urban policy throughout the metropolitan area.
Several Group entities are also applying this proactive approach to promote employment and integration at local level. The dedicated unit for the Grand Paris project has set up a training programme for drafting technicians in partnership with the Greater Paris GEIQ (one of several regional employers' groups formed throughout France to promote social integration through work and qualifications) and the Compagnons du Tour de France (a French organisation of craftsmen and artisans dating back to the Middle Ages). Five individuals divided among various VINCI Construction companies are taking part in this programme, having begun a one year work-study contract in early November 2018.

Another example in this area is the programme launched by VINCI Energies in Morocco, with the assistance of Anapec, the country's national agency for the promotion of employment and skills, to improve access to employment for young people. In 2018, 17 people under the age of 25 were recruited under this 24-month training/integration programme.

3.1.1.5 Partnerships and sponsorships to promote social entrepreneurship and local development

Wherever they operate, Group companies support solidarity and development initiatives. Tailored to address local challenges, these initiatives vary depending on the region and its socioeconomic circumstances. They are also tied to the nature of the work carried out by Group companies (large-scale projects completed in short time frames or recurring work), as well as to the presence or not of Group companies over the long term, etc. As these initiatives differ widely, this information is not consolidated at Group level.

Since it was launched 11 years ago, Initiatives Sogea-Satom pour l'Afrique (Issa) has supported social entrepreneurship projects to improve access to essential services through both financial assistance and skills-based sponsorship by employees. It involves local projects initiated in various areas (education, health, energy, local crafts, food production self-sufficiency, etc.) with a special focus on female project initiators. To date, Issa has supported 226 projects for a total amount of more than €3.5 million in some 21 countries and involving the participation of 230 employees. In 2018, Issa supported 30 new economic and social initiatives in 13 countries.

Activities of Issa (Initiatives Sogea-Satom pour l'Afrique) in 2018, with change

	Number of projects supported				
	Access to essential services	Social entrepreneurship	Total	Number of countries involved	Total amount paid *(in € thousands)*
2018	**12**	**18**	**30**	**13**	**557**
2017	4	21	**25**	8	**480**
2016	8	15	**23**	8	**412**

New initiatives supported by Issa in 2018 include setting up a complete production facility to manufacture shoes made from textile industry waste, operated by the social enterprise K-Shoes in Nairobi, Kenya. Near Natitingou in Benin, Issa funded the acquisition of a rice colour sorter for eight women's cooperatives, increasing their daily production capacity for parboiled rice from 200 to 800 tonnes. At Koubri, in Burkina Faso, 50 women will soon have access to a suitable parcel of land and technical assistance for onion and papaya farming through the Yennega project, an initiative sponsored by the startup Jardin Green Hope. In Douala, Cameroon, Issa is funding the construction of a multi-purpose space in a medico-educational centre for children with motor difficulties and learning disabilities. Lastly, the Umama centre in Uganda received a grant to build a training facility offering classes in sewing and digital design.

The widespread commitment by Sogea-Satom (VINCI Construction) to the fight against HIV/AIDS, malaria and cholera is demonstrated by initiatives at all of the company's sub-Saharan agencies, including the organisation of information meetings and awareness campaigns targeting employees as well as local residents. These meetings are led by project supervisors together with the company's occupational health and safety specialists, who may be assisted by local associations, NGOs or doctors. They often take the form of 15-minute health sessions, on the model of the Group's similar sessions focusing on safety concerns, and are sometimes complemented by more in-depth presentations and exchanges.

In Cambodia, VINCI Airports is a long-standing partner and shareholder of Artisans Angkor, an organisation created to perpetuate and encourage the development of Khmer traditional crafts while offering career opportunities to the underprivileged populations of the Siem Reap region. The 700 craftspeople hired by the organisation each receive a contractual salary and a full benefits package. Artisans Angkor, a social enterprise with 2018 revenue of €8 million, supports some 2,000 families and promotes economic vitality in the local area.

3.1.2 Impact of VINCI's activities on local populations

In terms of employment, the activities of Group companies contribute to the creation of direct jobs, indirect jobs (temporary employment and subcontracting) and induced jobs. In addition to furthering local employment opportunities, VINCI companies help to support regional development through training initiatives and social integration of the long-term unemployed. Internationally, and particularly in emerging economies, they also promote local skills development, focusing their efforts on both production and managerial staff.

3.1.2.1 Employment and local skills development

As they are highly labour intensive, VINCI's Contracting activities (the Energy, Construction and Roads business lines) have substantial direct, indirect and induced effects on regional employment. For employment at its worksites, the Group encourages the use of local resources, thus contributing to training efforts in regions. Furthermore, practices in the Group's business sectors and the relatively short duration of projects encourage professional and geographical mobility. Accordingly, training efforts of VINCI companies address the needs and issues raised by these skills transfers. The mobility of VINCI employees thus benefits the entire industry, promotes regional development and is encouraged by all Group companies.

In Africa, Sogea-Satom, which uses local resources whenever possible for the work carried out on its sites, once again demonstrated its long-standing commitment to the training of local managers. More than 70% of Sogea-Satom's managers were from the continent in 2018, accounting for 40% of agency directors and 90% of supervisory personnel working in Africa. The year also saw further growth for the Africa Pro campus, established in 2015 by Sogea-Satom in Morocco to expand training opportunities for its employees in Africa and reinforce the company's shared culture. In all, 25,039 hours of training were delivered at the campus in 2018. In addition, more than 2,000 people took part in local recruitment forums organised by Sogea-Satom in Côte d'Ivoire and in Cameroon, where the company also signed a partnership agreement with the Fonds national de l'emploi (FNE), the main agency implementing the country's national employment policy.

VINCI Construction Grands Projets continued the rollout of its Skill Up programme, which aims to develop the knowledge and skills of operational and supervisory staff (manual workers, team leaders and site managers) around the world by setting up training centres tailored to the requirements of each project. These centres are designed to serve local teams employed on the projects. In 2018, new Skill Up training centres were set up in three countries: Egypt, Malaysia and Morocco. With courses delivered to over 307 project participants (employees, subcontractors and partners) during the year, this training has also helped to improve their employability upon completion of work at the sites. The courses dealt with various subjects, such as slinging, scaffolding installation, concrete pouring, the use of concrete pumps and the operation of machinery. Given its scale and time frame as well as its considerable training requirements in the initial period, the construction project for the third phase of Line 3 of the Cairo metro was selected for the establishment of a permanent training centre for the entire duration of works at the Abu Rawash site, where a total of 14,857 hours of training were delivered to 1,278 trainees. In Qatar, the QDVC Training Academy delivered 39,463 hours of training to 2,126 workers.

VINCI Airports Academy, which helps disseminate the company's shared culture as well as its specific know-how, continued its international rollout, in particular by expanding its offering of e-learning modules.
VINCI Construction put in place an internal training course entitled "La ville sous la ville" (The City under the City) in response to the unusual nature of the sites for the Grand Paris project and the company's considerable experience in this type of project. The course aims to foster a culture of special and underground works, thereby anticipating its needs in the area of skills development for its employees in relation to very specific techniques. The first session of this course opened in July 2017. By December 2018, 150 people had received training, in connection with five projects: Eole, the T3C works package for Line 15, T2D, Line 14-2 South, and the T03 works package for Line 14. An introduction to the course is provided as an e-learning module, which may be accessed by all staff.

3.1.2.2 Relations with educational institutions

Even during periods of economic difficulty, VINCI companies recruit new staff and therefore maintain long-term partnerships with educational institutions and academic circles. These partnerships involve a wide variety of initiatives: sponsoring of graduating classes, support for specific degree programmes, site visits, recruitment fairs, sporting events, internships, etc. The general policy in this area is to further develop VINCI's employer brand to underpin the recruitment strategies of Group companies. In France and other countries, Group companies forge many local partnerships with apprenticeship centres, schools, universities and other institutions of higher learning. Group employees also play an important role in these relationships by serving as sponsors or mentors, giving presentations and organising visits, among other actions. VINCI also lends its support to the educational community through the allocation of the apprenticeship tax, which is coordinated both at Group level and by entities building relations with educational institutions in their local areas.

VINCI is a key partner for various schools and universities, both within and outside France. For example, VINCI is the sponsor of the class of 2018 at École des Ponts, one of the three ParisTech engineering schools. New partnerships have also been forged with French engineering schools outside the Paris region (HEI and Polytech Orléans). The regional human resources Pivot Clubs, which bring together HR managers from across the Group, provide essential support in furthering these initiatives. In 2018, VINCI entered into a new type of partnership with Fondation Insa, covering all six of its engineering schools. In addition, many actions are carried out on behalf of students at every stage of their studies by human resources professionals and operational staff to improve their knowledge of the Group and its businesses, but also to assist them in shaping their career plans and help with their personal development.

Several of the Group's subsidiaries are developing their own networks of relations with educational institutions in the regions where they operate. Eurovia, which has long been a partner of the Paris engineering school ESTP, is the sponsor of the school's class of engineering students for the 2017–2020 period. Its aim is to forge personal relationships with each and every student thanks to the involvement of nearly 200 of its employees who offer one-to-one mentoring. Over the course of their studies, students are thus able to deepen their real-world business knowledge in areas such as accident prevention, innovation and international operations. Eurovia's sponsorship aims to demonstrate its growth, wide-ranging business activities and company culture to these future engineers.
VINCI Energies also continued to develop its partnerships with educational institutions and its student sponsorship policy during the year. Given its increasingly acute recruitment needs, along with the unique challenges due to the presence of its subsidiaries in sub-Saharan Africa, VINCI Energies entered into new agreements with several schools and universities during the year: Gamal Abdel Nasser University and Kofi Annan University, both in Conakry, Guinea; École Supérieure Polytechnique de Dakar and École Polytechnique de Thiès in Senegal; and EIGSI Casablanca in Morocco. VINCI Energies also held its popular Young Talents Day recruitment event in Paris again in November 2018, an opportunity for final-year students at engineering, business, management and computer science schools to meet with company staff to discuss their interests and learn more about VINCI Energies' business activities, with several hundred internships on offer, both within and outside France. For the first time in 2018, this event was repeated in Casablanca.

VINCI Construction also maintains close ties with the academic community, especially with top French engineering schools (CentraleSupélec and ESTP) and universities in other countries. The business line has maintained its local recruitment policy in Asia and Oceania by strengthening its ties with the following universities: Hong Kong University of Science and Technology, the National University of Civil Engineering in Hanoi (NUCE), Ho Chi Minh City Polytechnic University (HCMUT), the University of Malaya in Kuala Lumpur (UM), Nanyang Technological University (NTU) in Singapore, the National University of Singapore, the University of Queensland in Brisbane and Monash University in Melbourne.
In 2018, keeping pace with the digital age, VINCI Construction inaugurated The Trail, a worldwide student competition to encourage innovation in the construction industry. Students at VINCI Construction's partner schools and universities were invited to take the construction industry to the next level, with the initial selection of teams based on proposals submitted online, followed by a finals event in France, including project pitches at Leonard:Paris and sports challenges in Annecy. Separate semi-finals were also held in Singapore, bringing together three teams from across Asia (Malaysia, Singapore and Vietnam), and in Brisbane, bringing together three Australian teams from Queensland and Victoria. The two winning teams (from Malaysia and Queensland) took part in the finals in France in May. Specific efforts are brought to bear to help all the participants find internships or jobs in their regions at the conclusion of their studies. Thanks to The Trail, Sogea-Satom was able to recruit three young construction engineering graduates in Uganda.

VINCI Construction also organises initiatives to communicate its environmental knowledge. In October 2018, one of its engineers, currently a Leonard intrapreneur, shared his expertise in the area of climate resilience with students at four universities in Asia (NUCE, HCMUT, UM and NTU).

In Latin America, VINCI Construction continues to develop its close partnerships with educational institutions, notably with the National Autonomous University of Mexico and the country's National Polytechnic Institute, the National University of Colombia and the Antioquia School of Engineering in this same country, as well as the University of Chile and, most recently, Pontifical Catholic University of Chile. Lastly, VINCI Construction frequently takes part in forums, events and conferences organised by academic institutions across Europe and around the world. Each year, dozens of graduates from these top universities and schools join the Group's companies. In Colombia, the Group pursued discussions with the National Training Service (SENA) on employability, training, innovation and R&D.

In Africa, Sogea-Satom supports several educational programmes at a number of engineering schools, including École Polytechnique de Dakar in Senegal, Institut Supérieur de Technologie d'Afrique Centrale (Istac) in Cameroon and Institut International d'Ingénierie de l'Eau et de l'Environnement (2IE) in Burkina Faso. Sogea-Satom has signed a partnership agreement with Centrale Nantes and the International Campus for Sustainable and Innovative Africa (Icsia) in Mauritius to sponsor female African students admitted to Icsia's Bachelor of Science (Hons) in Engineering programme. Similarly, following the signature of an agreement with the University of Douala, students began working with Sogea-Satom's QHSE team in Cameroon and completed a number of practical internships at its various project sites.
VINCI Energies has entered into agreements with five schools and universities in West Africa.

3.1.3 Relations with civil society stakeholders and procedures for dialogue with them

3.1.3.1 General policy relating to dialogue with stakeholders

Owing to their position in the value chain, VINCI companies are continuously engaged in dialogue and consultation with all project stakeholders. Public authorities have responsibility for decisions on transport and energy infrastructure and on facilities to improve the living environment, including where they are to be located. However, VINCI companies serve as a liaison with local communities, residents living near the structures they build, non-profit organisations and users. In order to better identify stakeholder needs and propose solutions that will be satisfactory for all concerned, VINCI has developed an easy-to-use mapping tool called Reflex. This tool was updated in 2018 and its latest version will be made available to all entities in early 2019. Interactive websites developed specifically for major projects round out and help bring a fresh perspective to the more traditional consultation processes, such as public meetings, site visits, etc.

The Group's approach in this area is enshrined in the "Together" Manifesto, which encourages Group companies to strengthen openness and dialogue with stakeholders as an opportunity and a means to create value with a positive impact. As an example, Omexom (VINCI Energies) has launched a project, the first of its kind in France, with SDE 18, the authority that is in charge of energy supply for the Cher administrative department, for the collective generation and on-site consumption of electricity from renewable sources. The project is based on a co-construction process involving stakeholders across Cher. Similarly, VINCI Immobilier is developing innovative solutions to better gather, analyse, understand and take into account the expectations of future buyers at an earlier stage in their processes, with a view to offering homes and configurations precisely tailored to the needs of these customers. In 2018, VINCI Immobilier delivered the îlink property development in Nantes, which breaks new ground by offering scalable and affordable homes, allowing lower-income customers to enlarge their homes as their needs evolve and their income improves. For this project, VINCI Immobilier worked in collaboration with the future residents to design the district and the homes. Community gardens for flowers and vegetables, a holiday rental apartment, a function room and a caretaker's lodge are among the features of the development having resulted from this co-construction process.
In line with this approach, VINCI regularly consults with its stakeholders in the field of social innovation and human rights as a participant in two collaborative initiatives to which all of its companies adhere: the Leadership Group for Responsible Recruitment, convened by the Institute for Human Rights and Business (IHRB), and Building Responsibly. VINCI is a founding member of this coalition alongside five other leading construction and engineering companies from around the world, together representing over 400,000 employees. Its aim is to collaborate globally to raise the bar on workers' rights in the industry. This initiative has received generous support from Humanity United, a US-based foundation dedicated to identifying innovative solutions to address global problems related to human rights.

3.1.3.2 General policy relating to dialogue with customers and users

The majority of VINCI's customers are public authorities or companies. With these customers, the objective embraced by VINCI companies involved in long-term partnerships – for motorways, airports, stadiums and other infrastructure – is to build relationships founded on trust over time, particularly through the services they offer. Except in the case of the Concessions business, the public-private partnerships of the Contracting business or the services provided by VINCI Facilities (VINCI Energies), private individuals are only rarely direct customers. Nevertheless, close working relationships with them are vital, right from the initial design phase, owing to the potential impact of projects on nearby residents. Also, the resulting exchanges can provide important insights into the acceptance of planned structures by communities.

3.1.3.3 Consultation initiatives and relations with local residents and associations representing users

When carrying out their activities, Group companies apply strategies and undertake initiatives in a spirit of dialogue, consultation and exchange with project stakeholders and other key local and regional actors, including elected officials, associations representing users of the infrastructure and facilities they build or operate, as well as people living or working nearby.

LISEA, the operator of the South Europe Atlantic high-speed rail line, fully mindful of the impact on the local noise environment, honoured its commitments by launching an acoustic measurement campaign once the line opened to traffic. The aim of this campaign is to evaluate the adequacy of the procedures put in place under real traffic conditions. LISEA is thus engaged in direct and ongoing consultation with local and regional actors, making sure that transparency remains central to its process. Actions include listening and responding to residents' questions and concerns, and involving mayors in the identification of measuring positions. The mayors were informed of the launch of the measurement campaign in June 2017, before the line opened to traffic. Local consultation meetings in 70 municipalities resulted in the final determination of the measuring positions for the campaign, which ran until spring 2018. All claims, whether they are sent to LISEA, the departmental prefects or the mayors, are centralised so that they can be processed in consultation with all stakeholders in accordance with the specific characteristics of population areas.

Through its activities in quarrying and roadworks, Eurovia builds strong and lasting relationships with local stakeholders – residents, local government authorities, non-profit organisations and government agencies – using approaches such as information meetings, local committees for consultation and monitoring (CLCS), open days, and partnerships with non-profits and NGOs at local level. For the coating plants, a specific and more formal approach is implemented to forge these relationships, involving the use of a dedicated tool for the presentation of activities, in order to best facilitate communication between the company and its stakeholders.

For VINCI Airports in France, the preferred means to pursue consultation with communities living in proximity to airports is the environmental consultation committee (CCE). These committees are chaired by the prefect of the French administrative department where each airport is located and bring together aviation professionals, local authorities and civil society representatives such as local resident associations and environmental organisations. A specific and formal procedure has been set up at each airport for the management and handling of claims. In France, a claims report is presented at every CCE meeting, indicating the number of claims received, the average response time, as well as the breakdown of complaints by municipality and type of disturbance (noise, flight paths, etc.). In Portugal, at all airport facilities managed by ANA, nearby residents are also consulted. The number of claims is consolidated every year at the level of VINCI Airports.

3.1.3.4 Initiatives to promote strong and lasting relationships with users and customers

Alongside their ambition to build and maintain strong and lasting relationships with their stakeholders, Group companies also seek to anticipate the needs and expectations of both their customers and the end users of the infrastructures and facilities they design, build or operate. They do so by developing innovative solutions, in particular to promote the well-being and safety of end users or improve the information provided to them.

To meet the growing demand for new homes and facilitate home ownership for the broadest possible segment of the population, VINCI Construction France has introduced Primméa, a concept to provide high-quality and well-located affordable new homes selling at 20% below the market price, on average. Resolutely focused on its future residents, Primméa is developed with the support of a collaborative platform, through which it is able to regularly obtain feedback from a representative panel of first-time homebuyers across the region. In addition, Primméa involves consultation processes with local authorities, driven by the shared desire to complete each development within a controlled time frame and in keeping with its surroundings, particularly from an architectural standpoint. Primméa is also grounded in a strong commitment: absolutely no reservations raised at the handover of the development.

Among the initial batch of Leonard projects, a VINCI Construction intrapreneur is developing Rehalib, an augmented reality (AR) application for the renovation of buildings and infrastructure. In the early design and consultation phase of a project, the application allows users to visualise the possible changes to a building, including a strong emphasis on co-design, fixtures and fittings for renovation, and personalisation. Users can select materials, colours or furniture in order to virtually refurbish the premises, whether they are looking at a home, a building or even an entire district. The virtual plan thus created can be viewed from a computer, a smartphone, a tablet or by using AR glasses. In sum, customers are offered a realistic, interactive and made-to-measure preview of possible deliverables, which can be very helpful for decision-making and consultation processes. The application can also be useful for landlords in their relations with tenants. In the initial phase of a project, the scale model, combined with architectural elements, makes it possible to create a virtual tour of the premises, thus garnering support for the project among future residents.

Based on an idea that emerged from customers' suggestions, ANA (VINCI Airports) has developed a solution for managing passenger flows, in partnership with Thales Portugal, that monitors the dynamics of occupation within a space and the movement of people through it in real time.
At Lisbon airport, the implementation of this solution helped ANA and the airport's partners improve indicators relating to passenger flows. As a result, waiting times were reduced by 20%, raising passenger satisfaction levels. At Lyon-Saint Exupéry Airport, in association with the French government agencies concerned, an alternative solution to the destruction of items confiscated during passenger checks has been developed. Called See You Later, this paying service is the only one of its kind in France; it offers the option for confiscated items to be mailed to the passenger's home address, at his or her request.

VINCI Autoroutes aims to cultivate constructive relationships with its customers, remaining attentive to their usage patterns and needs, in particular through the development of specific communications materials. VINCI Autoroutes has continued to set up Twitter feeds to deliver real-time and local information on traffic conditions, travel times or even weather alerts. The aim of this approach is to improve responsiveness and help drivers anticipate and make better decisions in the event of an incident. The Twitter feeds round out the range of VINCI Autoroutes services: dedicated website, VINCI Autoroutes app, Radio VINCI Autoroutes, customer service number (3605), and VINCI Autoroutes' main Twitter account.

Contactless toll payment is now possible at a growing number of sites across the VINCI Autoroutes network. Quick and secure, this payment method is another new practical service offered by the company and gets users through toll plazas faster. Alongside the development of electronic toll payment, it is part of the move to paperless transactions and reflects VINCI Autoroutes' ambition to constantly adapt its services to new usage patterns and the expectations of motorway users.

As part of its efforts to strengthen its offer of everyday mobility services, VINCI Autoroutes has also continued its actions to encourage carpooling. At the end of 2017, the motorway section crossing Lyon (on the A6 and A7) was downgraded. After recovering the management of these 16 km of motorways, Métropole de Lyon, the local authority for the Lyon metropolitan area, decided to proceed with experiments to encourage more sustainable mobility behaviours. On behalf of Métropole de Lyon, the technology research institute System X will be running a three-year pilot project to promote carpooling. It will be testing the implementation of reserved lanes in the downgraded section in partnership with several transport operators, including VINCI Autoroutes. Vehicles with at least two passengers, green vehicles (displaying the Crit'Air sticker), taxis, private hire vehicles or express buses would be able to use this reserved lane, thus enjoying faster access to the centre of the city. This project is to be supplemented by car parks reserved for carpooling and transport hubs strategically positioned at points leading up to the section including the reserved lanes. Teams from VINCI Autoroutes are taking part in forward-looking studies on carpooling, dynamic traffic regulation and lane enforcement. The initial findings of these studies are expected by mid-2019.

VINCI Immobilier has introduced new tools to enhance the value in use of its products. To make the purchasing process for a property more fluid and intuitive, the customer experience is now entirely paperless, from the virtual tour to the electronic signature. An extranet site is made available, on which individual customers can follow the progress of construction on the development and of their purchase offer. Thanks to a 3D modelling system, customers can visualise and stroll through their future homes as if they were actually inside them, and can also personalise the premises by changing the flooring options and the decorative elements. Student Factory, another recent initiative, is a service that designs, develops and operates student residences in France, providing a solution to meet the growing demand for student housing, applying an innovative concept. Student Factory residences offer co-working spaces and a lounge as well as a range of services. They are specifically conceived for the "digital native" generation. The customer experience, from the choice of the apartment to the contract signing, is entirely paperless and an online community organises the life of the residence.

3.1.4 Initiatives, partnerships and sponsorships to protect the environment and cultural heritage

In the area of sponsorship and partnerships, VINCI companies focus their initiatives on three main fronts: (i) the environment and research, (ii) culture and heritage assets, and (iii) social integration through work/solidarity (see pages 221 to 223). In accordance with the Group's decentralised administrative model, VINCI does not consolidate either its reporting on sponsorship actions or the total budget allocated. However, a low-range estimate suggests a total amount of about €15 million in 2018.

3.1.4.1 Partnerships and sponsorships that support scientific research and advance scientific knowledge

Ensuring access to reliable and scientifically validated information, and being able to interpret and use this data productively, are essential to VINCI's ongoing operations and the Group's performance. These imperatives also underpin the Group's approach emphasising openness and dialogue in its relations with stakeholders. Since 2008, VINCI has demonstrated its commitment to advance scientific knowledge by creating the VINCI-ParisTech Chair in the Eco-design of Buildings and Infrastructure. This partnership has resulted in the delivery of new tools and reference guides to better understand the issues relating to energy, mobility and biodiversity conservation. Access was offered during the year to a wider range of expertise through collaboration with architects/urban planners, sociologists and big data experts. International partnerships were also forged with about a dozen teams specialising in life cycle analysis (LCA) and simulation platforms. Over these last 10 years, nearly 30 research programmes have been carried out, involving 70 researchers. They have resulted in the publication of more than 150 articles in scientific journals. All of these published articles and other materials presenting work carried out as part of the chair's programme (prepared for conferences or the annual seminar) are available on its website: www.chaire-eco-conception.org. In 2018, the budget allocated for the chair was €800,000. The Group's Executive Committee has decided to renew this partnership for a further five years, in order to continue developing the necessary tools to help address these challenges in the construction industry and those relating to mobility.

The Fabrique de la Cité (www.lafabriquedelacite.com), a think tank set up in December 2010 at the Group's initiative to examine emerging urban issues, takes an interdisciplinary and international approach to studying trends in developments taking place in cities. It received funding from VINCI and its subsidiaries in the amount of €2.1 million in 2018. Energised by its move into new premises at Leonard:Paris during the year, La Fabrique de la Cité held two events on average in the French capital each month across its five research areas (mobility, buildings, energy, new technologies and new uses). It also continued to raise its international profile through events such as its Learning Expedition in Pittsburgh and an international seminar in Vienna, and kept up ties with other large French cities, with events including a workshop on improving mobility for medium distances in Toulouse and a panel discussion on affordable housing in Bordeaux. In 2018, La Fabrique de la Cité's work involved intelligence and research activities as well as publications and events focusing on the following topics: mobility (solutions for medium distances, the potential of digital to resolve congestion, the new geographies of urban mobility, train stations of the future); affordable housing in Europe's growing cities (Paris, Bordeaux, London, Stockholm, Berlin, Munich and Warsaw); continuation of the work begun in 2017 on temporary housing for asylum seekers in German and Swedish cities; quality of life in the city (at the international seminar in Vienna, a three-day event bringing together 90 participants from around the world); urban resilience examined through four viewpoints on this complex subject and a city portrait of Pittsburgh as a former industrial leader being transformed into a technology powerhouse; the role of cities in improving public health, etc.

3.1.4.2 Partnerships and sponsorships to protect the environment

Nature protection organisations continue to raise their expectations in relation to reducing the impacts of the VINCI Group's business activities. Group companies favour partnerships with these organisations at local level, depending on where they are operating, the specific characteristics of projects and the type of business being performed.

A number of Group companies have entered into long-term voluntary partnerships in the area of environmental protection. Since 2012, Eurovia has teamed up with France's Natural History Museum (MNHN) in a partnership to which the MNHN contributes its scientific expertise, assisting Eurovia in its ongoing efforts to further embed biodiversity management within its long-term business strategy. This partnership has established a solid, scientific foundation for Eurovia's approach, a move commended by stakeholders and that supplements the local partnerships still being developed by the company with environmental organisations. As part of this partnership, Eurovia has implemented a methodology designed by the museum's teams to assess the ecological potential of its sites. The method calculates a site's environmental quality indicator (IQE) and helps define the actions to be put in place to improve how biodiversity is taken into account in the operations phase and during site rehabilitation. In addition to the MNHN, other local partners (non-profit organisations such as those approved as Permanent Centres for Environmental Initiatives) have gradually been trained and authorised to use this methodology.

Several Group entities have also forged partnerships with the Bird Protection League (LPO). For example, VINCI Autoroutes promotes collaborative and sustainable management of biodiversity, in particular through its long-standing partnership with this organisation, in order to protect ecosystems near its motorway network during the construction and operation of motorway sections. Under a three-year partnership agreement, VINCI Autoroutes will be funding a number of environmental protection initiatives carried out by LPO France and its network. In addition, VINCI is a partner of the LPO's U2B programme focusing on urban planning and biodiversity for the 2016–2019 period. This programme's main focus is the preservation and rehabilitation of ecological continuity in urban settings.

Apart from their partnership or sponsorship initiatives in support of environmental protection organisations, Group companies also undertake user awareness campaigns focusing on environmental issues or the promotion of biodiversity with the assistance of partner organisations. Such campaigns include those conducted by VINCI Autoroutes at rest and service areas on its networks. Under its partnership with Unaf, the French apiculture trade organisation, in connection with its programme on bees as the sentinels of the environment, VINCI Autoroutes organised information campaigns at several rest and service areas and installed a new apiary at the Lançon de Provence rest area on the A7 motorway. Six apiaries have been installed across the VINCI Autoroutes network since 2012. Today, green spaces around the network are home to 100 beehives, supervised by some 20 beekeepers.

Other initiatives of Group companies to protect the environment include the creation of specific corporate foundations, such as the LISEA Biodiversity Foundation and the LISEA Carbon Foundation. These two foundations seek to provide long-term support to local projects along the route crossed by the South Europe Atlantic high-speed rail line between Tours and Bordeaux, respectively to restore natural habitats and reduce greenhouse gas emissions in the vicinity of the line.

3.1.4.3 Partnerships and sponsorships for cultural production and the preservation of world heritage

Across the Group, many companies are partners or sponsors of non-profit organisations protecting built heritage or supporting cultural institutions and events. Their initiatives take the form of skills sponsorship or financial assistance for projects aimed at restoring cultural heritage assets, improving the dissemination of culture and promoting debate, or support for specific exhibitions, museums or other cultural institutions.

Group companies also take part in cultural sponsorship actions. VINCI Construction is thus a member of the group of Grand Paris Express endowment fund sponsors, lending its support for the programme of upcoming artistic and cultural events along the entire 200 km length of the system's new metro lines.

The endowment fund aims to build a new urban cultural heritage without equal anywhere in the world: the first collection of public art, architecture and urban innovation to span an entire metropolitan area. It supports artistic projects able to mobilise young people in the areas covered by the new network, events held at the construction sites to bring together the public at large, and the creation of original works in the stations.

3.1.4.4 Initiatives and sponsorship actions to promote social integration and solidarity

VINCI encourages civic engagement on the part of its employees and companies, mainly through its corporate foundations and endowment funds. Local projects that help with the social and professional integration of the underprivileged are a key focus. In order to facilitate civic engagement by all Group employees around the world to address problems of general interest, 12 structures have been created since 2002.

In 2018, the foundations granted a total of €5 million to support 500 projects promoting the social, professional and economic integration of the most vulnerable people, with nearly 700 employee volunteers across the Group acting as sponsors.

VINCI's Chantiers et Territoires Solidaires fund is the driving force to promote a lasting partnership between VINCI's Grand Paris construction sites and all their local stakeholders. A first call for projects was launched in 2017 and resulted in the funding of 11 organisations working to create and maintain employment opportunities. In 2018, the funding was maintained and a hackathon held in June helped the organisations create their websites. A second call for projects launched in December 2018 will result in the funding of three new organisations beginning in January 2019.

In 2018, Fondation VINCI pour la Cité, a key player in social innovation, was behind the creation of Liva, a social enterprise to encourage integration. Established as a social joint venture by its two founding shareholders, VINCI Construction France and Association pour la réinsertion économique et sociale (Ares), LIVA is a back-to-work structure serving the long-term unemployed by offering them training in worksite logistics as well as personalised socio-professional support. By the end of 2018, LIVA had taken on a total of 21 employees under its social integration project.

The foundation's Cité Solidaire (solidarity in the community) programme, which targets very small non-profits working in disadvantaged urban areas, saw a fresh burst of activity, with eight new initiatives in Nîmes, Saint Étienne, Valenton-Villeneuve Saint Georges, the Rouen Normandie metropolitan area, Angers, Reims and Lille in France, and Mannheim in Germany. Since its launch in 2010, this exemplary programme has been conducted at 31 sites and has enabled the funding of 281 initiatives to strengthen social ties.
Since 2017, the Fondation VINCI pour la Cité has been developing new ways for employees to demonstrate their civic engagement – through one-off or more regular actions – thus encouraging more of the Group's employees to get involved in solidarity initiatives. As one example of this, the foundation began offering Congés Solidaires® (solidarity leave) opportunities in 2018: international solidarity outreach projects completed by Group employees during their leave periods. Opportunities under this programme were made available in all of the countries served by VINCI's funds and foundations.
Also since 2017, the Fondation VINCI pour la Cité has worked to expand civic engagement opportunities for employees under its Parcours Citoyen (citizen leadership) programme, including occasional or regular coaching sessions, academic support, career assistance for the long-term unemployed and refugees, etc.

Actions of Group foundations in 2018 to combat exclusion and foster integration

	Number of projects supported	Number of employee sponsors	Amount distributed to foundations *(in euros)*
France	319	564	3,934,935
of which Parcours Citoyen et Ambassadeurs programme	*28*	*218*	*-*
of which Cité Solidaire programme	*96*	*106*	*710,749*
of which Sillon Solidaire programme	*13*	*16*	*150,000*
of which Chantiers et Territoires Solidaires programme		*-*	*284,935*
Germany	23	29	187,500
of which Cité Solidaire programme	*10*	*15*	*106,000*
Belgium	15	21	255,000
Spain	4	4	65,000
Greece	5	5	25,000
Netherlands	3	8	40,500
Czech Republic	9	13	29,250
United Kingdom and Ireland	36	40	259,581
of which Isle of Wight Foundation	*12*	*14*	*88,634*
Slovakia	13	13	189,500
Total	**427**	**697**	**4,986,266**

A telling example of the Group's sports solidarity sponsorship initiatives is that involving the Paris Football Club (Paris FC): VINCI is the main partner of the club's training centre, the Paris FC Academy, having entered into a five-year partnership in 2015, in the total amount of €5 million. Beyond the financial assistance provided, VINCI serves as a genuine partner for the club's players, helping them to plan their careers once they leave the world of high-level competitive sports. This educational and social partnership aims to promote the professional integration and vocational training of the club's young players. Specific modules and workshops (business immersion opportunities, workshops on preparing CVs, job interview simulations, etc.) are included in the training courses for players. VINCI employees are key actors in this partnership by mentoring players.

VINCI Energies has continued its partnership with Initiatives-Cœur, a project combining humanitarian and sports sponsorship in the world of sailing to benefit the non-profit Mécénat Chirurgie Cardiaque - Enfants du Monde. Its aim is to raise public awareness of children with congenital heart defects in developing countries who lack access to life-saving surgical care. Launched in 2008, the funds raised by the Initiatives-Cœur adventure have financed heart surgery for 155 children. The partnership between VINCI Energies and Mécénat Chirurgie

Cardiaque includes both a financial component (€120,000 per year since 2017) and joint actions, such as the raising of funds by VINCI Energies employees or students. In 2018, VINCI Energies set up a public platform to facilitate the collection of funds: any employee or other individual who wishes to do so may organise sports challenges to raise money for the non-profit more easily and by reaching a wider audience.

Group companies are involved in many other sports sponsorship initiatives. For example, Eurovia is an official partner of the French Athletics Foundation (FFA) and a number of clubs are supported by Group companies at local level.

3.2 Subcontracting and suppliers

Group companies generally occupy positions in the value chain that foster balanced, long-term relationships with partners, both suppliers and subcontractors. For several years, the proportion of purchases has remained stable, representing 57% of the Group's revenue at end-2018. In 2018, they were comprised, in particular, of €9.8 billion for materials, €5.5 billion for external services and €8.2 billion for subcontracting.

Percentage of revenue allocated to purchases

(in € billions)	2018	2017	Change
Total amount of purchases	**24.7**	**22.7**	+8.8%
Percentage of revenue allocated to purchases	**57%**	**56%**	+0.6%
Of which purchases consumed	***9.8***	***8.6***	*+14.0%*
Of which purchases of external services	***5.5***	***5.3***	*+3.0%*
Of which subcontracting	***8.2***	***7.7***	*+7.2%*

3.2.1 Taking social and environmental issues into account in purchasing processes

In 2018, the Group continued its efforts to measure and take into account workforce-related, social and environmental factors in the overall value chain. The Purchasing Coordination unit, which reports directly to VINCI's Executive Committee, works with the purchasing departments of business lines and subsidiaries through a central purchasing network. All of the Purchasing Coordination unit's buyers have an individual target for including sustainable development criteria in each contract they negotiate.

Tasked with rolling out the Group's international purchasing policy, the VINCI International Purchasing Committee comprises purchasing representatives from five countries (Germany and the United Kingdom, the two countries after France where the Group has the most extensive operations, together with the Czech Republic, Belgium and Poland); it also includes representatives from the international divisions of two Group business lines (VINCI Energies and Eurovia).

Introduced in 2012, the Group's Supplier Performance Charter explicitly specifies VINCI's expectations of its partners and reaffirms the Group's own commitments as a signatory to the UN Global Compact since 2003. Widely disseminated since 2013, this charter now forms an integral part of the framework agreements developed by the Group. To ensure the continuity of these actions, the Group's Purchasing Coordination unit established its Responsible Purchasing Committee, which brings together about 20 representatives of purchasing, human resources and sustainable development departments from the Group's business lines. In 2016, this committee focused on communicating the priorities of VINCI's responsible purchasing policy while educating buyers in responsible purchasing procedures. Since then, it has worked to develop two tools: a practical guide to responsible purchasing and a responsible purchasing checklist. These documents will be distributed at the Purchasing seminar in January 2019. To accompany publication of the guide, a visual presentation currently in preparation will be disseminated to raise awareness among all Group employees engaged in purchasing activities.

3.2.2 Encouraging suppliers and subcontractors to promote sustainability principles

In 2018, the Group further reinforced its responsible purchasing process. Sustainable development criteria are now addressed both when selecting products and suppliers and when drafting framework agreements and specifications at Group level. These criteria take into account the environmental impact of products and services, the workforce-related arrangements for producing or providing them, and the social commitments made by suppliers. Specific criteria are used for evaluating suppliers in each purchasing category, depending on the issues faced by the sector in question.

The Purchasing Coordination unit issued a new invitation to tender in 2018 for the selection and approval of heavy construction equipment rental companies. A personalised questionnaire was developed to evaluate suppliers with respect to workforce-related and social performance.

In recent years, the Purchasing Coordination unit has strengthened the integration of the Group's responsible purchasing policy in the selection of its suppliers. A tour of regional purchasing committees was conducted to raise awareness among teams as to the expectations for responsible purchasing.

The due diligence process is under way at the level of the Purchasing Coordination unit. It involves identifying the risks specific to each purchase category and then implementing prevention procedures using appropriate criteria in the specifications for each category.

Key figures for the Group's responsible purchasing initiative within the Purchasing Coordination unit

	Total at 31/12/2018
Contracts including the Group's Supplier Performance Charter or the Global Compact's 10 principles	98%
Contracts including one or more clauses on workforce-related, environmental or social themes	77%
Contracts having involved the completion of a responsible purchasing questionnaire during the tender process	74%
Contracts integrating a progress plan for responsible purchasing	50%
Number of on-site responsible purchasing audits conducted over the last five years	682

At central level, and in each of its projects, VINCI develops partnership-based approaches with its suppliers and favours relationships at local level with small and medium-sized enterprises (SMEs). In its selection and bidding processes, the Group prefers suppliers with strong roots in their regions. This policy also involves expanding purchases from social integration structures and from social enterprises, sheltered workshops and other organisations that specifically employ people with disabilities. In 2018, the volume of purchases from these entities was €6.1 million.

3.2.3 Managing relations with subcontractors

The Group places a priority on retaining and expanding in-house expertise. However, the many public procurement contracts won by the Group, together with its growing presence in general contracting for projects demanding highly technical and specialised skill sets, require the use of a certain percentage of local subcontractors. These actions contribute to the development of local businesses and the local economy as a whole, over and above the other contributions made by the Group's business activities. Given a competitive landscape outside France that is frequently characterised by low standards in this area, VINCI pays attention to ensuring that its subcontractors comply with regulations in force in the countries where Group companies operate.

The Group's general policy is to build balanced relationships with its partners over the long term. This involves a commitment to cooperate with local companies, facilitating their integration in projects and encouraging the transfer of know-how to ensure the successful completion of projects. Rolled out in 2014, VINCI's Subcontractor Relations Guidelines sets out the implications of this commitment. In addition to cooperation with local companies, VINCI aims to guarantee safety conditions of subcontractors' employees that are comparable to those of the Group's personnel, and to ensure respectful business relationships, fair bidding processes, transparency in business dealings and compliance with VINCI's core values. To assess the acceptance and application of these principles, some 30 interviews were conducted with individuals likely to act as contracting authorities across all business lines, in France and abroad.

The issues faced by VINCI are not limited to regions beyond Europe: tensions in the building and public works market and the problem of heightened competition in developed countries have led the Group to strengthen its duty of vigilance approach, in particular with respect to the management of social risk by all of its subcontractors in France. To this end, VINCI launched a number of pilot projects in 2018 to evaluate the practices already in place to manage social risk and identify areas in need of improvement as well as an operational method to assess, prioritise and manage risks.

In some geographic regions, increased vigilance of recruitment agencies is required when outsourcing of the recruitment process can be considered as high risk. Workers in some countries are hired extraterritorially, entailing the use of intermediaries outside these countries. In these cases, it is important to ensure that the recruitment process is secure in order to avoid any risk of forced labour.
The guidelines communicated in VINCI's Guide on Human Rights indicate the actions to be put in place and the fact that applicants must not bear any of the costs for the recruitment procedure. Furthermore, in June 2017 VINCI joined the Leadership Group for Responsible Recruitment, a collaborative initiative between leading companies and expert organisations to promote responsible recruitment practices.

3.3 Measures to promote the health and safety of customers and users

The business activities of VINCI's companies have an impact on the areas where they take place. To limit the effects, research and development investments are stepped up annually to lessen impacts and pollution. The main efforts are in relation to environmental impacts such as exposure to noise, dust, vibrations, etc. that could have an effect on the health and safety of employees, customers and all stakeholders concerned.
Work is continuously carried out on improving the service quality of VINCI infrastructure for customers and satisfaction surveys are regularly conducted. In the Group's activities involving mobility, road risk is the main category of risk affecting users. VINCI employees drive more than 35,000 company vehicles and several thousand site machines. They are all exposed to road risk, as are the hundreds of millions of people using motorways, roads and other infrastructure operated under concession contracts every year (more than 2 million per day), as well as the airports operated by VINCI Airports (nearly 195 million in 2018). Campaigns are organised to raise awareness and specific training is provided for the employees most exposed.
In France, the VINCI Autoroutes Foundation for Responsible Driving renewed its commitment to its many actions to promote road safety among motorcyclists and car drivers, such as the organisation of special rest areas for the 24-hour motorcycle race in Le Mans as well as its partnership with the Third National Rescue Challenge and the Second National Trauma Challenge, both part of the Extraction Challenge 2018 event held at the National Velodrome in Saint Quentin en Yvelines.
In line with its commitment to the reduction of road risk, the Foundation focuses in particular on drowsiness and inattentiveness at the wheel. Through its research programme, the Foundation takes part in the funding of several scientific studies and investigations looking at road user behaviours. It also plays a leading role in making information on these two areas of concern available to drivers and the general public.

Just before the summer holiday period in 2018, the VINCI Autoroutes Foundation for Responsible Driving published the findings of the fifth edition of its European barometer survey on responsible driving. At the same time, an affiliated team of scientific contributors to the magazine *Cerveau & Psycho* published an article offering insights into patterns of brain activity when driving.

Accident figures for the VINCI Autoroutes network

	2018	2017
VINCI Autoroutes motorway networks (in km)	4,412	4,412
Traffic (in billions of km travelled)	51	51
Number of accidents per billion km travelled	248	232
Number of fatal accidents per billion km travelled	1.5	1.4
Number of deaths per billion km travelled	1.8	1.6

In partnership with the VINCI Autoroutes Foundation, Christophe Bourroux, a well-known motoring journalist at the RTL radio station, agreed to take part in an experiment in July 2018 to evaluate the risks relating to drowsiness and inattentiveness at the wheel. Wearing sensors, he drove from Paris to Biarritz during the day and returned during the night. On the southbound trip, Bourroux looked away from the road to check his smartphone for a total of 32 kilometres. On the return trip to the capital, he showed signs of drowsiness for a total of 101 kilometres (thus over one-seventh of the distance). The sensors were able to record a period of sleep lasting 24 seconds. The media widely broadcast the results of this experiment at the start of the summer holiday period in France.

In 2018, the VINCI Autoroutes Foundation published the results of a study on the behavioural impacts of driver-assistance systems, in particular fatigue, inattention or drowsiness at the wheel, which was carried out by the University of Strasbourg's Centre for Neurocognitive and Neurophysiological Investigation (CI2N). During the year, the Foundation also launched the second phase of a study conducted by Inserm, Hospices Civils de Lyon (HCL) and the Lyon Neuroscience Research Centre (CRNL) on biological screening for drowsiness using saliva. In all, 400 drivers volunteered to take part in this study. Their saliva samples were collected at the Saint Rambert d'Albon rest area on the A7 motorway in June and October 2018. The findings of this study, due to be released in 2019, will be useful in developing more effective ways to combat the deleterious effects of sleep deprivation on behaviour at the wheel by adapting preventive measures. In particular, this might involve the development of preventive tools allowing drivers to test their own level of drowsiness.
Across the entire VINCI Autoroutes network, many awareness actions concerning road safety and the safety of personnel working on motorways were conducted over the course of the year, directed at different categories of road user.

3.4 Information relating to ethical practices

3.4.1 General policy relating to ethical practices

The second commitment of the VINCI Manifesto states as follows: "Ethical behaviour is key to our contracts and our customer relations. Our companies apply our Code of Ethics and Conduct around the world. We commit to ensuring total transparency in our own practices and in those of our subcontractors."

VINCI's Code of Ethics and Conduct sets out the rules of conduct that apply to all Group companies and employees. Since its first version, the code has included a section on the prevention of corruption, an issue brought to the fore in France by Law no. 2016-1691 of 9 December 2016 relating to transparency, anti-corruption measures and the modernisation of economic life (known as the "Sapin 2" law).
An updated version of the code was released in 2017, primarily to reaffirm the Group's commitments to its duty of vigilance, the prevention of corruption and the protection of personal data.

It is now accompanied by a specific Anti-corruption Code of Conduct, written at the end of 2017, which lays down the Group's rules for the prevention of acts of corruption, in particular through the identification of corruption risks in business processes and by setting out specific examples of conduct to be avoided.

These two documents are the foundation for the Group's directives in this area. They have been translated into 26 languages and are available for more than 99% of the Group's employees in the official language of their country. They are also published on the Group's website (www.vinci.com) and its intranet site (www.vinci.net).
In line with its efforts in prior years to present and explain these two codes, a new, digital campaign was organised in February 2018 for the dissemination of the latest versions, endorsed by the Group's Chairman and Chief Executive Officer, Xavier Huillard, and targeting the members of the Executive Committee. It was then relayed gradually through the chain of command to senior executives, operational and functional executives, and business line managers including those responsible for specific agencies and activities, projects, purchasing, human resources, accounting and finance, thus a total of 18,457 individuals at 31 December 2018.
In addition to acknowledging receipt of the codes, all of the recipients have expressly agreed to "apply and enforce" the rules and principles set forth therein.

Furthermore, the Anti-corruption Code of Conduct is now included in the welcome pack for all new employees and as an annex to the Group's internal rules.

Since 2018, the Group has worked to better structure its measures to prevent and detect acts of corruption, to ensure that employees understand the related domestic, and even international, legal regimes and are fully aware of the issues involved and their responsibilities. Possible corruption scenarios and the associated risks are clearly presented, along with the procedures to be carried out to limit risks, examples of conduct to be avoided, the best ways to respond to an inappropriate demand, the procedures for reporting suspicions concerning corrupt conduct, as well as the disciplinary actions that may be taken or the criminal penalties that may be imposed on individuals for any infringement of rules or regulations.

Training programmes are developed and rolled out at each of the Group's organisational levels. An e-learning module on the fight against corruption, followed by a quiz to test the learner's knowledge, is now available to all employees on Up!, VINCI's online learning management system, in the Group's four main working languages (French, English, German and Spanish). At 31 December 2018, more than 6,000 employees had completed this module.

The Group has set up a whistleblowing procedure that can be used by any employee to report any serious failure to comply with the rules and commitments of the Group as set forth in the Code of Ethics and Conduct, the Anti-corruption Code of Conduct, the Guide on Human Rights and the Joint Statement on Workplace Health and Safety. Whistleblowing at VINCI is a multimodal procedure. Initially, employees must inform their direct or indirect supervisor, or an officer designated for this purpose within the entity to which they belong. They may also submit their report via the entity's online whistleblowing system, if it has one. Employees can also contact the Group's Ethics Officer directly or use VINCI Integrity, the Group's online whistleblowing system, set up at the end of 2018 after receiving the go-ahead from the European Works Council.

Whatever the means used, all exchanges are kept strictly confidential. VINCI guarantees that no employee of the Group will be penalised or dismissed, and that no disciplinary action will be taken against the employee, whether directly or indirectly, for having reported or given evidence, in good faith, under the whistleblowing procedure, concerning acts of which the employee obtained personal knowledge during the course of his or her duties. This remains the case even if the allegation made is determined to be false after investigation.

To accompany the implementation and rollout of compliance programmes in the business lines and ensure fair practices, the Group's corporate governance bodies have been reconfigured. The procedures for the operation of these governance bodies are described in paragraph 2.2.2 ("Organisational structures involved in risk management and internal control") of chapter D, "Risk factors and management procedures" in the Report of the Board of Directors.
The Ethics and Compliance Club, which brings together the legal heads of the Group's business lines, the Internal Control Director and the Ethics and Vigilance Director, aims to keep abreast of changes in legislation relating to ethics and foster exchanges of best practices, in particular with respect to training tools. It thus contributes to the prevention of actions contrary to business ethics. The club met eight times in 2018.

Lastly, the GDPR Representatives Club was created in early 2018. It brings together the representatives designated by each of the Group's business lines. Its aim is to provide support to the business lines in order to ensure the Group's compliance with Regulation (EU) No. 2016/679, known as the General Data Protection Regulation (GDPR). This body, coordinated by the Ethics and Vigilance Department, supports the sharing of tools and best practices. By way of example, the GDPR Representatives Club helped in the selection of a shared tool to maintain data processing logs at the entities of each business line. In addition, a mini-series consisting of six e-learning modules to raise awareness of the GDPR was made available to employees at the start of 2018, to familiarise them with the new rules in force and their new rights and obligations with respect to the protection of personal data. This club met eight times in 2018.

3.4.2 Practices relating to tax policy

As a global player in concessions and construction, the VINCI Group has operations in over 100 countries. Its highly decentralised organisation is structured around operating subsidiaries rather than by country or geographic region. The Group's substantial expense relating to taxes, fees and other obligatory payments represents a significant portion of its contribution to the economies of the countries where it operates. The Group meets its tax obligations, in full compliance with applicable local and international laws and in line with VINCI's intangible and universal commitments.
In accordance with VINCI's Code of Ethics and Conduct as well as its general guidelines, strict compliance with applicable laws and regulations is a core principle for the Group, one that must be followed in all circumstances by every employee and every business unit in the countries where they operate.
Due to the specificities of VINCI's business model as well as its activities, which are chiefly local in character, the Group's entities tend to favour local suppliers for their purchases of goods and services. For this reason, cross-border transactions between the Group's various companies are simple and not material. Furthermore, the invoicing principles applied follow the OECD Transfer Pricing Guidelines. These guidelines incorporate the recommendations resulting from the OECD/G20 Base Erosion and Profit Shifting (BEPS) Project, and in particular Actions 8-10 "Aligning Transfer Pricing Outcomes with Value Creation", supplementing the Group's adherence to the arm's length principle.
Given the autonomy granted to the Group's subsidiaries, the main tax risks that may arise in connection with their activities relate to the diversity, scale and/or complexity of operations. These risks can be either financial or reputational:
– Financial risks:
• Tax compliance and related risks: late filing of returns, inaccurate tax returns, failure of submission in due time of claims and options, or any other tax compliance failure whatever the reason may be (human error, system error, etc.);
• Operational tax risks: technical or factual inaccuracies, lack of in-depth tax analysis, unanticipated changes in tax legislation, misinterpretation of complex or unclear tax rules;
– Reputational risks: these risks are triggered by financial risks that may impact the Group's relations with various parties, such as the tax authorities.

Tax issues, including tax risks, like all other financial information, are reviewed on a regular basis by the CFOs of all Group entities, in particular during calls for tender, at each budget phase, in connection with the preparation of annual and half-year financial statements, and as often as necessary. Each CFO reports directly to the entity's chairman, to the members of its Board of Directors or other competent supervisory body, as well as to the CFO at the next hierarchical level.
As expressly indicated in the Group's general guidelines, the CFOs must ensure that financial data is presented in accordance with the standards, principles and procedures in force. Financial data, which includes tax data, is reported, managed and verified using reliable accounting systems that are monitored on a constant basis to ensure that they are functioning efficiently. Data audits are carried out frequently and staff using data receive training on an ongoing basis.
For any tax issue, the CFOs can request assistance from in-house experts, at the main holding companies of each division, in the business lines and at the level of VINCI SA, and/or outside consultants, depending on the issue and its materiality. Any outside consultant providing assistance must pledge to abide by the values expressed by VINCI, in particular those set forth in its Code of Ethics and Conduct.
VINCI takes the tax aspects of its operating activities and/or its investments into account and may make use of the options provided by local regulations to alleviate its tax or administrative burden. Nevertheless, in all cases, the Group's fundamental principle is to reject the use of aggressive tax planning or other artificial structures designed in particular to avoid paying taxes, as well as any participation in other arrangements mainly for tax purposes that would offer no real commercial advantage. Similarly, whenever VINCI maintains a presence in a country considered as a tax haven, it is uniquely as a result of its operating activities.
If a tax risk is identified, proportionate solutions are designed and implemented at the appropriate level, in collaboration with the relevant tax and financial teams, so as to minimise this risk. These analyses and solutions are regularly updated in accordance with trends in projects, changes in the Group's organisation, as well as legal and regulatory developments. Whenever necessary, they are discussed and reviewed with auditors and/or the competent tax authorities.
One of the Group's key expectations of its subsidiaries is that they build and maintain good, transparent and constructive relations with tax authorities in each of the countries where they operate.

3.5 Information relating to actions taken in favour of human rights

VINCI's policy in the area of human rights, its framework and the specific actions implemented are described in more detail in the chapter devoted to the Group's duty of vigilance plan (see section 4, "Duty of vigilance plan", page 228).

3.5.1 General policy in the area of human rights

VINCI has been a signatory to the UN Global Compact since 2003. It is thus committed to supporting and promoting respect for human rights within its sphere of influence, and to ensuring that Group companies are not complicit in human rights abuses. VINCI refers to the UN Guiding Principles on Business and Human Rights in defining its strategy. In this vein, VINCI has updated its analysis of the human rights risks associated with its business activities. The key issues identified were grouped into five categories, themselves divided into 17 themes, covering the entire life cycle of projects (from responses to calls for tenders to entry into service and operations). The five categories are recruitment practices and migrant workers, working conditions, conditions of accommodation, the practices of subcontractors in the area of human rights, and relations with local communities.

A Group-wide reference guide, VINCI's Guide on Human Rights, has been prepared by an ad hoc steering committee, comprised of human resources managers of all Group business lines and divisions. It provides an overview of the issues identified and their implications for the Group's companies. The guide also presents a shared set of guidelines, indicating the specific approaches to be adopted with respect to each of these 17 themes. The Group's guidelines are in keeping with the principles of the Universal Declaration of Human Rights, the eight fundamental conventions of the International Labour Organisation and the OECD's Guidelines for Multinational Enterprises. VINCI's Guide on Human Rights applies to all Group employees. Following its validation by VINCI's Executive Committee in April 2017, several translations of this guide were commissioned in 2018 to make it accessible to the largest possible number of employees. It is now available in 21 languages, thus covering more than 98% of the workforce, based on the official languages of the Group's operating countries. An internal document appended to the guide, intended for operational managers and human resources professionals within the Group, provides detailed descriptions of the issues and presents useful tools, recommendations and best practices.

The guide has been distributed to all of the Group's operating entities. It has been presented to the European Works Council as well as the management committees of all Group business lines and divisions, who took responsibility for cascading the information to their teams. Human rights are also a focus of the new version of Advance, VINCI's sustainable development self-assessment tool used by all management committees of Group companies. Lastly, the guide is a public document and may be accessed by any interested parties via the VINCI website. It has also been printed by the Group in a run of more than 5,000 copies in French and 4,000 in English. Its broad distribution is also ensured via electronic means, in a format allowing it to be printed or reproduced locally by the Group's companies.
In order to supplement the standard contractual clauses on human rights, a comprehensive and gradual approach has been defined by the Group to disseminate these guidelines to staff likely to have to deal with these issues in the course of their projects. As part of this approach, various risk and performance assessment tools were developed and tested in 2018, in advance of a broader rollout. The eight pilot countries selected to test these tools are Morocco, Cambodia, Vietnam, Egypt, Cameroon, Colombia, the Dominican Republic and Poland. This work is still in progress and supplements the actions being taken in other countries, like Qatar.
In relation to its airport concessions in Cambodia, VINCI also decided in 2018 to have an audit of psychosocial risks carried out by an independent third party, whose findings will be discussed with trade unions, and to renew the audits of its temporary employment agency partners. These measures were taken in the context of the mediation and conciliation platform provided by the French National Contact Point (NCP) set up to further the implementation of the OECD Guidelines for Multinational Enterprises. The French NCP found that the Group effectively observes the OECD Guidelines despite a sensitive context in the country and that it has taken the appropriate due diligence measures with respect to its Cambodian subsidiary. A specific monitoring procedure will be put in place in response to the NCP's conclusions and final recommendations, which were communicated in December 2018.

As part of the Group's focus on continuous improvement, an e-learning module to raise awareness and provide information about human rights issues for the Group's businesses was prepared in 2018 and is due to be launched for staff in early 2019.

As is the case for the guide, this comprehensive approach is supported and steered by a dedicated Human Rights committee, consisting of the human resources managers of all Group business lines and divisions, which meets on a quarterly basis.

Lastly, in support of its policy and in order to be able to exert its influence on the value chain, VINCI actively participates in collaborative initiatives, in particular Building Responsibly, a global business initiative co-founded by the Group that serves the engineering and construction industry. Launched in February 2017, Building Responsibly aims to bring together companies in the sector in order to develop common approaches and standards, share best practices, tools and experiences, and engage stakeholders and all actors in the industry's value chain to find concrete and collective solutions to the challenges faced in the sector in looking after the rights and welfare of workers.

In June 2017, VINCI also became a member of the Leadership Group for Responsible Recruitment's Steering Committee. This initiative convened by the Institute for Human Rights and Business (IHRB) focuses specifically on issues relating to recruitment and migrant workers.

In France, VINCI is a member, alongside 15 other leading companies, of Entreprises pour les droits de l'Homme / Businesses for Human Rights (EDH), a non-profit organisation offering a forum for exchanges to better embed human rights within the policies and practices of companies.

At the end of 2017, VINCI joined the Global Deal, a worldwide initiative that aims to foster and promote social dialogue as an important tool to generate decent work and quality jobs, thus leading to greater equality and inclusive growth. VINCI sees its declaration of support for this multi-stakeholder partnership, which brings together governments, businesses, trade unions and other organisations, as an additional opportunity to strengthen its efforts to disseminate and develop labour relations dialogue in all the countries where it operates and across its entire sphere of influence.

In 2018, VINCI continued to engage with its stakeholders on these issues. Ongoing dialogue was maintained with key civil society representatives, international organisations, professional associations, universities, etc. at local level, but also through participation in forums, working groups and collaborative initiatives.

3.5.2 Prevention of human rights risks in Qatar

VINCI is present in Qatar via its joint venture QDVC. For a number of years, this company has sought to ensure better working and living conditions for its employees, and fights against all infringements of fundamental human rights. In 2015, among other steps taken to verify that measures put in place by QDVC were effective, VINCI decided to enlist the services of an independent third party to conduct a human rights impact assessment (HRIA) at the company. The HRIA report concluded that "despite a challenging operating environment, QDVC has achieved a good level of performance that effectively helps to reduce the risk of negative effects on the human rights of its employees and subcontractors". A committee of independent international experts from institutions widely known for their work in this area (the International Labour Organisation (ILO), Building and Wood Workers' International (BWI), the Danish Institute for Human Rights, the Qatar Foundation, and the French National Consultative Commission on Human Rights) also assisted with this assessment. Furthermore, missions to visit QDVC's worksites are regularly organised with the Group trade union representatives, the employee Board members or the Secretary General of VINCI's European Works Council.

More specifically, QDVC applies rigorous procedures to ensure that its employees enjoy freedom of movement. All of them are in possession of Qatari residence permits and have access to secure lockers where they may store their personal documents – passports, employment contracts, etc. QDVC also issues official no objection certificates (NOCs) to employees wanting to leave the company or seek employment elsewhere, and official exit permits if they need to leave the country for any reason (holidays, emergencies). To fight debt bondage, QDVC has put in place robust control processes for the monitoring of recruitment agencies in the countries of origin (Bangladesh, India, Nepal, etc.), involving precise rules about the expenses paid by QDVC (airfares, visas, medical visits, etc.), with the understanding that migrant workers must not bear any of these costs. Lastly, QDVC pays particular attention to the living conditions and conditions of accommodation of its migrant workers. The accommodation sites, which are owned and managed by QDVC, meet the standards of the Qatar Foundation.

QDVC has continued its actions to improve working conditions, with the introduction, in March 2016, of a system for reporting complaints (for collective as well as individual complaints) that guarantees its employees complete confidentiality, and with the election of 27 employee representatives in November 2016, chosen by their peers to represent them on the company's Workers' Committee. For a month, 75 candidates waged their campaigns. The election's participation rate was 72%, thus 2,894 voting employees out of a total workforce of 4,016. Although QDVC had already set up representative bodies for workers prior to this date, this was the very first time in the country that employee representatives had been elected by their peers.

In addition, following several years of constructive dialogue, VINCI, QDVC and Building and Wood Workers' International (BWI) signed an agreement on workers' rights in November 2017 at the ILO's Geneva headquarters, during a ceremony attended by its director-general. This agreement covers human rights in the workplace, accommodation, and issues relating to the fair recruitment and the employment rights of workers. It applies to all workers employed by QDVC in Qatar and stipulates a due diligence procedure for subcontractors. This agreement is the first of its kind in Qatar between a union federation and a Qatari company. The agreement also calls for an extensive verification system involving follow-up, reporting, monitoring, inspections and audits under the aegis of a reference group composed of representatives of the three parties. All aspects of the agreement's implementation will be reviewed by the parties. The agreement is a public document and may be accessed by any interested party via the QDVC website.
It is also made available by the company to its own employees as well as those of its labour suppliers and subcontractors. Following an initial meeting by the agreement's reference group in April 2018, the first on-site audit was conducted on 8 and 9 January 2019. The Group's trade union representatives also took part in this audit.

Lastly, the ILO Project Office in Qatar and QDVC signed a partnership agreement in May 2018, within the framework of the ILO-Qatar cooperation programme, to pilot a fair recruitment intervention between Bangladesh and Qatar aiming at ensuring a recruitment process that is free of charge for migrant workers recruited by QDVC's placement agencies and sub-contractors. The methodology is based in particular on an initial audit carried out by an independent third party in July 2018, followed by a capacity-building programme for recruitment and placement agencies in the sourcing country. This programme, implemented in October 2018, brings together QDVC, recruitment and placement agencies in Bangladesh and Qatar, the ILO, Qatar's Ministry of Administrative Development, Labour and Social Affairs (ADLSA), and the Fair Hiring Initiative. An impact analysis will be conducted subsequently by the ILO with the assistance of university researchers. This pilot project provides an opportunity for QDVC to generalise fair recruitment practices among its subcontractors and recruitment agencies.

4. Duty of vigilance plan

This section of the annual report aims to satisfy the requirements of French law no. 2017-399 on the duty of vigilance of parent companies and subcontracting companies to identify risks and prevent severe impacts on human rights and fundamental freedoms, on people's health and safety, and on the environment, resulting from the activities of the company, those of its subsidiaries, or those of subcontractors or suppliers with whom they have an established business relationship.

VINCI's duty of vigilance plan builds on the sustainable development commitments in the Group's Manifesto, the Code of Ethics and Conduct and, more broadly, Group policies that help prevent risks to people and promote the implementation of vigilance measures in each of the three areas covered by the law.

The Group's health and safety policy, which has been reinforced by a joint declaration of fundamental actions to promote occupational health and safety, is managed by the Health and Safety Coordination unit, which is under the supervision of the VINCI Executive Committee. Human rights risk prevention policy is disseminated through VINCI's Guide on Human Rights and coordinated at Group level by the Director of Human Resources and Sustainable Development, who is also a member of the VINCI Executive Committee. Environmental policy is promoted by the Manifesto and championed at Group level by the Sustainable Development Delegation and Committee, as well as working groups focusing on specific themes (biodiversity, circular economy, etc.), overseen by the VINCI Executive Committee.

As an additional resource, an Ethics and Vigilance Department, reporting to the Group's Executive Management, was set up on 1 January 2018 and an Ethics and Vigilance Committee was formed in March 2018. This committee, which consists of seven members, five of whom also serve on the Executive Committee, oversees the rollout and any further changes to the compliance systems covered by the Code of Ethics and Conduct, and in particular those relating to the fight against corruption and the prevention of serious breaches of human rights obligations and fundamental freedoms, of health, safety and security procedures in the workplace, or of environmental legislation and regulations, resulting from the Group's business activities.
The committee reports annually on its activities to the Strategy and CSR Committee of the Board of Directors and met eight times in 2018.

VINCI's duty of vigilance plan, encompassing all entities controlled by VINCI, is also underpinned by the Group's cross-activity policies on sustainable development and ethics, particularly the whistleblowing procedure that applies to all duty of vigilance issues.

4.1 The Group's organisation, business activities and value chain

The objective of VINCI's activities is all-round performance, which in addition to economic and financial performance includes attaining workforce-related, environmental and social goals. This is the only possible vision for a regional developer whose activities and constructions are designed for the long term and have a major impact on local communities. Improving the local living environment is a goal shared by all Group companies, which strive to:

- contribute to project in the public interest that benefit local populations;
- proactively offer innovative solutions that best meet the customers' needs;
- work collaboratively by engaging all stakeholders in a shared project.

Due to the very nature and diversity of its businesses and activities, VINCI is first and foremost a multi-local Group. Regardless of whether its companies develop construction projects or infrastructure concessions, they establish local operations, produce locally with mainly local management, partners and staff, for local use and in local conditions. VINCI is made up of a network of companies, often small or medium-sized, that have long-established roots in their operating regions and that strive to contribute positively to their development.
In keeping with its commitments to regional development, the Group works to stimulate local entrepreneurship. At 31 December 2018, VINCI encompassed 1,520 companies, of which 68% had fewer than 100 employees.
Although VINCI has a strong international presence (in more than 100 countries), at 31 December 2018, more than 84% of its workforce was based in OECD countries. At that date, VINCI's global workforce broke down as follows: 75% in Europe (of which 62% in France), 11% in the Americas, 7% in Africa, 4% in Asia and the Middle East, and 3% in Oceania.

Additionally, Group entities frequently undertake project-based work. This means that they provide services over variable periods of time (ranging from a few weeks to a few years), for projects of varying sizes and natures, and work with a variety of partners and subcontractors for varying periods of time, involving fluctuating numbers of workers, in areas with changing geographic boundaries, both as the subcontracting company but also as a hired subcontractor for clients with diverse sets of requirements and priorities with regard to environmental, employment and social issues. Consequently, each project has its own ecosystem, so any action taken must be targeted and address operational issues.

Another aspect of our construction and concessions businesses is the fact that our operations are often highly integrated, meaning that an essential portion of our supply chain operates on our sites. As a result, subcontractors of all levels work alongside the Group's teams at its worksites or sites under operation. In this respect, the subcontractor supply chain is closely monitored and is subject to a shared set of rules. The same applies to workers recruited through temporary employment agencies.
Whether in the construction or concessions business, subcontracting and temporary labour are two essential components of the value chain and account for a significant volume of purchases. Subcontractors, temporary staff and their monitoring has therefore been included as a priority area for improvement in the duty of vigilance plan in its first year of implementation.
Suppliers and other categories of purchases made by the Group are mainly local and part of a short supply chain. For that reason, supplier information is provided as a complement to the non-financial performance statement but is not considered to be a priority for the duty of vigilance plan in its first year. The main issues that have been identified, based on their impact on people and the environment, relate chiefly to projects, worksites and sites under operation.

At the other end of the value chain are our customers. Whatever the business activity, project or worksite of VINCI entities, and regardless of whether their customers are public (such as public or local authorities or government-owned companies) or private (such as property developers or other private-sector companies), VINCI's entities invariably serve customers who order the design or construction of infrastructure or delegate its management, maintenance and operation. Group companies therefore operate within a specific value chain involving a large number of players (architects, design firms, engineers, customers, regulators, inspectors, investors, lenders, partners, government and local authorities, etc.). Each company performs its work under contract and reports continuously on its activity to its customers and, in some cases, to the inspection bodies and regulators in charge of project monitoring and inspection. Contracts with public authorities include social and environmental obligations that are reported on and verified on a regular basis. In an intensely competitive industry, VINCI companies not only meet the requirements set by customers, but also constantly strive to spread best practices and promote innovation, including in social and environmental matters, while applying the laws and standards relating to the Group's commitments. Public sector or quasi-public customers generated 33% of Group company revenue in 2018.

Furthermore, our concession companies often operate under contracts to provide public services, which are strictly regulated by law and continuously monitored by the concession-granting authority and public authorities to verify that the service provided is in compliance with specifications and is being properly carried out. These authorities produce and often publish activity reports on the performance and management of concession contracts as well as audit reports for concessions. Concession holders must also report on the proper performance of the contract and produce activity reports within the time specified in the contract.

These are the parameters that VINCI takes into account in designing and implementing effective vigilance measures with regard to its organisational model, value chain and the specific challenges of each of its activities.

4.2 Duty of vigilance with regard to health and safety

Because its activities carry inherent risks, VINCI has made health and safety at work a priority. The Group's health and safety policy aims to anticipate and prevent these risks, including psychosocial risks, to ensure hygiene, health, safety and quality of life in the workplace, and to ensure the redeployment of employees who have suffered a workplace accident or illness. The Group also has the objective to achieve zero accidents, which applies to employees, temporary workers and external staff at VINCI worksites or sites operated by VINCI. This goal is one of the commitments published in VINCI's Manifesto in 2012. In 2017, the Group reinforced its health and safety policy with a joint statement, signed by the Chairman and CEO of VINCI and the Secretary of the European Works Council and published on the Group's website (https://www.vinci.com/vinci.nsf/en/item/essential-and-fundamental-actions-concerning-occupational-health-and-safety.htm). The declaration provides guidelines for the Group by defining fundamental and essential workplace health and safety initiatives. However, due to continually changing jobs, tools, techniques, processes and new technologies, constant vigilance is needed. Therefore, VINCI not only applies rules and procedures, but also calls for the continuous development of a prevention and safety culture shared by all that addresses all types of risk to people's health and safety.

4.2.1 Mapping of the Group's major risks

Taking a targeted approach, based on the business activity and country, has always been fundamental in identifying and preventing risks to people's health and safety. Each business line and division therefore has its own risk map. With regard to major risks to people, which is the focus of the duty of vigilance plan, each business line and division has made strong commitments and developed a risk prevention approach. It consists in analysing situations in which the potential for a severe accident or near-miss is high and developing methods to trace the root causes of major events in order to learn from past experience. Using this approach, each business line and division has built its own health and safety guidelines and golden rules. In addition, at the operational level, each Group site must conduct a health and safety risk analysis ahead of any work situation, taking into account the geographical context, the characteristics of the work being considered and its technical specificities. These multiple levels of analysis are essential to developing initiatives and responses tailored to the operational issues of each project, activity and country.

In 2018, VINCI also commissioned an independent third party, France's Institute for an Industrial Safety Culture (ICSI), to map major risks at Group level. For this purpose, a major risk was defined by combining an assessment of the likely occurrence of an event (actual or potential) and the severity of its outcome (actual or potential). A major risk is therefore the risk that a major event occurs and has severe consequences for a subject (employee, temporary worker, subcontractor or third party). Severity level is determined based on situations and events that have actually occurred as well as those for which the potential severity was high, meaning that in slightly different circumstances, the consequences could have been major.

The health and safety directors of VINCI business lines and divisions were interviewed over several months to highlight the major risks inherent to their respective businesses and analyse documents on the management of these risks and related processes. This work resulted in the identification of six main risk categories and various types of potentially major event, which range from events affecting the entire Group to events specific to the activities of certain business lines and divisions. These main categories of risks to people's health and safety are:

Main risk categories	Types of potentially major event
Risks related to moving masses	Collision with moving equipment or materials
	Collision with worksite machines or vehicles
	Collision with third-party vehicles
Risks relating to falling objects or loads	Blows from falling objects or materials
	Blows from the collapse of a construction
	Crushing from the fall of a suspended load
Risks relating to working at height	Falling from heights
Risks relating to energised or pressure equipment	Electrocution
	Projection of high-pressure fluids
	Projection of pressure machinery parts
Risks relating to handheld mechanical tools	Cuts and punctures from sharp handheld mechanical tools
Risks relating to road traffic	Road accidents

4.2.2 Measures to assess the situation of subsidiaries, subcontractors and suppliers

To monitor these risks, workplace safety policies are implemented using two approaches: rule-based safety and managed safety. Rule-based safety is achieved by anticipating foreseeable situations and applying rules, while managed safety designates the ability to react effectively to unexpected situations, thanks to experience and training. The balance between these two complementary approaches depends on the type of risk and the risk environment.

Business lines and divisions develop their own prevention policies that are adapted to their activity, geographical area and operational environment, using a combination of the two approaches. These policies are implemented with varying degrees of decentralisation, so that any situation that arises can be handled as effectively as possible. The established procedures make no distinction between employees of Group companies and temporary or subcontractor staff: all active personnel at any given site work in the same conditions. Annual action plans and specific audit schedules support these policies, which are monitored by line management superiors and the network of health and security managers. Every business line and division in the Group is therefore equipped with a risk prevention policy, an associated action plan, a schedule of audits and a dedicated team of specialists.

Safety inspections and audits carried out by safety officers, whether of our own entities and employees or of worksites operated by external companies (whether or not they belong to the Group), are an essential part of risk prevention monitoring and assessment. The Group has also developed the practice of cross-auditing by health and safety representatives in its various companies.

For example, VINCI Autoroutes's internal control programme is based in particular on the use of cross-audits led by a member of the prevention team in each of the business line's three companies (ASF, Cofiroute and Escota). Twelve internal audits, each carried out by regional management and based on a shared set of internal guidelines, are conducted annually. Using standard criteria, various aspects are given a score reflecting their level of management and maturity, and strengths and areas for improvement are identified. Audited aspects include prevention policy as well as its organisation and coordination; training programmes and initiatives; preparation and organisation of work; management of materials, equipment and products; management of accidental events; medical monitoring of employees, as well as the management of works and services entrusted to external companies. Each audit concludes with a detailed report of observations made and a plan for corrective actions to be monitored.

At VINCI Construction, its divisions have rolled out robust health and safety systems. VINCI Construction Grands Projets has a dedicated audit team within its Quality, Safety, Environment and Information Systems Department (DQSE-I). According to the established rule, each project is audited by VINCI Construction Grands Projets headquarters every two years. Also according to the rule, as soon as a project is created, a dedicated QSE management system and corresponding schedule of audits is set up at the project level. Each year, the VINCI Construction Grands Projets management committee defines an annual audit schedule to be implemented and monitored by the audit team. A notification is sent prior to each audit, along with a detailed, tailored audit plan. Audits are based on applicable standards (ISO 9001, ISO 14001, ISO 45001, etc.) and guidelines applied by VINCI, VINCI Construction and VINCI Construction Grands Projets, as well as special requirements (a safety plan, process map, contract, partner requirements, local standards, etc.) identified from the start due to the project's particularities. ISO 9001, a core standard for audits, covers all aspects relating to the management, selection, monitoring and assessment of subcontractors. It should be noted that audits cover the entire site and, particularly with regard to health and safety, all site personnel (including subcontractors and other staff) without distinction. Upon completion of an audit, observations are shared with project heads and the audit report is sent to all levels of project management, including the general management of VINCI Construction Grands Projets. In 2018, 42 audits were performed, including internal audits at headquarters, and amount to 50 audit days. Once the audit report is received, the entity suggests actions to remedy any issues. Project managers and the audit team share responsibility for monitoring the action plan: in general, the project's QSE manager informs the auditor when measures are implemented and provides evidence of achievements. Periodic progress reports on achievements and trends are also made. The audit team keeps track of all these measures and supporting documents in a regularly updated dashboard. Lastly, all audits cover the site in its entirety and therefore all personnel without distinction (including subcontractors, etc.).

Audit procedures relating to health and safety at Group entities therefore also involve obtaining certifications. The standards in question often require their own audits, which may be conducted by external auditors. Such audits involve every business line and division. Similarly, at their own level, projects and worksites implement risk management systems and therefore a tool to monitor the management of health and safety risks. These systems draw on the results of the initial risk analysis performed for every Group site, factoring in issues specific to the worksite or site under operation. All these different levels of risk monitoring and assessment reinforce and complement each other.

4.2.3 Tailored actions to mitigate risks or prevent severe impacts

For each site or worksite at which VINCI companies inspect the performance of work, a common set of rules applies to all, with no distinction made between employees, temporary workers or subcontractor staff. Where applicable, the Group entities help the subcontractors and temporary employment agencies they work with to improve their own performance. This assistance is mainly provided at the site under operation or at the worksite.

a. Global actions

• Group-level health and safety policy and guidelines applicable to all

The Group's health and safety policy, which is covered in its Code of Ethics and Conduct and VINCI's Manifesto, was reinforced in 2017 by the signature of a joint declaration by the Chairman and CEO of VINCI and the Secretary of the European Works Council. The statement sets a standard for the Group by identifying essential and fundamental occupational health and safety initiatives. It is currently available in 21 languages and can be accessed by the public on VINCI's website (https://www.vinci.com/vinci.nsf/en/item/essential-and-fundamental-actions-concerning-occupational-health-and-safety.htm). The declaration is the product of steady, constructive dialogue between labour and management and contributes to a continuous improvement process that should engage all employees to promote a safety culture at VINCI. Its broad dissemination is evidence of its visibility and the level of engagement at the highest echelon of the Group's management. Another sign of this high-level commitment is the linking of the short-term variable remuneration of VINCI's Chairman and CEO to environmental, social and governance (ESG) criteria, including occupational health and safety indicators.

• Essential and fundamental occupational health and safety actions

The joint statement reiterates the main thrusts of VINCI's health and safety policy, describes the initiatives and measures to be implemented at all the Group's sites and provides for the monitoring of results.

At the operational level, each and every site must conduct a risk analysis at the earliest possible stage ahead of any work situation and, based on the findings of the risk analysis, incorporate preventive measures into operating procedures and methods. Each entity must supply suitable personal protective equipment for each work situation and ensure that each worker fully understands the risks associated with their activity and the measures to take to manage them. Work must also be organised at the site in such a way as to safeguard employee health and safety.

Employee representatives must be involved in the implementation of initiatives, notably for the prevention of workplace accidents and occupational hazards, and consulted for suggestions. Safety awareness and training are essential to promoting occupational health and safety. This training must be provided to employees during their work hours; more specifically, employees must be given instructions and explanations relating to their job or assignment. They must be familiar with operating procedures and safety regulations and comply with them. Materials and tools must be used as intended, and personal protection equipment must be worn correctly.
These rules apply to everyone at VINCI, in all activities, in all companies and in all countries where the Group operates.

• Risk prevention for subcontractors and temporary employment agencies
Across the Group, VINCI's Subcontractor Relations Guidelines (https://www.vinci.com/vinci.nsf/en/item/subcontractor-relations-guidelines.htm) underscore the Group's determination to ensure that the employees of its partner companies work under the same safety conditions as those of its own staff. The guidelines are disseminated by the regional Pivot Clubs where the regional managers of the Group's businesses meet regularly and exchange ideas. The guidelines are a tool for Group entities to use in their relations with subcontractors. At VINCI Construction France, for example, the guidelines are systematically incorporated into all subcontracting agreements. A two-day safety training session and assessment is also offered to temporary workers to enable them to obtain a safety passport, called Pasi, demonstrating the acquisition of safety fundamentals. Temporary staff must have a Pasi before they start an assignment at a worksite. Initially launched by VINCI Construction France, the Pasi is now used throughout the industry. It was created after it was observed that accidents were more frequent among temporary than permanent staff. The initiative reflects a firm commitment to protect employees and partners alike, in particular by implementing a robust prevention policy. Many VINCI companies have also signed framework contracts with their subcontractors. The zero accidents objective is the common denominator in these contracts, which include special clauses covering essential measures such as wearing personal protective equipment, reporting workplace accidents and providing ongoing information on any change in worksite hazards.

In addition, workforce-related and social criteria have been incorporated into the framework contracts signed by the Group with approved temporary employment agencies. These criteria require that the agency demonstrate a strong track record in people's health and safety and a safety culture in the workplace. During the latest selection process, 47 agencies were excluded as a result of applying the ESG filter. An annual review will be conducted for the 90 approved agencies. Group companies are required to use only approved agencies for their temporary recruitments.

• Innovation Awards
Every three years, VINCI presents the Innovation Awards. This competition aims to accelerate the spread of local initiatives by its operational employees. The awards distinguish not only technological achievements but also innovations that promote the Group's continuous improvement, notably in the areas of safety, sustainable development and working conditions. One of the 12 award categories recognises innovations for the health and safety of employees, partners and/or customers. In 2017, more than 2,000 applications were submitted by more than 5,000 employees and nearly 150 innovations were distinguished around the world, of which 42 were related to people's health and safety. The selection of judges and the organisation of ceremonies give visibility to the event and show all employees that the topic is an important one for the Group's management. Furthermore, highlighting in-house achievements in occupational health and safety innovation is a reminder to all of the need for continuous vigilance, commitment and improvement in this area.

b. Actions adapted to the Group's business lines and divisions

• Guidelines specific to the Group's various activities
Business lines and divisions define guidelines and/or golden rules specific to their activities and take action in their companies, close to the employees who will implement them. Each entity has multiple sources of guidelines – the Group, the business line, the division, the entity itself, and so on. These guidelines reinforce and complement each other to provide a tailored response to the situation of each sector and activity. Prevention measures and audits take into account all these rules and guidelines. For example, VINCI Autoroutes decided to harmonise and standardise a large number of its procedures and internal rules, for greater consistency and to facilitate understanding. VINCI Autoroutes' operational employees all undergo training and assessment in these procedures, which are updated periodically. The business line's three companies apply the same prevention policy, use a shared language and work toward common goals. Their policy focuses on three main areas and sets out golden rules in each.

• Collective agreements on health and safety issues
Labour-management dialogue takes place at every level of the company. As part of its health and safety policy, VINCI negotiates and enters into specific agreements with trade unions and employee representatives on subjects related to improving staff working conditions, thereby enhancing the overall performance of Group companies. In 2018, 31 health, safety & prevention agreements were signed by Group companies.

• Continuous, tailored awareness and training initiatives
Each activity has its own toolbox of measures that are tailored to its own situation and integrates health and safety awareness into its daily routines, such as pre-start and pre-task briefings and 15-minute safety sessions. Initiatives such as these have been rolled out by most activities and offer daily opportunities to review basic safety rules, explain operating procedures, introduce the work environment and engage employees. Many awareness and training sessions address issues specific to an activity, such as working at height, driving vehicles, or preventing hand injuries.

Innovation is also central to these training efforts, in order to continuously improve their effectiveness and adapt them to changing activities. In 2018, several entities of Eurovia, VINCI Energies and Soletanche Bachy tested a virtual reality training module for risk prevention and reduction. The module aims to help trainees analyse and memorise dangerous situations more quickly. VINCI Autoroutes is experimenting with several innovative solutions to reduce risk exposure of employees working on motorways. Some involve technological innovations (such as the detection of a collision risk by a smart built-in camera on their vehicle) while others aim to raise awareness and warn users (such as information campaigns, smartphone alerts for drivers informing them of the presence of maintenance vehicles and personnel).

More broadly, at Group level, in 2018, 38% of the training hours delivered were for health and safety. Also in 2018, ICSI's Safety Academy training resources were added to the VINCI Up! e-learning platform, which makes specialised training modules available to employees at all times.

In addition to on-site training for employees, most of the Group's activities have developed training programmes for executives to strengthen the safety culture among managers. At VINCI Construction, the "Managing with Safety" programme launched in May 2017 reached more than 8,000 managers. It promotes five essential actions, the first of which is to assess the safety culture of managers prior to their annual performance review. Similar training initiatives were developed in other business lines, such as Eurovia's programme entitled "Managing Health & Safety at Eurovia". Worksite visits take place regularly in all Group entities. Meetings of management include health and safety issues on their agenda.

• International health and safety events

Promoting a shared safety culture in the company and in relations with stakeholders is an important driver for developing everyone's skills, motivation and creative potential. For this reason, international health and safety events are regularly organised by the various business lines and divisions, such as International Safety Week or International Prevention Day. VINCI companies continue to involve more and more temporary staff and subcontractors, as well as customers, in safety training and awareness. These events reflect the management's commitment to each activity. Many VINCI subsidiaries organise in-house competitions to reward health and safety initiatives, such as the HSE Challenge at Entrepose and Soletanche Freyssinet (VINCI Construction) and the Security Challenge by VINCI Concessions.

• Health and safety perception surveys

Surveys of employees' perception of the health and safety culture in their company are becoming more common in various parts of the world. They provide specific, objective evaluations of the effectiveness of health and safety policies and help to encourage dialogue in companies for the development of improvement plans.

• Health and safety certification initiatives

Group companies are stepping up certification efforts in the area of health and safety. Their aim is to promote the continuous analysis of each procedure through a series of audits and thereby improve their performance. In 2018, OHSAS 18001 certification, for the optimisation of occupational health and safety management, covered a scope corresponding to 71% of revenue for VINCI Construction and 50% for VINCI Energies. For Eurovia, in 2018 the certification covered 22% of its revenue in France, 77% in Europe and 41% in the combined region of the United Kingdom and the Americas. VINCI Energies and VINCI Construction have also obtained LSC-VCA-SCC or Mase-UIC certifications. The companies of VINCI Autoroutes have begun a certification process for the new international standard for occupational health and safety: ISO 45001. This standard calls for periodic in-house audits by trained and specialised employees, as well as external audits conducted by competent bodies.

4.2.4 Alert mechanisms and processing of reports

The joint declaration signed in 2017 by Xavier Huillard and the European Works Council emphasises that any situation observed by employees that represents an imminent threat to health and safety must be immediately reported to the employer or relevant superior. No employee can be reprimanded for making such a report. Likewise, depending on the operational context, employees can avail themselves of procedures such as exercising the right to refuse work, if they believe the situation presents a serious and imminent danger to their life or health.

Managers are strongly encouraged to raise alerts and report hazards. Business lines and divisions have developed dedicated tools to facilitate, streamline and process these reports. An application called "Move Safe" is about to be launched for all VINCI Autoroutes entities, and similar applications for reporting hazardous situations have been developed and made available to employees at VINCI Construction and VINCI Energies. In addition, hazard reporting is included in the health and safety targets for the incentive plan, to further encourage each employee to meet quantitative objectives.

4.2.5 Monitoring of measures implemented and assessment of their effectiveness

Health and safety policy is overseen by the Executive Committee and coordinated by a global team made up of the health and safety directors of the Group's business lines, so that a strong safety culture can be spread and shared by all VINCI companies. The team's mission is to build this shared health and safety culture, mainly by facilitating the exchange of best practices and the sharing of feedback, assessing existing procedures, enhancing the reliability of indicators and by suggesting new paths of improvement adapted to each activity. Accident prevention Pivot Clubs and internal collaborative platforms help disseminate and monitor these measures throughout the community of several hundred health and safety managers, coordinators and experts.

Business lines and divisions monitor events with potentially severe consequences in a particular manner. Events that have been identified as such following analysis are consolidated, compared and studied from a macroscopic perspective in order to identify underlying risks, root causes and trends. This helps to develop both curative and preventive measures, by making it possible to anticipate the potential occurrence of a severe accident. Furthermore, for every accident, a methodical and in-depth investigation must be undertaken with the employee representatives and the causes analysed. Severe accidents are presented to management committees once the root cause analysis has been carried out. Any accident resulting in the death of a Group company employee, temporary employee or subcontractor employee is systematically reported to and analysed by VINCI's Executive Management. The information is immediately communicated to the Chairman and CEO and to members of the European Works Council, regardless of the country where the accident took place. Occupational health and safety is on the agenda of every meeting of the European Works Council. Pursuant to an agreement with the VINCI European Works Council, a quarterly report is submitted to the Council's board on workplace accidents, commuting accidents and occupational illnesses.

Local processes to identify and manage risks are measured and reviewed on a regular basis and information is communicated to the Group. The outcomes of initiatives are measured by relevant indicators, which are presented to the management committees of the business lines and divisions, providing the opportunity to discuss how to improve them. At VINCI Autoroutes, the management committee examines key indicators every two weeks. At Group level, in addition to presentations to VINCI's Executive Management, presentations are made to the Strategy and CSR Committee of the Board of Directors, the Remuneration Committee and the Appointments and Corporate Governance Committee, in order to evaluate manager performance, and to the Board of Directors itself.

Safety data on temporary staff and subcontractors is increasingly included in health and safety performance monitoring indicators.

As a result of the various actions taken by the Group, its business lines and divisions, the proportion of companies with no lost-time workplace accidents rose from 66% to 72% in five years, representing an increase of over 9%. Over the same time frame, the lost-time workplace accident frequency rate (number of lost-time workplace accidents x 1,000,000)/number of hours worked) declined from 7.77 in 2013 to 6.10 in 2018. The lost-time severity rate (number of days lost due to workplace accidents x 1,000)/number of hours worked) was stable in 2017 and 2018, at 0.42%.

In 2018, the number of days lost through occupational illnesses recognised in the Group amounted to 62,149 days out of a total of 48 million days worked. This represents a recognised occupational illness frequency rate (number of recognised occupational illnesses x 1,000,000)/hours worked) of 0.80%, which is lower than in 2017, and a recognised occupational illness severity rate (number of days lost through occupational illness x 1,000)/hours worked) of 0.17%, which is also lower than the previous year.

In 2018, worldwide, the temporary staff lost-time workplace accident frequency rate was 15.03. The gap between the workplace accident frequency rates of VINCI employees and temporary staff reflects differences in the jobs performed, in safety awareness, and in technical know-how and experience. Reports on workplace accidents involving temporary staff enable VINCI companies to take concrete action to prevent them from recurring.

The Group also tracks the number of companies with no severe accidents.

This data is verified by independent third-party bodies and is published in the Group's annual report. The close monitoring carried out by the Group, its business lines and divisions may trigger the commissioning of a third-party audit, especially in the event of the decline of a key performance indicator.

4.3 Duty of vigilance with regard to human rights

For several years, VINCI has made public commitments to support and protect the rights of people and local communities that may be impacted by its projects and activities. Consistent with this commitment made at the highest level of the Group, VINCI continuously develops and strengthens its procedures to assess and prevent human rights risks, while also assisting its entities to engage on this subject and find operational solutions. This is because VINCI understands that issues affect people's everyday lives at the local level and considers that solutions must therefore be developed on the ground, close to its operations. Fully aware of the complexity of the challenge, VINCI has also adopted a continuous improvement approach with its stakeholders and peers.
Human rights risk prevention is coordinated by VINCI's Human Resources and Sustainable Development Department and promoted throughout the Group by a human rights steering committee, whose members are the human resources directors of business lines and divisions. Following an analysis of risks, a key Group-wide reference document, VINCI's Guide on Human Rights, was prepared, circulated and published on the VINCI website (https://www.vinci.com/vinci.nsf/en/item/guide-on-Human-rights.htm). It describes the major risks identified across the Group and presents guidelines for managing these risks, which can be applied in all countries and for all activities.

4.3.1 Mapping of the Group's major risks

• Identification of the main issues
At the end of 2015, VINCI formed a human rights steering committee to step up its work in this area and identify the Group's key issues. The committee based its work on the United Nations Guiding Principles on Business and Human Rights and the commitments made by VINCI and its companies in accordance with international standards, which include the OECD's Guidelines for Multinational Enterprises, the fundamental conventions of the International Labour Organisation (ILO), and the International Bill of Human Rights. Meetings were held with many employees in France and abroad to build awareness of human rights issues and compare viewpoints. At the same time, opportunities were provided for certain representatives of civil society or other companies outside of VINCI to share their experience. The steering committee also took into account various specialised studies (such as those of the Danish Institute for Human Rights) and guidelines or previous work produced by the Group or its entities (the handbook on fundamental social rights, standards for living conditions, etc.).
Furthermore, the analysis of risks and issues took into account the results of the human rights impact assessment in Qatar, commissioned by VINCI and carried out by an independent third party, Business for Social Responsibility (BSR), at the end of 2015. The methodology used for the assessment was to first identify, in the rights enshrined in the International Bill of Human Rights and the ILO's fundamental conventions, the issues that were relevant to the Group's activities. Based on this first selection, sectoral research was analysed and interviews were held with key VINCI stakeholders, such as the Building and Wood Workers' International (BWI), the ILO, the International Organisation for Migration (IOM), the French National Consultative Commission on Human Rights (CNCDH), the Danish Institute for Human Rights, and NGOs having worked on human rights issues in that region (Amnesty International, Human Rights Watch, Engineers Against Poverty, Business & Human Rights Resource Centre, etc.).

All or some of the members of the steering committee met monthly, sometimes in the presence of third parties who shared their expertise and/or past experience in a given area. In the summer of 2016, the steering committee validated the Group's key issues and corresponding guidelines, which translate into rules applying to all of our entities.

• Description of the main issues

The critical analysis of all of these sources led to the identification of five main issues, broken down into 17 specific themes, in which VINCI activities can have a significant impact on human rights, including those of employees, subcontractors, temporary staff, local residents and local communities. These five areas cover the entire project life cycle, from the response to the call for tenders to the preparation of sites and construction, through to commissioning and operations.

This work led to the publication of VINCI's Guide on Human Rights, which is a public document available to all on the VINCI website (https://www.vinci.com/vinci.nsf/en/item/guide-on-Human-rights.htm). Since the guide's circulation, the relevance of the key issues it identifies has been confirmed by various Group entities and validated by feedback from operational teams in different countries.

The five main issues and 17 themes are:

Main issues	Description	Themes
1. Labour migration and recruitment practices	In the course of their activities, VINCI companies may recruit migrant workers, whether directly or through temporary employment agencies. The situation of these migrant workers can reflect a range of scenarios, depending on the conditions of their migration (travel, administration, recruitment, accommodation, etc.). Because of varying recruitment practices and national legislation on migration, specific risks of breaching the rights of migrant workers might arise.	1. Recruitment fees and debts 2. Contract substitution 3. Work permit, ID, visa, passport, and exit permit
2. Working conditions	This issue relates to potential breaches of fundamental employment rights that could result from a lack of vigilance concerning working conditions, such as wages and their payment, number of hours worked, paid holidays and employment benefits, and restrictions to freedom of association. Given the nature of the Group's activities, employee health and safety is a separate important issue, which has been specifically addressed by the Group and its various entities for many years now.	4. Wage levels 5. Working hours 6. Paid holidays and other benefits 7. Workers representation 8. Hiring underage workers 9. Discrimination 10. Health and safety 11. Worksite security
3. Living conditions	In some situations, employers may supply accommodation to workers, due to the size, location or mobile nature of the project or worksite. In these cases, employers must ensure that the living conditions provided to workers guarantee their physical security and safety and satisfy their fundamental needs.	12. Labour community standards on accommodation: health, safety and security 13. Freedom of movement, consultation, and grievance mechanism
4. Human rights practices in the value chain	This issue concerns the monitoring of the living and working conditions of subcontractor employees or temporary staff on sites. The Group considers that the challenges it faces are identical to those faced by its subcontractors, particularly in the area of health and safety.	14. Raise awareness, identify risks and enter into contractual agreements
5. Local communities	Construction and infrastructure operation projects can impact local communities. Customers, concession holders and construction companies all share responsibilities, varying from one project to another, and must work in close collaboration to identify, avoid and mitigate each project's potentially negative impact on local communities.	15. Socio-environmental issues 16. Land-related issues 17. Community dialogue, engagement, and remediation mechanisms

• Analysis and ranking of priority areas in countries

Although the Group has identified the main issues for all of its activities and defined a common baseline of minimum requirements for each theme, applied to all activities in all countries, it also believes that the national context is pivotal in assessing the relevance of these issues and themes in a given environment and prioritising them. For this reason, VINCI develops human rights risk maps for specific countries in which it operates, enabling priorities to be identified and helping local entities to better understand their environment and find the right response to local issues. All 17 themes identified by the Group are analysed for the given country, using the information in reports from public administrations, international organisations, NGOs, academics, trade unions, the media, and so on. This analysis offers a more precise picture of the specific risks inherent to each country and sector of activity as perceived and reported by a set of relevant third parties. It includes information on the legal and institutional framework surrounding the various aspects covered and reiterates the Group's human rights guidelines. The analysis is an important tool that is used in the assessment of each subsidiary's situation and in setting priorities. It is also an essential resource for raising the awareness of Group employees and teams in relation to risks requiring increased vigilance in a given country, including those faced when entering into contractual relationships or partnerships.

This approach is being deployed progressively, and target countries are chosen based on a combination of recognised international indicators established by international organisations, NGOs or trade union organisations [*] and internal indicators of the extent of the local presence of VINCI companies (workforce and revenue). Priority is given to countries where VINCI's presence is strong and/or human rights are deemed to be at risk. The initial analyses are subsequently fine-tuned with new research, feedback from operational teams and through alert mechanisms. In addition, the indicators used are collected in a dynamic tool and will be updated annually to closely reflect the Group's most current situation, particularly its geographical locations. The 2018 action plan was therefore developed based on the latest data available on 31 December 2017. In 2018, the Group took this comprehensive approach in eight countries, on multiple continents, where it has operations: Morocco, Colombia, the Dominican Republic, Cambodia, Malaysia, Poland, Cameroon and Egypt. Initiatives were also conducted by the Group in four other countries: Lithuania, France, Vietnam and Qatar. The Group's actions in 2018 covered more than 28% of its workforce outside OECD member countries and will be expanded in 2019. Other studies focusing on specific subjects relating to social risks in subcontracting and issues to do with labour migration in Europe have been launched with external parties.

(*) World Bank Governance Indicators – Rule of Law; Transparency International – Corruption Perceptions Index; United Nations Development Programme (UNDP) – Human Development Index; World Economic Forum – Global Gender Gap Report; US Department of State – Trafficking in Persons Report; International Labour Organisation (ILO) – Eight Fundamental Conventions; Freedom House – Freedom in the World index; International Trade Union Confederation (ITUC) – Global Rights Index.

4.3.2 Measures to assess the situation of subsidiaries, subcontractors and suppliers

• Assessing the situation of subsidiaries with regard to human rights

The Group has also developed a performance assessment tool based on the Group's five main issues and 17 themes, along with the corresponding guidelines. All documents produced are therefore based on the same elements: the country's risk map and the assessment tool. For each of the 17 themes, the tool presents a series of precise questions to determine whether the management systems in place conform to Group guidelines and whether they adequately manage and prevent the risks specifically identified in the country's risk map. This approach offers an in-depth, qualitative analysis of the performance of an entity or a project. Based on its results, entities are then in charge of building a plan of action or improvement and reporting on it to the division's human resources department, which in turn informs the Group through its steering committee representative. Where necessary, the Group will specifically monitor major risks. Where applicable, this assessment tool is also used to varying degrees to analyse major projects, whether during the tender process or once the project is under way.

In Morocco, where the tool was first tested in 2018, a country risk mapping workshop was attended by some 50 managers from all VINCI entities (CEOs and operational heads, human resources and quality, safety & environment managers, administrative and financial directors, legal experts, etc.). This exercise resulted in the validation of a mapping of risks requiring increased vigilance and the creation of a joint working group to monitor changes in the identified risks and develop joint initiatives to reinforce prevention. At the same time, following the assessments carried out, entities develop their own action plans to address the areas needing improvement.

Sometimes, on their own initiative, entities will approach the Group for guidance as to whether the action they are taking is sufficient to prevent a risk. For example, teams in Lithuania asked VINCI to verify, not only that their recruitment process for migrant workers and the workers' working and living conditions complied with VINCI's Guide on Human Rights, but also that the measures taken during the recruitment process were sufficient to protect the rights of these workers in connection with their operations.

With regard to internal control, the Group may initiate unannounced verifications of compliance with the rules set out in its reference documents, as a complement to the controls put in place by business lines and divisions.

• Assessing the situation of subcontractors and suppliers

Since the situation of subcontractors and temporary staff was identified as a key priority in our duty of vigilance approach with regard to human rights, the previously described assessment tool covers issues relating to temporary staff, on-site employees of subcontractors, and the management practices of the latter. The Group has provided all entities with a due diligence methodology in five steps: mapping of human rights risks for subcontractors, use of specific criteria during selection procedures, inclusion of specific clauses in contracts, control of these contractual requirements, and the implementation of monitoring procedures. Other verifications and audits are carried out as needed. In Qatar, the subsidiary QDVC set up a robust assessment and monitoring process for subcontractors many years ago, which includes audits of documentation as well as interviews with management and with workers. Over the 2017-2018 period, QDVC conducted 35 audits focusing on human rights and working conditions and 365 audits looking at the living conditions provided by subcontractors and labour suppliers. To further these efforts, the Group is also implementing new pilot projects on methodologies to analyse and prevent social risks in subcontracting. These projects aim to assess social risk management practices already in place, identify improvement areas and construct an operational method to evaluate, prioritise and manage risks.

For the Group's key categories of purchases such as temporary labour, the Group Purchasing Department, together with Purchasing Coordination and the Sustainable Development Delegation, has set up framework contracts with selected suppliers. Invitations to tender and specifications integrate social and environmental criteria. Depending on the purchasing category, these criteria may include the environmental impact of the suppliers' products and services, the conditions in which they are produced, the suppliers' societal commitments, and so on. Supplier assessment is therefore tailored to the purchasing category and to issues specific to the sector. Based on how they perform against the criteria, some suppliers are eliminated, while for others, a CSR improvement plan is proposed, with the aim to promote collective upskilling. The contracts provide for the possibility of audits, and each year a review is conducted with approved suppliers. In 2012, the Group's Supplier Performance Charter was rolled out. By signing the charter, suppliers make commitments in three areas: human rights and labour standards (including health and safety); ethics in competition and anti-corruption; and the environment. They also accept that social and environmental evaluations may be performed to ascertain whether they are fulfilling their commitments under the charter.

• Audits by third parties

In some cases, audits or other external controls have been set up by the Group and/or its subsidiaries.

This is the case in Qatar, where a framework agreement was signed in November 2017 by VINCI, its subsidiary QDVC, and Building and Wood Workers' International (BWI). The agreement provides for an extensive system involving monitoring, reporting, checks, inspections and audits under the aegis of a reference group composed of representatives of the three signatories. This agreement covers human rights in the workplace, accommodation, and issues relating to the fair recruitment and the employment rights of workers. It applies to all workers employed by QDVC in Qatar, and stipulates a due diligence procedure for subcontractors. An audit was conducted on 8 and 9 January 2019, during which representatives of the three signatories were present, including BWI's auditors and VINCI's trade union representatives. The audit covered every point in the agreement, and the auditors also had the opportunity to observe the election of Workers' Welfare Committee members at the end of a two-year term.

In 2018, with regard to its airport activities in Cambodia, VINCI commissioned an audit of psychosocial risks from an independent body, of which the results will be discussed with trade union representatives, along with new audits of its temporary employment agency partners. These measures were taken following mediation by the French National Contact Point (NCP) regarding implementation of the OECD Guidelines for Multinational Enterprises. The NCP found that the Group was observing the OECD Guidelines in a complex national context and had taken appropriate due diligence measures for its Cambodian subsidiary. The NCP's recommendations, finalised in December 2018, will be specifically monitored.

Some Group entities have also taken steps to obtain corporate social responsibility (CSR) certification that includes human rights aspects. In 2018, two Group entities in Morocco were audited by independent bodies as part of a CSR certification process by the General Confederation of Moroccan Enterprises (CGEM). Human rights protection, in the workplace and in society, is one of the certification label's nine commitments.

4.3.3 Tailored actions to mitigate risks or prevent severe impacts

a. Global initiatives

VINCI issues guidelines to provide a shared framework for all of its business lines and employees.

• Guidelines addressing the main issues and applicable across the Group

At the core of its approach is a framework document developed by VINCI and applied across the Group: VINCI's Guide on Human Rights, which was validated by the Group's Executive Committee in April 2017. It contains guidelines for entities to follow when setting up human rights risk prevention practices and measures. The operational nature of the document, which was designed to reflect the complexities of the Group's sectors and activities, confirms VINCI's commitment to root its action in on-the-ground realities. The guide is distributed with an annexe describing the main issues in detail, explaining the challenges involved and offering recommendations and best practices to better support employees. Prior to publication, in early 2017, the European Works Council was consulted and approved the initiative.

For each of the 17 themes identified by VINCI, specific guidelines have been developed. These guidelines translate each of the human rights issues identified by the Group into operational terms and make practical recommendations for operational teams, all countries and activities combined.

As an example, in the course of the work conducted to identify the Group's main issues, it was revealed that labour migration combined with poor recruitment practices and a restrictive legal environment created a risk with regard to which the Group and its entities must be particularly vigilant. One of the key aspects of this issue, and an identified risk factor, is debt bondage. Accordingly, to provide practical assistance to operational teams on how to prevent this risk, the following guidelines were established:

- no fees are to be charged to candidates at any stage of the selection, recruitment and hiring process;
- all contracts signed with recruitment agencies must include a "no fees" policy;
- recruitment agencies must be transparent to end-user companies with regard to their practices, in particular the use of agents or sub-agents, and their costs and terms of engagement;
- the company and its recruitment agencies must ensure that candidates are made aware that no fees should be charged at any stage of the recruitment process;
- confidential channels for reporting complaints about fees must be made available to migrant workers.

An in-house working group was also formed to work more broadly on the different types of risk relating to recruitment practices in various geographical contexts.

The development and circulation of these guidelines also reflect VINCI's efforts to anticipate risk factors as early as possible and provide suitable responses to prevent abuses. For each of the 17 themes identified by the Group, guidelines of this sort have been developed.

VINCI's Guide on Human Rights was widely distributed among the Group's operational entities and was presented to the management committees of the Group's business lines and divisions. According to the 2018 survey of VINCI's internal control, at end-September 2018, 71% of entities, all business units and divisions combined, had communicated about the Guide and its guidelines to all or some of their employees. For the majority of the remaining entities, a plan of action is under way to do so. To facilitate the adoption and dissemination of the guidelines, a vast translation project was undertaken in 2018. The guide, which primarily targets employees, is now available in 21 languages, thereby covering more than 98% of the Group's workforce, based on the official languages of the countries where the Group operates. External stakeholders can also access the guide on the VINCI website.

Furthermore, some aspects such as wage levels, working hours, paid holidays, workers' representation, discrimination, and hiring underage workers are first assessed against the human resources rules and procedures in force in companies, which thereby form a first level of risk prevention. Likewise, site safety rules enhance risk prevention in our activities as well as at the various levels of subcontracting at the sites under our control. For example, entry to sites of major projects is secured, and the identity of anyone wanting to enter is checked. This applies not only to our own employees but also to all subcontractor employees, suppliers, delivery persons, and so on. Health and safety procedures also dictate that all documents (ID, work permits, work visas) be verified before delivering a construction site access card. This two-level HR verification – before the contract is signed and security at the site entrance – guarantees that all worksite employees are legal and of age and helps to fight identity fraud.

• Risk management and prevention with regard to temporary employment agencies
In our sectors, whether contracting or concessions, our major challenges are at the operational level. Accordingly, when it comes to vigilance with regard to human rights risks in our value chain, the subcontractor and temporary employment agency workers on our sites are a priority. Because temporary labour is a significant purchase category, the Group's Purchasing Coordination unit set up a framework contract to use with selected suppliers. The non-financial criteria used to assess suppliers relate to occupational health and safety, training, diversity, the prevention of illegal and undeclared work, and the existence of a whistleblowing system for employees. The latest selection of approved temporary employment agencies went into effect on 1 January 2016, for a four-year period. It is compulsory for Group entities to use approved agencies for their temporary recruitments. During the selection process, 47 agencies were excluded based on non-financial criteria and 90 were selected after rolling out improvement plans. This process was developed by the Group Purchasing Department, the Responsible Purchasing Coordination unit and the Sustainable Development Delegation.

• Awareness and training initiatives
The Group considers that in matters of human rights, managers play a decisive role. Emphasis is placed on awareness and training initiatives that target executives and employees and reflect on-the-ground realities. The objective is to develop a prevention culture in this area, similar to what has been achieved in safety and security, and to provide operational teams with the means of acting as early as possible. We view it as essential to train our employees in these issues so that they are able to identify problematic risk situations and prevent them. As a complement to the face-to-face presentations and training sessions regularly held in France and abroad, an e-learning module to raise awareness of human rights risks will be launched in February 2019. The module will be available in French, English and Spanish and culminates a year of collaborative development. It will be made available to all entities and employees on the Group's e-learning portal. Priority target groups will be determined jointly with the human resources directors of business lines and divisions.

• Active participation in collaborative initiatives
The issues facing VINCI and its entities are often complex and involve multiple players throughout the value chain. Although we continuously enhance our risk prevention and management systems, we are not always able to exert sufficient influence and thus pursue every possible action, due to our position in the value chain and the cyclical nature of our activities. In addition, as our activities are very closely tied to local communities, the approval process for potential partners is made more complex. For this reason, to complement the efforts pursued within the Group, we decided to join a number of external networks and initiatives, notably, in the construction sector, Building Responsibly, of which VINCI is a founding member. Launched in February 2017, Building Responsibly brings together engineering and construction firms in order to develop common approaches and standards, share best practices, tools and experiences, and engage stakeholders and all actors in the value chain to find concrete and collective solutions to the challenges faced by the sector. In June 2018, Building Responsibly published its Workers' Welfare Principles, the result of extensive work undertaken with a diverse group of stakeholders (research institutes, NGOs, companies, industry initiatives, the ILO, professional organisations, etc.). Since the publication, discussions have been initiated with different players to determine how to incorporate these principles into business relationships. This is an essential step toward effectively addressing challenges, while providing a level playing field and raising industry standards. In June 2017, VINCI also joined the steering committee of the Leadership Group for Responsible Recruitment, a collaboration between large companies and specialised organisations to promote fair recruitment practices. These two initiatives enable VINCI to work collaboratively with other stakeholders to produce tools to assess third parties or to encourage the development of ethical labour sourcing in certain parts of the world.
VINCI is also a member of the Global Compact and the Global Deal and, in France, of Entreprises pour les droits de l'Homme / Businesses for Human Rights (EDH), an association of 16 leading French companies. It is a forum for discussion, initiatives and proposals by these companies to promote improved integration of human rights into business policies and practices.

b. Initiatives adapted to local challenges
This section presents significant examples of initiatives that have been implemented by the Group to prevent risks or promote human rights and that illustrate the complementary nature of our approach, which relies on general guidelines, and on adapting initiatives to local challenges to provide tailored solutions.

• Preventing risks relating to recruitment practices in Qatar
The recruitment situation in Qatar was quickly identified as a major issue. It is especially complex because recruitment is regulated by bilateral agreements between governments, the terms of which require the use of intermediaries in countries of origin and set wage levels of workers on a country-by-country basis. In addition, the choice of countries of origin where labour is sourced is determined by authorities using a quota system. The conditions in which migration takes place also increases risks for workers, particularly to their freedom of movement. QDVC has set up strict procedures to mitigate risks relating to recruitment practices.
As regards freedom of movement, all QDVC employees have a Qatari residence permit, which is needed to travel within the country; they also have access to a secure safe to store their personal documents (passports, employment contracts). When they wish to leave their job, QDVC delivers an authorisation enabling them to change employers (no objection certificate, or NOC). An exit permit is delivered to workers who wish to leave the country any reason (holiday, emergency, etc.).
To fight debt bondage, another major factor contributing to the vulnerability of migrant workers in Qatar, QDVC has set up robust processes to monitor recruitment agencies in countries of origin (Bangladesh, India, Nepal, etc.). There is a specific rule that recruitment costs (airfare, visas, medical check-ups, skills testing, etc.) are covered by QDVC and that, accordingly, migrant workers must not be charged any fees. To monitor the process, QDVC staff have travelled to these countries on several occasions to verify agency compliance with rules, spread the information among applicants that recruitment is free, examine the actual working conditions offered and participate directly in recruitment interviews. In addition, various surveys have been carried out among workers recruited by QDVC to check that measures have been appropriately implemented and, in particular, to find out if any workers did ultimately pay fees to third parties, despite the efforts deployed. What these surveys have shown over the years is that the measures implemented by QDVC have resulted in a clear reduction of these risks. QDVC is pursuing its efforts and is now working to improve recruitment of workers employed by subcontractors and placement agencies through a public-private partnership signed in May 2018 with the ILO Project Office for the State of Qatar. This pilot project is aimed at developing a migration corridor between Qatar and Bangladesh with no recruitment fees for workers. The main components of the project are an initial audit carried out by an independent body, a capacity-building programme for both recruitment and placement agencies in the countries of origin, and an impact study to be carried out by a university. The first two components are both already under way.

• Reinforcing employee representation in Qatar

Where national laws do not conform with international agreements and VINCI's guidelines, Group companies are encouraged to do everything they can to find innovative alternatives that satisfy all requirements. QDVC took steps early on to provide employee representation and encourage and strengthen labour-management dialogue in the company. A workers' committee was formed as of 2011 and has gradually expanded its powers and scope over the years. In November 2016, QDVC held an election for employee representatives (a first in Qatar) in which 27 employees were elected to join the company's worker representation committee and discuss issues such as working conditions, wages, living conditions and health and safety. Seventy-five candidates campaigned for one month, and QDVC communicated extensively on the elections and the committee. The participation rate was 72%. In November 2017, QDVC was also the first Qatari company to sign a framework agreement with a trade union federation, the BWI. The ILO's Director-General was in attendance. Under the agreement, in 2018, BWI delivered training to the 27 elected representatives in Doha, with the support of QDVC and VINCI, to help them develop the skills needed to best represent their fellow workers.

• Wage levels and welfare protection in Cambodia

Cambodia Airports, a subsidiary of VINCI Airports, put in place a responsible employer policy encompassing several commitments, including wage levels above the legal minimum, welfare protection for employees and their families, and access to an employee savings plan. In Cambodia, this plan was an innovation for which the subsidiary worked closely with the country's authorities. Cambodia Airports has therefore implemented a remuneration policy for some time now which sets the company's minimum wage above the country's legal minimum, applying only to the textile industry. In the beginning of 2018, in a step consistent with the introduction of healthcare benefits for all employees and their families, the company opened a medical centre at Phnom Penh International Airport, in partnership with International SOS. The centre provides high-quality medical services to airport employees and their families, representing more than 4,200 beneficiaries. In recognition of its initiatives to improve employee welfare, Cambodia Airports has received the Asia's Best Employer award on two occasions.

4.3.4 Alert mechanisms and processing of reports

Multiple and diverse procedures exist by which employees can report concerns. These grievance procedures include contacting human resources departments, health and safety representatives, line management superiors or employee representative bodies. If confidentiality is a concern, employees can also approach the ethics officers of the Group's business lines and divisions or at Group level. In many countries, employees also have the right to refuse to work in a situation of serious and imminent danger. In addition to these resources, in 2018, VINCI reinforced its alert mechanisms and whistleblowing system to take into account recent legislative changes and also created a new Ethics and Vigilance Department, reporting directly to the Executive Management (see paragraph 4.5, page 245).

Although the Group has a system in place (see page 245), in light of VINCI's multi-local organisation and the nature of its activities, the implementation of local grievance procedures at the project level is also encouraged. The Group's view is that grievance procedures, including those initiated by end users or local residents, are more effective when they are local, since the company, project or worksite is then better positioned to proactively handle reports, identify any weak areas, improve processes and reinforce prevention. Some companies, such as LISEA in France and Lamsac in Peru, have a contact point for the public on their websites. Lamsac has also outsourced the processing of reports to an independent body.

Local procedures are sometimes adapted to very specific contexts and involve independent bodies. In Qatar, in addition to existing internal systems enabling workers to report concerns, in their language, to the CSR or QSE officer or to the Workers' Committee, an independent complaint procedure was created at the end of 2017. Employees of QDVC or its subcontractors can approach the global union federation Building and Wood Workers' International (BWI), which then informs QDVC or VINCI. This independent channel has proven effective, since the BWI has already handled complaints from employees, including those of subcontractors.

Although VINCI entities may act as clients, very often they are also the subcontractor or service provider for clients in the public or private sectors. In these situations, Group entities are encouraged to participate in the processes put in place by their clients.

4.3.5 Monitoring of measures implemented and assessment of their effectiveness

The Group has set up an organisation and procedures to coordinate and monitor the measures taken, and thereby ensure that its commitments and procedures are being cascaded to VINCI entities, their projects and worksites. At VINCI, human rights issues are championed at the Group's highest echelon and by the Human Resources and Sustainable Development Department, whose director is a member of the Group's Executive Committee. Because management in the Group is highly decentralised, a human rights steering committee, comprised of the human resources directors of all business lines and divisions, was created in 2015. The committee meets quarterly and facilitates decision-making, discussions and collaboration among the Group's business lines and divisions.

The committee met four times in 2018. Members keep their respective management committees informed and are in charge of disseminating and rolling out measures in their business lines and divisions. At every meeting, the steering committee evaluates the progress of the duty of vigilance plan, with regard to mainly qualitative criteria and the initial roadmap.

Day to day, implementation and assessment are coordinated by the Social Innovation Department, which provides support to business lines and divisions in integrating and deploying the Group's measures, develops and enhances mapping and assessment tools, conducts assessments, builds awareness among management committees and employees, and communicates with Purchasing, Internal Control, Ethics and Vigilance, and other departments. The team is in frequent contact with external stakeholders regarding human rights issues, to answer questions and provide further information about the measures taken in the Group.

Implementation of the duty of vigilance plan is regularly reviewed by the Ethics and Vigilance Committee, which meets once a month and whose members include members of the Executive Committee. Progress reports are also presented to the Board of Directors, mainly through the Strategy and CSR Committee, renamed in 2018.

4.4 Duty of vigilance with regard to the environment

For many years now, VINCI companies have implemented measures and processes to avoid or reduce the environmental impact of their activity in the countries in which they operate. This "Acting for Green Growth" commitment is part of the Group's Manifesto and extends the environmental initiatives of VINCI companies beyond regulatory compliance.

VINCI continuously works to improve the environmental practices implemented in its companies. This commitment is supported at the highest level of the Group's organisation and cascaded to each entity and then followed up, in accordance with the Group's decentralised management structure, so that the action taken is adapted to local realities.

Identification of risks and their prevention are closely tied to the operational context of companies and their activity in regions. Group-level environmental initiatives are presented in this document and translated into operational steps that reflect these specific characteristics. In the materiality analysis conducted in 2018, the environmental issues that were identified as critical were those relating to VINCI's operational activity. Issues involving supplier and end-user activity are also covered in the duty of vigilance plan, but to a lesser degree, because they are less critical.
Our environmental policy is currently being revised; the updated policy will be published in 2019. It harmonises, at Group level, the various environmental policies and commitments developed by business lines and divisions for their own activity. VINCI's duty of vigilance approach and measures taken will adapt to Group policy through a continuous improvement process. VINCI's decentralised management model encourages companies to make their own commitments, tailored to their activities and geographies. However, company best practices most often align with those of the Group, while also influencing Group policy, in a reciprocal exchange.

4.4.1 Mapping of the Group's major challenges

Identification of major environmental challenges

In order to identify the major environmental challenges resulting from the Group's activity, a structured mapping of risks was performed in 2017 and 2018, in collaboration with an external party to validate the methodology and thoroughness of the task. The map will be updated on a regular basis. Based on a detailed analysis of operational activities and using a collaborative and cross-disciplinary approach, the map provides a view of the environmental risks that could result from the activity of VINCI companies. The environmental officers of VINCI companies were partners in this initiative, and internal and external stakeholders contributed their input.
The first step in identifying the environmental risks that could result from the activity of VINCI companies, at any position in the value chain, was a materiality assessment. It found approximately 20 environmental risks that were critical for the Group, after interviews with about 40 internal and external stakeholders (Executive Committee members, directors of operations, customers, employees, investors, environmental protection organisations, public institutions, etc.). In addition to interviews, the key issues of the relevant business sectors were analysed, using bibliographical research and benchmarking of best environmental practices in the sectors in which Group companies operate. In the second half of 2018, the results were presented to the Group's different committees working on environmental and sustainable development issues.

Four main categories of major challenges

The major environmental issues on which the activity of VINCI companies can have a significant impact were sorted into four main categories. They span the entire project life cycle, from the response to the call for tenders to the preparation of sites and construction, through to the operation phase. They also apply to our subcontractors, suppliers and end users.

- **Pollution**

The activity of VINCI's construction and concessions companies has an impact on the environment and, in the longer term, may affect the health of nearby residents of our projects, customers of our infrastructure and employees of our companies.
These risks are of different types: water pollution, noise pollution, soil pollution, air pollution, light pollution and visual pollution. They stem from the nature of our activity and that of our suppliers and subcontractors and are present throughout the value chain, from the extraction of raw materials to the end customers' use of our buildings and infrastructure.

• Greenhouse gas emissions and energy consumption, contributing to climate change
The Group's activity, like any business activity, directly and indirectly emits greenhouse gases, mainly through the use of energy for buildings and infrastructure in its own projects or those of end customers. Three types of activity may contribute to energy consumption and greenhouse gas emissions:
– production of the raw materials (aggregates, asphalt mix, concrete, etc.) needed to carry out projects;
– transport of materials, employees and customers of the infrastructure operated by Group companies (motorways, airports);
– operation and maintenance of the infrastructure and buildings that the Group companies build, occupy or operate.

• Short-, medium- and long-term impacts on species and natural environments
The construction and concessions activities of the VINCI Group, its suppliers and its subcontractors impact natural environments, especially if the latter are not taken into consideration during the early design stage for buildings and infrastructure and the production of raw materials:
– loss, fragmentation and destruction of natural land;
– net habitat loss;
– water extracted from aquifers;
– expansion of invasive species;
– collisions with animals.

• Consumption of raw materials (renewable or non-renewable) and risks related to waste production, processing and disposal
The construction sector is the largest consumer of raw materials (sand, steel, bitumen, wood, etc.). The production, processing and disposal of hazardous and non-hazardous waste resulting from our activity and that of our suppliers may cause greenhouse gas emissions, soil pollution, and impacts on biodiversity and ecosystems and on the health and wellbeing of local populations.

Assessment and ranking of priority areas
After identifying these issues and using a collaborative and cross-disciplinary approach, standard assessment criteria were established in the second half of 2018 to assess the inherent and residual risks for the Group and its subsidiaries. These criteria were presented in the form of a risk assessment questionnaire and sent to the environmental and sustainable development managers of the Group's main business lines. Based on their answers, the impacts of their activity and that of their subcontractors, along with risk occurrence and prevention, could be evaluated. The aggregated responses enabled the identification of the inherent and residual environmental risks of the Group's activity. The results were communicated to the various business lines and are an important tool for assessing and prioritising issues in order to implement risk mitigation and prevention. The assessments for business lines are, however, the most relevant, since VINCI's diversity of activities translates into mixed results at Group level.

To be used with this assessment, country-specific environmental risk maps were also produced using statistical data (Maplecroft). They constitute a starting point for targeted environmental risk studies in countries where the activity of VINCI companies is significant. This geographical analysis is fundamental in prioritising risks, because the regulatory framework, environmental policy and local natural resources are decisive in the implementation of risk mitigation actions. For example, the application of materials sorting solutions at worksites will depend on the existing recycling facilities. Likewise, biodiversity conservation measures will correlate with the biological diversity of the sites where the VINCI company is developing its activities.

4.4.2 Procedures for assessing subsidiaries, subcontractors and suppliers

Assessing the situation of subsidiaries
For many years now, VINCI's subsidiaries have developed environmental risk prevention initiatives for their projects, which are assessed through internal and external audits. Each business line defines and adapts its environmental commitments and risk assessment tools to promote continuous improvement, in accordance with the Group's decentralised management structure and with the aim to adapt action to local realities. To prepare this duty of vigilance plan with regard to environmental risks, it was necessary to consolidate the different environmental risk assessment practices of Group subsidiaries.

• Pollution
Environmental pollution risks are carefully monitored by Group companies and project stakeholders. Government agencies form a first line of control of the proper application of regulations at worksites. The New Coastal Highway project on Reunion Island is one example. Representatives of France's government agencies regularly visit the worksite. They can report any non-compliance issues to the construction companies, which must take corrective action as promptly as possible. They monitor implementation of the regulatory commitments made in environmental decrees issued before the start of the work, including water quality measurements and vehicle and machinery use in critical areas, and examine all aspects pertaining to the reduction of pollution that may impact regions and residents.

Project owners and managers often require VINCI companies to establish detailed procedures for monitoring the impacts of their activity and often supervise compliance with regulations at the site. Worksites, such as the construction of the South Europe Atlantic high-speed rail line from 2012 to 2017, underwent continuous environmental audits by design offices, as independent third-party bodies, on behalf of the concession-granting authority (SNCF Réseau), the concession company (LISEA), the construction joint venture (COSEA) and, for self-assessment purposes, the various construction companies involved. Such audits are frequently carried out on worksites. They are concluded by reports containing observations of points requiring attention or any non-compliance with regulatory and contractual obligations (concentration of suspended solids in watercourses, installation of effective wildlife crossings, etc.). The onus is on the companies responsible to explain the shortcomings and promptly correct them. These points are examined and discussed by the committees tasked with monitoring environmental commitments.

Audits are also carried out for subcontractors, who must apply the same standards and environmental management systems as VINCI Group subsidiaries. This is particularly important when work is divided into packages, in which case the day-to-day evaluation of subcontractors is more difficult to achieve.

Financial institutions also have an interest in the environmental risk prevention associated with projects. International financing providers (development banks, international lenders) may establish monitoring processes for projects for which the potential environmental impact of Group companies, their subcontractors and sometimes their suppliers is high.

Construction worksites are increasingly scrutinised by nearby residents and local civil society organisations. The consultation processes set up by VINCI companies for projects sometimes allow partner organisations to visit the sites to verify compliance with commitments. Listening to all stakeholders and their expectations with regard to our activity helps VINCI establish the appropriate mitigation measures, such as creating retention ponds to prevent pollution from reaching natural environments.

Major environmental pollution incidents (requiring clean-up by external specialists and whose consequences extend beyond the entity's responsibility) are identified and included each year in the Group's annual report. In 2018, one major environmental incident involving VINCI or its subcontractors was identified.

• Greenhouse gas emissions and energy consumption
Greenhouse gas emissions from VINCI's activities are tracked each year as part of the Group's centralised environmental reporting system. It measures Scope 1 and 2 emissions by companies, following the ISO 14064 standard. Scope 1 includes direct emissions from the use of fossil fuels (fixed sites, worksites and company vehicles), as well as non-energy emissions. Scope 2 includes indirect emissions produced to make electricity purchased and used at fixed sites and at worksites. The Group's companies closely track their energy consumption and report on consumption of fuel, natural gas, propane and electricity in the Group's annual report. This data is verified and audited by an independent third-party body.
Special attention is paid to materials suppliers, who may be asked for information on their environmental footprint (CO_2 levels, bio-based material, etc.) during the selection process. Increasingly, preference is given to suppliers that integrate environmental protection in their practices, and suppliers' practices are regularly audited in this respect, particularly when contracts are up for renewal. At VINCI Construction France, life cycle analysis calculators for construction materials were developed in collaboration with scientists from the Mines ParisTech engineering school, to assess the exact environmental footprint, especially the greenhouse gas emissions, of buildings and their materials.

• Short-, medium- and long-term impacts on species and natural environments
During the design phase, Group companies carry out or use natural resource impact studies and inventories that highlight biodiversity issues relating to their project. These studies and inventories provide an essential picture of the state of natural resources, so that companies can plan and implement measures in order to avoid, minimise and offset impacts of projects on natural environments. When biodiversity conservation is a major issue for a project, these measures are monitored at worksites by designated environmental officers and environmental protection partners (engineering and design firms, research centres and non-profit organisations). When VINCI companies are in charge of the management and maintenance of sites (such as quarries) or infrastructure (such as airports or motorways), they generally monitor natural resources in order to evaluate the effectiveness of their action to protect biodiversity. For example, VINCI Autoroutes has entered into long-term partnerships with conservation organisations such as the Bird Protection League (LPO) to monitor wildlife protection measures around motorways. Eurovia is a partner of France's Natural History Museum (MNHN), which has developed a special inventory methodology for plant and wildlife at quarry sites, resulting in an environmental quality indicator (IQE). The method was used by MNHN's conservation specialists and local Eurovia partners for several quarries with high ecological risks. Monitoring is generally carried out throughout the lifetime of the concession and operation.
Subcontractors at worksites or sites under operation must fulfil the same obligations as Group companies. In the same way that the greenhouse gas emissions are assessed, materials suppliers are often asked to measure their biodiversity footprint during the bidding process. Preference is increasingly given to suppliers that integrate environmental protection in their practices (see page 223). Arbonis, the subsidiary of VINCI Construction France specialising in timber construction, only uses materials certified by the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC). Traceability is ensured through significant controls in this area.
In the Group's environmental reporting, VINCI companies describe the internal and external resources devoted to biodiversity conservation and best practices developed for projects. Motorway concession companies measure and limit their consumption of phytosanitary products.

• Consumption of raw materials (renewable or non-renewable) and risks related to waste production, processing and disposal
Each year, for their reporting procedures, VINCI companies measure their consumption of certain resources, such as water purchased, water withdrawn from natural environments and other raw materials. This annual report presents the measures implemented to reduce risks related to waste treatment and the methods used to reduce raw material consumption.
Audits are carried out at worksites by independent engineering and design firms as part of putting in place monitoring systems for waste treatment processes. These assessment bodies examine the presence, storage, sorting and removal of worksite waste by Group companies and their subcontractors. Measures are taken to remedy any non-compliance in waste treatment observed at the worksite. The traceability of waste, from its removal from the worksite through to recycling at waste treatment facilities, is documented by transfer notes.
Subcontractors in projects for which raw material consumption, use and recycling is particularly significant are also required to keep close track of the quantities of materials used or reused. Accordingly, for the Grand Paris Express work packages, the volume of excavated soil is measured and its final destination is determined and reported to the prime contractor and the programme manager.
Suppliers of raw materials must be able to calculate and communicate the footprint of their materials.

4.4.3 Tailored actions to mitigate risks or prevent serious impacts

Avoiding or minimising our environmental impact around the world is the approach adopted by VINCI companies throughout the entire life cycle of their projects.

The Group's environmental policy is to embed environmental protection into every stage of a project, from design to operation. VINCI's construction and concessions activities can significantly impact the environment, if potential consequences are not taken into consideration as of the initial design of buildings and infrastructure. VINCI therefore promotes eco-design, which means taking environmental impacts into account at the earliest design stage in order to better protect the environment throughout the entire project life cycle.

• Pollution

A large number of prevention measures are taken to limit the pollution risks related to the Group's activities. To prevent accidental oil and chemical leaks into soil or water, machine operators are systematically provided with containment trays to be placed under fuel tanks when working in high-risk natural environments. Retention ponds are created on the sites of VINCI Autoroutes, VINCI Airports and Eurovia infrastructure to allow suspended solids in pumped water to settle and avoid polluting neighbouring watercourses receiving the discharge, once water quality has been verified through sampling.
In addition, to reduce light and sound pollution from the operation of infrastructure, opaque barriers are often placed along motorways, and adapted lighting systems (light directed only towards the ground) may be installed.

Procedures have been established to respond urgently to any pollution detected at worksites or operating sites. For example, at most sites, machine operators are equipped with anti-pollution kits to be used if their machine contaminates the natural environment. If pollution occurs, companies must rehabilitate the site and environment affected. These responses are prepared in advance and rehearsed during 15-minute environmental sessions, which are used to raise awareness and deliver short training courses on environmental issues at worksites.

Subcontractors at worksites also apply these measures and regularly receive training by VINCI's teams during these 15-minute sessions.

• Greenhouse gas emissions and energy consumption, contributing to climate change

Ensuring the energy efficiency of buildings under construction or renovation

The Group encourages activities that help to reduce the energy consumption of buildings through the rollout of solutions developed internally.
The companies of VINCI Construction meet the requirements of labels and certificates setting the highest standards in the building industry, going beyond compliance with current regulations. They are able to make commitments with regard to the actual energy performance of buildings (through the OXYGEN® label, attributed to 80 buildings in France), which is consistent with the energy efficiency guarantee by VINCI Energies applying to the operation phase. Thanks in particular to eco-design software developed in partnership with the Mines ParisTech engineering school, VINCI Construction teams also offer solutions for planning and managing the energy consumption of delivered buildings. These companies therefore predict energy consumption throughout the building's life cycle.
For some VINCI Construction France projects, life cycle analysis tools make it possible to propose various alternatives, during the building design stage, that will reduce the building's environmental footprint:
– using materials that have been recycled, locally sourced or produced using low-energy construction techniques (low-carbon concrete plants, hybrid or electric-powered machines, etc.) during construction;
– optimising the biggest consumers of energy (heating and cooling systems, lifts, etc.) and using renewable energy sources during the operational phase;
– recycling or promoting the reuse of materials used during the building's life cycle (recycled concrete) during demolition.

Acting for sustainable mobility

VINCI companies have taken measures to use less energy-intensive transport for their activity and that of their customers, thereby reducing air pollution:
– by promoting sustainable mobility among infrastructure users, as VINCI Autoroutes did by creating parking facilities for carpoolers and partnering with the BlaBlaCar carpooling network;
– by optimising the vehicle and machine fleets of Group companies, through the use of hybrid and electric-powered vehicles, and by planning employee mobility in such a way as to reduce related emissions;
– by promoting the implementation of renewable energy sources on their infrastructure and that of their customers; for example, Omexom has installed solar panels and VINCI Construction is developing windows with built-in solar panels.

• Short-, medium- and long-term impacts on species and natural environments

VINCI companies, which operate in about 100 countries, must comply with a diverse set of regulations on biodiversity, ranging from succinct rules to extensively detailed requirements. Group companies implement a comprehensive set of measures to avoid or reduce the impact of their activity on species and natural environments. Most often, residual impacts are offset by specific ecological restoration measures.
Biodiversity conservation is an issue that has long been integrated into the Group's concessions and construction businesses in France and Europe. It was first incorporated through compliance with regulatory requirements, notably the sequential "avoid, minimise, offset" steps established by international and European regulations. The sequence defines a hierarchy in which projects, or the conditions in which they are executed, must first be adapted to avoid or minimise the impacts of the activity on species and their habitats. Ecological offsets are only a last resort, after all possible prevention and mitigation action has been taken. This sequence is applied whenever possible, as of the response to the call for tenders, in collaboration with many ecological partners.
Compliance with the hierarchy may also come into play in choosing subcontracting partners, whose particular expertise in ecological engineering, for example, may be decisive. Special attention is paid to the source of materials, such as the plants supplied in the course of our activity. Group companies support the Végétal Local brand created by France's National Botanical Conservatory, which guarantees that plants are of local origin.

Risk mitigation measures, implemented to the extent possible, include:
– identifying the short- and long-term impacts of activity on natural environments, by conducting and analysing natural resource inventories, in partnership with external specialists (non-profit organisations, design offices, etc.);
– designing and deploying methods to first avoid and minimise impacts, based on available feedback. Offsetting may be used, as a last resort, for the residual biodiversity impacts of our activity. Avoidance measures during the design stage can include grouping the movement of work areas or transforming certain engineering structures. Reduction measures during the construction phase can include changing the timing of operations or installing suitable fencing or temporary basins. Offsetting measures often include implementing environmental measures for areas with high biodiversity potential, such as agricultural land;
– setting up structures for dialogue with all stakeholders, to listen to their expectations with regard to our activity and the planned environmental measures. For the Tours–Bordeaux high-speed rail line, the companies of the construction-concession joint venture, conservation organisations, government agencies, chambers of agriculture, forest owners associations, fishing federations and natural areas conservatories all participated in discussions about environmental measures;
– conduct awareness-raising and training to encourage employees to consider biodiversity issues in the course of their work, such as during 15-minute environmental sessions on worksites.

• Consumption of raw materials (renewable or non-renewable) and risks related to waste production, processing and disposal

Helping to protect natural resources

Implementing recycling platforms for materials, especially inert materials, facilitates their reuse on worksites of the Group's companies in a more systematic manner. For example, about 10 years ago, Eurovia rolled out its Granulat+ programme, which uses innovative treatments and recovery-sorting-recycling facilities to recover 100% of the resources needed to produce aggregates. Quarry sites receive all inert excavation material from worksites: earthworks or demolition materials, rubble collected from recycling centres, and so on. Using a combination of manual and mechanical sorting, recyclable waste can be separated from final waste. Final waste, which is usually sent to landfill, is used for the quality redevelopment of quarry sites. The recyclable waste can be used to create new infrastructure.
Some suppliers are selected because of their ability to provide recycled materials. Many such suppliers provide the Group's construction companies with concrete and aggregates.

Helping to protect water resources

Group companies roll out innovative initiatives to reduce their water consumption, especially in regions that sometimes face high levels of water stress.
VINCI Construction France has established, through scientific research partnerships, calculators of the water consumption of buildings throughout their life cycle, from materials production to building use and, ultimately, building demolition.

Recovering waste from building demolition

Increasing proportions of materials are being recycled and recovered from demolition and rehabilitation worksites. VINCI has therefore established specific channels, such as window recycling, to manage them. The Revalo programme developed by VINCI Construction France was tested at renovation worksites. It enables quantitative estimates to be made using sorting scenarios (for example, by comparing economic and environmental indicators), to standardise waste sorting at source, and to enhance the traceability of recycled materials, with new service providers. These efforts to improve waste sorting and recovery are also made with our suppliers and subcontractors, with the aim to increase the quality of waste recovery processes.

4.4.4 Alert mechanisms and processing of reports

Local environmental whistleblowing procedures are being revised to increase feedback to the Group, especially by including external reports (from nearby residents, local organisations, etc.).
Whistleblowing procedures were first developed locally. VINCI's view is that whistleblowing systems, including complaint procedures from end users or local residents, are more effective when they are close to the ground. Consistent with this multi-local approach, such procedures are already in place among Group companies but have not been consolidated. Most construction companies will therefore require environmental officers to make a detailed report of any environmental incident (stating the nature of the incident, the triggering events, and environmental protection measures taken after the incident). These reports are then communicated to the relevant company's management.
Concession companies have also implemented whistleblowing procedures for environmental incidents that could arise in the course of their activity, whether during the programme management or the operational phase of the infrastructure. Internal and external controls are performed to ensure the effective monitoring of measures taken to manage environmental incidents, and they also provide the opportunity to report environmental incidents.
At the Group level, environmental pollution incidents are only reported during the annual reporting process; a new system involving more frequent feedback is planned and will also include information from subcontractors working on projects.

4.4.5 Monitoring of measures implemented and assessment of their effectiveness

The monitoring of these measures and the assessment of their effectiveness are supervised by VINCI's Sustainable Development Delegation, together with the Internal Control, Ethics and Vigilance, and Purchasing departments. The work is performed on a continuous basis, thanks to the coordination of internal committees focusing on the Group's four main environmental issues (the Sustainable Development Committee, the Energy-Climate working group, the Biodiversity Task Force, and the Circular Economy Group). Monitoring and assessment is also carried out by the 100-strong network of environmental correspondents across the Group. Among other tasks, these correspondents respond to the annual environmental reporting questionnaire, containing about 60 quantitative indicators based on Global Reporting Initiative standards, which provide a framework for evaluating corporate sustainable development policy. The annual report is an excellent resource for managing and following up on action taken to reduce the environmental risks of our activity. It also incorporates some data on the subcontractors of VINCI companies.

This monitoring and assessment work accompanies an environmental strategy that aims to strengthen the commitments made by Group companies and that sets targets for reducing the environmental footprint of their activity. The strategy is regularly reviewed by VINCI's Executive Committee and Board of Directors.

4.5 The Group's system for whistleblowing, alerts and the processing of reports

The Group has set up a unique whistleblowing procedure that can be used by any concerned person to report any serious irregularities relating to the work context, and of which they have personal knowledge. The persons covered by the whistleblowing procedure are:
– employees of companies in the VINCI Group;
– external or temporary employees of companies in the VINCI Group (such as temporary staff, and employees of subcontractors, suppliers, service providers, etc.);
– persons who are stakeholders in a project, for subjects relating to duty of vigilance in the environmental and social domains.

Whistleblowing in the work context may involve the following areas:
– behaviour or a situation that infringes VINCI's Code of Ethics and Conduct or its Anti-corruption Code of Conduct;
– behaviour or a situation that infringes VINCI's Guide on Human Rights or is a serious violation of human rights and fundamental freedoms;
– behaviour or a situation that infringes VINCI's "fundamental and essential workplace health and safety initiatives" or will have a severe impact on people's health and safety;
– behaviour or a situation that infringes VINCI's environmental commitments or will have a severe impact on the environment.

Whistleblowing at VINCI is a multimodal procedure. Initially, employees must inform their direct or indirect supervisor, or an officer designated for this purpose within the entity to which they belong. They may then use their entity's online whistleblowing system, if it has one. Employees can also contact the Group's Ethics Officer directly or use VINCI Integrity, the Group's online whistleblowing system, set up at the end of 2018 after receiving the go-ahead from the European Works Council. VINCI Integrity reinforces the existing whistleblowing system and can be used by all employees of companies belonging to the VINCI Group. Due to be rolled out gradually in 2019, external project stakeholders will be able to begin using this system in the second half of the year. The complementarity of whistleblowing systems that cover different scopes ensures that all concerns are reliably reported. These elements are presented to the Risk Committee during their meetings.

Whatever the means used, all exchanges are kept strictly confidential. VINCI guarantees that no employee of the Group will be penalised or dismissed, and that no disciplinary action will be taken against the employee, whether directly or indirectly, for having reported or given evidence, in good faith, under the whistleblowing procedure, concerning acts of which the employee obtained personal knowledge during the course of his or her duties. This remains the case even if the allegation made is determined to be false after investigation.

5. Note on the methods used in workforce-related, environmental and social reporting

VINCI's workforce-related, environmental and social reporting framework complies with Articles L.225-102-1, R.225-104 and R.225-105 of the French Commercial Code, as well as French Order no. 2017-1180 and Decree no. 2017-1265 and is based on the Global Reporting Initiative (GRI) standards – see the cross-reference table on page 365.

5.1 Methodological procedures

VINCI's procedures are specified in the following materials:
• for workforce-related indicators:
– a guidebook in four languages (French, English, German and Spanish) containing workforce-related indicator definitions;
– a methodological guide to VINCI's workforce data reporting system, including a reporting tool users' manual in four languages (French, English, German and Spanish);
– a guide to consistency checks in two languages (French and English);
– an audit guide helping entities to prepare for audits and make good use of their results (available in French, English, German and Spanish);
• for environmental indicators:
– a methodological guide to VINCI's environmental reporting system, including a guide to the definition of common indicators, which entities can use to set up their environmental reporting procedures. This guide is available in three languages (French, English and Spanish);
– a reporting tool users' manual in two languages (French and English);
– an audit guide helping entities to prepare for audits and make good use of their results (available in French and English).

All of the above materials are accessible on the Group's intranet site.

The Group's efforts to accelerate its workforce-related and environmental reporting process in 2010 resulted in:
• new methods for earlier preparation of workforce indicators, applicable to all entities since 2011;
• the shifting of the reference period for environmental reporting by one quarter (the reference period for year Y is now from 1 October Y-1 to 30 September Y). This change has applied to all entities since 2010.

5.2 Scope

The reporting scope is intended to be representative of all VINCI's business activities:
• workforce-related reporting has covered all Group entities by worldwide revenue since 2002;
31 companies acquired in 2018 did not provide full information in some areas:
– 20 companies with fewer than 100 employees;
– 7 companies with more than 100 and fewer than 500 employees;
– four companies with more than 500 employees.
The indicators concerned are training, salaries, safety, labour-management relations and disability. These companies account for 2.4% of the Group's total workforce.
• in 2018, environmental reporting covered 96% of Group entities by worldwide revenue.
Excluded from environmental reporting in 2018 are entities whose environmental impacts are not material and which do not have an environmental correspondent. These exclusions must not exceed 5% of the environmental impact of each entity. In 2018, the scope of VINCI Construction International Network Oceania does not include Seymour Whyte Construction.

However, for certain specific environmental indicators, the reporting coverage of the indicators published may be more limited. Reporting on waste is now reliable for a scope covering 47% of the Group's activities (VINCI Autoroutes, VINCI Energies, VINCI Construction UK, 42% of VINCI Construction Grands Projets's activities, VINCI Airports and other concessions). Reporting on raw materials covers the activities of VINCI Autoroutes. VINCI is continuing its efforts to expand and improve the reliability of the reporting of these indicators for all the business activities where they are of relevance.

Since 2011, the consolidation rules used for these scopes have been the same as for financial consolidation, except for the entities listed below. These entities are still consolidated proportionally for environmental reporting, exceeding the scope of financial consolidation:
• VINCI Construction Grands Projets: all projects;
• Soletanche Freyssinet: Soletanche Bachy Cimas (Colombia), Geofundaciones (Colombia) and Zetas (Azerbaijan).
These consolidation rules apply to all reporting indicators, except the "number of environmental incidents" indicator, in which all incidents count for 1.

In the event of a change in scope:
• workforce-related reporting: changes in scope in year Y are taken into account in the same year;
• environmental reporting: changes in scope in year Y are taken into account in year Y+1.

New additions to the scope during 2018:
• VINCI Airports: Salvador (Brazil), Belgrade (Serbia) and Airports Worldwide (United States);
• VINCI Energies International Systems: PrimeLine Utility Services (United States) and Wah Loon Engineering (Singapore);
• VINCI Energies Europe: Eitech (Sweden);
• Eurovia: TREV-2 Grupp (Estonia), TNT group (Canada) and Lane Construction's Plants & Paving division (United States);
• VINCI Construction: ConeTec Group (Americas).

Furthermore, since the integration of the Stade de France stadium, the MMArena in Le Mans, the London Stadium and the motorway concessions held by Granvia (Slovakia), Gefyra (Greece), Jamaican Infrastructure Operator (Jamaica) and Lamsac (Peru), virtually all concessions are now covered by the environmental reporting system, following the reporting procedure that applies financial consolidation rules.

5.3 Indicator selection

Indicators are selected on the basis of the social and environmental impact of the Group's activities and the risks associated with those activities.

There are four levels of core social indicators:
• those specified in Articles R.225-104 and R.225-105 of the French Commercial Code;
• the GRI standards;
• those included in the social report, as required by French law; and
• specific indicators reflecting VINCI's human resources policy.
The complementary nature of these four levels of indicators makes it possible to measure the results of the Group's human resources policy and social commitments.

The core environmental indicators are made up of five types:
• resource consumption (energy/CO_2 and water);
• waste management and recycling;
• certifications and projects having received other types of label;
• protection of natural environments;
• environmental incidents and provisions for environmental risks.
These five types of indicator were taken from the following sources:
• Articles R.225-104 and R.225-105 of the French Commercial Code;
• GRI standards.
Each business line continues to use its own additional indicators, which are based on its specific environmental challenges.

5.4 Methodological explanations and limitations

The methodologies used for some workforce-related and environmental indicators may be subject to limitations due to:
- differences between French and international definitions (which VINCI continually works on to harmonise);
- differences in labour and social laws in some countries;
- changes in indicator definitions that could affect their comparability;
- changes in business scope from one year to the next;
- the difficulty of collecting data from a subcontractor or joint venture with external partners;
- the procedures for collecting and entering this information.

Due to the presence of subcontractors at many sites, the question of whether to include their activities in the environmental reporting has been raised. Currently, their data is included whenever VINCI is directly responsible for it (i.e. services or resources provided by VINCI). In the event that VINCI companies operate as subcontractors, as may be the case for VINCI Energies, and do not have access to the data or their consumption is not material, then their water and electricity consumption data is not included.

The methodological guide to VINCI's environmental reporting system allows for environmental data to be calculated based on spending and average unit prices for the base period, if source data is not available. This method is used in particular for VINCI Construction France worksites, VINCI Construction Terrassement worksites, Soletanche Freyssinet worksites in France and for Eurovia. In France, average unit prices come from the following sources: the Ministry for the Ecological and Inclusive Transition (for fuel consumption) and the Eaufrance internet portal, which is a public information service on water and aquatic environments (for water consumption).

Reporting of water consumption currently covers all water purchased. Water volume withdrawn directly from the environment is recorded for concession businesses and now included in consolidated reporting. VINCI is continuing its efforts to expand and improve the reliability of this reporting item over a broader scope.

The number of certified projects is limited to VINCI Construction and VINCI Immobilier. A project with several certifications will be counted several times. Only projects handed over during the year are taken into account.

Total energy consumption (excluding energy from heating networks, which is not material and therefore not included) is expressed in MWh higher calorific value (HCV). The conversion factors used are 0.0104 MWh/litre, 12.027 MWh/tonne and 4.839 MWh/tonne for motor fuel, heavy fuel oil and coal (lignite), respectively, and were taken from the Ademe Base Carbone® database.
For greenhouse gas emissions, Ademe's conversion factors were also used and taken from the Base Carbone® database for 2015 (the 2012 database is also used to track the Group's emissions-reduction commitments).

The fuel savings resulting from the use of electronic toll collection (ETC) lanes were validated in 2012 by an independent consultant and the data shared with the Association des Sociétés Françaises d'Autoroutes (Asfa, the association of French motorway companies):
- for light vehicles: 0.03 litres of fuel saved per toll use;
- for heavy vehicles: 0.3 litres of fuel saved per toll use.

The amount of CO_2 emissions prevented is calculated based on the assumption that all vehicles use diesel fuel. Only emissions from fuel combustion are taken into account; emissions from other processes (fuel production) are not included in the calculation.

The motorway users greenhouse gas emissions indicator is calculated using a tool developed by Asfa and takes into account all kilometres travelled by users (whether on toll or free roads) in the VINCI Autoroutes network during the financial year. The velocity profile per vehicle class used is the default 130 km/hour profile pre-configured in the tool. Traffic is assumed to be 100% fluid; the effect of inclines or radars is not included in the calculation. The influence zone of toll collection is assumed to be 0.1 km. The entire network is also assumed to be an intercity network.

The figures in the Annual Report are based on data known at the end of the financial year. They may, however, be adjusted the following year if a significant anomaly is observed and provided that the adjustment is substantiated in detail. None of the figures published in the 2017 Annual Report were adjusted in 2018.

Occupational illnesses are defined as illnesses contracted following prolonged exposure to a professional risk (noise, hazardous products, posture, etc.) and recognised as such by the regulations in force, where such regulations exist. The number of days of absenteeism for occupational illness includes days lost due to illnesses declared as occupational and recognised as such, where such regulations exist. The Group continues to educate subsidiaries about the need to harmonise reporting practices.

5.5 Consolidation and internal control

Workforce-related data is collected from each operational entity using a specific package of the Vision III data reporting system, including automatic controls. Data is checked and validated by the Group entities themselves. This data is then consolidated in two steps:
- Step 1: each business line consolidates all data within its scope. When consolidation takes place, data consistency checks are carried out. Having been consolidated and checked at the business-line level, data is then provided to the Group Human Resources Department;
- Step 2: the Group HR Department consolidates data across the whole scope and checks its consistency.

Environmental data is collected, checked, consolidated and validated by the environment managers in each business line and division using their own IT tools. The data is then consolidated centrally using Vision III. When consolidation takes place, data consistency checks are carried out at Group level by the Delegation for Sustainable Development. Comparisons are made with the previous year's data and any material discrepancies are analysed in detail.

5.6 External controls

Each year since 2002, VINCI has asked its Statutory Auditors to give their opinion on the quality of the procedures used to report social and environmental information. In 2017, a Statutory Auditor was appointed as the independent third-party body in charge of verifying the completeness and fair presentation of information published in the "Workforce-related, environmental and social information" chapter. The nature of the auditing work carried out and the findings are presented on pages 254 to 256.

F. General information about the Company and its share capital

1. Corporate identity

Corporate name: VINCI.
Registered office: 1 cours Ferdinand de Lesseps, 92500 Rueil Malmaison, France.
Telephone: +33 1 47 16 35 00; **Fax:** +33 1 47 16 33 60.
Type of company: French public limited company ("Société Anonyme") with a Board of Directors.
Applicable legislation: French.
Date of formation: 1 July 1908.
Legal term of existence: The legal term of existence was set on 21 December 1979 at 99 years. The date of expiry is thus 21 December 2078, unless the term of existence is extended once again or the Company is liquidated at an earlier date.
Financial year: From 1 January to 31 December.
Registration number: RCS 552 037 806 Nanterre – Siret no. 552 037 806 00585 – Code NAF: 7010Z.
Places where legal documents can be consulted: Legal documents relating to VINCI are available at its registered office, at the Clerk's Office of the Nanterre Commercial Court and on the Company's website (www.vinci.com).

Business purpose (Article 2 of the Articles of Association)

"The Company has the following purpose:
• the undertaking of any public and private works, in any form, and in particular the operation of the business originally conveyed by the Sainrapt et Brice company and the continuation of the activities carried on by that business, a specialist in all kinds of underground work, foundations, hydraulics and reinforced cement;
• and generally, all industrial, commercial and financial operations and operations relating to movables and immovables that are directly or indirectly connected with the purposes specified above.
The Company shall be entitled to carry out the said operations in France, in the French overseas departments and territories, and abroad, either alone, or under a joint venture, or in negotiation in any form whatsoever, either directly, or by way of transfer, rental or subcontracting, or by way of brokerage and commission.
In addition, it shall be entitled to carry out any type of exploitation, either by itself or by any other means without any exception, create any companies both private and commercial, make any conveyances to existing companies, merge or form an alliance with them, subscribe to, purchase and resell any securities and business interest, acquire any partnerships and make any loans, credits and advances."

Statutory appropriation of income (excerpt from Article 19 of the Articles of Association)

"From the profit, reduced by the prior losses if any, one deducts at least 5% to constitute the reserve fund prescribed by law. The said deduction ceases to be mandatory when the reserve fund has reached an amount equal to one-tenth of the share capital. It resumes if the reserve falls to a level below the said one-tenth.
"The distributable profit consists of the profit for the financial year reduced by the prior losses as well as by the amounts to be entered in the reserves pursuant to the law or the Articles of Association, and increased by the retained earnings.
"From the said distributable profit, the Shareholders' General Meeting deducts the following in succession:
• the amounts recognised as useful by the Board of Directors to constitute or supplement any ordinary or extraordinary reserves, or for carryover to the following financial year;
• the amount necessary in order to pay an initial dividend to the shareholders of 5% of the amounts in which their shares are paid up and unredeemed, but if the profit for a financial year does not allow such payment, the shareholders shall not be entitled to demand it from the profits recorded in later years;
• the available balance, after the said deductions, is divided among all of the shares in proportion to the amount of capital that they represent respectively.
"On the basis of a proposal made by the Board of Directors, the Shareholders' General Meeting may decide to pay out amounts deducted from the reserves available to it. In this case, the decision must explicitly indicate the reserve headings from which the deductions are made. Excluding the case of a capital reduction, no distribution may be made to the shareholders when the shareholders' equity is, or will become following such distribution, less than the amount of capital increased by the reserves that the law or the Articles of Association preclude from distribution.
"The procedures regarding payment of dividends voted by the Shareholders' General Meeting are laid down by that meeting, or failing this, by the Board of Directors. The dividends must be paid within a maximum of nine months following the end of the financial year, in the absence of an extension of the said period by a court decision.
"The Meeting has the option of granting, with respect to all or part of the dividends or of the interim dividends paid out, an option between payment in cash and payment in shares to each shareholder."

Shareholders' General Meetings (Article 17 and excerpt from Article 8 of the Articles of Association)

Article 17 of the Articles of Association is set out in section 8 of chapter C, "Report on corporate governance", on page 171 of this report.
Excerpt from Article 8 of the Articles of Association:
"Each share gives a right to only one vote at the Shareholders' General Meetings, regardless of the duration or form of share ownership. The double voting rights provided for under Article 7 of Law no. 2014-384 of 29 March 2014 are hereby expressly excluded. In addition, each share gives a right to a portion, proportional to the number and nominal value of the existing shares, of business assets, profits or any liquidation surplus."

Provisions on statutory thresholds (excerpt from Article 10a of the Articles of Association)

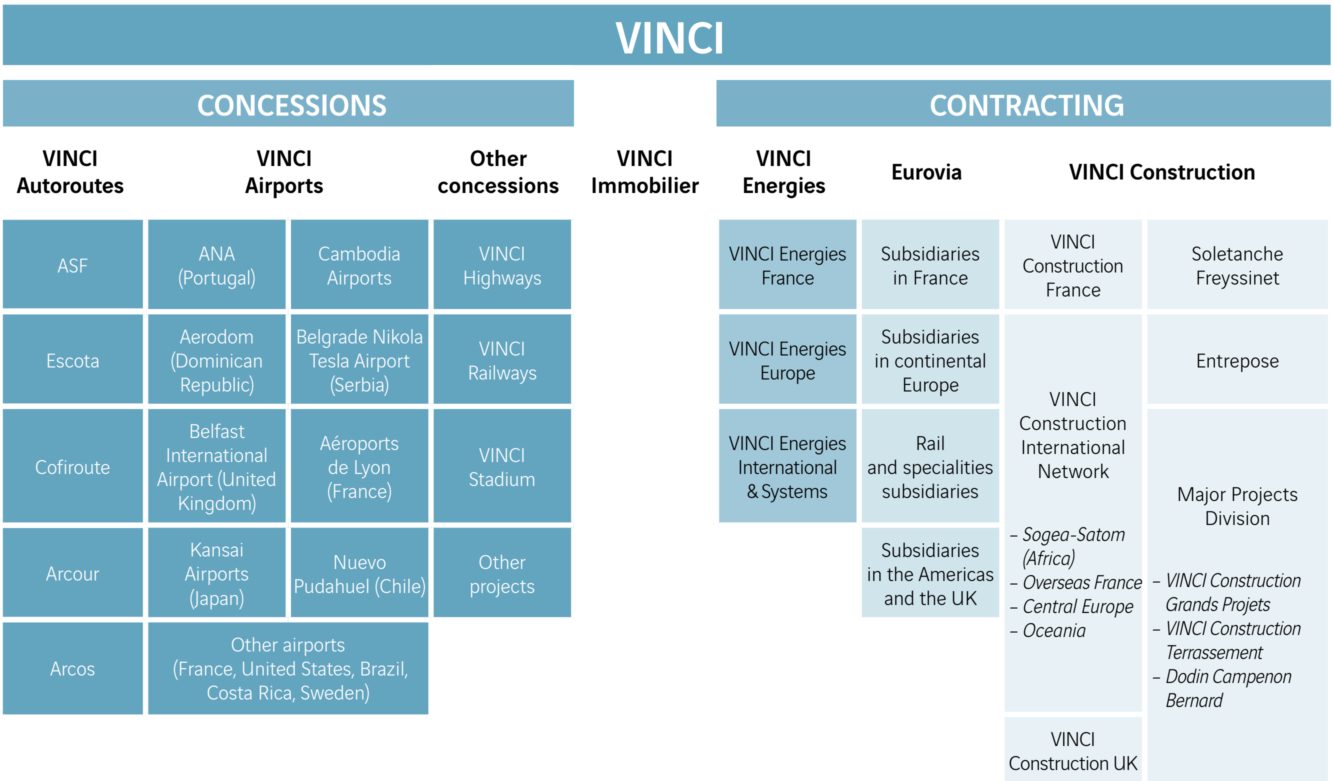
"In addition to the obligations laid down in the first paragraph of Article L.233-7 of the Commercial Code, any natural or legal person, acting alone or in concert, who comes to hold or ceases to hold a fraction of the capital, of the voting rights or of the securities providing eventual access to the Company's capital equal to or greater than 1%, or a multiple of that fraction, including beyond the reporting

threshold provided for in legislative and regulatory provisions is required to notify the Company, within a period of five trading days starting with the date of crossing of one of the said thresholds or, when a Shareholders' General Meeting has been convened, no later than midnight (Paris time) of the third business day preceding the meeting, of the total number of shares, of voting rights or of securities offering eventual access to the capital that it possesses alone, directly or indirectly, or else in concert.
"Non-observance of the present obligation may be sanctioned by a loss of voting rights for the shares or rights attached thereto exceeding the unreported fraction, this at any Shareholders' General Meeting held until the expiration of a period of two years following the date of service of the notification provided for above.
"The sanction is applied if it is requested in an application entered in the meeting minutes by one or several shareholders holding at least 5% of the Company's capital."

Shareholder identification (excerpt from Article 10a of the Articles of Association)
"The Company is entitled to request the entity handling the clearing of securities, and under the conditions provided for in the regulations in force, to provide the name, nationality and address of the natural or legal persons holding securities that grant, immediately or eventually, a voting right at its own Shareholders' General Meetings, as well as the quantity of securities held by each of them and, if the case arises, the restrictions that may affect the said securities."

2. Relations between the parent company and its subsidiaries

2.1 Organisation chart (*)



(*) Simplified organisation chart of the Group at 31 December 2018.
The ownership ties between VINCI and its main direct subsidiaries are mentioned on page 354.
The various subsidiaries that comprise the Group and VINCI's equity interest (whether direct or indirect) in these entities are presented in the list of consolidated companies found on the Group's website: www.vinci.com.

2.2 Role of the VINCI holding company towards its subsidiaries

The Group's operational activities are managed by its subsidiaries (there were 2,202 consolidated entities at 31 December 2018), which are organised into two core businesses (Concessions and Contracting). The principal business lines are: for Concessions, VINCI Autoroutes, VINCI Airports and VINCI Highways; and for Contracting, VINCI Energies, Eurovia and VINCI Construction. VINCI Immobilier, which is in charge of property development activities, reports directly to the VINCI holding company.
The VINCI holding company provides leadership, support and supervisory functions for the Group's subsidiaries. In this role, it supplies services and strategic and operational support in the following areas:
• development and implementation of strategy, execution of acquisitions and disposals, and the study and implementation of industrial and commercial synergies within the Group;
• high-level relations with government authorities, political leaders, elected officials, professional organisations, the media, the academic world, financial institutions and large companies, both nationally and internationally;
• provision of expertise in administrative, legal, financial, IT, insurance, purchasing, human resources, communication and sustainable development matters.

VINCI shares with its subsidiaries the benefits associated with the Group's size and reputation, such as access to internationally recognised partners; optimisation of terms for financing, purchases and insurance; easier access to regulatory authorities; and public and institutional relations in France and abroad.

2.3 Movements of funds between the VINCI holding company and its subsidiaries

The main movements of funds between the VINCI holding company and its subsidiaries, other than the dividends that the holding company receives (the total amount of which is provided in Note D.18 to the parent company financial statements, page 354), are as follows:

Assistance to its subsidiaries

VINCI SA receives compensation in exchange for providing assistance to its subsidiaries and allowing them to use its intangible assets. In 2018, this compensation amounted to €132 million.

Centralised cash management

The available cash of the Group's French subsidiaries is invested with VINCI SA through a cash pooling system. In return, the holding company meets their financing needs. The holding company acts on the money and financial markets on its own behalf or on its subsidiaries' behalf, investing and borrowing funds as necessary. With some exceptions, this system applies to all French subsidiaries directly or indirectly controlled by VINCI (subject to the condition, for subsidiaries not wholly owned by VINCI, that minority shareholders agree, if so required by a shareholders' agreement).
VINCI Finance International, a wholly owned subsidiary of VINCI SA, centralises all the cash flows of the Group's subsidiaries working outside France and carries out the corresponding market transactions.

VINCI and VINCI Finance International may make medium-term loans to the Group's subsidiaries to finance investments and working capital requirements and may receive funds from subsidiaries for term deposits. At 31 December 2018, these medium-term loans represented outstandings for VINCI of €9,303 million, and outstandings for VINCI Finance International of €9,163 million. There were no term deposits at 31 December 2018.

Regulated agreements

Regulated agreements between VINCI and its subsidiaries are subject to prior authorisation by the Board of Directors. They are described in special reports by the Statutory Auditors, for approval by the Shareholders' General Meeting.

Shareholder agreements

Since the head companies of each business line and VINCI Immobilier are wholly owned by VINCI, they are not subject to any shareholder agreements. However, the formation of companies owned jointly with other parties, by VINCI or by its subsidiaries, may result in agreements being made. This is the case in particular for certain companies created specifically for the needs of securing and managing infrastructure concessions. The main purpose of these agreements is to organise the respective rights of shareholders in the event of the disposal of shares, and if applicable, to set certain operating principles for the corporate governing bodies.

3. General information about VINCI's share capital

All changes in share capital or in the rights attached to the shares are subject to general legal provisions. The Articles of Association do not provide for additional conditions (except as regards voting rights and statutory thresholds; see section 1 above, "Corporate identity").
At 31 December 2018, VINCI's share capital amounted to €1,493,789,960, represented by 597,515,984 shares, each with a nominal value of €2.50, fully paid-up and all of the same class. VINCI shares are registered or bearer shares, at the shareholder's choice, and may be traded freely.

3.1 Movements in share capital over five years

	Capital increase/ (reduction) *(in €)*	Share premium arising on contributions or mergers *(in €)*	Number of shares issued or cancelled	Number of shares outstanding	Share capital *(in €)*
Position at 31/12/2013				**601,697,972**	**1,504,244,930**
Group savings plan	22,321,525	347,496,939	8,928,610	610,626,582	1,526,566,455
Share subscription options exercised	6,180,138	73,558,206	2,472,055	613,098,637	1,532,746,593
Cancellation of shares	(57,500,000)	-	(23,000,000)	590,098,637	1,475,246,593
Position at 31/12/2014				**590,098,637**	**1,475,246,593**
Group savings plan	17,675,140	292,190,175	7,070,056	597,168,693	1,492,921,733
Share subscription options exercised	8,210,955	118,724,967	3,284,382	600,453,075	1,501,132,688
Cancellation of shares	(30,000,000)	-	(12,000,000)	588,453,075	1,471,132,688
Position at 31/12/2015				**588,453,075**	**1,471,132,688**
Group savings plan	14,890,160	312,952,788	5,956,064	594,409,139	1,486,022,848
Share subscription options exercised	7,240,953	105,358,398	2,896,381	597,305,520	1,493,263,800
Cancellation of shares	(20,000,000)		(8,000,000)	589,305,520	1,473,263,800
Position at 31/12/2016				**589,305,520**	**1,473,263,800**
Group savings plan	14,623,400	358,172,600	5,849,360	595,154,880	1,487,887,200
Share subscription options exercised	4,497,640	65,231,102	1,799,056	596,953,936	1,492,384,840
Cancellation of shares	(14,342,470)	(138,935)	(5,736,988)	591,216,948	1,478,042,370
Position at 31/12/2017				**591,216,948**	**1,478,042,370**
Group savings plan	14,511,260	433,848,415	5,804,504	597,021,452	1,492,553,630
Share subscription options exercised	1,236,330	18,933,679	494,532	597,515,984	1,493,789,960
Cancellation of shares	-	-	-	597,515,984	1,493,789,960
Position at 31/12/2018				**597,515,984**	**1,493,789,960**

3.2 Potential capital

The only existing financial instruments that could cause the creation of new shares are the share subscription options granted to VINCI officers and employees (see chapter C, “Report on corporate governance”, paragraph 5.2, page 165, of the Report of the Board of Directors for details of these options). Share subscription options would become exercisable in the event of a public offer.

3.3 Changes in the breakdown of share capital and voting rights during the last three years

Breakdown of share capital [1]

	December 2018				December 2017				December 2016			
	Number of shares	% capital	Number of net voting rights [2]	% net voting rights [2]	Number of shares	% capital	Number of net voting rights [2]	% net voting rights [2]	Number of shares	% capital	Number of net voting rights [2]	% net voting rights [2]
Treasury shares [3]	**42,749,600**	**7.2%**	**-**	**-**	**36,317,368**	**6.1%**	**-**	**-**	**34,685,354**	**5.9%**	**-**	**-**
Employees (company mutual funds)	**53,736,107**	**9.0%**	**53,736,107**	**9.7%**	**52,064,915**	**8.8%**	**52,064,915**	**9.4%**	**54,395,224**	**9.2%**	**54,395,224**	**9.8%**
Company officers [4] and Directors	2,754,839	0.4%	2,754,839	0.5%	2,959,968	0.5%	2,959,968	0.5%	2,900,907	0.5%	2,900,907	0.5%
Other individual shareholders	43,345,797	7.3%	43,345,797	7.8%	42,268,123	7.2%	42,268,123	7.6%	42,500,640	7.2%	42,500,640	7.7%
Total individual shareholders	**46,100,636**	**7.7%**	**46,100,636**	**8.3%**	**45,228,091**	**7.7%**	**45,228,091**	**8.1%**	**45,401,547**	**7.7%**	**45,401,547**	**8.2%**
Qatar Holding LLC	22,375,000	3.7%	22,375,000	4.0%	22,375,000	3.8%	22,375,000	4.0%	23,625,000	4.0%	23,625,000	4.3%
Other institutional investors	432,554,641	72.4%	432,554,641	78.0%	435,231,574	73.6%	435,231,574	78.4%	431,198,395	73.2%	431,198,395	77.7%
Total institutional investors	**454,929,641**	**76.1%**	**454,929,641**	**82.0%**	**457,606,574**	**77.4%**	**457,606,574**	**82.5%**	**454,823,395**	**77.2%**	**454,823,395**	**82.0%**
Total	**597,515,984**	**100%**	**554,766,384**	**100%**	**591,216,948**	**100%**	**554,899,580**	**100%**	**589,305,520**	**100%**	**554,620,166**	**100%**

(1) Estimate at end-December on the basis of registered named shareholders, a schedule of identifiable bearer shares and a shareholding survey conducted with institutional investors.
(2) Voting rights exercisable at a Shareholders’ General Meeting.
(3) Treasury shares held by VINCI SA.
(4) Members of the Management and Coordination Committee at end-December.

To the best of the Company’s knowledge, there is no individual or legal entity, whether acting alone, jointly or in concert, which directly or indirectly has control over VINCI’s share capital, and there is no shareholder acting alone or in concert which directly or indirectly holds more than 5% of the capital or voting rights other than those mentioned in the table above and the company BlackRock, Inc. (see “Crossing of shareholding thresholds” below).

Employee shareholders

Details of the Group savings plan are given in chapter E, “Workforce-related, environmental and social information”, of the Report of the Board of Directors on page 194, and in Notes I.21 and K.28.3 to the consolidated financial statements, pages 308 and 332.
At 31 December 2018, to the best of the Company’s knowledge, under the meaning of Article L.225-102 of the French Commercial Code, the number of shares in the Company held directly or indirectly by employees of the Company or related entities under the Group savings plan was 56,661,150. These shares represent 9.5% of the Company’s share capital and encompass 53,736,107 shares held through company mutual funds, 870,405 shares held in registered form by salaried company officers and 2,054,638 shares held in registered form by non-executive employees.

Rights attached to all shares

The rights attached to shares are those defined by laws and regulations and include:
- the right to vote at meetings;
- the right to receive dividends;
- the right to be kept informed about the company and its results;
- the preferential right to subscribe for share issues to be paid for in cash and for issues of securities giving access to the share capital;
- the right to a share of the business assets and liquidation surplus.

There are no double voting rights or different voting rights. The difference between the breakdown of shareholdings and exercisable voting rights at a Shareholders’ General Meeting is due to the absence of voting rights attached to treasury shares.
At the Shareholders’ General Meeting of 14 April 2015, shareholders approved the amendment to Article 8 of the Articles of Association in order to rule out the provision of Law no. 2014-384 of 29 March 2014 pertaining to the acquisition of double voting rights for shares held in registered form in the name of the same shareholder for at least two years.

Crossing of shareholding thresholds

VINCI did not receive any declaration in 2018 notifying that the legal thresholds or the 1% thresholds provided for in the Articles of Association had been crossed.

In the course of a survey conducted with institutional investors, the Company learned the following:
- BlackRock Inc., which declared that it held, on behalf of its customers and funds under management, 5.07% of the capital and voting rights in the Company in December 2015, in all likelihood still held more than 5% of the Company’s capital and voting rights at end-December 2018.
- Capital Research Global Investors, which did not hold any VINCI shares at end-December 2017, in all likelihood held more than 1% of VINCI’s capital at end-December 2018.

Shareholder agreements and concerted actions

The stable shareholding agreement entered into by VINCI, Qatari Diar Real Estate Investment Company (Qatari Diar) and Comet Luxembourg Holding, a Qatari Diar subsidiary, in April 2010 when the Cegelec group was transferred to VINCI and Qatari Diar acquired a stake in VINCI, expired by its own terms in April 2013.
However, the agreement's provisions relating to the orderly disposal of VINCI shares on the market, VINCI's right of first offer and its pre-emptive right on any disposals of blocks of shares representing more than 1% of the share capital remained in force until April 2016. Following the acquisition of 31,499,000 VINCI shares on 11 February 2015 from Comet Luxembourg Holding, Qatar Holding has assumed Comet Luxembourg Holding's rights and obligations with respect to orderly disposal, the right of first offer and pre-emptive rights.
To the best of the Company's knowledge, there are no other shareholder agreements or concerted actions.

Pledging of registered shares

At 31 December 2018, to the best of the Company's knowledge, a total of 18,506 shares whose registration is managed by the Company and 838,857 shares whose registration is managed by a financial institution were pledged, accounting for 0.14% of the capital.

3.4 Treasury shares

The disclosures required under Article L.225-211 of the French Commercial Code are made in Note C.3 to the parent company financial statements, page 347.

3.5 VINCI shares and the stock market

The VINCI share is traded on the regulated market of Euronext Paris (Compartment A) and may also be traded through several multilateral trading facilities (MTFs), the main ones being Chi-X, Turquoise and BATS, as well as over the counter (OTC), with trades mainly reported to BATS Chi-X and BOAT.

The VINCI share is included in particular in the CAC 40, Dow Jones Brookfield Global Infrastructure Index, Euronext 100, Stoxx Europe 50, Euro Stoxx 50 and Stoxx Europe 600 Construction & Materials indexes.

VINCI is also included in three of the principal responsible investment indexes:
• Vigeo's Euronext Vigeo Europe 120, composed of the highest-ranking listed companies according to their ESG performance;
• CDP's international CDLI (Carbon Disclosure Leadership Index), listing the companies that provide the most transparent environmental information;
• Dow Jones Sustainability Index World, distinguishing the top 10% of the 2,500 largest companies in the S&P Global Broad Market Index in terms of sustainable development performance. At end-December 2018, there were 317 companies represented, including 28 French companies.

Changes in the VINCI share price and trading volumes over the last 18 months

Based on data from Euronext, the only marketplace from which reliable statistics could be retrieved.

		Highest during trading sessions *(in €)*	Lowest during trading sessions *(in €)*	Volume of transactions *(in millions of shares)*	Average daily transaction volume *(in millions of shares)*	Value of transactions *(in € millions)*	Average price *(in €)*
2017	July	79.6	72.8	27.5	1.3	2,100.9	76.3
	August	78.2	74.4	20.6	0.9	1,571.3	76.4
	September	80.9	77.7	24.7	1.2	1,968.3	79.8
	October	84.3	79.6	22.4	1.0	1,820.7	81.2
	November	87.5	83.0	28.9	1.3	2,458.4	85.2
	December	88.8	84.6	22.9	1.2	1,978.4	86.5
2018	January	88.8	84.3	26.9	1.2	2,338.1	86.8
	February	87.2	77.6	35.6	1.8	2,921.3	82.0
	March	82.2	77.9	29.9	1.4	2,397.6	80.2
	April	84.8	77.6	24.7	1.2	2,023.6	81.8
	May	87.3	83.4	27.1	1.2	2,310.8	85.3
	June	86.2	81.4	27.0	1.3	2,266.2	84.0
	July	87.4	81.1	24.2	1.1	2,055.8	84.9
	August	86.0	80.0	21.5	0.9	1,785.5	83.2
	September	83.0	79.2	23.9	1.2	1,941.9	81.4
	October	82.5	74.1	32.2	1.4	2,520.3	78.3
	November	79.7	75.6	22.6	1.0	1,756.9	77.9
	December	78.3	70.0	28.6	1.5	2,088.5	73.1

4. Other information on the Company forming an integral part of the Report of the Board of Directors

The non-financial performance statement (page 365), "Stock market and shareholder base" chapter (pages 16 to 19), the parent company financial statements (pages 341 to 354) and the consolidated financial statements (pages 264 to 336) as well as the five-year financial summary table (page 355) form an integral part of the Report of the Board of Directors.

Report by the independent third party, on the consolidated non-financial performance statement in the Report of the Board of Directors

For the year ended 31 December 2018

To the Shareholders,

In our capacity as independent third party of VINCI SA (hereinafter "The Company"), certified by the French Accreditation Committee (Comité Français d'Accréditation or COFRAC) under number 3-1049[1] and, as a member firm of the KPMG International network, one of your Statutory Auditors, we hereby report to you on the consolidated non-financial performance statement for the year ended 31 December 2018 (hereinafter the "Statement"), included in the Report of the Board of Directors, in accordance with the legal and regulatory provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (Code de commerce).

Responsibility of the Company

It is the Board of Directors' responsibility to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators.
The Statement has been prepared applying the procedures of the company, (hereinafter the "Guidelines"), the most significant aspects of which are presented in the Statement.

Independence and quality control

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors. Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

Responsibility of the Statutory Auditors

On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:
• the Statement complies with the provisions of Article R.225-105 of the French Commercial Code (Code de Commerce);
• the information provided (hereinafter the "Information") is fairly presented in accordance with Article R.225-105-I(3) and II of the French Commercial Code (Code de commerce) concerning policy outcomes, including key performance indicators and actions relating to the main risks.
It is our responsibility to express, at the request of the Company and outside of the scope of accreditation, a reasonable assurance opinion that information selected[2] by the Company and identified with the symbol ☑ in chapter E of the Report of the Board of Directors has been prepared, in all material respects, in accordance with the Guidelines.
However, it is not our responsibility to express an opinion on:
• the Company's compliance with any other applicable legal and regulatory provisions, relating, in particular, to the duty of vigilance requirement and the fight against corruption and tax evasion;
• the compliance of products and services with applicable regulatory provisions.

Nature and scope of our work

We performed our work described below in compliance with Article A.225-1 *et seq.* of the French Commercial Code (Code de commerce), defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes or CNCC) relating to this engagement, and with ISAE 3000 (International standard on assurance engagements other than audits or reviews of historical financial information).
We conducted work to form an opinion on the Statement's compliance with legal and regulatory provisions and the fair presentation of the Information therein:
• we gained an understanding of the activity of all entities in the consolidation scope, of the Company's exposure to the main social and environmental risks relating to the business activity and, if applicable, of its effects on respect for human rights and the fight against corruption and tax evasion, including any related policies and their outcomes;
• we assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector's best practices;
• we verified that the Statement covers every category of information required under Article L.225-102-1, paragraph III concerning social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
• we verified that the Statement presents the business model and the main risks relating to the activity of all entities in the consolidation scope, including if relevant and proportionate risks due to its business relationships, products or services, in accordance with the disclosures required under Article R.225-105-I, and policies, due diligence procedures and outcomes, including key performance indicators;
• we verified that the Statement presents the disclosures required under Article R.225-105-II if they are relevant given the main risks or policies presented;
• we obtained an understanding of the process for identifying, prioritising and validating the main risks;
• we enquired about the existence of internal control and risk management procedures implemented by the Company;
• we verified that the Statement covers all entities in the consolidation scope in accordance with Article L.233-16 within the limits specified in the Statement;
• we assessed the data collection process implemented by the Company to ensure the completeness and fair presentation of the policy outcomes and key performance indicators that must be mentioned in the Statement;

- for key performance indicators and the other quantitative outcomes[3] that we considered the most important, we set up:
- analytical procedures to verify that data collected is correctly consolidated and that any changes to the data are consistent;
- tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out with a selection of entities contributing[4] to the reported data and represents between 20% and 100% of consolidated data of key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the due diligence procedures that we deemed the most important[5];
- we assessed the overall consistency of the Statement based on our understanding of the Company.

We believe that the sampling methods and sample sizes we have used, based on our professional judgment, are sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures.
Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the Statement cannot be totally eliminated.

Means and resources

Our work drew on the skills of 10 individuals. To assist us in conducting our work, we called on our firm's sustainable development and corporate social responsibility (CSR) specialists. We conducted around 50 interviews with the individuals responsible for preparing the Statement, particularly from General Management, Administration and Finance, Risk Management, Compliance, Human Resources, Health and Safety and Purchasing.

Conclusion

Based on our work, and given the scope of our responsibilities, we have no material misstatements to report that would call into question the Statement's compliance with the applicable regulatory provisions, or the fair presentation of the Information, taken as a whole, in accordance with the Guidelines.

Reasonable assurance on a selection of non-financial information

Nature and scope of our work

With regard to the information selected by the Company and identified with the symbol ☑, we conducted the same procedures as those described in the paragraph "Nature and scope of our work" above (for the most important information). However, these procedures were more in-depth, particularly regarding the number of tests.

Consequently, the selected sample represents 47% of headcount and between 62% and 100% of environmental information identified with the symbol ☑. We believe that these procedures enable us to express reasonable assurance regarding the Information selected by the Company and identified with the symbol ☑.

Conclusion

In our opinion, the Information selected by the Company and identified with the symbol ☑ has been prepared, in all material respects, in accordance with the Guidelines.

Paris La Défense, 8 February 2019
French original signed by
KPMG SA

Anne Garans
Partner
Sustainability Services

Philippe Bourhis
Partner

(1) Scope available at www.cofrac.fr.

(2) Scope 1 and 2 greenhouse gas emissions; electricity consumption; total energy consumption; greenhouse gas emissions avoided through use of no-stop electronic toll collection; motorway users' greenhouse gas emissions; lost-time work accident frequency rate for VINCI employees; work accident severity rate for VINCI employees.

(3) Reasonable assurance
Environmental indicators: Scope 1 and 2 greenhouse gas emissions; electricity consumption; total energy consumption; greenhouse gas emissions avoided through use of no-stop electronic toll collection; motorway users' greenhouse gas emissions.
Workforce-related indicators: lost-time work accident frequency rate for VINCI employees; work accident severity rate for VINCI employees.
Limited assurance
Environmental indicators: purchased water consumption; consumed water taken directly from natural environment for VINCI Concessions; phytosanitary products consumption for VINCI Autoroutes; hazardous waste and non-hazardous waste produced for VINCI Concessions, VINCI Energies, VINCI Construction UK, VINCI Construction Grands Projets; percentage of waste recycled by VINCI Construction UK; percentage of revenue from ISO 14001-certified activities; percentage of ISO 14001-certified revenue (works agencies); ISO 14001-certified tonnage from quarries owned, coating plants owned and binder plants owned; kilometres of ISO 14001-certified motorways; percentage of mix manufactured with recycled mix aggregate; number and revenues of projects with green certifications.
Workforce-related indicators: period-end workforce, by age, gender, geographical area and socio-professional category; number of temporary employees in full-time equivalent; total recruitment; total departures, of which number of redundancies or dismissals; total hours of training, of which safety training; number of employees trained; occupational illness severity rate; total days of absenteeism; actual hours worked; number of employees with a disability; average VINCI salary; average VINCI salary for women.

(4) Social information: ASF; VINCI Airports; VINCI Energies International & Systems; VINCI Energies Europe; Eurovia France; Eurovia Europe, rail and specialist activities; VINCI Construction Dom-Tom; VINCI Construction International Network Europe Centrale; Dodin Campenon Bernard; VINCI Construction Terrassement.
Environmental information: ASF; Escota; Cofiroute; VINCI Airports: Aerodom (Dominican Republic); VINCI Stadium: Queen Elizabeth Olympic Park Stadium of London (UK); VINCI Energies International & Systems: OEngenharia (Brazil); VINCI Construction France; VINCI Construction Grands Projets; Sogea Morocco; VINCI Construction UK; Soletanche Freyssinet: Soletanche Bachy France; VINCI Construction Dom-Tom: SBTPC (Reunion Island); Entrepose: Geocean; Eurovia.

(5) Occupational health and safety conditions; recruitments and redundancies; policies implemented regarding training; resources allocated to prevention of environmental risks and pollution; measures of prevention, recycling, reuse, other forms of recovery and disposal of waste; measures implemented to protect and conserve biodiversity; integration of social and environmental issues into the Company.

This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Report of the Lead Director of the Board of Directors
(period from 1 November to 31 December 2018)

Yannick Assouad, the Lead Director of VINCI, hereby reports on the duties that were assigned to her in this capacity during the period from 1 November to 31 December 2018.

This report was prepared by the Lead Director in liaison with the Company's Legal Department and was submitted to the Appointments and Corporate Governance Committee before being presented to the VINCI Board of Directors at its meeting of 5 February 2019.

1. Terms of reference for the Lead Director

The terms of reference for the Lead Director are described as follows in Article 2.5 of the internal rules of the Board of Directors in the version available on the Company's website, www.vinci.com:

"The main duties of the Lead Director are to:
- serve as the point of contact for Board members on questions of corporate governance;
- be contacted by shareholders on questions of corporate governance and have a dedicated email address for this purpose. The Lead Director is also informed of comments and suggestions from shareholders about corporate governance and ensures that these questions are answered. When requested by the Chairman, the Lead Director is available to communicate with institutional shareholders and proxy advisory firms and reports to the Board on these contacts;
- be contacted about any conflict of interest concerning a Board member. The Lead Director may also take the decision to investigate a conflict of interest, if necessary, and contributes to the management of conflicts of interest in accordance with Article 4.6.2 of these rules.

"To carry out his or her duties, the Lead Director has the power to:
- request that any item be included on the agenda of a Board meeting;
- request at any moment that the Chairman call a Board meeting to deliberate on a specific agenda, and the Chairman is required to carry out this request;
- chair the Appointments and Corporate Governance Committee;
- once a year, organise a meeting of Board members without any executive company officer being present. This meeting is not considered a regular Board meeting, but a report on it is given at a formal Board meeting. The main purpose of this meeting is to enable Board members to speak about corporate governance as well as about the evaluation of the performance of the Executive Management, upon the recommendation of the relevant committees.

"To carry out these duties, the Lead Director can request the assistance of the Board secretary at any moment.

"The Lead Director reports to the Shareholders' General Meeting on the performance of his or her duties."

2. Activities of the Lead Director in the performance of the duties assigned by the Board of Directors for the period from 1 November to 31 December 2018

During the period from 1 November to 31 December 2018, the Lead Director took part in the Board meeting of 18 December 2018, and chaired the meeting of the Appointments and Corporate Governance Committee held on 15 November 2018.

In addition, the Lead Director had frequent contact with the Chairman and Chief Executive Officer and the Board secretary.

She took part in the search for a new Board Director with the help of a specialised recruitment firm.

The Lead Director will present her report on her activities during the period from 1 November to 31 December 2018 to the Shareholders' General Meeting on 17 April 2019.

No potential conflicts of interest were brought to the attention of the Lead Director during November and December 2018.

As a result of her work, the Lead Director concluded that the governing bodies functioned normally and satisfactorily between 1 November and 31 December 2018. Consequently, she did not find it necessary to ask the Chairman to call a Board meeting to deliberate on a specific agenda.

Report of the Vice-Chairman of the Board of Directors

(period from 1 November to 31 December 2018)

During its meeting of 17 October 2018, the Board decided to separate the roles of Vice-Chairman and Lead Director, with effect from 1 November 2018.

Yves-Thibault de Silguy, the Vice-Chairman of the VINCI Board of Directors, hereby reports on the responsibilities that were assigned to him in this capacity during the period from 1 November to 31 December 2018.

This report was prepared by the Vice-Chairman in liaison with the Company's Legal Department and was submitted to the Appointments and Corporate Governance Committee before being presented to the VINCI Board of Directors at its meeting of 5 February 2019.

1. Terms of reference for the Vice-Chairman

The terms of reference for the Vice-Chairman of the Board of Directors are described as follows in Article 2.4 of the internal rules of the Board of Directors in the version available on the Company's website, www.vinci.com:

"The main duties of the Vice-Chairman are to:

- assist the Chairman as needed in the exercise of the Chairman's responsibilities, at the latter's request;
- leverage his or her experience and knowledge of the Group to contribute information that the Board requires about the Group's business matters and organisation;
- represent the Group at the request of the Chairman;
- take part in meetings with shareholders or proxy advisory firms, at the request of the Chairman;
- chair Board meetings in the event the Chairman is unavailable.

"To carry out his or her duties, the Vice-Chairman:
- is kept informed by the Chief Executive Officer of material events or situations affecting the Group, notably relating to strategy, significant investment and divestment projects, organisation, financial reporting, major financial transactions, changes to the Company's share capital, and contacts with the Company's main current or potential shareholders;
- chairs the Strategy and CSR Committee;
- has direct access to the members of the Group's Executive Committee. In coordination with the Chief Executive Officer, the Vice-Chairman may organise any meeting with these executives and employees designated by them that he or she deems appropriate or useful to the performance of his or her duties; may consult with the managers responsible for internal control, risk and compliance or the Statutory Auditors;
- may access any document or information deemed necessary for the performance of his or her duties.

"The Chief Executive Officer facilitates the performance of these duties by providing the required instructions.

"The Vice-Chairman reports to the Shareholders' General Meeting on the performance of his or her duties."

2. Activities of the Vice-Chairman in the performance of the duties assigned by the Board of Directors for the period from 1 November to 31 December 2018

During the period from 1 November to 31 December 2018, the Vice-Chairman took part in the 18 December 2018 Board meeting and chaired the 22 November 2018 meeting of the Strategy and CSR Committee.

Between 1 November and 31 December 2018, Mr de Silguy also carried out assignments at the request of the Chairman and Chief Executive Officer.

He sent a detailed written report about the performance of his duties to the Chairman of the Appointments and Corporate Governance Committee.

Report of the Vice-Chairman of the Board of Directors

on his duties as Vice-Chairman and Lead Director (period from 1 January to 31 October 2018)

Yves-Thibault de Silguy, the Vice-Chairman of the VINCI Board of Directors, hereby reports on the duties that were assigned to him during the period from 1 January to 31 October 2018 in his capacity as Vice-Chairman and Lead Director. He also hereby reports on the assignments he carried out between 1 January and 17 April 2018 under the terms of the agreement dated 5 February 2014 between the Company and YTSeuropaconsultants, a company of which Mr de Silguy is the Managing Director and sole shareholder.

The new agreement executed between the Company and YTSeuropaconsultants on 7 February 2018 was approved by the Shareholders' General Meeting of 17 April 2018, but it was brought to the Company's attention by BNP Paribas Securities Services in July 2018 that an error had been made in determining the exercisable voting rights. As a result, the corresponding resolution had not in fact obtained enough votes to be adopted, and the Board was required to declare it null and void retroactively to 17 April 2018.

During its 17 October 2018 meeting, the Board decided to separate the roles of Vice-Chairman and Lead Director, with effect from 1 November 2018.

This report was prepared by the Vice-Chairman in liaison with the Company's Legal Department and was submitted to the Audit Committee and the Remuneration Committee before being presented to the VINCI Board of Directors at its meeting of 5 February 2019.

1. Terms of reference for the Vice-Chairman and Lead Director

The terms of reference for the Vice-Chairman and Lead Director were described as follows in Article 2.2 of the internal rules of the Board of Directors in the version in effect until 31 October 2018, as available on the Company's website, www.vinci.com:

"The Vice-Chairman and Lead Director assists the Chairman of the Board of Directors with his duties.

"He ensures that the Company's governing bodies function properly and provides:
- his insight to the Board on the transactions the Board is called upon to approve;
- assistance to Board members, at their request, in the exercise of their duties.

"He holds a meeting with the Directors once a year in the absence of the executive company officers, in particular with regard to the Board's self-assessment and the evaluation of the Executive Management's performance.

"The Chairman and Chief Executive Officer keeps the Vice-Chairman informed of material events or situations affecting the Group, notably relating to strategy, organisation, financial reporting, significant investment and divestment projects, major financial transactions, changes to the Company's share capital, and contacts with the Company's main current or potential shareholders.

"In order to carry out his role and responsibilities, the Vice-Chairman and Lead Director has direct access to the members of the Group's Executive Committee. In coordination with the Chairman and Chief Executive Officer, he may organise any meeting with executives and employees designated by them that he deems appropriate or useful to the performance of his duties. He may consult with the managers responsible for internal control, risk and compliance or the Statutory Auditors.

"He may access any document or information that he deems necessary for the performance of his duties.

"The Chairman and Chief Executive Officer facilitates the performance of these duties by providing the required instructions.

"When requested to do so, the Vice-Chairman and Lead Director offers advice on managing conflicts of interest involving executive company officers or members of the Board, in accordance with paragraph 4.6.2 of these rules.

"The Vice-Chairman and Lead Director is informed of comments and suggestions from shareholders about corporate governance and company officer remuneration. He ensures that these questions are answered, is available to communicate with them at the Chairman's request and informs the Board of these contacts.

"In addition, the Vice-Chairman and Lead Director may be asked to carry out various assignments. He may in particular represent the Group in high-level relations with investors, clients and government authorities, and attend shareholders' meetings in France and other countries at the request of the Chairman and Chief Executive Officer or, in agreement with him, at the request of the executives of Group subsidiaries. In this event, these assignments are carried out under the terms of a services agreement that complies with the requirements of the law. This agreement can only be amended or cancelled by a decision of the Board.

"He reports to the Shareholders' General Meeting on the performance of his duties."

Article 3.1 of the Board of Directors' internal rules also stipulates that the Vice-Chairman can call a meeting of the Board.

Lastly, Article 4.6.2 of the Board of Directors' internal rules specifies the terms of reference of the Vice-Chairman and Lead Director with respect to conflicts of interest:

"All Directors must inform the Board of any conflict of interest situation, including a future or potential situation, in which they find or might find themselves.

"As soon as they become aware of a situation that might give rise to or create the impression of giving rise to a conflict of interest involving them, they must immediately inform the Vice-Chairman and Lead Director thereof so as to implement measures that will prevent such a conflict.

"These measures might consist in refraining from attending part or all of any Board or Board Committee meeting during which a sensitive subject in this regard is to be discussed.

"They must refrain from taking part in any Board vote on which they would be subject to a conflict of interest and in any related discussions.

"At any moment, the Vice-Chairman and Lead Director may decide to investigate a current or potential conflict of interest that comes to his attention in order to identify, prevent or manage it."

2. Activities of the Vice-Chairman and Lead Director in the performance of the duties assigned to him by the Board of Directors during the period from 1 January to 31 October 2018

During the period from 1 January to 31 October 2018, the Vice-Chairman and Lead Director took part in all eight Board meetings, and chaired all five meetings of the Appointments and Corporate Governance Committee and all six meetings of the Strategy and CSR Committee.

In addition, the Vice-Chairman and Lead Director kept himself informed on Group events by meeting very regularly with the Chairman and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer, the heads of the business lines, the other members of the Executive Committee, a number of other Group managers and the Statutory Auditors. He attended around 180 such meetings during the period from January to October 2018.

He participated in VINCI's management convention in October 2018, visited numerous worksites in France and abroad, and represented VINCI in forums on corporate governance.

He also reviewed the documents produced for Audit Committee meetings as well as management reporting documents prepared regularly by the Finance Department.

The Vice-Chairman and Lead Director maintained frequent contact with all Board members, most of whom he met with individually during the period from January to October 2018.

He took part in several meetings with institutional shareholders in the United Kingdom.

He called and chaired a meeting of Board members, without the Chairman and Chief Executive Officer being present, so as to evaluate the Executive Management.

He took part in the search for a new Board Director with the help of a specialised recruitment firm.

Lastly, the Vice-Chairman and Lead Director presented his report on financial year 2017 to the Shareholders' General Meeting of 17 April 2018.

No potential conflicts of interest were brought to the attention of the Vice-Chairman and Lead Director.

As a result of his work, the Vice-Chairman concluded that the governing bodies functioned normally and satisfactorily between 1 January and 31 October 2018. Board meeting agendas were sent to him for his opinion before meeting notifications were sent to Board members. Accordingly, he did not deem it necessary to call a Board meeting pursuant to Article 3.1 of the Board's internal rules.

3. Mr de Silguy's activities under the assistance agreement between the Company and YTSeuropaconsultants (period from 1 January to 17 April 2018)

On 5 February 2014, the Company entered into a services agreement with YTSeuropaconsultants, of which Mr de Silguy is the Managing Director and sole shareholder, under the terms of which Mr de Silguy assisted the Chairman and Chief Executive Officer in his role as representative of the VINCI Group, in particular in dealings with French or foreign public authorities, major clients, current or potential French or foreign shareholders and individual shareholders, at the regular meetings organised by the Company for that purpose.

This agreement, which was concluded for a period of four years with an option for the Board of Directors to terminate it at the end of each year of Mr de Silguy's term of office as a Director, was in effect from the time it was approved by the Shareholders' General Meeting of 15 April 2014 until the renewal of Mr de Silguy's term of office as Director by the Shareholders' General Meeting of 17 April 2018.

Remuneration for these services was set at a non-adjustable lump sum of €27,500, excluding VAT, per month.

The performance of this agreement was audited every year by the Audit Committee, based on a detailed, written report thereon.

When the renewal of Mr de Silguy's term of office as Director was approved by the Shareholders' General Meeting of 17 April 2018, the Company entered into a new services agreement with YTSeuropaconsultants, under the same terms as the previous one. This agreement was to take effect from its approval by the Shareholders' General Meeting of 17 April 2018. However, as a result of an error in determining the exercisable voting rights brought to the Company's attention by BNP Paribas Securities Services in July 2018, the Board was required to declare the agreement null and void retroactively to 17 April 2018.

This situation required Mr de Silguy to return to the Company the amounts he had received under the new agreement, which had become null and void.

Under the services agreement in effect until 17 April 2018, Mr de Silguy carried out several assignments between 1 January and 17 April 2018 in coordination with the Chairman and Chief Executive Officer, either at the latter's request or at the request of a member of the Executive Committee, with the agreement of the Chairman and Chief Executive Officer.

These assignments come under business confidentiality rules and cannot therefore be detailed in this report. They are recorded in a register that is available at all times to the Audit Committee.

Between 1 January and 17 April 2018, these assignments represented almost 17 working days. They involved Group business activities in more than 32 countries and required Mr de Silguy to take part in many meetings and events where the Group must be represented at the highest level.

Mr de Silguy sent a detailed written report about the performance of his duties to the Chairman of the Audit Committee.

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Consolidated financial statements

Key figures

(in € millions)	2018	2017
Revenue (*)	**43,519**	**40,248**
Revenue generated in France (*)	24,768	23,680
% of revenue (*)	*56.9%*	*58.8%*
Revenue generated outside France (*)	18,751	16,568
% of revenue (*)	*43.1%*	*41.2%*
Operating income from ordinary activities	4,997	4,607
% of revenue (*)	*11.5%*	*11.4%*
Recurring operating income	4,924	4,592
Operating income	4,920	4,550
Net income attributable to owners of the parent	**2,983**	**2,747**
% of revenue (*)	*6.9%*	*6.8%*
Diluted earnings per share *(in €)*	5.32	4.91
Net income attributable to owners of the parent excluding non-recurring tax effects (**)	2,983	2,737
Diluted earnings per share excluding non-recurring tax effects *(in €)* (**)	5.32	4.89
Dividend per share *(in €)*	2.67 (***)	2.45
Cash flows from operations before tax and financing costs	**6,898**	**6,500**
Operating investments (net of disposals)	(986)	(745)
Growth investments in concessions and PPPs	(977)	(1,010)
Free cash flow (after investments)	**3,179**	**2,525**
Equity including non-controlling interests	19,818	18,383
Net financial debt	(15,554)	(14,001)

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) In 2017, net non-recurring tax effects on net income attributable to owners of the parent had a positive impact of €10 million. Those effects resulted from the following tax measures adopted in the 2018 Finance Act and 2017 Amended Finance Act in France: the surtax equal to 30% of corporate income tax, the annulment of the 3% dividend tax and the gradual decrease in the corporate income tax rate in France from 33.33% to 25% in 2022, leading to a revaluation of the Group's deferred tax.
(***) Dividend proposed to the Shareholders' General Meeting of 17 April 2019, including an interim dividend of €0.75 per share paid on 8 November 2018.

From 1 January 2018, the Group has applied IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial instruments" according to the "simplified retrospective" approach, recognising the cumulative effects of first-time adoption on opening equity at 1 January 2018. As a result, the 2017 figures presented for comparison purposes have not been adjusted. The impacts of this first-time adoption are presented in Note A.4.

Consolidated income statement for the period

(in € millions)	Notes	2018	2017
Revenue [*]	**1-2**	**43,519**	**40,248**
Concession subsidiaries' revenue derived from works carried out by non-Group companies		633	629
Total revenue		44,152	40,876
Revenue from ancillary activities	4	202	200
Operating expenses	4	(39,357)	(36,468)
Operating income from ordinary activities	**1-4**	**4,997**	**4,607**
Share-based payments (IFRS 2)	28	(206)	(163)
Profit/(loss) of companies accounted for under the equity method	4-10	88	146
Other recurring operating items		45	-
Recurring operating income	**4**	**4,924**	**4,592**
Non-recurring operating items	4	(4)	(41)
Operating income	**4**	**4,920**	**4,550**
Cost of gross financial debt		(491)	(537)
Financial income from cash investments		29	56
Cost of net financial debt	**5**	**(462)**	**(481)**
Other financial income and expense	6	17	40
Income tax expense	7	(1,418)	(1,271)
of which non-recurring tax effects [**]		-	*44*
Net income		**3,057**	**2,837**
Net income attributable to non-controlling interests		74	90
Net income attributable to owners of the parent [**]		**2,983**	**2,747**
Basic earnings per share *(in €)* [**]	8	5.38	4.95
Diluted earnings per share *(in €)* [**]	8	5.32	4.91
Net income attributable to owners of the parent excluding non-recurring tax effects [**]		**2,983**	**2,737**
Diluted earnings per share excluding non-recurring tax effects *(in €)* [**]		5.32	4.89

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) In 2017, net non-recurring tax effects had a €44 million positive impact on the consolidated tax charge and a €10 million positive impact on net income attributable to owners of the parent. Those effects resulted from the following tax measures adopted in the 2018 Finance Act and 2017 Amended Finance Act in France: the surtax equal to 30% of corporate income tax, the annulment of the 3% dividend tax and the gradual decrease in the corporate income tax rate in France from 33.33% to 25% in 2022, leading to a revaluation of the Group's deferred tax.

Consolidated comprehensive income statement for the period

	2018			2017		
(in € millions)	Attributable to owners of the parent	Attributable to non-controlling interests	Total	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Net income	**2,983**	**74**	**3,057**	**2,747**	**90**	**2,837**
Changes in fair value of cash flow and net investment hedging instruments [*]	(51)	-	(51)	137	1	137
Hedging costs	3	-	3	-	-	-
Tax [**]	(3)	-	(3)	(47)	-	(47)
Currency translation differences	22	2	23	(335)	(11)	(346)
Share in net income of companies accounted for under the equity method	18	-	18	57	-	57
Other comprehensive income that may be recycled subsequently to net income	**(11)**	**2**	**(10)**	**(188)**	**(11)**	**(199)**
Equity instruments	-	-	-	-	-	-
Actuarial gains and losses on retirement benefit obligations	(46)	-	(46)	137	1	138
Tax	15	-	15	(31)	-	(31)
Share in net income of companies accounted for under the equity method	(1)	-	(1)	(1)	-	(1)
Other comprehensive income that may not be recycled subsequently to net income	**(31)**	**-**	**(31)**	**105**	**1**	**106**
Total other comprehensive income recognised directly in equity	**(42)**	**2**	**(41)**	**(83)**	**(10)**	**(93)**
Total comprehensive income	**2,940**	**76**	**3,016**	**2,664**	**80**	**2,744**

(*) Changes in the fair value of cash flow hedges are recognised in equity for the effective portion. Cumulative gains and losses in equity are taken to profit or loss at the time when the cash flow affects profit or loss.
(**) Tax effects relating to changes in the fair value of cash flow hedging financial instruments (effective portion) and hedging costs.

Consolidated balance sheet

Assets

(in € millions)	Notes	31/12/2018	31/12/2017
Non-current assets			
Concession intangible assets	12	27,118	26,539
Goodwill	9	9,792	8,600
Other intangible assets	16	632	417
Property, plant and equipment	16	5,359	4,421
Investments in companies accounted for under the equity method	10	1,674	1,573
Other non-current financial assets	11-13-17	1,332	1,102
Derivative financial instruments – non-current assets	25	511	621
Deferred tax assets	7	317	255
Total non-current assets		**46,736**	**43,527**
Current assets			
Inventories and work in progress	18	1,173	1,056
Trade and other receivables	18	13,584	12,432
Other current operating assets	18	5,033	5,035
Other current non-operating assets		52	58
Current tax assets		280	406
Other current financial assets		37	38
Derivative financial instruments – current assets	25	258	261
Cash management financial assets	24	245	184
Cash and cash equivalents	24	7,960	6,807
Total current assets		**28,621**	**26,276**
Total assets		**75,357**	**69,803**

Equity and liabilities

(in € millions)	Notes	31/12/2018	31/12/2017
Equity			
Share capital	21.1	1,494	1,478
Share premium	21.1	10,339	9,886
Treasury shares	21.2	(2,323)	(1,751)
Consolidated reserves		7,767	6,509
Currency translation reserves		(213)	(276)
Net income attributable to owners of the parent		2,983	2,747
Amounts recognised directly in equity	21.4	(861)	(782)
Equity attributable to owners of the parent		**19,185**	**17,812**
Non-controlling interests	21.5	633	572
Total equity		**19,818**	**18,383**
Non-current liabilities			
Non-current provisions	19	1,135	1,053
Provisions for employee benefits	27	1,519	1,481
Bonds	23	16,588	14,130
Other loans and borrowings	23	3,023	2,512
Derivative financial instruments – non-current liabilities	25	206	288
Other non-current liabilities		345	192
Deferred tax liabilities	7	1,676	1,735
Total non-current liabilities		**24,491**	**21,391**
Current liabilities			
Current provisions	18	4,452	4,322
Trade payables	18	8,240	8,198
Other current operating liabilities	18	12,862	11,852
Other current non-operating liabilities		500	487
Current tax liabilities		282	225
Derivative financial instruments – current liabilities	25	76	114
Current borrowings	23	4,635	4,830
Total current liabilities		**31,048**	**30,029**
Total equity and liabilities		**75,357**	**69,803**

Consolidated cash flow statement

(in € millions)	Notes	2018	2017
Consolidated net income for the period (including non-controlling interests)		**3,057**	**2,837**
Depreciation and amortisation	4.3	2,242	2,128
Net increase/(decrease) in provisions and impairment		(16)	(4)
Share-based payments (IFRS 2) and other restatements		21	53
Gain or loss on disposals		(88)	(44)
Change in fair value of financial instruments		(39)	15
Share of profit or loss of companies accounted for under the equity method and dividends received from unconsolidated companies		(104)	(152)
Capitalised borrowing costs		(56)	(86)
Cost of net financial debt recognised	5	462	481
Current and deferred tax expense recognised	7.1	1,418	1,271
Cash flows from operations before tax and financing costs	**1**	**6,898**	**6,500**
Changes in operating working capital requirement and current provisions	18.1	(266)	(286)
Income taxes paid [(1)]		(1,222)	(1,647)
Net interest paid		(444)	(470)
Dividends received from companies accounted for under the equity method		176	184
Cash flows (used in)/from operating activities [(1)]	**I**	**5,142**	**4,280**
Purchases of property, plant and equipment and intangible assets		*(1,095)*	*(865)*
Proceeds from sales of property, plant and equipment and intangible assets		*109*	*120*
Operating investments (net of disposals)	1	(986)	(745)
Operating cash flow [(1)]	**1**	**4,156**	**3,535**
Investments in concession fixed assets (net of grants received)		*(986)*	*(1,055)*
Financial receivables (PPP contracts and others)		*8*	*45*
Growth investments in concessions and PPPs	1	(977)	(1,010)
Free cash flow (after investments) [(1)]	**1**	**3,179**	**2,525**
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)	*1-2*	*(1,570)*	*(946)*
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)	*1-2*	*81*	*16*
Net effect of changes in scope of consolidation		*(1,149)*	*(7)*
Net financial investments [(2)]		(2,638)	(937)
Other		(165)	(355)
Net cash flows (used in)/from investing activities	**II**	**(4,765)**	**(3,046)**
Share capital increases and decreases and repurchases of other equity instruments		469	443
Transactions on treasury shares	21.2	(639)	(647)
Non-controlling interests in share capital increases and decreases of subsidiaries		-	1
Acquisitions/disposals of non-controlling interests (without acquisition or loss of control)		(25)	(22)
Dividends paid	22	(1,443)	(1,248)
- to shareholders of VINCI SA		*(1,391)*	*(1,197)*
- to non-controlling interests		*(53)*	*(51)*
Proceeds from new long-term borrowings	23.1	4,163	4,112
Repayments of long-term borrowings	23.1	(2,707)	(3,258)
Change in cash management assets and other current financial debts		135	(581)
Net cash flows (used in)/from financing activities	**III**	**(48)**	**(1,200)**
Other changes [(3)]	**IV**	751	42
Change in net cash	**I+II+III+IV**	**1,079**	**75**
Net cash and cash equivalents at beginning of period		**5,703**	**5,628**
Net cash and cash equivalents at end of period	**24.1**	**6,782**	**5,703**
Change in cash management assets and other current financial debts		(135)	581
(Proceeds from)/repayment of loans		(1,456)	(855)
Other changes [(3)]		(1,042)	136
Change in net financial debt		**(1,553)**	**(63)**
Net financial debt at beginning of period		**(14,001)**	**(13,938)**
Net financial debt at end of period	**23**	**(15,554)**	**(14,001)**

(1) Including non-recurring tax effects in 2018: net inflow of €103 million (in 2017, net outflow of €200 million).
(2) Including, in 2018, investments by VINCI Airports (Belgrade Nikola Tesla Airport in Serbia and Airports Worldwide), VINCI Energies (PrimeLine Utility Services and Wah Loon Engineering) and Eurovia (Lane Construction's Plants & Paving division).
Including, in 2017, the investment in the concession for the Salvador airport in Brazil and around 30 acquisitions made by VINCI Energies.
(3) Including the debt of entities integrated during the year on the respective dates on which control was acquired.

Consolidated statement of changes in equity

	Equity attributable to owners of the parent									
(in € millions)	Share capital	Share premium	Treasury shares	Consolidated reserves	Net income	Currency translation reserves	Amounts recognised directly in equity	Total attributable to owners of the parent	Non-controlling interests	Total
Balance at 01/01/2017	**1,473**	**9,463**	**(1,581)**	**5,549**	**2,505**	**88**	**(1,032)**	**16,465**	**541**	**17,006**
Net income for the period	-	-	-	-	2,747	-	-	2,747	90	2,837
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	(335)	197	(139)	(10)	(149)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	(27)	82	55	-	55
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**2,747**	**(362)**	**279**	**2,664**	**80**	**2,744**
Increase in share capital	19	423	-	-	-	-	-	443	1	443
Decrease in share capital	(14)	-	421	(407)	-	-	-	-	-	-
Transactions on treasury shares	-	-	(592)	(55)	-	-	-	(647)	-	(647)
Allocation of net income and dividend payments	-	-	-	1,308	(2,505)	-	-	(1,197)	(51)	(1,248)
Share-based payments (IFRS 2)	-	-	-	109	-	-	-	109	-	109
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	8	-	(2)	-	6	(5)	1
Changes in consolidation scope	-	-	-	(8)	-	2	6	-	6	6
Other	-	-	-	5	-	(1)	(35)	(32)	1	(30)
Reported balance at 31/12/2017	**1,478**	**9,886**	**(1,751)**	**6,509**	**2,747**	**(276)**	**(782)**	**17,812**	**572**	**18,383**
Impact of changed methods (*)	-	-	-	(134)	-	-	2	(132)	-	(132)
Adjusted balance at 31/12/2017	**1,478**	**9,886**	**(1,751)**	**6,375**	**2,747**	**(276)**	**(780)**	**17,679**	**572**	**18,251**
Net income for the period	-	-	-	-	2,983	-	-	2,983	74	3,057
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	22	(82)	(60)	2	(58)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	18	(1)	17	-	17
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**2,983**	**40**	**(82)**	**2,940**	**76**	**3,016**
Increase in share capital	16	453	-	-	-	-	-	469	-	469
Decrease in share capital	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	(572)	(67)	-	-	-	(639)	-	(639)
Allocation of net income and dividend payments	-	-	-	1,357	(2,747)	-	-	(1,391)	(53)	(1,443)
Share-based payments (IFRS 2)	-	-	-	138	-	-	-	138	-	138
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	(3)	-	-	-	(3)	(3)	(6)
Changes in consolidation scope	-	-	-	-	-	(1)	-	-	41	41
Other	-	-	-	(32)	-	23	-	(8)	-	(8)
Balance at 31/12/2018	**1,494**	**10,339**	**(2,323)**	**7,767**	**2,983**	**(213)**	**(861)**	**19,185**	**633**	**19,818**

(*) Change in accounting methods related to the first-time adoption on 1 January 2018 of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments", described in Note A.4.

A. Accounting policies, measurement methods and changes in methods

1. Basis for preparing the financial statements

Pursuant to Regulation (EC) No. 1606/2002 of 19 July 2002, VINCI's consolidated financial statements for the period ended 31 December 2018 have been prepared under the International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2018(*).

The accounting policies used at 31 December 2018 are the same as those used in preparing the consolidated financial statements at 31 December 2017, except for the standards and/or amendments of standards described below, adopted by the European Union and mandatorily applicable as from 1 January 2018.

The Group's consolidated financial statements are presented in millions of euros, rounded to the nearest million. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables.

The information relating to 2016, presented in the 2017 registration document D.18-0076 filed with the AMF on 26 February 2018, is deemed to be included herein.

The consolidated financial statements were adopted by the Board of Directors on 5 February 2019 and will be submitted to the Shareholders' General Meeting for approval on 17 April 2019.

New standards and interpretations applicable from 1 January 2018

The impacts of applying IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" from 1 January 2018 are described in Note A.4.
Other standards and interpretations mandatorily applicable from 1 January 2018 have no material impact on VINCI's consolidated financial statements at 31 December 2018. These are mainly:
- Amendments to IFRS 2 "Classification and Measurement of Share-Based Payment Transactions";
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration";
- Annual Improvements 2014-2016.

Standards and interpretations adopted by the IASB but not yet applicable at 31 December 2018

The Group has not applied early the following standards and interpretations that could concern the Group and of which application was not mandatory at 1 January 2018:
- IFRS 16 "Leases";
- IFRIC 23 "Uncertainty over Income Tax Treatments";
- Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement";
- Amendments to IFRS 9 "Prepayment Features with Negative Compensation";
- Amendments to IAS 28 "Investments in Associates and Joint Ventures";
- Annual Improvements 2015-2017.

A study of the impacts and practical consequences of applying these standards, amendments and interpretations is under way.

IFRS 16 "Leases" is leading to changes in the way that lessees recognise leases. It will replace accounting standard IAS 17 and interpretations IFRIC 4, SIC 15 and SIC 27. IFRS 16, which will come into force on 1 January 2019, requires lessees to use a single method for recognising leases, affecting the balance sheet in a similar way to current finance leases.
Given the relatively short average term of movable-asset leases (mainly relating to vehicles and worksite equipment) and the ongoing changes in the Group's scope, any estimate of how adjustments under the new accounting standard will affect the Group's financial statements at the present date may not be representative of the impact to be recognised on first-time adoption of IFRS 16 on 1 January 2019.
Because of the specific features of some leases (particularly regarding renewal arrangements), the timeframes used to measure leases under IFRS 16 could, in some cases, differ from those used to measure off-balance sheet commitments in which only the firm commitment period is taken into account. The obligations mentioned in Note 20.1 "Other contractual obligations of an operational nature" may therefore be different from the liabilities to be recognised when IFRS 16 is adopted.

The work to implement and evaluate the amounts that will be recognised as assets and liabilities, as at 1 January 2019, is currently being finalised and verified; the impact on Group equity at 1 January 2019 should be limited. At 31 December 2018, lease-related commitments are estimated at €1.5 billion and are presented in Note 20.1 "Other contractual obligations of an operational nature".
The Group will use the retrospective transition approach, recognising the cumulative effect of first-time adoption of the standard on the first-time adoption date.

IFRIC 23 "Uncertainty over Income Tax Treatments"
IFRIC 23 supplements IAS 12 "Income Taxes" by specifying arrangements for measuring and recognising uncertainty relating to income tax. This interpretation is mandatory for accounting periods beginning on or after 1 January 2019. The Group does not expect the implementation of IFRIC 23 to have a material impact on opening equity at 1 January 2019.

(*) Available at http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_en.htm

Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"

The new amendments to IAS 19, application of which is mandatory from 1 January 2019 subject to their endorsement by the European Union, state that in the event of an amendment, curtailment or settlement of a defined benefit plan during an accounting period, current service cost and net interest must be remeasured for the following period based on the same assumptions as those used to remeasure the net liability (asset). The requirements relating to the asset ceiling effect at the time of this remeasurement have been clarified.

The Group's analysis has confirmed that the clarifications provided by the new amendments to IAS 19 are consistent with the methods and assumptions currently used within the Group to measure retirement benefit plans.

2. Consolidation methods

In accordance with IFRS 10, companies in which the Group holds, whether directly or indirectly, the majority of voting rights in shareholders' general meetings, in the boards of directors or in the equivalent management bodies, giving it the power to direct their operational and financial policies, are generally deemed to be controlled and are fully consolidated. To determine control, VINCI carries out an in-depth analysis of the established governance arrangements and of the rights held by other shareholders. Where necessary, an analysis is performed in relation to instruments held by the Group or by third parties (potential voting rights, dilutive instruments, convertible instruments, etc.) that, if exercised, could alter the type of influence exerted by each party.
For some infrastructure project companies operating under concessions or public-private partnership contracts and in which VINCI is not the only capital investor, in addition to the analysis of the governance arrangements with each partner, the Group may look at the characteristics of subcontracting contracts to check that they do not confer additional powers that could lead to a situation of de facto control. This most often concerns construction contracts and contracts to operate/maintain concession assets.
An analysis is performed if a specific event takes place that may affect the level of control exerted by the Group, such as a change in an entity's ownership structure or governance, or the exercise of a dilutive financial instrument.

In accordance with IFRS 11, the Group's joint arrangements fall into two categories (joint ventures and joint operations) depending on the nature of the rights and obligations held by each party. Classification is generally determined by the legal form of the project vehicle.
Most joint arrangements in the Contracting business are joint operations because of the legal form of the vehicles used. In France, for example, parties generally use *sociétés en participation* (SEPs) to contractualise their joint works activities.
In some situations, where the facts and circumstances show that a company's activities amount to providing production to the parties, it is regarded as a joint operation even where the vehicle's legal form does not establish transparency between the joint operators' assets and those of the joint arrangement. In that situation, the parties have the rights to substantially all of the economic benefits associated with the company's assets, and will settle its liabilities. For the VINCI Group, this situation concerns certain coating plants held and used by Eurovia in its road infrastructure construction and renovation activities.
French property development joint arrangements contractualised in the form of *sociétés civiles de construction-vente* (SCCVs) are joint ventures under IFRS 11 and accounted for under the equity method.

Associates are entities over which the Group exerts significant influence. They are accounted for under the equity method in accordance with IAS 28. Significant influence is presumed where the Group's stake is more than or equal to 20%. However, it may arise where the ownership interest is lower, particularly where the Group is represented on the Board of Directors or any equivalent governance body, and therefore takes part in determining the entity's operational and financial policies and strategy. This applies to the Group's stakes in Aéroports de Paris (ADP) and CFE.

The Group's consolidation scope does not include any subsidiaries in which there are non-controlling interests, or any individually material joint ventures or associates. That assessment is based on the impact of those interests on the Group's financial performance, consolidated balance sheet and cash flow. VINCI does not own any interest in structured entities as defined by IFRS 12.

VINCI's consolidated financial statements include the financial statements of all companies with revenue of more than €2 million, and of companies whose revenue is below this figure but whose impact on certain of the Group's balance sheet and income statement indicators is material.

In accordance with Regulation no. 2016-09 of 2 December 2016, issued by the Autorité des Normes Comptables (ANC, the French accounting standards setter) the list of companies included in the consolidation scope and shares in unconsolidated subsidiaries and affiliates is available on VINCI's website (www.vinci.com/vinci.nsf/en/investors-composition-group.htm).

3. Use of estimates

The preparation of financial statements under IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in those financial statements.
These estimates assume the operation is a going concern and are made on the basis of information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

The consolidated financial statements for the period have been prepared with reference to the immediate environment, in particular as regards the estimates given below.

Measurement of revenue from construction and service contracts

For revenue and income or losses on construction and service contracts, the Group applies general revenue recognition rules based on progress towards completion.
Progress towards completion and the revenue to be recognised are determined on the basis of a large number of estimates made by monitoring the work performed. Adjustments may therefore be made to initial estimates throughout contracts and may materially affect future results.

Values used in impairment tests

The assumptions and estimates made to determine the recoverable amount of goodwill, intangible assets and property, plant and equipment relate in particular to the assessment of market prospects needed to estimate the cash flow, and the discount rates adopted. Any change in these assumptions could have a material effect on the recoverable amount. The main assumptions used by the Group are described in Note E.9 "Goodwill and goodwill impairment tests".

Measurement of provisions

The factors that may cause a material change in the amount of provisions are:
- the estimates made using statistical methods on the basis of expenses incurred in previous years, to determine after-sales service provisions;
- the forecasts of expenditures on major maintenance over several years used as a basis for the provisions for obligations to maintain the condition of concession assets. These forecasts are estimated taking account of indexation clauses included in construction and civil engineering contracts (mainly the TP01, TP02 and TP09 indexes for France);
- the estimates of forecast profit or loss on construction contracts, which serve as a basis for the determination of losses on completion (see Note G.15 "Construction and service contracts (Contracting business and VINCI Immobilier)" and Note H.18.3 "Breakdown of current provisions");
- the discount rates used.

Measurement of fair value

The Group mainly uses fair value in measuring, on a consistent basis, the derivative instruments, cash and cash equivalents, shares in unconsolidated subsidiaries and affiliates, cash management financial assets and identifiable assets and liabilities acquired in business combinations on its balance sheet. The fair value of other financial instruments (particularly debt instruments and assets measured at amortised cost as defined in Note A.4.2 on IFRS 9 "Financial Instruments") is stated in Note J.26 "Book and fair value of financial instruments by accounting category" below.

Fair value is the price that would be received from selling an asset or paid to transfer a liability in a normal transaction. It is recognised on the basis of the asset or liability's main market (or the most advantageous market if there is no main market), i.e. the one that offers the highest volume and activity levels. The fair value of derivative financial instruments includes a "counterparty risk" component for derivatives carried as assets and an "own credit risk" component for derivatives carried as liabilities.

To determine these fair values, the Group uses the following measurement methods:
- market-based approaches, based on observable market prices or transactions;
- revenue-based approaches, which convert future cash flow into a single present value;
- cost-based approaches, which take into account the asset's physical, technological and economic obsolescence.

The following three-level hierarchy of fair values is used:
- Level 1 – price quoted on an active market. Marketable securities, some shares in unconsolidated subsidiaries and affiliates and listed bond issues are measured in this way;
- Level 2 – internal model using internal measurement techniques with observable factors: these techniques are based on usual mathematical computation methods, which incorporate observable market data (forward prices, yield curves, etc.). The calculation of the fair value of most derivative financial instruments (swaps, caps, floors, etc.) traded over the counter is made on the basis of models commonly used by market participants to price such financial instruments.
Every quarter, the internally calculated values of derivative instruments are checked for consistency with those sent to VINCI by the counterparties;
- Level 3 – internal model using non-observable factors: this model applies to customer relationships and contracts acquired through business combinations, as well as to holdings of unlisted shares, which, in the absence of an active market, are measured at their cost of acquisition plus transaction costs.

Measurement of retirement benefit obligations

The Group is involved in defined contribution and defined benefit retirement plans. Its obligations in connection with these defined benefit plans are measured using the actuarial projected unit credit method based on assumptions such as the discount rate, future increases in wages and salaries, employee turnover, mortality rates and the rate of increase of health expenses. Those obligations may therefore change if assumptions change, most of which are updated annually. Details of the assumptions used and how they are determined are given in Note K.27 "Provisions for employee benefits". The Group considers that the actuarial assumptions used are appropriate and justified in the current conditions.

Measurement of share-based payment expense

The Group recognises a share-based payment expense relating to share subscription, performance share and Group savings plans offered to employees or some of its employees. This expense is measured on the basis of actuarial calculations using estimated behavioural assumptions based on observation of past behaviour.
The main actuarial assumptions (volatility, return on shares, etc.) adopted by the Group are described for each plan in Note K.28 "Share-based payments".

4. Changes in accounting methods

4.1 IFRS 15 “Revenue from contracts with customers”

The Group adopted IFRS 15 on 1 January 2018, the date on which the standard came into force in the European Union. Given that the impacts identified were not material, IFRS 15 was applied retrospectively to currently existing contracts according to the “simplified retrospective” approach. The 2017 data presented for the purpose of comparison were not adjusted and are still presented in accordance with the previous accounting standards (IAS 11 “Construction contracts”, IAS 18 “Revenue” and the various interpretations including IFRIC 15 “Agreements for the Construction of Real Estate”).

At 1 January 2018, the Group reduced the amount of its opening equity by €125 million, net of deferred tax, to reflect the cumulative impact of IFRS 15’s first-time adoption. That impact arose from the assessment, required under IFRS 15, of the highly probable nature of certain items of variable revenue, whereas IAS 11 allowed them to be recognised when they were probable. This new approach to variable revenue is now applied to all of the Group’s contracts. Its impact is regarded as non-material given the number of contracts performed by the Group.

Since 1 January 2018, the Group has applied the provisions of IFRS 15 to measure and recognise consolidated revenue. The new accounting policies are detailed in Note C.2 “Breakdown of revenue by geographical area”, Notes F “Concession and PPP contracts” and Note G.15 “Construction and service contracts (Contracting business and VINCI Immobilier)”.

4.2 IFRS 9 “Financial Instruments”

Since 1 January 2018, the Group has applied IFRS 9 “Financial instruments”, which sets out rules for recognising and measuring assets, financial liabilities and certain contracts for the purchase or sale of non-financial items. It replaces IAS 39 “Financial Instruments: Recognition and Measurement”, which was applied until 31 December 2017.
At 1 January 2018, the Group reduced the amount of its opening equity by €7 million to reflect the cumulative impact of IFRS 9’s first-time adoption. The main impacts for each phase are set out below.

Phase I - Classification and measurement of financial assets
IFRS 9’s arrangements for classifying and measuring financial assets are based on the company’s management method and the contractual characteristics of the financial assets.
When implementing this standard, the Group reviewed the characteristics of its financial assets, particularly as regards remuneration. Because of the Group’s approach to managing its financial assets and because the Group does not hold any complex financial instruments, the Group concluded that all its financial assets met the solely payments of principal and interest (SPPI) criterion as defined by IFRS 9. As a result, financial assets recognised at amortised cost under IAS 39 did not undergo any change in accounting method when IFRS 9 was adopted for the first time.
The Group also reviewed its portfolio of equity instruments, mainly consisting of shares in unconsolidated subsidiaries and affiliates, in order to determine the measurement method for each share (either at fair value through profit and loss or at fair value through equity). The vast majority of shares in the portfolio at 1 January 2018 were measured at fair value through profit and loss.
The fair value of shares in listed companies is determined on the basis of the stock market price at the balance sheet date. For unlisted shares, if their fair value cannot be determined reliably at each balance sheet date, they continue to be measured at their initial fair value, of which the best estimate is their cost of acquisition plus transaction costs, adjusted for any increases or decreases in value determined in particular by analysing the change in the proportion of equity held.
Whenever equity securities are acquired, a similar analysis will be carried out to determine the Group’s management intention, which will determine the way in which changes in fair value are recognised.

Loans and receivables are now classified under “Financial assets at amortised cost” and available-for-sale assets are classified under “Equity instruments” and remain on the balance sheet under “Other financial assets” (see details in Note I.23 “Book and fair value of financial instruments by accounting category”).

Phase II – Financial asset impairment model
IFRS 9 has also changed the Group’s arrangements regarding the impairment of financial assets, because it now requires a model based on expected loss. Portfolios of trade and financial receivables, and of loans granted to entities such as companies accounted for under the equity method, have been analysed.
The Group has opted for the simplified approach to measuring impairment of its trade receivables. Analysis of historical losses on those receivables did not show any material risk of loss.
Credit risk related to financial receivables and loans was measured according to the full model of IFRS 9. No material increase in credit risk was identified, except for a limited number of financial receivables in respect of which the Group recorded additional impairment of around €4 million, charged to opening equity. That impairment corresponds to credit risk taken into account over the life of the receivables.
To estimate the risk of non-recovery relating to the Group’s financial assets, actual losses experienced during a period will be analysed annually in order to adjust impairment rates where appropriate.

Phase III – Hedge accounting
Provisions relating to hedge accounting will allow the Group to bring its accounting methods and risk management policy into line.
For transactions qualifying for hedge accounting, IFRS 9 allows changes in the value of all hedging costs (contango/backwardation, basis swaps and option premiums) to be recognised under other comprehensive income and to be recycled through profit or loss on a straight-line basis where a period of time is hedged or, where a transaction is hedged, at the same rate at which the hedged transaction is recognised. That recycling will be presented in the income statement under “Cost of net financial debt” for financial transactions and under “Operating income from ordinary activities” for operational transactions.

The Group has chosen to apply these new arrangements for recognising hedging costs retrospectively, for all of its instruments that qualify for hedge accounting. The application of this new model has led to a €3 million reduction in equity.

New model for recognising renegotiated financing arrangements
The Group has analysed the substance of debt renegotiations taking place before 1 January 2018. Continuity of treatment was adopted in respect of only one debt. Since changes to that debt were minor (reduction in the interest rate), the impact arising from adopting the standard in this area was not material.
As under IAS 39, analysing changes to debts will depend on quantitative criteria (10% test) and qualitative criteria (change in covenant, currency or interest rate structure, etc.). If the analysis leads to continuity of treatment, the debt's carrying amount will be adjusted in accordance with IFRS 9.

The impacts of the first-time adoption of IFRS 15 and IFRS 9 at 1 January 2018 on the Group's opening balance sheet are set out below:

Consolidated balance sheet at 1 January 2018

Assets

(in € millions)	01/01/2018 reported	IFRS 15 impacts	IFRS 9 impacts	01/01/2018 adjusted
Non-current assets				
Concession intangible assets	26,539	-	-	26,539
Goodwill	8,600	-	-	8,600
Other intangible assets	417	-	-	417
Property, plant and equipment	4,421	-	-	4,421
Investments in companies accounted for under the equity method	1,573	(22)	(2)	1,549
Other non-current financial assets	1,102	-	1	1,102
Derivative financial instruments – non-current assets	621	-	-	622
Deferred tax assets	255	44	1	300
Total non-current assets	**43,527**	**22**	**-**	**43,549**
Current assets				
Inventories and work in progress	1,056	-	-	1,056
Trade and other receivables	12,432	(147)	(3)	12,282
Other current operating assets	5,035	-	(7)	5,028
Other current non-operating assets	58	-	-	58
Current tax assets	406	-	-	406
Other current financial assets	38	-	-	38
Derivative financial instruments – current assets	261	-	-	261
Cash management financial assets	184	-	-	184
Cash and cash equivalents	6,807	-	-	6,807
Total current assets	**26,276**	**(147)**	**(9)**	**26,120**
Total assets	**69,803**	**(125)**	**(10)**	**69,668**

Equity and liabilities

(in € millions)	01/01/2018 reported	IFRS 15 impacts	IFRS 9 impacts	01/01/2018 adjusted
Equity				
Share capital	1,478	-	-	1,478
Share premium	9,886	-	-	9,886
Treasury shares	(1,751)	-	-	(1,751)
Consolidated reserves	6,509	(125)	(9)	6,375
Currency translation reserves	(276)	-	-	(276)
Net income attributable to owners of the parent	2,747	-	-	2,747
Amounts recognised directly in equity	(782)	-	2	(780)
Equity attributable to owners of the parent	**17,812**	**(125)**	**(7)**	**17,679**
Non-controlling interests	572	-	-	572
Total equity	**18,383**	**(125)**	**(7)**	**18,251**
Non-current liabilities				
Non-current provisions	1,053	-	-	1,053
Provisions for employee benefits	1,481	-	-	1,481
Bonds	14,130	-	2	14,132
Other loans and borrowings	2,512	-	-	2,512
Derivative financial instruments – non-current liabilities	288	-	-	288
Other non-current liabilities	192	-	-	192
Deferred tax liabilities	1,735	-	1	1,735
Total non-current liabilities	**21,391**	**-**	**3**	**21,394**
Current liabilities				
Current provisions	4,322	-	-	4,322
Trade payables	8,198	-	-	8,198
Other current operating liabilities	11,852	-	(6)	11,847
Other current non-operating liabilities	487	-	-	487
Current tax liabilities	225	-	-	225
Derivative financial instruments – current liabilities	114	-	-	114
Current borrowings	4,830	-	-	4,830
Total current liabilities	**30,029**	**-**	**(6)**	**30,023**
Total equity and liabilities	**69,803**	**(125)**	**(10)**	**69,668**

Equity at 1 January 2018

	Equity attributable to owners of the parent									
(in € millions)	Share capital	Share premium	Treasury shares	Consolidated reserves	Net income	Currency translation reserves	Amounts recognised directly in equity	Total attributable to owners of the parent	Non-controlling interests	Total
Equity at 01/01/2018 reported	**1,478**	**9,886**	**(1,751)**	**6,509**	**2,747**	**(276)**	**(782)**	**17,812**	**572**	**18,383**
IFRS 15 impacts	-	-	-	(125)	-	-	-	(125)	-	(125)
IFRS 9 impacts	-	-	-	(9)	-	-	2	(7)	-	(7)
Equity at 01/01/2018 adjusted	**1,478**	**9,886**	**(1,751)**	**6,375**	**2,747**	**(276)**	**(780)**	**17,679**	**572**	**18,251**

B. Key events in the period and changes in consolidation scope

1. Key events

1.1 Growth of Concessions

VINCI Airports

VINCI Airports maintained its international growth:

- In August 2018, VINCI Airports acquired Airports Worldwide, a portfolio of eight airports, of which two are wholly owned, two are under concession and four are under full operating contracts. Together, those airports handled more than 19 million passengers in 2018 (see Note 2.1 "Acquisition of Airports Worldwide").
- On 22 December 2018, it started operating the Belgrade airport in Serbia. The 25-year concession contract covers the financing, operation, maintenance, extension and renovation of the airport's terminal and runways. The airport handled 5.6 million passengers in 2018 and is Serbia's largest.
- In December 2018, VINCI Airports signed an agreement to acquire a 50.01% stake in Gatwick Airport Limited, which owns London Gatwick, the UK's second-largest airport. The transaction is likely to be completed in the first half of 2019. Gatwick Airport Limited will then be fully consolidated. The purchase price is expected to be around £2.9 billion (€3.2 billion at 31 December 2018), subject to adjustments until the transaction is completed.

1.2 Growth of Contracting

The Contracting business continued its international expansion, which included the following developments at VINCI Energies and Eurovia.

VINCI Energies

In 2018, VINCI Energies carried out several acquisitions in France and abroad. Details of its main acquisitions can be found in Note 2.2 "Main acquisitions by VINCI Energies".

Eurovia

In April 2018, Eurovia acquired the business activities of TNT, a Quebec-based public works contractor that also operates a quarry in Laval and asphalt production units in the Montreal region of Canada.
In December 2018, Eurovia completed the acquisition of the US-based Lane Construction's Plants & Paving division, which operates in 10 states on the East Coast and in Texas (see Note 2.3 "Main acquisitions by Eurovia").

2. Changes in consolidation scope

	31/12/2018			31/12/2017		
(number of companies)	**Total**	France	Foreign	**Total**	France	Foreign
Controlled companies	**2,003**	1,114	889	**1,969**	1,109	860
Joint ventures (*)	**158**	101	57	**165**	110	55
Associates (*)	**41**	20	21	**41**	20	21
Total	**2,202**	**1,235**	**967**	**2,175**	**1,239**	**936**

(*) Entities accounted for under the equity method.

The main changes during the period concern the creation or acquisition of project companies handling new concession contracts and the international growth of VINCI Airports, VINCI Energies and Eurovia.

Other changes relate mainly to legal restructuring within the Group's scope.

2.1 Acquisition of Airports Worldwide

On 28 August 2018, VINCI Airports completed the acquisition of Airports Worldwide, which manages a portfolio of eight airports in the United Kingdom, the United States, Sweden and Costa Rica. The deal to take control of Airports Worldwide involved the Group paying €321 million in cash and repaying a €186 million shareholder loan. Airports Worldwide has been fully consolidated in VINCI's consolidated financial statements since 28 August 2018.

In accordance with IFRS 3, VINCI is assessing the fair value of the identifiable assets and liabilities acquired, and determining the related deferred tax effects. Values were provisionally allocated to identifiable assets and liabilities on the date control was acquired, based on information available. They may be adjusted during the 12 months following the acquisition on the basis of new information obtained relating to the facts and circumstances prevailing at the time of the acquisition.

Provisional determination of assets and liabilities acquired in relation to Airports Worldwide at the date of acquiring control

(in € millions)	Airports Worldwide
Fair value of assets and liabilities acquired	
Concession intangible assets	94
Others intangible assets	195
Property, plant and equipment	148
Non-current financial assets	78
Total non-current assets	**515**
Trade, other operating receivables, inventories and work in progress	16
Other current assets	2
Cash and cash equivalents	46
Total current assets	**64**
Provisions and other non-current liabilities	4
Loans and financial debt	56
Deferred tax liabilities	66
Total non-current liabilities	**126**
Current provisions	2
Trade payables	19
Other current liabilities (including tax liabilities)	22
Total current liabilities	**44**
Net assets acquired	**409**
Acquisition-date fair value of the total consideration transferred	**507**
Provisional goodwill	**98**

Provisional goodwill, as shown in the table above, represents the future economic benefits that VINCI expects to derive from the acquisition of Airports Worldwide. It has been allocated to the VINCI Airports business segment.

Airports Worldwide made a €33 million contribution to VINCI's revenue, a €2 million contribution to its operating income from ordinary activities and a €2 million negative contribution to its net income in 2018.

For full-year 2018, Airports Worldwide's revenue, operating income from ordinary activities and net income, on the basis of the same assumptions as those retained at the acquisition date, would have been €101 million, €9 million and €2 million respectively (unaudited figures).

2.2 Main acquisitions by VINCI Energies

Acquisition of PrimeLine Utility Services

In March 2018, VINCI Energies completed the acquisition of PrimeLine Utility Services, a US group specialising in services associated with transmission and distribution networks for electricity and gas, as well as telecommunications infrastructure.
The price paid to acquire the company's shares was €358 million. The measurement of identifiable assets and liabilities acquired in accordance with IFRS 3 led to the recognition of goodwill provisionally measured at €562 million on the date VINCI Energies took control. PrimeLine Utility Services has been fully consolidated in VINCI's consolidated financial statements since 13 March 2018.

Provisional determination of acquired PrimeLine Utility Services assets and liabilities at the date of acquiring control

(in € millions)	PrimeLine Utility Services
Fair value of assets and liabilities acquired	
Intangible assets and property, plant and equipment	90
Deferred tax assets	3
Total non-current assets	**93**
Trade, other operating receivables, inventories and work in progress	195
Cash and cash equivalent	38
Total current assets	**233**
Bond debt and other financial debt	350
Deferred tax liabilities	1
Total non-current liabilities	**351**
Current provisions	3
Current borrowings	10
Trade payables and other current liabilities	167
Total current liabilities	**179**
Net assets acquired	**(204)**
Acquisition-date fair value of the total consideration transferred	**358**
Provisional goodwill	**562**

Provisional goodwill, as shown above, represents the future economic benefits that VINCI expects to derive from the acquisition of PrimeLine Utility Services. It has been allocated to the VINCI Energies USA business segment.

PrimeLine Utility Services made a €404 million contribution to VINCI's revenue, a €24 million contribution to its operating income from ordinary activities and a €13 million contribution to its net income in 2018.

For full-year 2018, PrimeLine Utility Services' revenue, operating income from ordinary activities and net income, on the basis of the same assumptions as those retained at the acquisition date, would have been €489 million, €20 million and €6 million respectively (unaudited figures).

Acquisition of Wah Loon Engineering

In April 2018, VINCI Energies completed the acquisition of Wah Loon Engineering in Singapore, a leading provider of integrated electrical and mechanical engineering services with a particular specialism in the construction of data centres.
The purchase price was €120 million, and goodwill was provisionally measured at €107 million in accordance with IFRS 3 on the date VINCI Energies took control.
Wah Loon Engineering has been fully consolidated in VINCI's consolidated financial statements since 5 April 2018.

2.3 Main acquisitions by Eurovia

Acquisition of Lane Construction's Plants & Paving division

In December 2018, Eurovia completed the acquisition of Plants & Paving, the industrial and roadworks division of Lane Construction in the United States. The purchase price was €507 million. The measurement of identifiable assets and liabilities acquired in accordance with IFRS 3 led to the recognition of goodwill provisionally measured at €167 million on the date Eurovia took control.
The business has been fully consolidated in VINCI's consolidated financial statements since 12 December 2018.

Provisional determination of the Plants & Paving division's assets and liabilities acquired at the date of acquiring control

(in € millions)	Plants & Paving
Fair value of acquired assets and liabilities	
Property, plant and equipment	254
Total non-current assets	**254**
Trade receivables and other operating receivables	116
inventories and work in progress	23
Total current assets	**140**
Current provisions	1
Trade payables and other current liabilities	54
Total current liabilities	**55**
Net assets acquired	**339**
Fair value of the total consideration transferred at the acquisition date	**507**
Provisional goodwill	**167**

Provisional goodwill, as shown above, represents the future economic benefits that VINCI expects to derive from the acquisition of the Plants & Paving industrial and roadworks division. It has been allocated to the Eurovia USA business segment.

Plants & Paving's contribution to VINCI's revenue, operating income from ordinary activities and net income in 2018 was not material.

For full-year 2018, Plants & Paving's revenue, operating income from ordinary activities and net income, on the basis of the same assumptions as those retained at the acquisition date, would have been €553 million, €27 million and €20 million respectively (unaudited figures).

2.4 Acquisitions and disposals in previous periods

The main acquisitions in 2017 concerned VINCI Energies (Infratek, Horlemann, Acuntia) and VINCI Construction (Seymour Whyte).
In relation to these companies, VINCI assessed the fair value of the identifiable assets and liabilities acquired in accordance with IFRS 3. The values allocated to identifiable acquired assets and liabilities on the dates when control was acquired in 2017 were not adjusted materially in 2018.
At 31 December 2018, the allocation of purchase prices resulted in the recognition of the following finalised goodwill amounts:
- at VINCI Energies: Infratek (€203 million), Horlemann (€85 million) and Acuntia (€74 million);
- at VINCI Construction: Seymour Whyte (€56 million).

Details of these transactions are provided in Note B.2 "Changes in consolidation scope" in the 2017 registration document.

C. Financial indicators by business line and geographical area

1. Information by operating segment

Based on the Group's organisational structure and internal reporting system, segment information is presented by business line.

The Group consists of two core businesses (Concessions and Contracting) and VINCI Immobilier, a business line reporting directly to the holding company. Each business in turn consists of business lines.

Concessions business
- VINCI Autoroutes: motorway concessions in France (ASF, Escota, Cofiroute, Arcour and Arcos).
- VINCI Airports: operation of airports in France and abroad, both wholly owned and under concession or management contracts.
- Other concessions: VINCI Highways (motorway and road infrastructure, mainly outside France), VINCI Railways (rail infrastructure) and VINCI Stadium (management of stadiums).

Contracting business
- VINCI Energies: industry, infrastructure, facilities management, and information and communication technology.
- Eurovia: building and maintenance of roads, motorways and railways, urban infrastructure, production of materials (asphalt mixes), quarries, and services.
- VINCI Construction: design and construction of buildings (residential and commercial property) and civil engineering infrastructure, specialised civil engineering, water and pipeline infrastructure and major projects.

VINCI Immobilier: property development (residential properties, business properties, managed residences and property services).

1.1 Information by business

The data below is for the Concessions business and each Contracting business line separately and is stated before elimination, at their own level, of transactions with the rest of the Group.

2018

(in € millions)	Concessions	Contracting: VINCI Energies	Contracting: Eurovia	Contracting: VINCI Construction	Contracting: Total	VINCI Immobilier and holding companies	Eliminations	Total
Income statement								
Revenue (*)	**7,261**	**12,603**	**8,934**	**14,231**	**35,769**	**1,104**	**(615)**	**43,519**
Concession subsidiaries' works revenue	823	-	-	-	-	-	(190) (**)	633
Total revenue	8,084	12,603	8,934	14,231	35,769	1,104	(806)	44,152
Operating income from ordinary activities	**3,429**	**727**	**345**	**400**	**1,472**	**95**	-	**4,997**
% of revenue (*)	*47.2%*	*5.8%*	*3.9%*	*2.8%*	*4.1%*	-	-	*11.5%*
Recurring operating income	**3,456**	**664**	**329**	**359**	**1,351**	**116**	-	**4,924**
Operating income	**3,480**	**654**	**320**	**355**	**1,328**	**111**	-	**4,920**
Cash flow statement								
Cash flows from operations before tax and financing costs	**4,963**	**749**	**513**	**553**	**1,815**	**120**	-	**6,898**
% of revenue (*)	*68.4%*	*5.9%*	*5.7%*	*3.9%*	*5.1%*	-	-	*15.9%*
Depreciation and amortisation	*1,537*	*146*	*256*	*299*	*700*	*5*	-	*2,242*
Operating investments (net of disposals)	(45)	(172)	(285)	(353)	(810)	(131)	-	(986)
Operating cash flow	**3,444**	**473**	**150**	**(169)**	**453**	**259**	-	**4,156**
Growth investments in concessions and PPPs	(980)	3	-	-	2	-	-	(977)
Free cash flow (after investments)	**2,465**	**475**	**150**	**(170)**	**455**	**259**	-	**3,179**
Balance sheet								
Capital employed at 31/12/2018	**31,115**	**3,981**	**1,676**	**576**	**6,233**	**923**	**-**	**38,270**
of which investments in companies accounted for under the equity method	*1,143*	*8*	*109*	*293*	*411*	*120*	-	*1,674*
Net financial surplus (debt)	**(27,029)**	**(1,330)**	**(331)**	**752**	**(908)**	**12,382**	**-**	**(15,554)**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Intragroup revenue of the Contracting business derived from works carried out for the Group's concession operating companies.

2017

(in € millions)	Concessions	Contracting				VINCI Immobilier and holding companies	Eliminations	Total
		VINCI Energies	Eurovia	VINCI Construction	Total			
Income statement								
Revenue (*)	**6,945**	**10,759**	**8,112**	**13,960**	**32,830**	**896**	**(423)**	**40,248**
Concession subsidiaries' works revenue	861	-	-	-	-	-	(232) (**)	629
Total revenue	7,805	10,759	8,112	13,960	32,830	896	(655)	40,876
Operating income from ordinary activities	**3,251**	**615**	**301**	**344**	**1,260**	**96**	**-**	**4,607**
% of revenue (*)	*46.8%*	*5.7%*	*3.7%*	*2.5%*	*3.8%*	-	-	*11.4%*
Recurring operating income	**3,270**	**566**	**287**	**356**	**1,208**	**113**	**-**	**4,592**
Operating income	**3,270**	**548**	**292**	**323**	**1,163**	**117**	**-**	**4,550**
Cash flow statement								
Cash flows from operations before tax and financing costs	**4,710**	**627**	**455**	**547**	**1,629**	**162**	**-**	**6,500**
% of revenue (*)	*67.8%*	*5.8%*	*5.6%*	*3.9%*	*5.0%*	-	-	*16.2%*
Depreciation and amortisation	*1,462*	*119*	*236*	*306*	*661*	*5*	-	*2,128*
Operating investments (net of disposals)	(47)	(127)	(251)	(320)	(697)	-	-	(745)
Operating cash flow	**3,013**	**373**	**109**	**(143)**	**339**	**182**	**-**	**3,535**
Growth investments in concessions and PPPs	(1,045)	2	-	33	35	-	-	(1,010)
Free cash flow (after investments excluding non-recurring tax effects)	**2,093**	**375**	**109**	**(110)**	**374**	**257**	**-**	**2,725**
Balance sheet								
Capital employed at 31/12/2017	**29,605**	**3,083**	**877**	**387**	**4,348**	**1,122**	**-**	**35,075**
of which investments in companies accounted for under the equity method	*1,054*	*7*	*108*	*290*	*405*	*115*	-	*1,573*
Net financial surplus (debt)	**(27,145)**	**(700)**	**229**	**948**	**477**	**12,667**	**-**	**(14,001)**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Intragroup revenue of the Contracting business derived from works carried out for the Group's concession operating companies.

1.2 Information relating to the Concessions business

2018

(in € millions)	Concessions VINCI Autoroutes	VINCI Airports	VINCI Highways and other concessions	Total
Income statement				
Revenue (*)	**5,356**	**1,607**	**298**	**7,261**
Concession subsidiaries' works revenue	604	184	35	823
Total revenue	5,961	1,791	333	8,084
Operating income from ordinary activities	**2,686**	**689**	**54**	**3,429**
% of revenue (*)	*50.2%*	*42.9%*	*18.1%*	*47.2%*
Recurring operating income	**2,635**	**806**	**15**	**3,456**
Operating income	**2,634**	**806**	**40**	**3,480**
Cash flow statement				
Cash flows from operations before tax and financing costs	**3,895**	**941**	**127**	**4,963**
% of revenue (*)	*72.7%*	*58.6%*	*42.5%*	*68.4%*
Depreciation and amortisation	*1,221*	*245*	*71*	*1,537*
Operating investments (net of disposals)	(19)	(12)	(14)	(45)
Operating cash flow	**2,607**	**711**	**126**	**3,444**
Growth investments in concessions and PPPs	(673)	(274)	(33)	(980)
Free cash flow (after investments)	**1,934**	**438**	**93**	**2,465**
Balance sheet				
Capital employed at 31/12/2018	**21,132**	**6,994**	**2,989**	**31,115**
of which investments in companies accounted for under the equity method	*14*	*988*	*141*	*1,143*
Net financial surplus (debt)	**(20,345)**	**(4,951)**	**(1,734)**	**(27,029)**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

2017

(in € millions)	Concessions VINCI Autoroutes	VINCI Airports	VINCI Highways and other concessions	Total
Income statement				
Revenue (*)	**5,277**	**1,409**	**258**	**6,945**
Concession subsidiaries' works revenue	633	52	176	861
Total revenue	5,910	1,462	434	7,805
Operating income from ordinary activities	**2,685**	**563**	**3**	**3,251**
% of revenue (*)	*50.9%*	*39.9%*	*1.2%*	*46.8%*
Recurring operating income	**2,676**	**589**	**6**	**3,270**
Operating income	**2,676**	**589**	**6**	**3,270**
Cash flow statement				
Cash flows from operations before tax and financing costs	**3,850**	**808**	**51**	**4,710**
% of revenue (*)	*73.0%*	*57.3%*	*19.8%*	*67.8%*
Depreciation and amortisation	*1,184*	*235*	*44*	*1,462*
Operating investments (net of disposals)	(16)	(8)	(23)	(47)
Operating cash flow	**2,346**	**629**	**39**	**3,013**
Growth investments in concessions and PPPs	(702)	(169)	(175)	(1,045)
Free cash flow (after investments excluding non-recurring tax effects)	**1,769**	**459**	**(135)**	**2,093**
Balance sheet				
Capital employed at 31/12/2017	**21,319**	**5,783**	**2,502**	**29,605**
of which investments in companies accounted for under the equity method	*14*	*923*	*117*	*1,054*
Net financial surplus (debt)	**(20,954)**	**(4,048)**	**(2,143)**	**(27,145)**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

2. Breakdown of revenue by geographical area

Accounting policies

The Group's consolidated revenue corresponds to revenue from the Contracting business lines, the Concessions business and VINCI Immobilier.

The Group has applied IFRS 15 since 1 January 2018. It requires a contract as well as the various performance obligations contained in the contract to be identified. The number of performance obligations depends on the types of contracts and activities. Most of the Group's contracts involve only one performance obligation.

IFRS 15's fundamental principle is that the recognition of revenue from contracts with customers must reflect:

- the rate at which performance obligations are fulfilled, corresponding to the transfer to a customer of control of a good or service;
- the amount to which the seller expects to be entitled as consideration for its activities.

The way in which transfer of control of a good or service is analysed is crucial, since that transfer determines the recognition of revenue.

The transfer of control of a good or service may take place continuously (revenue recognition on a progress towards completion basis) or on a specific date (recognition on completion).

The method for recognising revenue under concession contracts is explained in Note F "Concession and PPP contracts". This revenue consists of:

- tolls for the use of motorway infrastructure operated under concession, revenue from airport service concessions, and ancillary income such as fees for the use of commercial installations, rental of telecommunications infrastructure and advertising space; and
- revenue in respect of the construction of new infrastructure under concession recognised on a progress towards completion basis in accordance with IFRS 15, corresponding to work done by companies outside the Group.

Consolidated revenue of the Contracting business (VINCI Energies, Eurovia and VINCI Construction) is recognised in accordance with IFRS 15. It includes the total of the work, goods and services generated by the consolidated subsidiaries pursuing their main activity and the revenue for construction work on infrastructure under concession.

In the French property sector, revenue arising on lots sold is recognised as the property development proceeds, in accordance with IFRS 15 and statutory provisions relating to off-plan sales. In that respect, to measure progress towards completion of works, VINCI Immobilier uses the cost-based method. The cost of land is included in the progress towards completion calculation at the start of each contract.

The method for recognising revenue under construction and service contracts is explained in Note G.15 "Construction and service contracts (Contracting business and VINCI Immobilier)".

Revenue from ancillary activities mainly comprises revenue from leases, sales of equipment, materials and merchandise, study work and fees.

(in € millions)	2018	%	2017	%
France	**24,768**	**56.9%**	**23,680**	**58.8%**
Germany	3,002	6.9%	2,726	6.8%
United Kingdom	2,222	5.1%	2,269	5.6%
Central and Eastern Europe (1)	2,202	5.1%	1,849	4.6%
Portugal	942	2.2%	862	2.1%
Other European countries	3,355	7.7%	2,471	6.1%
Europe excluding France	**11,723**	**26.9%**	**10,178**	**25.3%**
Europe (2)	**36,491**	**83.9%**	**33,858**	**84.1%**
of which European Union	*35,426*	*81.4%*	*33,000*	*82.0%*
North America	1,992	4.6%	1,461	3.6%
Central and South America	1,146	2.6%	1,210	3.0%
Africa	1,342	3.1%	1,345	3.3%
Asia Pacific and Middle East (3)	2,548	5.9%	2,373	5.9%
International excluding Europe	**7,028**	**16.1%**	**6,390**	**15.9%**
International excluding France	**18,751**	**43.1%**	**16,568**	**41.2%**
Revenue (4)	**43,519**	**100.0%**	**40,248**	**100.0%**

(1) Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.
(2) Including the eurozone for €30,819 million (70.8% of total revenue) in 2018 and for €29,011 million (72% of total revenue) in 2017.
(3) Including Russia.
(4) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

Revenue arising outside France amounted to €18,751 million in 2018, up 13.2% compared with 2017. It accounted for 43.1% of revenue excluding concession subsidiaries' revenue derived from works carried out by non-Group companies (41.2% in 2017).

3. Detail of capital employed and breakdown by geographical area

Reconciliation between capital employed and the balance sheet

(in € millions)	Note	31/12/2018	31/12/2017
Capital employed – assets			
Concession intangible assets	12	27,118	26,539
- Deferred tax on business combination fair value adjustments		(1,647)	(1,697)
Goodwill, gross	9	10,016	8,818
Other intangible assets		632	417
Property, plant and equipment	16	5,359	4,421
Investments in companies accounted for under the equity method	10	1,674	1,573
Other non-current financial assets	11-13-17	1,843	1,723
- Derivative financial instruments (non-current assets)	23-25	(511)	(621)
Inventories and work in progress	18	1,173	1,056
Trade and other receivables	18	13,584	12,432
Other current operating assets	18	5,033	5,035
Other current non-operating assets		52	58
Current tax assets		280	406
Capital employed – liabilities			
Current provisions	18	(4,452)	(4,322)
Trade payables	18	(8,240)	(8,198)
Other current operating liabilities	18	(12,862)	(11,852)
Other current non-operating liabilities		(500)	(487)
Current tax liabilities		(282)	(225)
Total capital employed		**38,270**	**35,075**

Capital employed by geographical area

(in € millions)	31/12/2018	31/12/2017
France	26,763	26,841
Germany	259	311
United Kingdom	624	140
Portugal	2,605	2,641
Other European countries	2,439	1,126
Total Europe excluding France	**5,927**	**4,217**
Total Europe	**32,691**	**31,058**
North America	1,859	474
Central and South America	3,102	3,116
Africa	(124)	(104)
Asia, Pacific and Middle East (*)	743	530
Total capital employed	**38,270**	**35,075**

(*) Including Russia.

At 31 December 2018, 81% of the Group's capital employed was in the eurozone and represented €30.9 billion (€30.7 billion and 88% of the total in 2017).

D. Main income statement items

4. Operating income

Accounting policies

Operating income from ordinary activities measures the operational performance of fully consolidated Group subsidiaries before taking into account share-based payment expense (IFRS 2). It also excludes the share of the income or loss of companies accounted for under the equity method, and other recurring operating items and non-recurring items.

Recurring operating income is intended to present the Group's recurring operational performance excluding the impact of non-recurring transactions and events during the period. It is obtained by adding the impacts associated with share-based payments (IFRS 2), income/losses from companies accounted for under the equity method and other recurring operating income and expense to operating income from ordinary activities.

Goodwill impairment losses and other material non-recurring operating items, including gains or losses on the disposal of shares and the impact of remeasuring equity interests at fair value when changes of control take place, are recognised under **operating income.** Operating income is therefore obtained by adding income and expenses regarded as non-recurring to recurring operating income.

(in € millions)	2018	2017
Revenue (*)	**43,519**	**40,248**
Concession subsidiaries' revenue derived from works carried out by non-Group companies	633	629
Total revenue	44,152	40,876
Revenue from ancillary activities (**)	202	200
Purchases consumed	(9,833)	(8,626)
External services	(5,503)	(5,342)
Temporary staff	(1,122)	(1,039)
Subcontracting (including concession operating companies' construction costs)	(8,848)	(8,293)
Taxes and levies	(1,124)	(1,106)
Employment costs	(10,877)	(9,916)
Other operating income and expense on activity	98	72
Depreciation and amortisation	(2,242)	(2,128)
Net provision expense	94	(89)
Operating expenses	**(39,357)**	**(36,468)**
Operating income from ordinary activities	**4,997**	**4,607**
% of revenue (*)	*11.5%*	*11.4%*
Share-based payments (IFRS 2)	(206)	(163)
Profit/(loss) of companies accounted for under the equity method	88	146
Other recurring operating items	45	-
Recurring operating income	**4,924**	**4,592**
Goodwill impairment losses	(11)	(4)
Impact from changes in scope and gain/(loss) on disposals of shares	7	(12)
Other non-recurring operating items	-	(25)
Total non-recurring operating items	*(4)*	*(41)*
Operating income	**4,920**	**4,550**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Revenue from ancillary activities mainly comprises rental income, sales of equipment, materials and merchandise, study work and fees other than those generated by concession operators.

Other recurring operating items include financial income from shareholder loans and advances granted by the Group to certain associates, along with the impact of changes in indexation assumptions used to measure the provision for the obligation to maintain the condition of concession assets.

Non-recurring operating items in 2018 were not material. In 2017, they consisted mainly of restructuring charges in France.

4.1 Employment costs

(in € millions)	Note	2018	2017
Wages and salaries	**I**	**(10,678)**	**(9,723)**
Of which wages and salaries		*(8,066)*	*(7,325)*
Of which employer social contributions		*(2,014)*	*(1,847)*
Of which contributions to defined contribution plans	*27.1*	*(598)*	*(552)*
Profit-sharing and incentive plans	**II**	**(198)**	**(193)**
Total	**I+II**	**(10,877)**	**(9,916)**

In 2018, the average full-time equivalent headcount was 204,775, up 6.5% compared with 2017.

	2018	2017
Average number of employees (in full-time equivalent)	**204,775**	**192,282**
of which managers	*39,886*	*37,620*
of which other employees	*164,889*	*154,662*

4.2 Other operating income and expense from ordinary activities

(in € millions)	2018	2017
Net gains or losses on disposal of property, plant and equipment and intangible assets	66	68
Share in operating income or loss of joint operations	19	24
Other	13	(20)
Total	**98**	**72**

4.3 Depreciation and amortisation

Depreciation and amortisation break down as follows:

(in € millions)	2018	2017
Concession intangible assets	(1,265)	(1,095)
Intangible assets	(53)	(48)
Property, plant and equipment	(925)	(985)
Depreciation and amortisation	**(2,242)**	**(2,128)**

5. Cost of net financial debt

Accounting policies

The cost of net financial debt includes:

- the cost of gross financial debt, which includes the interest expense calculated at the effective interest rate, and gains and losses on interest rate derivatives allocated to gross financial debt whether designated as hedges for accounting purposes or not;
- financial income from investments, which comprises the return on investments of cash and cash equivalents measured at fair value through profit and loss;
- recycling of financial hedging costs.

The cost of net financial debt amounted to €462 million in 2018 compared with €481 million in 2017, a decrease of €19 million. The improvement resulted mainly from a lower average interest rate on long-term debt after refinancing took place at interest rates lower than those of the maturing borrowings.

The cost of net financial debt in 2018 can be analysed as follows:

(in € millions)	2018	2017
Financial liabilities at amortised cost	(635)	(653)
Financial assets and liabilities at fair value through profit and loss	29	56
Derivatives designated as hedges: assets and liabilities	152	114
Derivatives at fair value through profit and loss: assets and liabilities	(9)	1
Total cost of net financial debt	**(462)**	**(481)**

The "Derivatives designated as hedges: assets and liabilities" item breaks down as follows:

(in € millions)	2018	2017
Net interest on derivatives designated as fair value hedges	196	177
Change in value of derivatives designated as fair value hedges	(4)	(214)
Change in value of the adjustment to fair value hedged financial debt	4	214
Fluctuations in the value of derivatives designated as FVH	-	-
Reserve recycled through profit or loss in respect of cash flow hedges	(42)	(63)
Ineffective portion of cash flow hedges	(2)	-
Gains and losses on derivative instruments allocated to net financial debt	**152**	**114**

Since the Group started applying IFRS 9 on 1 January 2018, impacts relating to the retrospective application of new methods for recognising hedging costs are presented under opening equity (see Note A.4 "Changes in accounting methods"). Accordingly, comparative data at 31 December 2017 has not been adjusted.

6. Other financial income and expense

Accounting policies

Other financial income and expense comprises mainly discounting effects, the impact of capitalised borrowing costs, foreign exchange gains and losses relating to financial items and changes in the value of derivatives not allocated to hedging interest rate or exchange rate risk.

Capitalised borrowing costs relate to infrastructure under concession and are included during the construction period in the value of those assets. They are determined as follows:

- to the extent that funds are borrowed specifically for the purpose of constructing an asset, the borrowing costs eligible for capitalisation on that asset are the actual borrowing costs incurred during the period less any investment income arising from the temporary investment of those borrowings;
- when borrowing is not intended to finance a specific project, the interest eligible for capitalisation on an asset is determined by applying a capitalisation rate to the expenditure on that asset. This capitalisation rate is equal to the weighted average of the costs of borrowing funds for construction work, other than those specifically intended for the construction of given assets.

This does not relate to the construction of concession assets accounted for using the financial asset model (see Note F.13 "PPP financial receivables").

Other financial income and expense break down as follows:

(in € millions)	2018	2017
Effect of discounting to present value	(31)	(35)
Borrowing costs capitalised	56	86
Foreign exchange gains and losses	(9)	(11)
Total other financial income and expense	**17**	**40**

The effect of discounting to present value mainly relates to provisions for retirement benefit obligations for €27 million in 2018 (€23 million in 2017).

Capitalised borrowing costs in 2018 related mainly to Lamsac for €29 million (€56 million in 2017), the decrease being attributable to completion of the construction of the second section of the Línea Amarilla expressway (Lima ring road), the ASF group for €12 million (€19 million in 2017) and Arcos for €13 million (€10 million in 2017).

7. Income tax expense

Accounting policies

Income tax is computed in accordance with the tax legislation in force in the countries where the income is taxable.

In accordance with IAS 12, deferred tax is recognised on the temporary differences between the carrying amount and the tax base of assets and liabilities. It is calculated using the latest tax rates enacted or substantively enacted at the accounts closing date. The effects of a change in the tax rate from one period to another are recognised in the income statement in the period in which the change occurs, except where they relate to transactions recognised under other comprehensive income or directly in equity.

Deferred tax relating to share-based payments (IFRS 2) is taken to income to the extent that the deductible amount does not exceed the fair value of plans established according to IFRS 2.

Whenever subsidiaries have distributable reserves, a deferred tax liability is recognised in respect of the probable distributions that will be made in the foreseeable future. Moreover, shareholdings in associates and certain joint ventures give rise to recognition of a deferred tax liability in respect of all the differences between the carrying amount and the tax base of the shares.

Net deferred tax is determined on the basis of the tax position of each entity or group of entities included in the tax group under consideration and is shown under assets or liabilities for its net amount per tax jurisdiction. Deferred tax is reviewed at each balance sheet date to take account in particular of the impact of changes in tax law and the prospect of recovery. Deferred tax assets are only recognised if their recovery is probable.

Deferred tax assets and liabilities are not discounted.

7.1 Breakdown of net tax expense

(in € millions)	2018	2017
Current tax	(1,529)	(1,537)
Deferred tax	111	265
of which temporary differences	*49*	*249*
of which losses carried forward	*62*	*17*
Total	**(1,418)**	**(1,271)**
of which non-recurring tax effects	*-*	*44*
Total excluding non-recurring tax effects	(1,418)	(1,315)

The net tax expense for the period comprises:

- a tax expense recognised by French subsidiaries for €1,055 million (€972 million in 2017), including €1,031 million at VINCI SA, the lead company in the tax consolidation group that comprises 969 subsidiaries (€949 million in 2017);
- a tax expense of €363 million for foreign subsidiaries (€343 million in 2017).

7.2 Effective tax rate

The Group's effective tax rate was 32.3% in 2018 as opposed to 33.2% in 2017 (excluding non-recurring tax effects).

The effective tax rate for 2018 is slightly lower than the theoretical tax rate of 34.43% in force in France, because of some foreign subsidiaries being taxed at rates lower than the French rate. The difference between the tax calculated using the standard tax rate in force in France and the amount of tax effectively recognised in the year can be analysed as follows:

(in € millions)	2018	2017
Income before tax and income/(loss) of companies accounted for under the equity method	4,387	3,962
Theoretical tax rate in France	34.4%	34.4%
Theoretical tax expense expected	**(1,511)**	**(1,364)**
Impact of taxes due on income taxed at a lower rate in France	9	8
Tax rate differential on foreign income	127	124
Impact of tax loss carryforwards and other temporary differences that are not recognised or that have previously been subject to limitation	11	(5)
Goodwill impairment losses	(3)	(1)
Permanent differences and other	(50)	(76)
Tax expense recognised excluding non-recurring tax effects	**(1,418)**	**(1,315)**
Effective tax rate excluding non-recurring tax effects (*)	**32.3%**	**33.2%**
Non-recurring tax effects	-	44
Effective tax rate (*)	**32.3%**	**32.1%**

(*) Excluding the Group's share of companies accounted for under the equity method.

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7.3 Breakdown of deferred tax assets and liabilities

		Changes			
(in € millions)	31/12/2018	Profit or loss	Equity	Other	31/12/2017
Deferred tax assets					
Losses carried forward	456	98	(4)	(9)	371
Temporary differences on retirement benefit obligations	336	(1)	12	-	324
Temporary differences on provisions	580	(30)	-	8	602
Temporary differences on financial instruments	74	(4)	(5)	1	81
Temporary differences related to finance leases	25	2	-	-	23
Other	397	(23)	4	42	374
Netting of deferred tax assets and liabilities by tax jurisdiction	(1,126)	-	-	(72)	(1,054)
Total deferred tax assets before impairment	**740**	**41**	**7**	**(30)**	**721**
Impairment	(423)	11	17	16	(466)
Total deferred tax assets after impairment	**317**	**52**	**24**	**(14)**	**255**
Deferred tax liabilities					
Remeasurement of assets (*)	(2,151)	124	(11)	(68)	(2,196)
Temporary differences related to finance leases	(29)	(1)	-	(1)	(27)
Temporary differences on financial instruments	(41)	3	2	(1)	(46)
Other	(581)	(68)	(3)	9	(520)
Netting of deferred tax assets and liabilities by tax jurisdiction	1,126	-	-	72	1,054
Total deferred tax liabilities	**(1,676)**	**58**	**(11)**	**12**	**(1,735)**
Net deferred tax	**(1,359)**	**111**	**13**	**(2)**	**(1,480)**

(*) Including measurement at fair value of the assets and liabilities of ASF, Lamsac, Aéroports de Lyon and ANA at date of first consolidation: €973 million, €208 million, €154 million and €115 million respectively at 31 December 2018.

Recognised deferred tax assets whose recovery is not probable are written down. They amounted to €423 million at 31 December 2018 (€466 million at 31 December 2017), including €392 million outside France (€414 million at 31 December 2017).

8. Earnings per share

Accounting policies

Basic earnings per share is the net income for the period after non-controlling interests, divided by the weighted average number of shares outstanding during the period less the weighted average number of treasury shares.

In calculating diluted earnings per share, the weighted average number of shares outstanding is adjusted for the potentially dilutive effect of all equity instruments issued by the company, in particular share subscription options and performance shares. The dilution resulting from the exercise of share subscription options and from performance shares is determined using the method defined in IAS 33. In accordance with this standard, plans of which the stock market price is greater than the average price during the period are excluded from the diluted earnings per share calculation.

In calculating basic and diluted earnings per share, earnings are also adjusted as necessary for changes in income and expenses taken directly to equity resulting from the conversion into shares of all potentially dilutive instruments.

The table below shows the reconciliation between basic and diluted earnings per share:

	2018			2017		
	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*	Average number of shares	Net income *(in € millions)*	Earnings per share *(in €)*
Total shares	**595,046,296**			**592,838,481**		
Treasury shares	(40,269,807)			(38,254,966)		
Basic earnings per share	**554,776,489**	**2,983**	**5.38**	**554,583,515**	**2,747**	**4.95**
Subscription options	347,209			838,180		
Group savings plan	90,843			226,266		
Performance shares	5,206,228			3,988,482		
Diluted earnings per share	**560,420,769**	**2,983**	**5.32**	**559,636,443**	**2,747**	**4.91**

E. Investments in other companies

9. Goodwill and goodwill impairment tests

Accounting policies

Goodwill is the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition, recognised on first consolidation.
Goodwill in fully consolidated subsidiaries is recognised under goodwill in consolidated assets. Goodwill relating to companies accounted for under the equity method is included in the line item "Investments in companies accounted for under the equity method".
Goodwill is not amortised but is tested for impairment at least annually and when there is an indication that an impairment loss has arisen. If a goodwill impairment loss is recognised as a result, the difference between its carrying amount and its recoverable amount is charged irreversibly to operating income in the period.
Negative goodwill is recognised directly in profit or loss in the year of acquisition.

According to IFRS 3 (amended), an option is available to measure non-controlling interests on the acquisition date either at fair value (the full goodwill method) or for the portion of the net assets acquired that they represent (the partial goodwill method). The choice can be made for each business combination.

9.1 Main goodwill items

Changes in the period were as follows:

(in € millions)	31/12/2018	31/12/2017
Net at beginning of period	**8,600**	**8,113**
Goodwill recognised during the period	1,127	608
Impairment losses	(11)	(4)
Entities no longer consolidated	-	-
Currency translation differences	39	(120)
Other movements	38	3
Net at end of period	**9,792**	**8,600**

The increase in goodwill during the period resulted mainly from the recognition of provisional goodwill related to acquisitions during 2018, including:
- at VINCI Airports: Airports Worldwide (€98 million);
- at VINCI Energies: PrimeLine Utility Services in the United States (€562 million) and Wah Loon Engineering in Singapore (€107 million);
- at Eurovia: Lane Construction's Plants & Paving division in the United States (€167 million).

Other movements mainly concerned goodwill adjustments recognised during 2018.

In 2017, the principal changes related to acquisitions by VINCI Energies (Infratek in Scandinavia, Horlemann in Germany, Acuntia in Spain and Novabase IMS in Portugal for a total amount of €373 million, and by VINCI Construction, in particular Seymour Whyte in Australia (€55 million).

The main items of goodwill at 31 December 2018 were as follows:

	31/12/2018			31/12/2017
(in € millions)	**Gross**	**Impairment losses**	**Net**	**Net**
VINCI Energies France	2,375	-	2,375	2,353
ASF group	1,935	-	1,935	1,935
VINCI Airports	1,081	-	1,081	969
VINCI Energies Germany	631	-	631	625
VINCI Energies North America	609	-	609	1
VINCI Energies Benelux	334	-	334	312
VINCI Energies Scandinavia	333	-	333	268
VINCI Highways	247	-	247	246
Entrepose	201	-	201	201
VINCI Energies Switzerland	199	-	199	155
Soletanche Bachy	171	-	171	171
Eurovia USA	166	-	166	-
VINCI Energies Australia – New Zealand	142	-	142	147
Nuvia	127	-	127	128
VINCI Energies Singapore	111	-	111	-
ETF	108	-	108	108
VINCI Energies Spain	107	-	107	94
Other goodwill	1,140	(223)	917	887
Total	**10,016**	**(223)**	**9,792**	**8,600**

9.2 Goodwill impairment tests

Accounting policies

In accordance with IAS 36 "Impairment of Assets", the goodwill and other non-financial assets of cash-generating units (CGUs) were tested for impairment losses at 31 December 2018.

CGUs are identified in line with operational reporting and their recoverable amounts are based on a value in use calculation. Values in use are determined by discounting the forecast operating cash flow before tax (operating income plus depreciation and amortisation plus/minus the change in non-current provisions minus operating investments plus/minus the change in operating working capital requirement) at the rates below.

For concessions, forecast cash flow is determined across the length of contracts by applying a variable discount rate, determined for each period depending on the debt to equity ratio of the entity in question.

For the other CGUs, projected cash flow is generally established for a five-year period on the basis of management forecasts. At the end of that period, a terminal value is determined by capitalising the final year's projected cash flow to infinity, and that value is discounted to present value.

Goodwill was tested for impairment losses using the following assumptions:

	Parameters of the model applied to cash flow forecasts				Impairment losses recognised in the period	
			Discount rates			
(in € millions)	Growth rate (years n+1 to n+5)	Growth rate (terminal value)	31/12/2018	31/12/2017	2018	2017
VINCI Energies France	1.7%	1.0%	7.3%	7.7%	-	-
ASF group	(*)	(*)	7.1%	8.1%	-	-
VINCI Airports	(*)	(*)	9.5%	9.3%	-	-
VINCI Energies Germany	1.0%	1.0%	6.7%	7.2%	-	-
VINCI Energies North America	4.7%	2.0%	8.2%	N/A	-	-
VINCI Energies Benelux	1.5%	1.0%	7.2%	7.5%	-	-
VINCI Energies Scandinavia	1.5%	1.0%	6.7%	6.8%	-	-
VINCI Highways	(*)	(*)	9.5%	8.9%	-	-
Entrepose	8.5%	1.0%	8.1%	9.2%	-	-
VINCI Energies Switzerland	1.2%	1.0%	5.1%	5.0%	-	-
Soletanche Bachy	3.5%	1.5%	8.1%	9.3%	-	-
Other goodwill	-3% - 7%	0% - 6%	7% - 17%	7% - 17%	(11)	(4)
Total					**(11)**	**(4)**

(*) For concessions, cash flow projections are determined over the length of concession contracts.
The average revenue growth rate for the ASF group (ASF and Escota), based on the residual periods of concessions contracts, is 1.5%. Those used by VINCI Airports and VINCI Highways are respectively 4.0% and 7.4%.

Sensitivity of the value in use of cash-generating units to the assumptions made
The following table shows the sensitivity of enterprise value to the assumptions made for the main goodwill items:

Sensitivity to discount and perpetual growth rates and to cash flow

	Sensitivity to rates				Sensitivity to cash flows	
	Discount rate for cash flows		Perpetual growth rate for cash flows		Change in forecast operating cash flows (before tax)	
(in € millions)	0.5%	-0.5%	0.5%	-0.5%	5.0%	-5.0%
VINCI Energies France	(452)	530	429	(366)	315	(315)
ASF group	(881)	929	(*)	(*)	1,339	(1,339)
VINCI Airports	(718)	790	(*)	(*)	622	(622)
VINCI Energies Germany	(204)	242	200	(168)	130	(130)
VINCI Energies North America	(60)	71	58	(49)	41	(41)
VINCI Energies Benelux	(70)	83	67	(57)	48	(48)
VINCI Energies Scandinavia	(56)	67	55	(46)	35	(35)
VINCI Highways	(190)	208	(*)	(*)	157	(157)
Entrepose	(44)	50	40	(35)	31	(31)
VINCI Energies Switzerland	(98)	125	109	(85)	46	(46)
Soletanche Bachy	(227)	265	213	(183)	157	(157)

(*) Forecasts of cash flows are determined over the residual periods of the concession contracts.

These sensitivity calculations show that a change of 50 basis points in the assumptions for discount and perpetual growth rates or a +/-5% change in projected operating cash flow would not have a material impact on the results of impairment tests or, therefore, on the Group's consolidated financial statements at 31 December 2018.

10. Investments in companies accounted for under the equity method: associates and joint ventures

Accounting policies

Investments in companies accounted for under the equity method are initially recognised at the cost of acquisition, including any goodwill arising, and acquisition costs. Their carrying amount is then increased or decreased to recognise the Group's share of the entity's profits or losses after the date of acquisition. Whenever losses are greater than the value of the Group's net investment in the equity-accounted company, those losses are not recognised unless the Group has entered into a commitment to recapitalise the company or provide it with funding.

If there is an indication that an impairment loss has arisen, the investment's recoverable amount is tested in a way similar to that described in Note E.9.2 "Goodwill impairment tests". Impairment losses shown by these impairment tests are recognised in profit and loss and as a deduction from the carrying amount of the corresponding investments.

In order to present business lines' operational performance in the best way possible, the income or loss of companies accounted for under the equity method is reported on a specific line between the "Operating income from ordinary activities" and "Recurring operating income" lines.

10.1 Movements during the period

	2018			2017		
(in € millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Value of shares at beginning of period	**1,127**	**446**	**1,573**	**1,083**	**423**	**1,505**
of which Concessions	*722*	*333*	*1,054*	*686*	*320*	*1,006*
of which Contracting	*403*	*87*	*490*	*393*	*83*	*476*
of which VINCI Immobilier	*2*	*27*	*29*	*4*	*20*	*24*
Increase in share capital of companies accounted for under the equity method	-	18	18	11	32	43
Group share of profit or loss for the period	75	13	88	118	29	146
Group share of other comprehensive income for the period	(4)	22	17	(7)	62	55
Dividends paid	(52)	(124)	(176)	(77)	(106)	(184)
Changes in consolidation scope and other (*)	(28)	18	(10)	(4)	(43)	(47)
Reclassifications (**)	37	128	165	4	51	54
Value of shares at end of period	**1,154**	**520**	**1,674**	**1,127**	**446**	**1,573**
of which Concessions	*745*	*398*	*1,143*	*722*	*333*	*1,054*
of which Contracting	*408*	*90*	*497*	*403*	*87*	*490*
of which VINCI Immobilier	*2*	*32*	*34*	*2*	*27*	*29*

(*) Including impact of first-time adoption on 1 January 2018 of IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial Instruments" for a total negative amount of €24 million.
(**) Reclassifications of shares in the negative net equity of equity-accounted companies under provisions for financial risks.
N.B. Associates are companies over which the Group has only significant influence, while joint ventures are jointly controlled activities held via companies that have legal personality.

At 31 December 2018, the Group's interests in associates included, for the Concessions business, the stake in the Aéroports de Paris group (€725 million) and, for the Contracting business, the stake in the CFE group (€231 million).

Impacts included under "Group share of other comprehensive income for the period" relate mainly to cash flow and interest rate hedging transactions on concession and public-private partnership projects.

10.2 Aggregated financial information

The contribution of equity-accounted companies to the Group's consolidated comprehensive income is as follows:

	2018			2017		
(in € millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Net income	**75**	**13**	**88**	**118**	**29**	**146**
of which Concessions	*43*	*(33)*	*10*	*41*	*(7)*	*34*
of which Contracting	*33*	*22*	*55*	*77*	*17*	*94*
of which VINCI Immobilier	*-*	*24*	*24*	*-*	*19*	*19*
Other comprehensive income	(4)	22	17	(7)	62	55
of which Concessions	*1*	*23*	*24*	*6*	*56*	*62*
of which Contracting	*(6)*	*(1)*	*(7)*	*(13)*	*6*	*(7)*
Comprehensive income	**70**	**35**	**105**	**111**	**91**	**202**
of which Concessions	*44*	*(10)*	*34*	*47*	*49*	*96*
of which Contracting	*27*	*21*	*48*	*64*	*23*	*87*
of which VINCI Immobilier	*-*	*24*	*24*	*-*	*19*	*19*

The revenue of companies accounted for under the equity method breaks down as follows (data reflecting the Group's share):

	2018			2017		
(in € millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Revenue (*)	**1,413**	**2,102**	**3,515**	**1,376**	**2,019**	**3,395**
of which Concessions	*819*	*1,087*	*1,906*	*792*	*981*	*1,772*
of which Contracting	*593*	*785*	*1,377*	*583*	*808*	*1,391*
of which VINCI Immobilier	*1*	*230*	*232*	*2*	*231*	*232*

(*) Excluding works revenue related to concession activities.

In accordance with IAS 28, the Group's recognition of its share of losses at associates and joint ventures is limited to its liabilities. At 31 December 2018, losses thus unrecognised amounted to €150 million (€125 million at 31 December 2017).

The main features of concession and PPP contracts are given in Note F.14 "Concession and PPP contracts of companies accounted for under the equity method". The list of companies accounted for under the equity method is available on the Group website (www.vinci.com/vinci.nsf/en/investors-composition-group.htm).

10.3 Commitments made in respect of associates and joint ventures

At 31 December 2018, Group funding commitments to equity-accounted companies (via capital or subordinated loans) amounted to €162 million (€126 million at 31 December 2017). Changes in the period mainly relate to entities in the Concessions business, including the company that holds the concession for the Santiago airport in Chile, for which the Group made a funding commitment of €87 million at 31 December 2018.

Collateral security has also been granted in the form of pledges of shares in companies accounted for under the equity method.
The net carrying amount of the shares pledged at 31 December 2018 was €39 million and included shares in WVB East End Partners (the company holding the concession for the Ohio River Bridges – East End Crossing project in the United States) for €19 million SMTPC (the holder of the concession for the Prado Carénage road tunnel in Marseille) for €10 million and Synerail (the company having entered into the public-partnership contract for the rollout and operation of a system under the international GSM-R standard for mobile communications on railways) for €10 million.

10.4 Investment commitments given by associates and joint ventures

At 31 December 2018, the Group's share of investment commitments given by these companies amounted to €642 million (€1,004 million at 31 December 2017). These commitments relate mainly to projects involving infrastructure under construction in the Concessions business, the Via 40 Express motorway between the cities of Bogotá and Girardot in Colombia (€241 million), the new section of the A7 motorway in Germany (€116 million), sections 7 and 8 of the M11 motorway between Moscow and St Petersburg (€96 million) and the Santiago airport in Chile (€94 million).

The €361 million decrease in these commitments during the year was due to progress with works carried out on projects, including the Moscow–St Petersburg motorway, the Santiago airport in Chile, and the Regina Bypass in Canada.

10.5 Controlled subsidiaries' transactions with associates and joint ventures

The financial statements include certain commercial transactions between controlled subsidiaries and associates and joint ventures. The main transactions are as follows:

	31/12/2018			31/12/2017		
(in € millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Revenue	382	570	**952**	386	759	**1,144**
Trade receivables	95	90	**186**	58	113	**170**
Purchases	3	18	**21**	3	33	**36**
Trade payables	1	6	**7**	1	5	**6**

11. Other non-current financial assets

Accounting policies

At the balance sheet date, shares in unconsolidated subsidiaries and affiliates are measured at their fair value through profit and loss or through equity, depending on the choice made at initial recognition, as set out below. The fair value of shares in listed companies is determined on the basis of the stock market price at the relevant balance sheet date. For unlisted shares, if their fair value cannot be determined reliably, they continue to be measured at their initial fair value, of which the best estimate is the cost of acquisition plus transaction costs, adjusted for any increases or decreases in value determined by analysing the change in the proportion of equity.
Whenever further equity securities are acquired, an analysis of the Group's management intention is carried out to determine whether they will be measured at fair value through profit and loss or through equity. Only shares regarded as strategic may be measured at fair value through other comprehensive income (see Note J.26 "Book and fair value of financial instruments by accounting category").

At 31 December 2018, "Financial assets measured at amortised cost" mainly comprised receivables relating to shareholdings, such as shareholders' advances to subsidiaries managing concessions or PPP projects. The "Equity instruments" item consists of shareholdings in subsidiaries that do not meet VINCI's minimum financial criteria for consolidation. These are presented on the asset side of the consolidated balance sheet under "Other non-current financial assets" along with "PPP financial receivables" and "Financial assets measured at amortised cost":

(in € millions)	31/12/2018	31/12/2017
Equity instruments	101	95
Amortised cost financial assets (*)	1,059	830
PPP financial receivables (*)	172	177
Other non-current financial assets	**1,332**	**1,102**

(*) Information relating to "PPP financial receivables" is provided in Note F.13 and information relating to "Amortised cost financial assets" is provided in Note H.17.

During the period, the change in equity instruments broke down as follows:

(in € millions)	2018	2017
Beginning of period	**95**	**134**
Acquisitions during period	18	16
Acquisitions as part of business combinations	5	-
Fair value adjustment recognised in equity	(1)	-
Impairment losses	(7)	(8)
Disposals during period	(2)	(3)
Other movements and currency translation differences	(8)	(45)
End of period	**101**	**95**

F. Concession and PPP contracts

Accounting policies

Under the terms of IFRIC 12 "Service Concession Arrangements", a concession operator may have a twofold activity:
- a construction activity in respect of its obligations to design, build and finance a new asset that it delivers to the grantor;
- an operating and maintenance activity in respect of concession assets.

Revenue from each activity is recognised in accordance with IFRS 15.

In return for its activities, the operator receives remuneration from:
- **users: in this case, the intangible asset model applies.** The operator has a right to receive tolls (or other forms of remuneration) from users in consideration for the financing and construction of the infrastructure. This model also applies whenever the concession grantor remunerates the concession operator based on the extent of use of the infrastructure by users, but with no guarantees as to the amounts that will be paid to the operator (under a simple "pass through" or "shadow toll" agreement).

Under this model, the right to receive toll payments (or other forms of remuneration) is recognised in the concession operator's balance sheet under "Concession intangible assets", net of any investment grants received. This right corresponds to the fair value of the asset under concession plus the borrowing costs capitalised during the construction phase. It is amortised over the term of the arrangement in a manner that reflects the pattern in which the concession asset's economic benefits are consumed by the entity, starting from the entry into service of the asset.
This treatment applies to most infrastructure concessions, in particular the concessions of VINCI Autoroutes in France, the main airports managed by VINCI Airports Group and certain bridges.
The motorway concession companies ASF, Cofiroute, Escota, Arcour and Arcos, along with most of the Group's airport concession companies, use the straight-line method for amortising concession intangible assets.

- **the grantor: in this case, the financial asset model applies.** The operator has an unconditional contractual right to receive payments from the concession grantor, irrespective of the amount of use made of the infrastructure.

Under this model, the operator recognises a financial asset, attracting interest, in its balance sheet, in consideration for the services it provides (design and construction). Such financial assets are recognised in the balance sheet under "Other financial assets", in an amount corresponding to the fair value of the infrastructure on first recognition and subsequently at amortised cost. The receivable is settled by means of the grantor's payments received. The income calculated on the basis of the effective interest rate is recognised under operating income (revenue from ancillary activities).

In the case of **bifurcated models,** the operator is remunerated partly by users and partly by the grantor. The part of the investment that is covered by an unconditional contractual right to receive payments from the grantor (in the form of grants or rental) is recognised as a financial receivable up to the amount guaranteed. The unguaranteed balance, of which the amount is dependent on the extent of use of the infrastructure, is recognised under "Concession intangible assets".

12. Concession intangible assets

12.1 Breakdown of concession intangible assets

(in € millions)	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Gross				
01/01/2017	**31,625**	**4,168**	**1,950**	**37,743**
Acquisitions during period (*)	661	381	235	1,277
Disposals during period	(2)	(2)	(1)	(5)
Currency translation differences	-	(152)	(167)	(319)
Changes in scope and other	15	(25)	-	(10)
	32,299	**4,370**	**2,017**	**38,686**
Grants received	(22)	-	-	(22)
31/12/2017	**32,278**	**4,370**	**2,017**	**38,665**
Acquisitions during period (*)	630	184	68	881
Disposals during period	(2)	(6)	-	(8)
Currency translation differences	-	17	11	28
Changes in scope and other	23	686	269	979
	32,929	**5,251**	**2,365**	**40,544**
Grants received	(2)	-	-	(2)
31/12/2018	**32,927**	**5,251**	**2,365**	**40,542**
Amortisation and impairment losses				
01/01/2017	**(10,529)**	**(365)**	**(160)**	**(11,053)**
Amortisation during period	(931)	(128)	(35)	(1,095)
Impairment losses	-	(2)	-	(2)
Reversals of impairment losses	-	1	-	1
Disposals during period	1	-	3	4
Currency translation differences	-	25	2	27
Other	(12)	12	(7)	(8)
31/12/2017	**(11,471)**	**(458)**	**(197)**	**(12,126)**
Amortisation during period	(1,063)	(138)	(64)	(1,265)
Impairment losses	-	(5)	(3)	(8)
Disposals during period	-	2	-	2
Currency translation differences	-	(11)	-	(11)
Other	(14)	(2)	-	(16)
31/12/2018	**(12,548)**	**(612)**	**(264)**	**(13,424)**
Net				
01/01/2017	**21,096**	**3,804**	**1,791**	**26,691**
31/12/2017	**20,807**	**3,912**	**1,820**	**26,539**
31/12/2018	**20,379**	**4,639**	**2,101**	**27,118**

(*) Including capitalised borrowing costs.

In 2018, acquisitions of intangible concession assets totalled €881 million.
They include investments by the ASF group for €388 million (€456 million in 2017), by Cofiroute for €139 million (€119 million in 2017), by VINCI Airports for €184 million, and by VINCI Highways for €36 million (€177 million in 2017).
The ASF group's investments include works under the 2015 motorway stimulus plan.

Concession intangible assets include assets under construction for €1,210 million at 31 December 2018 (€2,044 million at 31 December 2017). These relate to VINCI Autoroutes subsidiaries for €994 million (including ASF for €504 million, Escota for €125 million, Cofiroute for €198 million and Arcos for €165 million), and VINCI Airports subsidiaries for €213 million.
Scope effects at VINCI Airports reflect that division's expansion during the year and relate mainly to the Belgrade airport in Serbia and Orlando Sanford International Airport in the United States (Airports Worldwide).

12.2 Main features of concession and PPP contracts – intangible asset model

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date
VINCI Autoroutes					
ASF group					
ASF 2,737 km of toll motorways (France)	Pricing law as defined in the concession contract Price increases must be validated by the grantor	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract In the event that it is purchased before term by the grantor, compensation on the basis of economic value	2036
Escota 471 km of toll motorways (France)	Pricing law as defined in the concession contract Price increases must be validated by the grantor	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract In the event that it is purchased before term by the grantor, compensation on the basis of economic value	2032
Cofiroute					
Intercity network 1,100 km of toll motorways (France)	Pricing law as defined in the concession contract Price increases must be validated by the grantor	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract In the event that it is purchased before term by the grantor, compensation on the basis of economic value	2034
A86 Duplex 11 km toll tunnel west of Paris (France)	Pricing law as defined in the concession contract Price increases must be validated by the grantor	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract In the event that it is purchased before term by the grantor, compensation on the basis of economic value	2086
Arcour					
A19 101 km of toll motorways (France)	Pricing law as defined in the concession contract Price increases must be validated by the grantor	Users	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2070
Arcos					
A355 24 km of toll motorways (France)	Pricing law as defined in the concession contract Price increases must be validated by the grantor	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract In the event that it is purchased before term by the grantor, compensation on the basis of economic value	2070
VINCI Highways					
Lamsac Línea Amarilla: 25 km toll expressway in Lima (Peru)	Pricing law as defined in the concession contract Price increases must be validated by the grantor	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract	2049
Gefyra Toll bridge in the Gulf of Corinth, between Rion and Antirion (Greece)	Pricing law as defined in the concession contract Price increases must be validated by the grantor	Users	Construction grant paid by the grantor	Infrastructure returned to grantor for no consideration at end of contract	2039
VINCI Airports					
ANA Group 10 airports in Portugal	Regulated air tariffs; unregulated non-air revenue	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2063
Cambodia Airports Phnom Penh, Siem Reap and Sihanoukville airports (Cambodia)	Pricing law as defined in the concession contract Price increases subject to agreement by grantor	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2040
Société Concessionnaire Aéroports du Grand Ouest Nantes Atlantique and Saint-Nazaire airports in western France	Regulated air tariffs Unregulated non-air revenue	Users, airlines	Investment grant to finance the construction of a new airport	Infrastructure returned to grantor for no consideration at end of contract	Initial date 2065 (*)
(*) The grantor has notified its intention to terminate the concession contract early.					
Aerodom Six airports in the Dominican Republic	Regulated air tariffs Unregulated non-air revenue	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2030
Aéroports de Lyon Lyon Saint-Exupéry and Lyon Bron airports	Regulated air tariffs Unregulated non-air revenue	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2047
Belgrade airport Nikola Tesla Airport (Serbia)	Regulated air tariffs Unregulated non-air revenue	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2043

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date
Salvador airport Deputado Luís Eduardo Magalhães Airport (Brazil)	Regulated air tariffs Unregulated non-air revenue	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2047
Orlando Sanford International Airport (USA)	Regulated air tariffs Unregulated non-air revenue	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2039
Other concessions					
Consortium Stade de France 80,000-seat stadium at Saint Denis, near Paris	Nil	Ticketing, stadium rental and miscellaneous revenue	Investment grant + compensation for absence of resident club (currently suspended)	Infrastructure returned to grantor for no consideration at end of contract	2025

12.3 Commitments made under concession contracts – intangible asset model

Contractual investment, renewal or financing obligations

(in € millions)	31/12/2018	31/12/2017
London Gatwick Airport (UK)	3,220	-
ASF group	1,245	1,381
Cofiroute	869	882
Belgrade airport (Serbia)	460	-
Arcos	403	452
Lamsac (Peru)	154	167
Salvador airport (Brazil)	116	224
ANA Group (Portugal)	79	113
Société concessionnaire Aéroports du Grand Ouest (Scago)	35	366
Other	65	56
Total	**6,645**	**3,641**

Contractual investment obligations of motorway concession companies (ASF group, Cofiroute, Arcos, Arcour) mainly consist of undertakings made under concession contract, multi-year master contracts as part of the 2015 motorway stimulus plan and the new motorway investment plan approved in 2018. Progress with works by VINCI Autoroutes companies in 2018 led to a €199 million reduction in their commitments to €2,517 million at 31 December 2018.

As part of its development, VINCI Airports signed two contracts: one relating to the purchase of a 50.01% stake in London Gatwick Airport and a concession contract for the development and operation of Belgrade Nikola Tesla Airport in Serbia.

On 17 January 2018, the French prime minister announced the government's decision not to proceed with plans to build the proposed Notre Dame des Landes airport near Nantes. In June 2018, the Group received a letter of intent from the French government to terminate the concession contract due to run until 2021, thereby relieving VINCI of its investment obligations at 31 December 2018.

Collateral security connected with the financing of concessions

Some concession operating companies have given collateral security to guarantee the financing of their investments in infrastructure under concession. These break down as follows:

(in € millions)	Start date	End date	Amount
Lamsac	2016	2037	669
Arcour	2008	2047	650
Aerodom	2017	2029	358
Aéroports de Lyon (ADL)	2016	2032	225
Gefyra	1997	2029	207
Belgrade airport	2018	2035	148
Arcos	2018	2045	62

13. PPP financial receivables (controlled companies)

13.1 Movements during the period and maturity schedule

PPP financial receivables related to concession and PPP contracts managed by the Group are presented on the consolidated balance sheet, for their part at more than one year, under the "Other non-current financial assets" item.

Changes in PPP financial receivables during the period and their breakdown by maturity are as follows:

(in € millions)	2018	2017
Beginning of period	**177**	**215**
Acquisitions during period	12	11
Redemptions	(20)	(49)
Other movements and currency translation differences	3	-
End of period	**172**	**177**
Of which:		
Between 1 and 5 years	*49*	*36*
Over 5 years	*123*	*141*

The part at less than one year of PPP financial receivables is included in the balance sheet under "Other current financial assets". At 31 December 2018, it amounted to €6 million (€10 million at 31 December 2017).

13.2 Main features of concession and PPP contracts – financial asset and/or bifurcated model

The main features of concession and PPP contracts operated by controlled subsidiaries (financial asset and/or bifurcated model) are as follows:

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date	IFRIC 12 accounting model
Caraibus: Bus rapid transit system (Martinique)	Annual fee paid by grantor No traffic level risk	Grantor	Nil	Infrastructure returned to grantor for no consideration at end of contract	2035	Financial asset
MMArena Le Mans stadium (France)	Pricing schedule subject to grantor approval	Ticketing + miscellaneous revenue	Investment grant and operating grant (in the absence of a resident club)	Infrastructure returned to grantor for no consideration at end of contract	2043	Bifurcated: intangible asset and financial asset
Park Azur Car rental firm business complex at Nice-Côte d'Azur Airport (France)	Rent paid by car rental companies as set out in the concession contract and guaranteed by the grantor	Grantor and car rental companies Sale of photovoltaic electricity	Investment grant and operating grant	Infrastructure returned to grantor for no consideration at end of contract	2040	Bifurcated: intangible asset and financial asset

13.3 Commitments made under concession and PPP contracts – financial asset and/or bifurcated model

Contractual investment, renewal or financing obligations

Under their concession and/or PPP contracts, Group subsidiaries undertake to make investments. Where the financial asset or bifurcated model applies, they receive a guarantee of payment from the concession grantor in return for their investment commitment.
At 31 December 2018, the Group's investment commitments with respect to concession and PPP contracts under the financial asset or bifurcated models amounted to €48 million (€52 million at 31 December 2017). The increase was mainly the result of the public-private partnership for the La Cotinière fishing port at Saint Pierre d'Oléron at VINCI Construction.

Collateral security connected with the financing of PPPs

Some companies have given collateral security to guarantee the financing of their investments relating to infrastructure under concession. This collateral amounted to €153 million at 31 December 2018 (€156 million at 31 December 2017), including Caraibus in Martinique for €69 million, Park Azur in Nice for €35 million and the MMArena stadium in Le Mans for €32 million.

14. Concession and PPP contracts of companies accounted for under the equity method

14.1 Main features of concession and PPP contracts of companies accounted for under the equity method

	Control and regulation of prices by concession grantor	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date	IFRIC 12 accounting model
Motorway and road infrastructure (including bridges and tunnels) outside France						
A5 Malsch–Offenburg A-Modell 60 km to be renovated, including 41.5 km to be widened to 2x3 lanes (Germany)	Inflation-linked price increases based on the 2009 toll level (excluding increases decided by the grantor) Effect of environmental regulations on prices (with traffic level risk)	Heavy vehicle users through the tolls levied by the grantor	Nil	Infrastructure returned to grantor for no consideration at end of contract	2039	Intangible asset
A7 Göttingen–Bockenen A-Modell 60 km to be renovated, including 29 km to be widened to 2x3 lanes (Germany)	Annual fee paid by grantor (with no traffic level risk)	Grantor	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2047	Financial asset
Moscow–St Petersburg motorway section 1 First section (43.2 km) of M11 motorway between Moscow and St Petersburg (Russia)	Pricing law as defined in the concession contract Price increases possible subject to a price limit (with traffic level risk)	Users	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2040	Intangible asset
Moscow–St Petersburg motorway sections 7 and 8 Sections 7 and 8 (138 km) of M11 motorway between Moscow and St Petersburg (Russia)	Annual fee paid by grantor (with no traffic level risk)	Grantor	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2041	Financial asset
Olympia Odos Toll motorway connecting Elefsina, Corinth and Patras (Greece)	Pricing law as defined in the concession contract Price increases possible subject to a price limit (with traffic level risk)	Users	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2038	Intangible asset
Via Express 40 Toll motorway connecting Bogotá and Girardot (141 km including construction of a third lane over 65 km; Colombia)	Pricing law as defined in the concession contract Price increases subject to a price limit (with traffic level risk)	Users	Nil	Infrastructure returned to grantor for no consideration at end of contract	2042	Intangible asset
Granvia R1 Expressway (Slovakia)	Annual fee paid by grantor (with no traffic level risk)	Grantor	Nil	Infrastructure returned to grantor for no consideration at end of contract	2041	Financial asset
Ohio River Bridges East End Crossing Bridge over the Ohio River and access tunnel (USA)	Annual fee paid by grantor (with no traffic level risk)	Grantor	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2051	Financial asset
Regina Bypass 61 km dual carriageway around Regina (Canada)	Annual fee paid by grantor (with no traffic level risk)	Grantor	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2049	Financial asset
Hounslow Rehabilitation and maintenance of roadways, traffic signs and lighting (UK)	Fee paid by grantor (with no traffic level risk)	Grantor	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2037	Financial asset
Isle of Wight Rehabilitation and maintenance of roadways, traffic signs and lighting (UK)	Annual fee paid by grantor (with no traffic level risk)	Grantor	Investment grant	Infrastructure returned to grantor for no consideration at end of contract	2038	Financial asset
Airports						
Kansai Airports Kansai, Osaka and Kobe airports (Japan)	Regulated air tariffs; unregulated non-air revenue	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2060	Intangible asset
Nuevo Pudahuel Santiago Arturo Merino Benítez Airport (Chile)	Pricing law as defined in the concession contract Price increases possible subject to a price limit (with traffic level risk)	Users, airlines	Nil	Infrastructure returned to grantor for no consideration at end of contract	2035	Intangible asset
Liberia International Airport Daniel Oduber Quirós International Airport (Costa Rica)	Regulated air tariffs; unregulated non-air revenue	Users, airlines, concession grantor	Revenue guarantee	Infrastructure returned to grantor for no consideration at end of contract	2030	Bifurcated model: intangible asset and financial asset
Railway infrastructure						
LISEA South Europe Atlantic high-speed rail line (302 km) between Tours and Bordeaux (France)	Inflation-linked price increases (with traffic level risk)	Pricing law as defined in the concession contract (on the basis of train kilometre and slot kilometre)	Investment grant paid by the concession grantor and local authorities	Infrastructure returned to grantor for no consideration at end of contract	2061	Bifurcated model: intangible asset and financial asset

14.2 Commitments made under concession and PPP contracts of companies accounted for under the equity method

The commitments made under concession and PPP contracts of companies accounted for under the equity method are presented in Note E.10.3 "Commitments made in respect of associates and joint ventures".

G. Construction and service contracts (Contracting business and VINCI Immobilier)

15. Information on construction and service contracts

Accounting policies

Consolidated revenue relating to construction and service contracts is recognised in accordance with IFRS 15.

In view of the Group's main activities, the majority of construction and service contracts involve only one performance obligation, which is fulfilled as contract execution progresses.
Where a contract includes several distinct performance obligations, the Group allocates the overall price of the contract to each performance obligation in accordance with IFRS 15. That price corresponds to the amount of the consideration to which it expects to be entitled. Where the price includes a variable component, the Group only recognises that consideration from the time its receipt is regarded as highly probable.

To measure the progress towards completion of construction and service contracts, the Group uses either a method based on physical progress towards completion or a cost-to-cost method depending on the type of activity.
Contract amendments (relating to the price and/or scope of the contract) are recognised when approved by the client. Where amendments relate to new goods or services regarded as distinct under IFRS 15, and where the contract price increases by an amount reflecting "stand-alone selling prices" of the additional goods or services, those amendments are recognised as a distinct contract.

Where a third party (such as a subcontractor) is involved in the supply of a distinct good or service, the Group determines whether it obtains control of that good or service before it is transferred to the client. Where control is obtained before transfer to the client, the Group recognises as revenue the gross amount to which it expects to be entitled in exchange. Where control is not obtained, the Group takes the view that it is not the principal in the transaction and only recognises as revenue the amount corresponding to its remuneration as intermediary.

The cost of winning the contract that would not have been incurred if the Group had not won the contract is recognised as an asset where it is recoverable and amortised over the estimated contract term. At Group level, the cost of winning contracts, capitalised and amortised over a period of more than one year, is not material.

The Group's trade receivables represent the unconditional right to receive consideration ("a payment") when the goods or services promised to the customer in the contract have been transferred. In accordance with IFRS 15, the opening and closing balances of trade receivables are presented in Note H.18 "Working capital requirement and current provisions". However, where the right is dependent on the transfer of other goods or services and/or the completion of milestones or stages defined in the contract, the Group regards the amount representing that "conditional" right as a contract asset. Amounts relating to any Group obligation to transfer goods or services for which it has already received a payment, or for which the right to such payment is enforceable, are regarded as contract liabilities under IFRS 15.
Within the Group, contract assets correspond to invoices not yet raised, advances paid to subcontractors and retention payments. In accordance with IFRS 9, contract assets are analysed to assess any risk of non-recovery ("credit risk"). Contract liabilities mainly consist of advances received and prepaid income.

If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion in accordance with IAS 37, regardless of progress towards completion, and based on the best estimates of income, including, if need be, any rights to additional revenue or claims, where it is regarded as highly probable and can be reliably estimated. Provisions for losses on completion, which fall outside the scope of IFRS 15, are shown under liabilities on the balance sheet (see Note H.18.3 "Breakdown of current provisions").

15.1 Financial information on contracts

Contract assets

(in € millions)		31/12/2018	Changes: Business-related changes	Changes: Changes in consolidation scope	Changes: Other changes(*)	31/12/2017
VINCI Energies		2,318	249	83	-	1,986
Eurovia		649	49	125	(5)	480
VINCI Construction		3,321	66	17	(145)	3,384
Contracting	I	6,288	363	226	(151)	5,850
VINCI Immobilier	II	138	66	3	-	69
Contract assets	**I+II**	**6,426**	**429**	**229**	**(151)**	**5,919**

(*) Including currency translation differences and the impacts of the first-time application on 1 January 2018 of IFRS 15 "Revenue from Contracts with Customers" described in Note A.4.

At 31 December 2018, contract assets amounted to €6,426 million, up 9% compared with 2017 (€5,919 million). Scope effects reflect acquisitions during the period, particularly at VINCI Energies and Eurovia.
Contract assets related to the portion of performance obligations already fulfilled by the Group and for which the definitive right to receive cash was subject to completing other work specified in the relevant contracts. Contract assets turn into receivables as works are received by the client, giving rise to the Group's unconditional right to receive cash. Contract assets therefore represent a portion of future payments receivable by the Group under existing contracts.

Contract liabilities

(in € millions)		31/12/2018	Changes: Business-related changes	Changes: Changes in consolidation scope	Changes: Other changes(*)	31/12/2017
VINCI Energies		2,306	312	30	(47)	2,011
Eurovia		666	109	17	1	538
VINCI Construction		2,251	(74)	17	(29)	2,337
Contracting	I	5,222	347	64	(75)	4,886
VINCI Immobilier	II	92	33	2	-	57
Contract liabilities	**I+II**	**5,315**	**381**	**66**	**(75)**	**4,944**

(*) Including currency translation differences.

Contract liabilities amounted to €5,315 million at 31 December 2018, an increase of 8% relative to the end-2017 figure of €4,944 million.

Those liabilities correspond mainly to advances and payments on account received on orders and other current liabilities representing the amount of performance obligations still to be fulfilled and for which payment has already been received from the client.

The fulfilment of the performance obligations will extinguish these liabilities as the counterpart of revenue recognition, with no impact on the Group's cash position. Only the fulfilment of performance obligations in excess of contract liabilities will affect the Group's future revenue and cash flow.

15.2 Order book

(in € billions)	31/12/2018	Number of months of average business activity
VINCI Energies	8.4	8
Eurovia	7.0	9
VINCI Construction	17.7	15
Contracting	**33.1**	**11**
VINCI Immobilier	**0.8**	**N/A**

The Group manages an order book. In accepting orders, it makes commitments to carry out work or render services.

The order book in the Contracting business (VINCI Energies, Eurovia, VINCI Construction) represents the volume of business yet to be carried out on projects where the contract is in force (in particular after service orders have been obtained or after conditions precedent have been met) and financed.
VINCI Immobilier's order book corresponds to the revenue, recognised on a progress towards completion basis, that is yet to be generated on a given date with respect to property sales confirmed by a notarised deed or with respect to property development contracts on which the works order has been given by the project owner.

15.3 Commitments made and received in connection with construction and service contracts

The Group makes and receives guarantees (personal sureties) in connection with these contracts.
The amount of the guarantees given below consists mainly of guarantees on works contracts, issued by financial institutions or insurers. Moreover, Group companies benefit from guarantees issued by financial institutions at the request of the joint contractors or subcontractors (guarantees received).

	31/12/2018		31/12/2017	
(in € millions)	**Guarantees given**	**Guarantees received**	**Guarantees given**	**Guarantees received**
Performance guarantees and performance bonds	5,929	799	5,441	839
Retentions	3,213	464	3,631	543
Deferred payments to subcontractors and suppliers	1,776	300	1,691	530
Bid bonds	164	-	186	-
Total	**11,082**	**1,563**	**10,949**	**1,912**

Whenever events such as late completion or disputes about the execution of a contract make it likely that a liability covered by a guarantee will materialise, a provision is taken in respect of that liability.

In general, under the rules in force, any risk of loss in connection with performance of a commitment given by VINCI or its subsidiaries would result in a provision being recognised in the Group's financial statements. VINCI therefore considers that the off-balance sheet commitments above are unlikely to have a material impact on the Group's financial position or net assets.

VINCI also grants after-sales service warranties covering several years in its normal course of business. These warranties lead to provisions estimated either on a statistical basis having regard to past experience or on an individual basis in the case of any problems identified. These commitments are therefore not included in the above table.

In connection with the construction of the South Europe Atlantic high-speed rail line between Tours and Bordeaux, the Group provided various security interests and guarantees in favour of concession company LISEA under which the Group guarantees contract performance by the design and construction joint venture (GIE COSEA). At 31 December 2018, GIE COSEA's remaining commitments consisted of a performance guarantee and the retention money, which will remain in force until the end of a period of 32 months after acceptance of the infrastructure.

Joint and several guarantees covering unconsolidated partnerships (SNCs, Economic Interest Groupings, etc.)

Part of VINCI's construction and roadworks business is conducted through unincorporated joint venture partnerships (SEPs), in line with industry practice. In partnerships, partners are legally jointly and severally liable for its debts to non-Group companies, without limit. In this context, the Group may set up crossed counter guarantees with its partners.

Whenever the Group is aware of a particular risk relating to a joint venture partnership's activity, a provision is taken if this risk gives rise to an obligation for the Group that can only be extinguished through an outflow of resources.

The amount shown under off-balance sheet commitments in respect of joint and several guarantees is the Group's share of the liabilities of the partnerships in question less equity and financial debt (loans or current account advances) due to partners. That amount was €49 million at 31 December 2018 (€60 million at 31 December 2017), as opposed to total commitments of €125 million at 31 December 2018 (€141 million at 31 December 2017).

Given the quality of its partners, the Group considers that the risk of its guarantee being invoked in respect of these commitments is not material.

H. Other balance sheet items and business-related commitments

16. Property, plant and equipment and other intangible assets

16.1 Property, plant and equipment

Accounting policies

Items of property, plant and equipment are recorded at their acquisition or production cost net of investment grants received, less cumulative depreciation and any impairment losses. They are not revalued. They also include concession operating assets that are not controlled by the grantor but that are necessary for operation of the concession such as buildings intended for use in the operation, equipment for signage, data transmission, vehicles and other equipment.

Depreciation is generally calculated on a straight-line basis over the period of use of the asset. Accelerated depreciation may sometimes be used when it appears more appropriate to the conditions under which the asset is used.
For certain complex assets comprising several components, in particular buildings and constructions, each component of the asset is depreciated over its own period of use. To reflect the consumption of economic benefits associated with the asset, quarries are depreciated as materials are extracted (volumes extracted during the period are compared with the estimated total volume of deposits to be extracted from the quarry over its useful life).
Investment property is property held to earn rentals or for capital appreciation. It is recorded at its acquisition cost less cumulative depreciation and any impairment losses.

The main periods of use of the various categories of items of property, plant and equipment are as follows:

Constructions:	
- Structure	Between 20 and 50 years
- General technical installations	Between 5 and 20 years
Site equipment and technical installations	Between 3 and 12 years
Vehicles	Between 3 and 5 years
Fixtures and fittings	Between 8 and 10 years
Office furniture and equipment	Between 3 and 10 years

Depreciation commences as from the date when the asset is ready to enter service.

Assets acquired under finance leases are recognised as non-current assets, whenever the effect of the lease is to transfer to the Group substantially all the risks and rewards incidental to ownership of these assets, with recognition of a corresponding financial liability. Assets held under finance leases are depreciated over their period of use.

(in € millions)	Concession operating fixed assets	Land	Constructions and investment property	Plant, equipment and fixtures	Total
Gross					
01/01/2017	**4,052**	**873**	**1,158**	**6,883**	**12,966**
Acquisitions as part of business combinations	-	10	11	146	167
Other acquisitions during period	149	15	214	594	972
Disposals during period	(56)	(10)	(49)	(461)	(576)
Currency translation differences	(25)	4	(5)	(114)	(140)
Changes in scope and other	49	14	(128)	93	27
31/12/2017	**4,169**	**905**	**1,201**	**7,141**	**13,416**
Acquisitions as part of business combinations	-	196	130	457	783
Other acquisitions during period	192	31	331	669	1,223
Disposals during period	(37)	(13)	(50)	(460)	(560)
Currency translation differences	10	(8)	(2)	(3)	(4)
Changes in scope and other	(12)	16	(39)	50	16
31/12/2018	**4,321**	**1,126**	**1,572**	**7,855**	**14,874**
Depreciation and impairment losses					
01/01/2017	**(2,497)**	**(314)**	**(624)**	**(5,063)**	**(8,498)**
Depreciation during period	(339)	(18)	(49)	(579)	(985)
Impairment losses	-	(2)	(2)	(7)	(10)
Reversals of impairment losses	-	3	4	3	10
Disposals during period	54	5	30	432	521
Currency translation differences	5	(4)	1	77	79
Other movements	(27)	(3)	(6)	(77)	(113)
31/12/2017	**(2,804)**	**(333)**	**(645)**	**(5,213)**	**(8,996)**
Depreciation during period	(240)	(21)	(50)	(613)	(925)
Impairment losses	-	-	(1)	(7)	(7)
Reversals of impairment losses	-	4	2	6	11
Disposals during period	35	6	39	431	511
Currency translation differences	(4)	2	1	2	1
Other movements	(2)	(7)	(17)	(83)	(110)
31/12/2018	**(3,015)**	**(349)**	**(672)**	**(5,478)**	**(9,515)**
Net					
01/01/2017	**1,555**	**559**	**534**	**1,820**	**4,468**
31/12/2017	**1,365**	**572**	**556**	**1,928**	**4,421**
31/12/2018	**1,306**	**777**	**900**	**2,377**	**5,359**

Property, plant and equipment includes assets under construction for €544 million at 31 December 2018 (€313 million at 31 December 2017).

The net value of assets acquired under finance leases amounted to €150 million (€127 million at 31 December 2017). They relate mainly to plant and equipment used in operations. The debts relating to these assets are shown in Note J.23.1 "Detail of long-term financial debt by business".

At 31 December 2018, the breakdown of property, plant and equipment by business was as follows:

		Contracting					
(in € millions)	Concessions	VINCI Energies	Eurovia	VINCI Construction	Total	VINCI Immobilier and holding companies	Total
Concession operating fixed assets	1,305	-	-	-	-	-	1,306
Land	33	53	627	62	742	1	777
Constructions and investment property	96	143	250	263	656	148	900
Plant, equipment and fixtures	109	372	994	888	2,254	13	2,377
Total at 31 December 2018	**1,544**	**569**	**1,870**	**1,213**	**3,653**	**162**	**5,359**
Total at 31 December 2017	**1,439**	**436**	**1,412**	**1,120**	**2,968**	**14**	**4,421**

16.2 Other intangible assets

Accounting policies
Other intangible assets are measured at cost less amortisation and any cumulative impairment losses. Quarrying rights are amortised as materials are extracted (volumes extracted during the period are compared with the estimated total volume of deposits to be extracted from the quarry over its useful life) in order to reflect the decline in value due to depletion. Other intangible assets are amortised on a straight-line basis over their useful life.

At 31 December 2018, other intangible assets amounted to €632 million (€417 million at 31 December 2017). They include patents and licences for €209 million (€212 million at 31 December 2017), software for €76 million (€68 million at 31 December 2017) and other intangible assets for €347 million (€137 million at 31 December 2017).

Amortisation recognised during the period totalled €53 million (€48 million in 2017).

16.3 Impairment losses on property, plant and equipment and intangible assets

Accounting policies
Impairment tests are performed on property, plant and equipment and intangible assets where evidence of an impairment loss arises. For intangible assets with an indefinite useful life and construction work in progress, a test is performed at least annually and whenever there is an indication of an impairment loss.

Assets to be tested for impairment losses are grouped within cash-generating units (CGUs) that correspond to homogeneous groups of assets that generate identifiable cash inflows from their use.
In accordance with IAS 36, the criteria adopted to assess indications that an impairment loss has arisen are either external (e.g. a material change in market conditions) or internal (e.g. a material reduction in revenue), without distinction.

The Group did not recognise any material impairment losses on property, plant and equipment or intangible assets in either 2018 or 2017.

17. Financial assets measured at amortised cost

Accounting policies
Financial assets measured at amortised cost mainly consist of loans and receivables.
When first recognised, loans and receivables are recognised at their fair value less the directly attributable transaction costs.
From the outset, the Group recognises impairment on its loans and receivables in relation to their risk of non-recovery, in accordance with IFRS 9.

At each balance sheet date, these assets are measured at their amortised cost using the effective interest method and the Group analyses the change in credit risk to determine whether further impairment must be recognised.
If credit risk is found to have increased, additional impairment will be recognised in profit and loss, taking into account the credit risk over the asset's life.

Loans and receivables at amortised cost mainly comprise receivables relating to shareholdings, including shareholders' advances to Concessions business or PPP project companies for €774 million (€659 million at 31 December 2017). They are presented on the asset side of the consolidated balance sheet under "Other non-current financial assets" (for the part at more than one year). The part at less than one year of loans and receivables is included under "Other current financial assets" for €30 million at 31 December 2018 (€28 million at 31 December 2017).

Changes in loans and receivables at amortised cost during the period and their breakdown by maturity are as follows:

(in € millions)	2018	2017
Beginning of period	**830**	**531**
Acquisitions during period	248	454
Acquisitions as part of business combinations	1	11
Impairment losses	(4)	(29)
Disposals during period	(65)	(81)
Other movements and currency translation differences	48	(56)
End of period	**1,059**	**830**
Of which:		
Between 1 and 5 years	*556*	*337*
Over 5 years	*502*	*494*

For 2018, the "Acquisitions during period" item includes the €56 million loan granted to Testimonio 2, a property development project in Monaco.

In 2017, the increase mainly concerned the loan granted to LISEA (South Europe Atlantic high-speed rail line) for €256 million.

18. Working capital requirement and current provisions

Accounting policies

Trade receivables are current financial assets and are initially measured at their fair value, which is generally their nominal value, unless the effect of discounting is material.
The group uses the simplified approach as defined in IFRS 9, and therefore records impairment on its trade receivables to correspond with the expected credit loss at maturity.

At each balance sheet date, trade receivables are measured at their amortised cost less any impairment losses taking account of any likelihood of non-recovery. Actual losses experienced during a period are analysed in order to adjust impairment rates where appropriate. The likelihood of non-recovery is assessed in the light of payment delays and guarantees obtained.

Trade payables correspond to current financial liabilities and are initially measured at their fair value, which is usually their nominal value, unless the effect of discounting is material.

Inventories and work in progress are recognised at their cost of acquisition or of production by the entity. At each balance sheet date, they are measured at the lower of cost and net realisable value.

18.1 Change in working capital requirement

				Changes	
(in € millions)		31/12/2018	31/12/2017	Changes in operating WCR	Other changes (*)
Inventories and work in progress		1,173	1,056	153	(37)
Trade and other receivables		13,584	12,432	887	265
Other current operating assets		5,033	5,035	(160)	159
of which derivatives related to WCR - assets		*8*	*24*	*-*	*(17)*
Inventories and operating receivables	I	**19,790**	**18,523**	**880**	**387**
Trade payables		(8,240)	(8,198)	124	(165)
Other current operating liabilities		(12,862)	(11,852)	(737)	(273)
of which derivatives related to WCR - liabilities		*(8)*	*(16)*	*-*	*8*
Trade and other operating payables	II	**(21,102)**	**(20,051)**	**(613)**	**(438)**
Working capital requirement (excluding current provisions)	I+II	**(1,311)**	**(1,528)**	**267**	**(51)**
Current provisions		**(4,452)**	**(4,322)**	**(1)**	**(130)**
of which part at less than one year of non-current provisions		*(234)*	*(208)*	*(42)*	*16*
Working capital requirement (including current provisions)		**(5,764)**	**(5,849)**	**266**	**(181)**

(*) Mainly currency translation differences and changes in consolidation scope.

18.2 Current operating assets and liabilities

Current operating assets and liabilities break down as follows:

			Maturity				
			Within 1 year				
(in € millions)		31/12/2018	1 to 3 months	3 to 6 months	6 to 12 months	Between 1 and 5 years	After 5 years
Inventories and work in progress		1,173	478	71	144	473	7
Trade and other receivables		13,584	11,347	788	695	697	56
Other current operating assets		5,033	4,098	262	287	373	14
Inventories and operating receivables	I	**19,790**	**15,923**	**1,120**	**1,127**	**1,542**	**78**
Trade payables		(8,240)	(7,210)	(448)	(175)	(401)	(6)
Other current operating liabilities		(12,862)	(10,658)	(563)	(517)	(982)	(142)
Trade and other operating payables	II	**(21,102)**	**(17,868)**	**(1,011)**	**(692)**	**(1,383)**	**(147)**
Working capital requirement connected with operations	I + II	**(1,311)**	**(1,945)**	**109**	**435**	**159**	**(69)**

			Maturity				
			Within 1 year				
(in € millions)		31/12/2017	1 to 3 months	3 to 6 months	6 to 12 months	Between 1 and 5 years	After 5 years
Inventories and work in progress)		1,056	392	326	75	203	60
Trade and other receivables		12,432	10,430	853	727	366	56
Other current operating assets		5,035	4,150	480	213	182	10
Inventories and operating receivables	I	**18,523**	**14,972**	**1,659**	**1,015**	**751**	**126**
Trade payables		(8,198)	(7,258)	(602)	(144)	(193)	(2)
Other current operating liabilities		(11,852)	(10,009)	(716)	(472)	(515)	(140)
Trade and other operating payables	II	**(20,051)**	**(17,268)**	**(1,318)**	**(616)**	**(707)**	**(142)**
Working capital requirement connected with operations	I + II	**(1,528)**	**(2,295)**	**341**	**399**	**44**	**(16)**

Breakdown of trade receivables

Trade receivables and allowances were as follows:

(in € millions)	31/12/2018	31/12/2017
Trade receivables invoiced	7,578	6,882
Allowances against trade receivables	(541)	(521)
Trade receivables, net	**7,036**	**6,361**

At 31 December 2018, trade receivables between six and 12 months past due amounted to €508 million (compared with €525 million at 31 December 2017) and impairment of €70 million has been recognised in consequence (€58 million at 31 December 2017). Receivables more than one year past due amounted to €387 million (€346 million at 31 December 2017) and impairment of €257 million has been recognised in consequence (€239 million at 31 December 2017).

18.3 Breakdown of current provisions

Accounting policies

Current provisions are provisions directly linked to each business line's own operating cycle, whatever the expected time of settlement of the obligation. They are recognised in accordance with IAS 37. They also include the part at less than one year of provisions not directly linked to the operating cycle.

These provisions are recognised at their present value. The effect of discounting provisions is recognised under "Other financial income and expense".

Provisions are taken for contractual obligations to maintain the condition of concession assets, principally by the motorway concession operating companies to cover the expense of major road repairs (surface courses, restructuring of slow lanes, etc.), bridges, tunnels and hydraulic infrastructure. They also include expenses to be incurred by airport concession companies (repairs to runways, traffic lanes and other paved surfaces). Provisions are calculated on the basis of maintenance expense plans spanning several years, which are updated annually. These expenses are reassessed on the basis of appropriate indexes (mainly the TP01, TP02 and TP09 indexes in France). Provisions are also taken whenever recognised signs of defects are encountered on identified infrastructure.

Provisions for after-sales service cover Group entities' commitments under statutory warranties relating to completed projects, in particular the 10-year warranty on building projects in France. They are estimated statistically on the basis of expenses incurred in previous years or individually on the basis of specifically identified events.

Provisions for losses on completion of contracts and construction project liabilities are set aside mainly when end-of-contract projections, based on the most likely estimated outcome, indicate a loss, and those covering work yet to be carried out in respect of completed projects under completion warranties.

Provisions for disputes connected with operations relate mainly to disputes with customers, subcontractors, joint contractors or suppliers.

Restructuring provisions include the cost of plans and measures for which there is a commitment whenever these have been announced before the period end.

Provisions for other current liabilities comprise mainly provisions for other risks related to operations.

Changes in current provisions reported in the balance sheet were as follows in 2018 and 2017:

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals	Changes in consolidation scope and miscellaneous	Change in the part at less than one year	Currency translation differences	Closing
01/01/2017	**4,053**	**1,524**	**(1,291)**	**(171)**	**52**	**18**	**(13)**	**4,172**
Obligation to maintain the condition of concession assets	812	128	(96)	(14)	4	-	(8)	827
After-sales service	386	192	(155)	(18)	3	-	(3)	406
Losses on completion and construction project liabilities	1,265	847	(740)	(47)	21	-	(10)	1,336
Disputes	505	202	(110)	(50)	(4)	-	(1)	541
Restructuring costs	42	11	(14)	(10)	1	-	-	30
Other current liabilities	920	362	(268)	(56)	27	-	(11)	974
Reclassification of the part at less than one year	241	-	-	-	(4)	(29)	-	208
31/12/2017	**4,172**	**1,741**	**(1,383)**	**(195)**	**48**	**(29)**	**(33)**	**4,322**
Obligation to maintain the condition of concession assets	827	135	(94)	(14)	47	-	2	903
After-sales service	406	105	(99)	(30)	9	-	-	391
Losses on completion and construction project liabilities	1,336	738	(718)	(58)	49	-	(1)	1,346
Disputes	541	138	(114)	(52)	-	-	(1)	513
Restructuring costs	30	18	(17)	(3)	3	-	-	31
Other current liabilities	974	400	(298)	(39)	(1)	-	(1)	1,035
Reclassification of the part at less than one year	208	-	-	-	(16)	42	-	234
31/12/2018	**4,322**	**1,534**	**(1,339)**	**(196)**	**92**	**42**	**(2)**	**4,452**

At 31 December 2018, contractual obligations to maintain the condition of concession assets mainly comprised €418 million for the ASF group (€379 million at 31 December 2017), €258 million for Cofiroute (€240 million at 31 December 2017), and VINCI Airports for €189 million (€177 million at 31 December 2017) including €74 million for the ANA group (€69 million at 31 December 2017).
Provisions for other current liabilities include provisions for worksite restoration and removal costs for €176 million (€194 million at 31 December 2017).

19. Non-current provisions

Accounting policies

Non-current provisions are recognised whenever, at the balance sheet date, the Group has a legal or constructive present obligation towards non-Group companies arising from a past event, whenever it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and whenever a reliable estimate can be made of the amount of the obligation. These provisions are measured at their present value, corresponding to the best estimate of the outflow of resources required to settle the obligation.

The part at less than one year of other employee benefits is reported under "Other current non-operating liabilities". The part at less than one year of provisions not directly linked to the operating cycle is reported under "Current provisions".

Detail of non-current provisions

Changes in other non-current provisions reported in the balance sheet (excluding employee benefits) were as follows in 2018 and 2017:

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year	Currency translation differences	Closing
01/01/2017	**949**	**195**	**(129)**	**(91)**	**39**	**(18)**	**(1)**	**945**
Financial risks	643	27	(34)	(2)	52	-	-	685
Other liabilities	543	174	(105)	(30)	-	-	(6)	576
Reclassification of the part at less than one year	(241)	-	-	-	4	29	-	(208)
31/12/2017	**945**	**201**	**(140)**	**(32)**	**56**	**29**	**(6)**	**1,053**
Financial risks	685	4	(30)	(4)	170	-	-	826
Other liabilities	576	165	(125)	(26)	(47)	-	1	544
Reclassification of the part at less than one year	(208)	-	-	-	16	(42)	-	(234)
31/12/2018	**1,053**	**169**	**(155)**	**(29)**	**139**	**(42)**	**1**	**1,135**

Provisions for financial risks

Provisions for financial risks include the Group's share of the negative net equity of companies accounted for under the equity method. That negative net equity results from the measurement of interest rate derivative instruments (cash flow hedges) at fair value in the financial statements of the companies concerned.

Provisions for other liabilities

Provisions for other liabilities, not directly linked to the operating cycle, include provisions for disputes and arbitration, some of which are described in Note M "Note on litigation". These amounted to €544 million at 31 December 2018 (€576 million at 31 December 2017), including €326 million at more than one year (€384 million at 31 December 2017).

20. Other contractual obligations of an operational nature and other commitments given and received

Other contractual obligations of an operational nature and commitments given and received break down as follows:

20.1 Other contractual obligations of an operational nature

(in € millions)	31/12/2018	31/12/2017
Operating leases	1,500	1,237
Purchase and capital expenditure obligations (*)	339	387

(*) Excluding capital investment obligations related to concession and PPP contracts (see Note F "Concession and PPP contracts").

Operating lease commitments amounted to €1,500 million at 31 December 2018. Of this, €1,024 million was for property (€807 million at 31 December 2017) and €476 million for movable items (€430 million at 31 December 2017). The increase in commitments for property related mainly to the development of the Ovelia (serviced residences for seniors) and Student Factory (student halls of residence) programmes, those two entities now being controlled by VINCI Immobilier.

Purchase and capital expenditure obligations, excluding those relating to concession contracts, mainly concern Eurovia in relation to its quarrying rights, along with VINCI Energies and VINCI Immobilier.
The breakdown by maturity of contractual obligations is as follows:

(in € millions)	Total	Payments due by period: Within 1 year	Between 1 and 5 years	After 5 years
Operating leases	1,500	452	782	267
Purchase and capital expenditure obligations (*)	339	261	27	52

(*) Excluding capital investment obligations related to concession and PPP contracts.

20.2 Other commitments made and received

(in € millions)	31/12/2018	31/12/2017
Collateral security	70	44
Other commitments made (received)	791	277

Collateral security (mortgages and collateral for finance) may be given in addition to commitments in connection with concession and PPP contracts. This relates mainly to VINCI Energies and Eurovia.
The increase in other commitments is due in particular to the performance guarantee given by VINCI Autoroutes concerning Arcos.

The Group's off-balance sheet commitments are subject to specific reporting at each full-year and half-year closing.
They are presented according to the activity to which they relate, in the corresponding notes.

Accordingly, the commitments made and received by the Group in connection with concession contracts, construction and service contracts and items connected with unrecognised retirement benefit obligations are shown in the following notes:
- E.10.3 "Commitments made in respect of associates and joint ventures";
- F.12.3 "Commitments made under concession contracts – intangible asset model";
- F.13.3 "Commitments made under concession and PPP contracts – financial asset and/or bifurcated model";
- G.15.3 "Commitments made and received in connection with construction and service contracts";
- K.27.1 "Provisions for retirement benefit obligations".

I. Equity

21. Information on equity

Capital management policy

In 2018, VINCI continued its policy of purchasing its own shares under the programme approved by the Shareholders' General Meeting held on 20 April 2017 and the new programme approved by the Shareholders' General Meeting of 17 April 2018, for a period of 18 months and relating to a maximum amount €2 billion at a maximum share price of €120. In 2018, 7,667,561 shares were bought at an average price of €83.11, for a total of €637 million.

Treasury shares (see Note I.21.2 "Treasury shares") are allocated to financing external growth transactions and to covering performance share plans and the employer contributions to international employee share ownership plans. They may also be cancelled.

VINCI's employee savings policy aims to make it easier for Group employees to become shareholders. At 31 December 2018, over 50% of the Group's employees were VINCI shareholders through unit funds invested in VINCI shares. Since those funds own 8.99% of the company's shares, the Group's current and former employees form its largest group of shareholders.

There are no financial covenants taking into account the Group's consolidated equity or the equity of parent company VINCI SA.

21.1 Share capital

At 31 December 2018, the parent company's share capital was represented by 597,515,984 ordinary shares of €2.5 nominal value each.

The changes in the number of shares during the period were as follows:

	31/12/2018	31/12/2017
Number of shares at beginning of period	**591,216,948**	**589,305,520**
Increases in share capital	6,299,036	7,648,416
Cancelled treasury shares		(5,736,988)
Number of shares at end of period	**597,515,984**	**591,216,948**
Number of shares issued and fully paid	597,515,984	591,216,948
Nominal value of one share *(in €)*	2.5	2.5
Treasury shares held directly by VINCI	42,749,600	36,317,368
of which shares allocated to covering performance share plans and employee share ownership plans	*13,586,645*	*7,154,413*

The changes in capital during 2017 and 2018 break down as follows:

	Increases (reductions) in share capital *(in €)*	Share premiums arising on contributions or mergers *(in €)*	Number of shares representing the share capital
01/01/2017	**1,473,263,800**	**9,565,963,094**	**589,305,520**
Group savings plan	14,623,400	358,172,600	5,849,360
Exercise of share subscription options	4,497,640	65,231,103	1,799,056
Cancelled treasury shares	(14,342,470)		(5,736,988)
Other operations		(138,935)	
31/12/2017	**1,478,042,370**	**9,989,227,862**	**591,216,948**
Group savings plan	14,511,260	433,848,415	5,804,504
Exercise of share subscription options	1,236,330	18,933,679	494,532
31/12/2018	**1,493,789,960**	**10,442,009,956**	**597,515,984**

21.2 Treasury shares

Accounting policies

Treasury shares held by the Group are booked as a deduction from equity at their cost of acquisition. Any gains or losses connected with the purchase, sale or cancellation of treasury shares are recognised directly in equity without affecting the income statement.

Changes in treasury shares were as follows:

	31/12/2018	31/12/2017
Number of shares at beginning of period	**36,317,368**	**34,685,354**
Purchases of shares	7,667,561	8,573,859
Allocation of 2014 performance shares to employees		(944,799)
Allocation of 2015 performance shares to employees	(935,763)	(1,600)
Allocation of 2016 performance shares to employees		(4,600)
Allocation of 2017 performance shares to employees		(1,500)
Allocation of 2018 performance shares to employees		
Employer contribution in connection with the Castor International plan	(299,566)	(252,358)
Cancelled treasury shares		(5,736,988)
Number of shares at end of period	**42,749,600**	**36,317,368**

At 31 December 2018, the total number of treasury shares held was 42,749,600. These were recognised as a deduction from consolidated equity for €2,323 million.
A total of 13,586,645 shares are allocated to covering long-term incentive plans and employee share ownership transactions and 29,162,955 are intended to be used as payment in external growth transactions, sold or cancelled.

21.3 Distributable reserves and statutory reserve

At 31 December 2018, VINCI SA's distributable reserves amounted to €29 billion (€28.7 billion at 31 December 2017) and its statutory reserve to €150 million (€150 million at 31 December 2017).

21.4 Amounts recognised directly in equity

(in € millions)		31/12/2018 Attributable to owners of the parent	31/12/2018 Attributable to non-controlling interests	31/12/2018 Total	31/12/2017 Attributable to owners of the parent	31/12/2017 Attributable to non-controlling interests	31/12/2017 Total
Hedging costs							
Reserve at beginning of period (*)		**(3)**	**-**	**(3)**	**-**	**-**	**-**
Gross reserve before tax effect at balance sheet date	**I**	**2**	**-**	**2**	**-**	**-**	**-**
Cash flow hedge and net investment hedges							
Reserve at beginning of period (*)		**(589)**	**-**	**(590)**	**(847)**	**(1)**	**(848)**
Changes in fair value of companies accounted for under the equity method		1	-	1	115	-	115
Other changes in fair value in the period		(93)	-	(93)	74	1	75
Items recognised in profit or loss		42	-	42	63	-	63
Changes in consolidation scope and miscellaneous		(24)	-	(24)	-	-	-
Gross reserve before tax effect at balance sheet date	**II**	**(663)**	**-**	**(664)**	**(596)**	**-**	**(596)**
of which gross reserve relating to companies accounted for under the equity method		*(549)*	-	*(549)*	*(551)*	-	*(551)*
Total gross reserve before tax effects (items that may be recycled to income)	**I+II**	**(661)**	**-**	**(662)**	**(596)**	**-**	**(596)**
Associated tax effect		167	-	167	159	-	159
Reserve net of tax (items that may be recycled to income)	**III**	**(495)**	**-**	**(495)**	**(437)**	**-**	**(437)**
Equity instruments (*)							
Reserve at beginning of period		**1**	**-**	**1**	**3**	**-**	**3**
Gross reserve before tax effect at balance sheet date	**IV**	**1**	**-**	**1**	**1**	**-**	**1**
Actuarial gains and losses on retirement benefit obligations							
Reserve at beginning of period		**(346)**	**-**	**(345)**	**(458)**	**-**	**(458)**
Actuarial gains and losses recognised in the period		(46)	-	(46)	136	1	137
Associated tax effect		15	-	15	(31)	-	(31)
Changes in consolidation scope and miscellaneous		9	-	9	7	-	7
Reserve net of tax at end of period	**V**	**(367)**	**-**	**(367)**	**(346)**	**-**	**(345)**
Total reserve net of tax (items that may not be recycled to income)	**IV+V**	**(366)**	**-**	**(366)**	**(345)**	**-**	**(345)**
Total amounts recognised directly in equity	**III+IV+V**	**(861)**	**-**	**(861)**	**(782)**	**-**	**(782)**

(*) Amounts adjusted in accordance with the change in accounting methods related to the first-time adoption on 1 January 2018 of IFRS 9 "Financial Instruments", described in Note A.4. "Available-for-sale financial assets" under IAS 39 are now classified under "Equity instruments" for those evaluated at fair value through OCI.

The amounts recorded directly in equity relate to cash flow hedging transactions (negative effect of €632 million), net investment hedging transactions (negative effect of €31 million) and actuarial gains and losses on retirement benefit obligations.
Transactions relating to the hedging of interest rate risk had a negative effect of €620 million, comprising:
- a negative effect of €76 million concerning fully consolidated subsidiaries, including VINCI Autoroutes (negative effect of €68 million) and VINCI SA (positive effect of €24 million);
- a negative effect of €544 million relating to companies accounted for under the equity method, mainly relating to LISEA (negative effect of €339 million) and other companies handling infrastructure projects on a PPP or concession basis.

These transactions are described in Note J.25.1.2 "Cash flow hedges".

21.5 Non-controlling interests

At 31 December 2018, non-controlling interests amounted to €633 million (€572 million at 31 December 2017).

22. Dividends

The dividend paid by VINCI SA to its shareholders in respect of 2018 and 2017 breaks down as follows:

	2018	2017
Dividend per share *(in €)*		
Interim dividend	0.75	0.69
Final dividend	1.92	1.76
Net total dividend	**2.67**	**2.45**
Amount of dividend *(in € millions)*		
Interim dividend	417	384
Final dividend	1,065 (*)	974
Net total dividend	**1,482**	**1,358**

(*) Estimate based on the number of shares giving rights to a dividend at 26 January 2019, i.e. 554,898,331 shares.

VINCI paid the final dividend in respect of 2017 on 26 April 2018 and an interim dividend in respect of 2018 on 8 November 2018.

The Shareholders' Ordinary General Meeting of 17 April 2019 will be asked to approve the overall dividend that will be paid in respect of 2018 (see Note N.31 "Appropriation of 2018 net income").

J. Financing and financial risk management

23. Net financial debt

Accounting policies

Bonds, other loans and financial debt are recognised at amortised cost using the effective interest method. The effective interest rate is determined after taking account of redemption premiums and issuance expenses. Under this method, the interest expense is measured actuarially and reported under the cost of gross financial debt.
The economic benefit of a loan at a significantly below-market rate of interest, which is the case in particular for project finance granted by public sector organisations, is treated as a government grant and recognised as a reduction of the debt and the related investments, in accordance with IAS 20.
Certain financing contracts provide for early redemption options, for amounts that are always close to the amortised cost of the financial liabilities that are recognised as a result. Consequently, the Group does not recognise any derivative financial instrument separately from the original contracts.

The part at less than one year of borrowings is included in "Current borrowings".

At 31 December 2018, net financial debt, as defined by the Group, stood at almost €15.6 billion, up €1,553 million compared with 31 December 2017. It breaks down as follows:

Analysis by accounting heading	*(in € millions)*	Note	31/12/2018 Non-current	31/12/2018 Current (*)	31/12/2018 Total	31/12/2017 Non-current	31/12/2017 Current (*)	31/12/2017 Total
Financial liabilities at amortised cost	Bonds	23.1	(16,588)	(1,576)	(18,164)	(14,130)	(1,427)	(15,558)
	Other bank loans and other financial debt	23.1	(2,900)	(439)	(3,339)	(2,415)	(1,180)	(3,595)
	Finance lease debt	23.1	(123)	(44)	(166)	(97)	(33)	(130)
	Long-term financial debt (**)		**(19,611)**	**(2,059)**	**(21,669)**	**(16,642)**	**(2,641)**	**(19,282)**
	Commercial paper	24.2	-	(1,281)	(1,281)	-	(998)	(998)
	Other current financial liabilities	24.1	-	(41)	(41)	-	(30)	(30)
	Bank overdrafts	24.1	-	(1,178)	(1,178)	-	(1,105)	(1,105)
	Financial current accounts, liabilities	24.1	-	(77)	(77)	-	(58)	(58)
	I - Gross financial debt		**(19,611)**	**(4,635)**	**(24,246)**	**(16,642)**	**(4,830)**	**(21,472)**
	of which impact of fair value hedges		*(413)*	*(27)*	*(440)*	*(435)*	*(7)*	*(442)*
Loans and receivables	Collateralised loans and financial receivables		-	-	-	-	-	-
	Financial current accounts, assets	24.1	-	29	29	-	41	41
Financial assets at fair value through profit and loss	Cash management financial assets	24.1	-	216	216	-	142	142
	Cash equivalents	24.1	-	3,595	3,595	-	2,658	2,658
	Cash	24.1	-	4,364	4,364	-	4,150	4,150
	II - Financial assets		**-**	**8,204**	**8,204**	**-**	**6,991**	**6,991**
Derivatives	Derivative financial instruments – liabilities	25	(206)	(76)	(282)	(288)	(114)	(402)
	Derivative financial instruments – assets	25	511	258	769	621	261	882
	III - Derivative financial instruments		**305**	**182**	**487**	**334**	**146**	**480**
	Net financial debt (I+II+III)		**(19,305)**	**3,751**	**(15,554)**	**(16,308)**	**2,307**	**(14,001)**
	Net financial debt breaks down by business as follows:							
	Concessions		*(26,698)*	*(331)*	*(27,029)*	*(25,474)*	*(1,671)*	*(27,145)*
	Contracting		*(4,227)*	*3,319*	*(908)*	*(3,219)*	*3,695*	*477*
	Holding companies and VINCI Immobilier		*11,619*	*763*	*12,382*	*12,384*	*282*	*12,667*

(*) The current part includes accrued interest not matured.
(**) Including the part at less than one year.

Change in in net financial debt:

(in € millions)	Opening	Cash flows	Ref.	"Non-cash" changes: Changes in consolidation scope	Exchange rate effect	Changes in fair value	Other changes	"Non-cash" total	Ref.	Closing
Bonds	(14,130)	(3,669)	(3)	-	(55)	23	1,244	1,212	(4)	(16,588)
Other loans and borrowings	(2,512)	28	(3)	(635)	(39)	-	135	(539)	(4)	(3,023)
Current borrowings	(4,830)	1,983		(181)	(8)	(19)	(1,580)	(1,788)		(4,635)
of which the part at less than one year of long-term debts	*(2,316)*	*2,185*	*(3)*	*(33)*	*(3)*	*(19)*	*(1,576)*	*(1,631)*	*(4)*	*(1,762)*
of which current financial debts at inception	*(1,085)*	*(181)*	*(2)*	*(121)*	*(12)*	*-*	*-*	*(133)*	*(4)*	*(1,398)*
of which accrued interest on bank debts	*(325)*	*30*	*(4)*	*(1)*	*-*	*-*	*-*	*(2)*	*(4)*	*(297)*
of which bank overdrafts	*(1,105)*	*(50)*	*(1)*	*(26)*	*7*	*-*	*(4)*	*(23)*	*(1)*	*(1,178)*
Cash management financial assets	184	47		10	5	-	(1)	15		245
of which cash management financial assets (excluding accrued interest)	*184*	*46*	*(2)*	*10*	*5*	*-*	*(1)*	*15*	*(4)*	*244*
of which accrued interest on cash management assets	*-*	*-*	*(4)*	*-*	*-*	*-*	*-*	*-*	*(4)*	*-*
Cash and cash equivalents	6,807	1,528	(1)	(331)	23	(1)	(66)	(375)	(1)	7,960
Derivative financial instruments	480	12		(4)	26	(27)	-	(5)		487
of which fair value of derivatives	*357*	*1*	*(3)*	*(4)*	*26*	*(27)*	*-*	*(5)*	*(4)*	*353*
of which accrued interest on derivatives	*123*	*12*	*(4)*	*-*	*-*	*-*	*-*	*-*	*(4)*	*134*
Net financial debt	**(14,001)**	**(74)**	**(5)**	**(1,139)**	**(49)**	**(24)**	**(267)**	**(1,479)**	**(5)**	**(15,554)**

Changes in the consolidation scope led to a €1,139 million cash outflow and related mainly to the integration of Lane Construction's Plants & Paving division, PrimeLine Utility Services and Airports Worldwide, as well as the change of control of Greek concession holder Gefyra (previously accounted for under the equity method, now fully consolidated). Other changes include the reclassification of the non-current portion of long-term financial debt as current debts.

The table below reconciles changes in net financial debt with the cash flow statement.

Reconciliation of net financial debt with financing flows on the cash flow statement:

(in € millions)	Ref.	2018
Change in net cash	(1)	1,079
Change in cash management assets and other current financial debts	(2)	(135)
(Proceeds from)/repayment of loans	(3)	(1,456)
Other changes	(4)	(1,042)
Change in net financial debt	(5)	(1,553)

23.1 Detail of long-term financial debt by business

The breakdown of net long-term financial debt (including the part at less than one year) by business at 31 December 2018 was as follows:

	31/12/2018				31/12/2017			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Bonds	(14,238)	-	(3,926)	(18,164)	(13,669)	(66)	(1,823)	(15,558)
Other bank loans and other financial debt	(3,012)	(81)	(246)	(3,339)	(3,503)	(98)	6 (*)	(3,595)
Finance lease debt	(22)	(144)	(1)	(166)	(16)	(114)	-	(130)
Long-term financial debt	**(17,272)**	**(225)**	**(4,172)**	**(21,669)**	**(17,188)**	**(278)**	**(1,816)**	**(19,282)**

(*) Net of arrangement commissions relating to the undrawn VINCI syndicated credit facility, recognised as a reduction in debt.

At 31 December 2018, long-term financial debt amounted to €21.7 billion, up €2.4 billion relative to 31 December 2017 (€19.3 billion). The increase was due mainly to the following transactions:

- In March 2018, VINCI SA arranged a $300 million credit facility. VINCI carried out two bond issues as part of its EMTN (Euro Medium Term Notes) programme: in September 2018 it issued €750 million of bonds maturing in September 2025 and paying an annual coupon of 1%, along with €1 billion of bonds maturing in September 2030 followed by a €100 million tap issue in October, both paying an annual coupon of 1.75%. VINCI SA also placed $70 million of 10-year bonds in October 2018 and €120 million of 16-year bonds in November 2018.
- ASF carried out two bond issues as part of its EMTN programme: in January 2018 it issued €1 billion of bonds maturing in January 2030 and in June 2018 it issued €700 million of bonds maturing in June 2028, both paying an annual coupon of 1.375%. In March 2018, ASF repaid a €750 million CNA loan bearing interest at 4.50%; in June, it repaid early a €100 million credit facility; in September, it redeemed €500 million of bonds paying a coupon of 4% and repaid EIB loans totalling €51 million.
- In April 2018, Cofiroute redeemed €600 million of bonds paying an annual coupon of 5.25% and EIB loans totalling €128 million.
- In December 2018, the company holding the concession for the Belgrade airport took out two bank loans: one for €220 million maturing in September 2033 on which drawings were €151 million at the end of the year, and the other for €200 million maturing in September 2035 on which drawings were €137 million at the end of the year.
- At 31 December 2018, Gefyra, the company holding the concession for the Rion–Antirion bridge in Greece and which has been fully consolidated again since 1 January 2018, had an EIB loan amounting to €207 million with a term of June 2029.

Details of the Group's main financial debts are given in the tables below:

Details of the Group's main financial debts are given in the tables below:

Concessions

					31/12/2018			31/12/2017	
(in € millions)		Currency	Contractual interest rate	Maturity	Capital remaining due	Carrying amount	of which accrued interest not matured	Capital remaining due	Carrying amount
Bonds	**I**				**13,676**	**14,238**	**256**	**13,061**	**13,669**
ASF group					**9,495**	**10,028**	**217**	**8,293**	**8,863**
of which:									
ASF 2011 bond issue		EUR	4.0%	September 2018	-	-	-	500	511
ASF 2009 bond issue and supplement		EUR	7.4%	March 2019	970	1,028	56	970	1,038
ASF 2010 bond issue and supplement		EUR	4.1%	April 2020	650	697	19	650	717
ASF 2007 bond issue		EUR	5.6%	July 2022	1,575	1,752	44	1,575	1,781
ASF 2013 bond issue		EUR	2.9%	January 2023	700	763	19	700	765
ASF 2014 bond issue		EUR	3.0%	January 2024	600	613	17	600	613
ASF 2016 bond issue		EUR	1.0%	May 2026	500	497	3	500	489
ASF 2017 bond issue		EUR	1.1%	April 2026	500	502	4	500	501
ASF 2017 bond issue		EUR	1.3%	January 2027	1,000	1,003	12	1,000	1,002
ASF 2018 bond issue		EUR	1.4%	June 2028	700	706	5	-	-
ASF 2018 bond issue		EUR	1.4%	January 2030	1,000	1,016	13	-	-
Cofiroute					**3,157**	**3,187**	**39**	**-**	**3,802**
of which:									
2003 bond issue		EUR	5.3%	April 2018	-	-	-	600	622
2006 bond issue and supplement in 2007		EUR	5.0%	May 2021	1,100	1,166	33	1,100	1,177
2016 bond issue		EUR	0.4%	February 2025	650	648	2	650	645
2016 bond issue		EUR	0.8%	September 2028	650	619	2	650	607
2017 bond issue		EUR	1.1%	October 2027	750	746	2	750	742
Arcour					**415**	**412**	**-**	**417**	**414**
of which Arcour 2017		EUR	2.8%	November 2047	415	412	-	417	414
VINCI Airports					**277**	**271**	**-**	**264**	**254**
of which Aerodom 2017		USD	6.8%	March 2029	277	271	-	264	254
Other concessions					**333**	**342**	**-**	**328**	**337**
of which Lamsac 2012		PEN	inflation	June 2037	239	248	-	234	244
Other bank loans and other financial debt	**II**				**3,066**	**3,012**	**6**	**3,556**	**3,503**
ASF group					**691**	**675**	**1**	**1,593**	**1,575**
CNA loans					***-***	***-***	***-***	***750***	***770***
of which ASF - CNA 2004 to 2005		EUR	4.5%	March 2018	-	-	-	750	770
EIB loans					***691***	***675***	***1***	***743***	***708***
Credit facilities					***-***	***-***	***-***	***100***	***97***
Cofiroute					**716**	**714**	**4**	**844**	**844**
Arcour					**190**	**171**	**-**	**191**	**171**
VINCI Airports					**1,090**	**1,084**	**1**	**747**	**733**
of which ADL group (Aéroports de Lyon)					327	326	1	324	323
of which Aerodom		USD	L3M	March 2024	146	143	-	177	164
of which VINCI Airports Serbia		EUR	E3M	September 2033	151	151	-	-	-
		EUR	4.6%	September 2035	137	137	-	-	-
Other concessions					**381**	**376**	**-**	**181**	**179**
Finance lease debt	**III**				**22**	**22**	**-**	**16**	**16**
Long-term financial debt	**I+II+III**				**16,764**	**17,272**	**262**	**16,633**	**17,188**

Holding companies

(in € millions)		Currency	Contractual interest rate	Maturity	31/12/2018 Capital remaining due	Carrying amount	of which accrued interest not matured	31/12/2017 Capital remaining due	Carrying amount
Bonds	**I**				**3,916**	**3,926**	**34**	**1,876**	**1,823**
VINCI SA					**3,916**	**3,926**	**34**	**1,876**	**1,823**
of which:									
2012 bond issue		EUR	3.4%	March 2020	750	784	19	750	794
Bond issue and supplement in 2017 (*)		USD	0.4%	February 2022	662	596	1	653	562
2018 bond issue		EUR	1.0%	September 2025	750	755	2	-	-
Bond issue and supplement in 2018		EUR	1.8%	September 2030	1,100	1,115	5	-	-
Other bank loans and other financial debt	**II**				**263**	**247**	**-**	**-**	**(6)**
VINCI SA (**)					**262**	**246**	**-**	**-**	**(6)**
Long-term financial debt	**I+II**				**4,179**	**4,172**	**34**	**1,876**	**1,816**

(*) Corresponding to non-dilutive convertible bonds.
(**) Net of arrangement commissions relating to the undrawn VINCI syndicated credit facility, recognised as a reduction in debt.

Breakdown of long-term financial debt by currency

At 31 December 2018, 89% of the Group's long-term financial debt was denominated in euros. Debts in foreign currency of companies of which the functional currency is the euro (mainly VINCI and ASF) have mostly been hedged at their time of issue and do not generate any exposure to exchange rate risk. Generally, the Group's activities in foreign countries are financed in the local currency.

23.2 Net financial debt maturity schedule

On the basis of interest rates at 31 December 2018, the Group's debt and associated interest payments break down as follows, by maturity date:

(in € millions)		Carrying amount	31/12/2018 Capital and interest payments	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Bonds							
Capital		(18,164)	(17,592)	(1,258)	(1,407)	(4,615)	(10,312)
Interest payments		-	(2,898)	(511)	(424)	(908)	(1,055)
Other bank loans and other financial debt							
Capital		(3,339)	(3,409)	(432)	(290)	(1,165)	(1,523)
Interest payments		-	(441)	(67)	(62)	(151)	(160)
Finance lease debt				-			
Capital		(166)	(166)	(43)	(58)	(38)	(27)
Interest payments		-	(8)	(4)	(2)	(2)	(1)
Long-term financial debt		**(21,669)**	**(24,515)**	**(2,315)**	**(2,243)**	**(6,879)**	**(13,078)**
Commercial paper		(1,281)	(1,281)	(1,281)	-	-	-
Other current financial liabilities		(41)	(41)	(41)	-	-	-
Bank overdrafts		(1,178)	(1,178)	(1,178)	-	-	-
Financial current accounts, liabilities		(77)	(77)	(77)	-	-	-
Financial debt	**I**	**(24,246)**	**(27,092)**	**(4,892)**	**(2,243)**	**(6,879)**	**(13,078)**
Financial assets	**II**	**8,204 (*)**	**8,204**	**8,204**			
Derivative financial instruments – liabilities		(282)	1,250	234	207	437	372
Derivative financial instruments – assets		769	(80)	(4)	(2)	3	(78)
Derivative financial instruments	**III**	**487**	**1,170**	**231**	**205**	**440**	**294**
Net financial debt	**I+II+III**	**(15,554)**					

(*) Of which €8.1 billion at less than three months, consisting mainly of €3.6 billion of cash equivalents and €4.4 billion of cash (see Note J.24.1 "Net cash managed").

At 31 December 2018, the average maturity of the Group's long-term financial debt was 6.4 years (5.7 years at 31 December 2017). The average maturity was 6.5 years in Concession subsidiaries, 2.3 years for the Contracting business and 6.1 years for holding companies and VINCI Immobilier.

23.3 Credit ratings and financial covenants

Credit ratings

On 27 March 2018, credit rating agency Standard & Poor's raised its outlook on the Group from stable to positive.
At 31 December 2018, the Group's credit ratings were:

		Rating		
	Agency	Long term	Outlook	Short term
VINCI SA	Standard & Poor's	A-	Positive	A2
	Moody's	A3	Stable	P1
ASF	Standard & Poor's	A-	Positive	A2
	Moody's	A3	Stable	P1
Cofiroute	Standard & Poor's	A-	Positive	A2

Financial covenants

Some financing agreements include early repayment clauses applicable in the event of non-compliance with financial ratios; all ratios were met at 31 December 2018. The CNA loan that included clauses of this kind was repaid by ASF in March 2018.

Other financing agreements entered into by Group entities provide that a change in control of the borrower may constitute a case for mandatory early redemption or trigger a demand for early repayment.

24. Net cash managed and available resources

Accounting policies

Cash and cash equivalents comprise current accounts at banks and short-term liquid investments subject to negligible risks of fluctuations of value. Cash equivalents include money market UCITS and certificates of deposit with maturities not exceeding three months at the origin. Bank overdrafts are not included in cash and are reported under current financial liabilities. Changes in the fair value of these instruments are recognised directly in profit or loss.
"Cash management financial assets" comprises investments in money market securities and bonds, and units in UCITS, made with a short-term management objective, that do not satisfy the IAS 7 criteria for recognition as cash. They are measured and recognised at their fair value. Changes in value are recognised in profit or loss.
Purchases and sales of cash management financial assets are recognised at their transaction date.

At 31 December 2018, the Group's available resources amounted to €13.6 billion, including €5.6 billion net cash managed and €8 billion of available, confirmed medium-term bank credit facilities expiring in November 2023.
These available resources help the Group to manage its liquidity risk (see Note J.23.2 "Net financial debt maturity schedule").

24.1 Net cash managed

Net cash managed, which includes in particular cash management financial assets and commercial paper issued, breaks down as follows:

	31/12/2018			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Cash equivalents	**64**	**248**	**3,283**	**3,595**
Marketable securities and mutual funds (UCITS)	-	1	1,407	1,409
Negotiable debt securities with an original maturity of less than 3 months (*)	64	247	1,876	2,187
Cash	**684**	**2,316**	**1,364**	**4,364**
Bank overdrafts	**-**	**(992)**	**(186)**	**(1,178)**
Net cash and cash equivalents	**748**	**1,573**	**4,461**	**6,782**
Cash management financial assets	**119**	**96**	**1**	**216**
Marketable securities and mutual funds (UCITS) (**)	-	34	-	34
Negotiable debt securities and bonds with an original maturity of less than 3 months	8	45	1	54
Negotiable debt securities and bonds with an original maturity of more than 3 months	111	17	-	128
Commercial paper issued	**-**	**-**	**(1,281)**	**(1,281)**
Other current financial liabilities	**(17)**	**(23)**	**-**	**(41)**
Balance of cash management current accounts	**585**	**1,761**	**(2,394)**	**(49)**
Net cash managed	**1,435**	**3,407**	**786**	**5,628**

(*) Including term deposits, interest earning accounts and certificates of deposit.
(**) Short-term investments in UCITS units that do not meet the criteria to be designated as cash equivalents as defined by IAS 7.

	31/12/2017			
(in € millions)	Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Cash equivalents	**80**	**287**	**2,291**	**2,658**
Marketable securities and mutual funds (UCITS)	27	1	1,070	1,098
Negotiable debt securities with an original maturity of less than 3 months (*)	53	286	1,220	1,560
Cash	**728**	**2,235**	**1,186**	**4,150**
Bank overdrafts	**(1)**	**(1,011)**	**(93)**	**(1,105)**
Net cash and cash equivalents	**808**	**1,511**	**3,384**	**5,703**
Cash management financial assets	**67**	**75**	**-**	**142**
Marketable securities and mutual funds (UCITS) (**)	-	8	-	8
Negotiable debt securities and bonds with an original maturity of less than 3 months	5	50	-	55
Negotiable debt securities and bonds with an original maturity of more than 3 months	62	18	-	80
Commercial paper issued	**-**	**-**	**(998)**	**(998)**
Other current financial liabilities	**(9)**	**(20)**	**-**	**(30)**
Balance of cash management current accounts	**(96)**	**2,206**	**(2,126)**	**(17)**
Net cash managed	**770**	**3,772**	**260**	**4,801**

(*) Including term deposits, interest earning accounts and certificates of deposit.
(**) Short-term investments in UCITS units that do not meet the criteria to be designated as cash equivalents as defined by IAS 7.

The investment vehicles used by the Group are money market UCITS, interest earning accounts, term deposits and negotiable debt securities (certificates of deposit generally with a maturity of less than three months). They are measured and recognised at their fair value.

Net cash is managed with limited risk to capital. The performance and the risks associated with these investments of net cash are monitored regularly through a report detailing the yield of the various assets on the basis of their fair value and analysing the associated level of risk.

At 31 December 2018, net cash managed by VINCI SA amounted to €2.2 billion, arising mainly from the cash surpluses transferred upwards from French subsidiaries through a cash pooling system. VINCI Finance International, a wholly owned subsidiary of VINCI that centralises the cash surpluses of foreign subsidiaries, managed investments and cash of almost €1 billion at 31 December 2018. This centralisation enables the management of financial resources to be optimised at Group level and the risks relating to the counterparties and investment vehicles used to be better managed.

Other subsidiaries' cash investments are managed in a decentralised manner while complying with the guidelines and instructions issued by VINCI, which define the investment vehicles and the counterparties authorised. The investments amounted to €2.5 billion at 31 December 2018, including €0.8 billion for the Concessions business and €1.6 billion for the Contracting business.

24.2 Other available resources

Revolving credit facilities

On 7 November 2018, VINCI increased and extended its revolving credit facility, which now has a limit of €8 billion and a five-year term, with two one-year extension options at the lenders' discretion. It does not contain any default clause relating to non-compliance with financial ratios. At 31 December 2018, VINCI's credit facility was not being used.
The ASF and Cofiroute credit facilities due to expire in May 2021 were terminated and all fees yet to be amortised were taken to profit and loss.

Commercial paper

At 31 December 2018, VINCI had a €5 billion commercial paper programme rated A2 by Standard & Poor's and P1 by Moody's.
At 31 December 2018, €1.3 billion had been issued under that programme.

25. Financial risk management

Management rules

VINCI has implemented a system to manage and monitor the financial risks to which it is exposed, principally interest rate risk.

In accordance with the rules laid down by the Group's Finance Department, the responsibility for identifying, measuring and hedging financial risks lies with the operational entity in question. On the other hand, derivative financial instruments are managed by the Group Finance Department on behalf of the subsidiaries in question.

For the entities that have the most material exposure to financial risks (VINCI SA, ASF, Cofiroute, VINCI Finance International), treasury committees, in which the Finance departments of both VINCI SA and the concerned companies take part, regularly analyse the main exposures and decide on management strategies.
In order to manage its exposure to market risks, the Group uses derivative financial instruments, which are recognised in the balance sheet at their fair value.

Accounting policies

The Group uses derivative financial instruments to hedge its exposure to market risks (mainly interest rates and foreign currency exchange rates). Most interest rate and foreign currency exchange rate derivatives used by VINCI are designated as hedging instruments. Hedge accounting is applicable in particular if the conditions provided for in IFRS 9 are satisfied:

- at the time of setting up the hedge, there must be a formal designation and documentation of the hedging relationship;
- the economic relationship between the hedged item and the hedging instrument must be documented, as must potential sources of ineffectiveness;
- retrospective ineffectiveness must be measured at each closing date.

Changes in fair value from one period to the next are recognised differently depending on whether the instrument is designated for accounting purposes as:

- a fair value hedge of an asset or a liability or of an unrecognised firm commitment;
- a cash flow hedge; or
- a hedge of a net investment in a foreign entity.

The Group applies the provisions allowed or required by IFRS 9 for the treatment of hedging costs of all instruments designated as hedges for accounting purposes.

A fair value hedge enables the exposure to the risk of a change in the fair value of a financial asset, a financial liability or unrecognised firm commitment to be hedged.
Changes in the fair value of the hedging instrument are recognised in the income statement for the period. The change in value of the hedged item attributable to the hedged risk is recognised symmetrically in profit or loss for the period (and adjusts the carrying amount of the hedged item). Except for the ineffective portion of the hedge, these two revaluations offset each other within the same line items in the income statement.

A cash flow hedge allows exposure to variability in future cash flow associated with an existing asset or liability, or a highly probable forecast transaction, to be hedged.
Changes in the fair value of the hedging instrument are recognised as other comprehensive income (OCI) for the effective portion and in the income statement for the period for the ineffective portion. Cumulative gains or losses in equity (OCI) are reclassified to profit or loss under the same line item as the hedged item – i.e. under operating income and expenses for cash flow from operations and under cost of net financial debt otherwise – when the hedged cash flow materialises.
If the hedging relationship is disqualified because it is no longer considered effective, the cumulative gains or losses in respect of the hedging instrument are retained in equity (OCI) and reclassified to profit or loss as the hedged cash flows materialise. Subsequent changes in fair value are taken directly to the income statement. If the future cash flow is no longer expected, the gains and losses previously recognised in equity (OCI) are recorded in the income statement.

Hedging a net investment consists of hedging the exchange rate risk relating to the equity of an investment in a consolidated foreign subsidiary outside of the eurozone. Changes in the value of the derivative instrument are recorded in equity under currency translation differences for the effective portion. The portion of changes in value of the hedging instrument considered as ineffective is recognised in the cost of net financial debt. Currency translation differences related to changes in the value of the hedging instrument are recognised in the income statement when the foreign entity in which the initial investment was made leaves the consolidation scope.

Derivative financial instruments that are not designated as hedging instruments are reported in the balance sheet at fair value and changes in their fair value are recognised in the income statement.

Cross-currency swaps are either regarded as interest-rate instruments where they are designated as fair-value or cash-flow hedges for accounting purposes, or regarded as exchange-rate instruments in other cases.

Derivative instruments

At the balance sheet date, the fair value of derivative financial instruments breaks down as follows:

			31/12/2018			31/12/2017		
(in € millions)	Balance sheet line	Note	Asset	Liability	Fair value (*)	Asset	Liability	Fair value (*)
Derivatives related to net financial debt								
Interest rate derivatives: fair value hedges		25.1.2	620	83	537	635	88	547
Interest rate derivatives: cash flow hedges		25.1.2	-	81	(81)	-	63	(63)
Interest rate derivatives not designated as hedges		25.1.3	85	62	23	145	106	39
Interest rate derivatives	Net financial debt		**705**	**226**	**479**	**780**	**258**	**522**
Foreign currency exchange rate derivatives: fair value hedges		25.2	-	-	-	3	43	(40)
Foreign currency exchange rate derivatives: cash flow hedges		25.2	-	-	-	-	-	-
Foreign currency exchange rate derivatives: hedges of net foreign investments		25.2	5	8	(2)	9	7	2
Foreign currency exchange rate derivatives not designated as hedges		25.2	23	11	13	1	4	(4)
Foreign currency exchange rate derivatives	Net financial debt		**29**	**18**	**11**	**13**	**54**	**(42)**
Other derivatives	Net financial debt		**35**	**37**	**(2)**	**89**	**90**	**-**
Derivatives related to WCR								
Foreign currency exchange rate derivatives: fair value hedges		25.2	6	3	3	18	14	4
Foreign currency exchange rate derivatives: cash flow hedges		25.2	1	4	(2)	5	1	4
Foreign currency exchange rate derivatives not designated as hedges		25.2	-	-	-	-	-	-
Foreign currency exchange rate derivatives	Working capital requirement		**7**	**7**	**1**	**23**	**16**	**7**
Other derivatives	Working capital requirement		**-**	**2**	**(1)**	**1**	**-**	**1**
Total derivative financial instruments			**776**	**290**	**487**	**906**	**418**	**488**

(*) Fair value includes interest accrued but not matured of €134 million at 31 December 2018 and €123 million at 31 December 2017.

Other hedging instruments

Currency translation risk relating to the ownership of assets in foreign currencies is in general, and where possible, hedged by financial debts denominated in the same currency.

25.1 Interest rate risk

Interest rate risk is managed within the Group, making a distinction between the Concessions business, the Contracting business and holding companies as their respective financial profiles are not the same.

For concession operating subsidiaries, interest rate risk is managed with two timescales: the long term, aiming to ensure and maintain the concession's economic equilibrium, and the short term, with an objective of limiting the impact of the cost of debt on earnings for the year.
Over the long term, the objective is to ensure that the breakdown between fixed and floating rate debt is adjusted depending on the debt level, with a greater proportion at fixed rate when the level of debt is high.
As regards Contracting business lines and holding companies, they have a structural operational net cash surplus. For these activities, the objective is to ensure that financial assets and financial liabilities are well matched.

To hedge its interest rate risk, the Group uses derivative financial instruments in the form of options or swaps of which the start may be deferred. These derivatives may be designated as hedges for accounting purposes or not, in accordance with the IFRSs. The Group seeks to ensure that the ineffective portion of hedges is not material.

25.1.1 Long-term financial debt before and after interest rate hedging and sensitivity to interest rate risk

Long-term financial debt before and after interest rate hedging

The table below shows the breakdown at 31 December 2018 of long-term debt between fixed rate, capped floating rate or inflation-linked debt, and the part at floating rate before and after taking account of hedging derivative financial instruments:

	Breakdown between fixed and floating rate before hedging										
	Fixed rate			Inflation-linked			Floating rate			Total	
(in € millions)	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	Rate
Concessions	14,284	*86%*	3.25%	431	*3%*	8.10%	1,954	*12%*	1.60%	16,669	3.18%
Contracting	209	*93%*	2.78%	-	-	-	16	*7%*	1.80%	225	2.71%
Holding companies	3,620	*88%*	2.19%	-	-	-	511	*12%*	1.81%	4,131	2.14%
Total at 31/12/2018	**18,113**	***86%***	**3.03%**	**431**	***2%***	**8.10%**	**2,481**	***12%***	**1.65%**	**21,025**	**2.97%**
Total at 31/12/2017	**16,202**	***87%***	**3.50%**	**425**	***2%***	**7.56%**	**2,038**	***11%***	**1.32%**	**18,665**	**3.35%**

	Breakdown between fixed and floating rate after hedging										
	Fixed rate			Inflation-linked			Floating rate			Total	
(in € millions)	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	Rate
Concessions	6,586	*40%*	4.05%	262	*2%*	5.99%	9,821	*59%*	0.77%	16,669	2.05%
Contracting	210	*93%*	2.78%	-	-	-	16	*7%*	1.81%	225	2.71%
Holding companies	932	*23%*	2.84%	-	-	-	3,199	*77%*	0.70%	4,131	1.18%
Total at 31/12/2018	**7,728**	***37%***	**3.87%**	**262**	***1%***	**5.99%**	**13,035**	***62%***	**0.76%**	**21,025**	**1.88%**
Total at 31/12/2017	**8,799**	***47%***	**3.86%**	**225**	***1%***	**10.21%**	**9,641**	***52%***	**0.93%**	**18,665**	**2.65%**

Sensitivity to interest rate risk

VINCI is exposed to the risk of fluctuations in interest rates, given:

- the cash flow connected with net floating rate financial debt;
- fixed rate financial instruments, recognised on the balance sheet at fair value through profit and loss;
- derivative financial instruments that are not designated as hedges. These mainly comprise net call option positions of which the maximum loss over the life of the transaction does not exceed the premium paid.

On the other hand, fluctuations in the value of derivatives designated as cash flow hedges are recognised directly in equity and have no effect on profit or loss (for the effective portion).

The analysis below has been prepared assuming that the amount of the financial debt and derivatives at 31 December 2018 remains constant over one year. The consequence of a variation in interest rates of 25 basis points at the balance sheet date would be an increase or decrease of equity and pre-tax income for the amounts shown below. For the purpose of this analysis, the other variables are assumed to remain constant.

	31/12/2018			
	Income		Equity	
(in € millions)	Impact of sensitivity calculation +25 bp	Impact of sensitivity calculation -25 bp	Impact of sensitivity calculation +25 bp	Impact of sensitivity calculation -25 bp
Floating rate debt after hedging (accounting basis)	(33)	33	-	-
Floating rate assets after hedging (accounting basis)	14	(14)	-	-
Derivatives not designated as hedges for accounting purposes	(2)	2	-	-
Derivatives designated as cash flow hedges	-	-	164	(164)
Total	**(21)**	**21**	**164**	**(164)**

25.1.2 Description of hedging transactions

Fair value hedges

At the balance sheet date, details of the instruments designated as fair value hedges, which included receive fixed/pay floating interest rate swaps and cross-currency swaps, were as follows:

	Receive fixed/pay floating interest rate swap					
(in € millions)	Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
31/12/2018	537	12,769	1,301	1,163	2,556	7,749
31/12/2017	547	9,036	444	1,352	2,605	4,636

These transactions relate mainly to the fixed rate bond issues by ASF, VINCI SA and Cofiroute.

Cash flow hedges

The Group is exposed to fluctuations in interest rates on its floating rate debt and may set up receive floating/pay fixed interest rate swaps designated as cash flow hedges to hedge this risk.

The Group has thus set up interest rate swaps that serve to render interest payments on floating rate debt fixed. Contractual cash flow relating to swaps is paid symmetrically with the hedged interest payment flows. The amount deferred in equity is recognised in profit or loss in the period in which the interest payment cash flow affects profit or loss.

In April 2018, Arcos arranged swaps with a delayed start in 2020 to hedge its debts, which have maturities of up to 2037. These swaps, which have a notional amount of €293 million, serve to fix the interest payments on future issues of debt considered as highly probable. At 31 December 2018, the portfolio of these swaps had a negative fair value of €16 million.

At 31 December 2018, details of the instruments designated as cash flow hedges were as follows:

	31/12/2018					
(in € millions)	Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Receive floating/pay fixed interest rate swaps (incl. cross currency swaps)	(78)	3,340	(17)	2,242	456	659
Interest rate options (caps, floors and collars)	(3)	32	4	4	13	11
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**(81)**	**3,371**	**(14)**	**2,246**	**469**	**670**
Of which hedging of contractual cash flows	*(80)*	*1,371*	*(7)*	*255*	*483*	*641*
Of which hedging of highly probable cash flows	*(1)*	*2,000*	*(6)*	*1,991*	*(14)*	*30*

	31/12/2017					
(in € millions)	Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Receive floating/pay fixed interest rate swaps	(63)	854	10	11	372	460
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**(63)**	**854**	**10**	**11**	**372**	**460**
Of which hedging of contractual cash flows	*(62)*	*561*	*10*	*11*	*370*	*169*
Of which hedging of highly probable cash flows	*(1)*	*293*	*-*	*-*	*2*	*291*

The following table shows the periods in which the Group expects the amounts recorded in equity at 31 December 2018 for the instruments designated as cash flow hedges to have an impact on profit or loss:

	31/12/2018				
		Amount recycled in profit or loss			
(in € millions)	Amount recorded in equity of controlled companies	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**(76)**	**(21)**	**(10)**	**(7)**	**(38)**
Of which hedging of contractual cash flows	*(74)*	*(15)*	*(14)*	*(11)*	*(34)*
Of which hedging of highly probable forecast cash flows	*(2)*	*(6)*	*4*	*4*	*(4)*

25.1.3 Description of non-hedging transactions

	31/12/2018					
(in € millions)	Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps	23	1,000	1,000	-	-	-
Total	**23**	**1,000**	**1,000**	**-**	**-**	**-**

	31/12/2017					
(in € millions)	Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate swaps	39	1,000	-	1,000	-	-
Total	**39**	**1,000**	**-**	**1,000**	**-**	**-**

These transactions include swaps with short maturities.

25.2 Management of foreign currency exchange rate risk

Nature of the Group's risk exposure

VINCI's foreign currency risk management policy consists of hedging the transactional risk connected with operations.
Almost 71% of VINCI's revenue is generated in the eurozone. Contracts outside the eurozone are generally carried out in the local currency in respect of local subsidiaries' activities, and usually in euros and dollars in the case of major export projects. The Group's exposure to currency risk is therefore limited.
VINCI's foreign currency risk management policy consists of hedging the transactional risk connected with subsidiaries' commercial flows denominated in currencies other than their functional currency.

In some cases, the Group also hedges its asset-related exchange rate risk in respect of its foreign currency investments by arranging financing in the currency of the cash flows that they generate.

Detail of foreign currency exchange rate derivatives related to net financial debt

Transactions in exchange rate derivatives carried out by the Group, intended in particular to hedge its financial transactions, break down as follows:

	31/12/2018					
(in € millions)	Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Forward foreign exchange transactions	-	17	17	-	-	-
Cash flow hedges	**-**	**17**	**17**	**-**	**-**	**-**
Currency swaps (incl. cross currency swaps)	(1)	195	-	-	195	-
Forward foreign exchange transactions	(1)	680	680	-	-	-
Hedges of net foreign investments	**(2)**	**875**	**680**	**-**	**195**	**-**
Currency swaps (incl. cross currency swaps)	15	636	56	20	560	-
Forward foreign exchange transactions	(2)	801	801	-	-	-
Foreign currency exchange rate derivatives not designated as hedges for accounting purposes	**13**	**1,437**	**857**	**20**	**560**	**-**
Total foreign currency exchange rate derivatives	**11**	**2,330**	**1,555**	**20**	**755**	**-**

	31/12/2017					
(in € millions)	Fair value	Notional amount	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Currency swaps (incl. cross currency swaps)	(40)	335	-	-	191	144
Fair value hedges	**(40)**	**335**	**-**	**-**	**191**	**144**
Currency swaps (incl. cross currency swaps)	-	14	14	-	-	-
Cash flow hedges	**-**	**14**	**14**	**-**	**-**	**-**
Currency swaps (incl. cross currency swaps)	2	684	293	57	296	37
Forward foreign exchange transactions	-	3	3	-	-	-
Hedges of net foreign investments	**2**	**687**	**297**	**57**	**296**	**37**
Currency swaps (incl. cross currency swaps)	(4)	365	365	-	-	-
Forward foreign exchange transactions	-	3	3	-	-	-
Foreign currency exchange rate derivatives not designated as hedges for accounting purposes	**(4)**	**368**	**368**	**-**	**-**	**-**
Total foreign currency exchange rate derivatives	**(42)**	**1,403**	**679**	**57**	**487**	**181**

Detail of hedges qualifying for hedge accounting as part of a net foreign investment hedging relationship

The Group's principal hedges of net foreign investments were as follows at 31 December 2018:

(in € millions)	31/12/2018				
Currency	**USD (US dollar)**	**GBP (Pound sterling)**	**SGD (Singapore dollar)**	**SEK (Swedish krona)**	**JPY (Yen)**
NIH derivatives notional (*)	382	298	116	98	-
NIH debts amount (*)	647	-	-	-	149

(*) NIH: Net investment hedge.

The Group hedges the net assets of its main subsidiaries in foreign currencies, particularly subsidiaries whose functional currency is the US dollar, the pound sterling, a Scandinavian currency, the Japanese yen or the Australian or New Zealand dollar.

Analysis of exposure to operational foreign currency exchange rate risk

The principal foreign exchange risk exposures were as follows at 31 December 2018:

(in € millions)	31/12/2018				
Currency	**USD (US dollar)**	**GBP (Pound sterling)**	**PEN (Peruvian sol)**	**COP (Colombian peso)**	**CLP (Chilean peso)**
Closing rate	1.145	0.89453	3.863	3721.81	794.37
Exposure	36	33	20	26	(14)
Hedging	9	(25)	(5)	(26)	(3)
Net position	**45**	**8**	**15**	**-**	**(17)**

Given residual exposure on some assets that have not been hedged, 10% appreciation of foreign currencies against the euro would have a positive impact on pre-tax earnings of €5 million.

Detail of foreign currency exchange rate derivatives related to operational flows

Transactions in exchange rate derivatives carried out by the Group, intended in particular to hedge its operational flows, break down as follows:

(in € millions)			31/12/2018		
Currency	**BRL/EUR**	**PLN/EUR**	**GBP/EUR**	**USD/EUR**	**COP/EUR**
Fair value	(2)	2	1	-	1
Notional	34	166	38	258	27
Average maturity (months)	4	9	9	7	-
Buy/Sell	Buy	Buy/Sell	Buy/Sell	Buy/Sell	Sell

25.3 Management of credit and counterparty risk

VINCI is exposed to credit risk in the event of default by its customers and to counterparty risk in respect of its investments of cash (mainly credit balances at banks, negotiable debt securities, term deposits and marketable securities), subscription to derivatives, commitments received (sureties and guarantees received), unused authorised credit facilities, and financial receivables.
The Group has set up procedures to manage and limit credit risk and counterparty risk.

Trade receivables

Approximately a third of consolidated revenue is generated with public-sector or quasi-public-sector customers. Moreover, VINCI considers that the concentration of credit risk connected with trade receivables is limited because of the large number of customers and the fact that they are geographically dispersed. No customer accounts for more than 10% of VINCI's revenue. In export markets, the risk of non-payment is generally covered by appropriate insurance policies (Coface, documentary credits and other insurance). Trade receivables are broken down in Note H.18.2 "Breakdown of trade receivables".

Financial instruments (cash investments and derivatives)

Financial instruments (cash investments and derivatives) are set up with financial institutions that meet the Group's credit rating criteria. The Group has also set up a system of counterparty limits to manage its counterparty risk. Maximum risk amounts by counterparty are defined taking account of their ratings attributed by the credit rating agencies. The limits are regularly monitored and updated on the basis of a consolidated quarterly reporting system.
The Group Finance Department also distributes instructions to subsidiaries laying down the authorised limits by counterparty, the list of authorised UCITS (French subsidiaries) and the selection criteria for money market funds (foreign subsidiaries).

The measurement of the fair value of derivative financial instruments carried by the Group includes a "counterparty risk" component for derivatives carried as assets and a "credit risk" component for derivatives carried as liabilities. Credit risk is measured using standard mathematical models for market participants. At 31 December 2018, adjustments recognised with respect to counterparty risk and own credit risk were not material.

Netting agreements relating to derivative financial instruments

At 31 December 2018 and in accordance with IAS 32, the Group's financial assets and liabilities (including derivative financial instruments) are not netted on the balance sheet, except where the Group has netting agreements. In the event of default by the Group or the financial institutions with which it has contracted, these agreements provide for netting between the fair values of assets and liabilities arising from derivative financial instruments presented in the consolidated balance sheet.
The table below sets out the Group's net exposure arising from these netting agreements:

	31/12/2018			31/12/2017		
(in € millions)	**Fair value of derivatives recognised on the balance sheet (*)**	**Impact of netting agreements**	**Total**	**Fair value of derivatives recognised on the balance sheet (*)**	**Impact of netting agreements**	**Total**
Derivative financial instruments – assets	769	(174)	594	882	(277)	605
Derivative financial instruments – liabilities	(282)	174	(107)	(402)	277	(125)
Net derivative instruments	**487**		**487**	**480**		**480**

(*) Gross amounts as stated on the Group's consolidated balance sheet.

25.4 Management of other risks

Equity risk

At 31 December 2018, the Group held 42,749,600 VINCI shares (representing 7.15% of the share capital) acquired at an average price of €54.34. Increases or decreases of the stock market price of these treasury shares have no impact on the Group's consolidated profit or loss or equity.

Regarding assets to cover retirement benefit obligations, a breakdown by asset type is given in Note K.27.1 "Provisions for retirement benefit obligations".

After issues of non-dilutive convertible bonds, VINCI is exposed to the risk of changes in their redemption value, which depends on VINCI's share price. To protect against an increase in the redemption value caused by a rise in the share price, the Group has taken out options with the same maturity. Together, all of these transactions mean that VINCI is not exposed to any risks in relation to treasury shares.

Commodity risks

Most of the Group's revenue arises either from contracts that include price revision clauses or under short-term contracts. The risks associated with an increase in commodity prices are therefore generally limited.

For major contracts with no price revision clauses, the commodity risks are analysed on a case-by-case basis and managed by negotiating firm price agreements with suppliers, through cash-and-carry deals or hedging derivatives based on commodity indexes.

Eurovia has set up a policy to manage bitumen price risks through short-maturity hedging derivatives (swaps of less than three months on average). This policy applies to small contracts in France with an average length of less than three months and which do not include price revision clauses.

VINCI uses little unprocessed raw material, other than the aggregates produced and used by Eurovia. In 2018, approximately 34% of Eurovia's aggregates came from Group quarries.

26. Book and fair value of financial instruments by accounting category

The method of measuring the fair value of financial assets and liabilities has not changed since the 31 December 2017 accounts closing. The following table shows the carrying amount and fair value of financial assets and liabilities in the balance sheet by accounting category as defined in IFRS 9:

31/12/2018	Accounting categories							Fair value			
Balance sheet headings and classes of instrument	Derivatives at fair value through profit and loss	Derivatives designated as hedges	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets at amortised cost	Financial liabilities at amortised cost	Total net book value	Level 1: quoted prices and cash	Level 2: internal model using observable factors	Level 3 internal model using non-observable factors	Fair value
Equity instruments	-	-	95	7	-	-	101	1	-	101	101
Financial assets at amortised cost and PPP financial receivables	-	-	-	-	1,231	-	1,231	-	1,231	-	1,231
I - Non-current financial assets (*)	**-**	**-**	**95**	**7**	**1,231**	**-**	**1,332**	**1**	**1,231**	**101**	**1,332**
II - Derivative financial instruments – assets	**143**	**633**	**-**	**-**	**-**	**-**	**776**	**-**	**776**	**-**	**776**
Cash management financial assets	-	-	216	-	-	-	216	34	182	-	216
Financial current accounts, assets	-	-	-	-	29	-	29	29	-	-	29
Cash equivalents	-	-	3,595	-	-	-	3,595	1,409	2,187 (**)	-	3,595
Cash	-	-	4,364	-	-	-	4,364	4,364	-	-	4,364
III - Current financial assets	**-**	**-**	**8,176**	**-**	**29**	**-**	**8,204**	**5,836**	**2,369**	**-**	**8,204**
Total assets	**143**	**633**	**8,270**	**7**	**1,260**	**-**	**10,313**	**5,836**	**4,376**	**101**	**10,313**
Bonds						(18,164)	(18,164)	(17,152)	(1,466)	-	(18,617)
Other bank loans and other financial debt						(3,339)	(3,339)	-	(3,410)	-	(3,410)
Finance lease debt						(166)	(166)	-	(166)	-	(166)
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(21,669)**	**(21,669)**	**(17,152)**	**(5,042)**	**-**	**(22,194)**
V - Derivative financial instruments – liabilities	**(110)**	**(180)**	**-**	**-**	**-**	**-**	**(290)**	**-**	**(290)**	**-**	**(290)**
Other current financial liabilities						(1,322)	(1,322)	-	(1,322)	-	(1,322)
Financial current accounts - liabilities						(77)	(77)	(77)	-	-	(77)
Bank overdrafts						(1,178)	(1,178)	(1,178)	-	-	(1,178)
VI - Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(2,577)**	**(2,577)**	**(1,255)**	**(1,322)**	**-**	**(2,577)**
Total liabilities	**(110)**	**(180)**	**-**	**-**	**-**	**(24,246)**	**(24,535)**	**(18,407)**	**(6,653)**	**-**	**(25,060)**
Total	**33**	**454**	**8,270**	**7**	**1,260**	**(24,246)**	**(14,223)**	**(12,571)**	**(2,277)**	**101**	**(14,747)**

(*) See Notes E.11 and F.13.
(**) Mainly comprising certificates of deposit, term deposits and interest bearing accounts.

As part of the adoption of IFRS 9, "Loans and financial receivables including PPP" have been reclassified under "Financial assets at amortised cost and financial receivables (PPP)". "Available-for-sale assets" have been reclassified under "Equity instruments". Equity instruments are presented under "Financial assets measured at fair value through profit and loss" or "Financial assets measured at fair value through equity" depending on the recognition method used on the transition date.

The table below shows the carrying amount and fair value of financial assets and liabilities as reported at 31 December 2017 by accounting category as defined by IAS 39:

31/12/2017	Accounting categories (1)							Fair value			
Balance sheet headings and classes of instrument	Financial instruments at fair value through profit and loss	Derivatives designated as hedges	Financial assets measured at fair value	Available-for-sale financial assets	Loans and receivables	Financial liabilities at amortised cost	**Total net book value**	Level 1: quoted prices and cash	Level 2: internal model using observable factors	Level 3: internal model using non-observable factors	**Fair value**
Available-for-sale financial assets	-	-	-	95	-	-	95	1	-	94	95
Loans and financial receivables incl. PPP	-	-	-	-	1,007	-	1,007	-	1,007	-	1,007
I - Non-current financial assets (2)	**-**	**-**	**-**	**95**	**1,007**	**-**	**1,102**	**1**	**1,007**	**94**	**1,102**
II - Derivative financial instruments – assets	**235**	**647**	**-**	**-**	**-**	**-**	**882**	**-**	**882**	**-**	**882**
Cash management financial assets	-	-	142	-	-	-	142	8	135	-	142
Financial current accounts, assets	-	-	41	-	-	-	41	41	-	-	41
Cash equivalents			2,658				2,658	1,098	1,560 (3)	-	2,658
Cash			4,150				4,150	4,150	-	-	4,150
III - Current financial assets	**-**	**-**	**6,991**	**-**	**-**	**-**	**6,991**	**5,296**	**1,695**	**-**	**6,991**
Total assets	**235**	**647**	**6,991**	**95**	**1,007**	**-**	**8,975**	**5,297**	**3,584**	**94**	**8,975**
Bonds	-	-	-	-	-	(15,558)	(15,558)	(15,147)	(1,339)	-	(16,486)
Other bank loans and other financial debt	-	-	-	-	-	(3,595)	(3,595)	(785) (4)	(2,892)	-	(3,676)
Finance lease debt	-	-	-	-	-	(130)	(130)	-	(130)	-	(130)
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(19,282)**	**(19,282)**	**(15,932)**	**(4,360)**	**-**	**(20,292)**
V - Derivative financial instruments – liabilities	**(201)**	**(201)**	**-**	**-**	**-**	**-**	**(402)**	**-**	**(402)**	**-**	**(402)**
Other current financial liabilities	-	-	-	-	-	(1,027)	(1,027)	-	(1,027)	-	(1,027)
Financial current accounts - liabilities	-	-	-	-	-	(58)	(58)	(58)	-	-	(58)
Bank overdrafts	-	-	-	-	-	(1,105)	(1,105)	(1,105)	-	-	(1,105)
VI - Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(2,190)**	**(2,190)**	**(1,163)**	**(1,027)**	**-**	**(2,190)**
Total liabilities	**(201)**	**(201)**	**-**	**-**	**-**	**(21,472)**	**(21,874)**	**(17,095)**	**(5,790)**	**-**	**(22,884)**
Total	**34**	**446**	**6,991**	**95**	**1,007**	**(21,472)**	**(12,899)**	**(11,798)**	**(2,206)**	**94**	**(13,909)**

(1) The Group holds no held-to-maturity financial assets.
(2) See Notes E.11 et F.13.
(3) Mainly comprising certificates of deposit, term deposits and interest bearing accounts.
(4) Listed price of loans issued by CNA.

K. Employee benefits and share-based payments

27. Provisions for employee benefits

At 31 December 2018, the part at more than one year of provisions for employee benefits broke down as follows:

(in € millions)	Note	31/12/2018	31/12/2017
Provisions for retirement benefit obligations	27.1	1,422	1,391
Long-term employee benefits	27.2	97	91
Total provisions for employee benefits		**1,519**	**1,481**

27.1 Provisions for retirement benefit obligations

Accounting policies

Provisions are taken on the liabilities side of the consolidated balance sheet for obligations connected with defined benefit retirement plans for both current and former employees (people who have retired and those with deferred rights). These provisions are determined using the projected unit credit method on the basis of actuarial valuations made at each annual balance sheet date. The actuarial assumptions used to determine the obligations vary depending on the economic conditions of the country or monetary zone in which the plan is operated. Each plan's obligations are recognised separately.

Under IAS 19, for defined benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), the surplus or shortfall of the fair value of the assets compared with the present value of the obligations is recognised as an asset or liability in the consolidated balance sheet. That recognition is subject to asset ceiling rules and minimum funding requirements set out in IFRIC 14.

The expense recognised under operating income or loss in each period comprises the current service cost and the effects of any change, reduction or winding up of the plan. The accretion impact recognised on actuarial debt and interest income on plan assets are recognised under other financial income and expenses. Interest income from plan assets is calculated using the discount rate used to calculate obligations with respect to defined benefit plans.

The impacts of remeasuring net liabilities relating to defined benefit pension plans are recorded under other comprehensive income. They comprise:

- actuarial gains and losses on obligations resulting from changes in actuarial assumptions and from experience adjustments (the effects of differences between the actuarial assumptions adopted and that which has actually occurred);
- plan asset outperformance/underperformance (i.e. the difference between the effective return on plan assets and the return calculated using the discount rate applied to the actuarial liability); and
- changes in the asset ceiling effect.

At 31 December 2018, provisions for retirement benefit obligations comprised provisions for lump sums on retirement and provisions with respect to obligations for supplementary retirement benefits.

(in € millions)	31/12/2018	31/12/2017
At more than one year	1,422	1,391
At less than one year (*)	50	48
Total provisions for retirement benefit obligations	**1,472**	**1,439**

(*) The part of provisions for retirement benefit obligations that matures within less than one year is shown under "Other current non-operating liabilities".

The VINCI Group's main supplementary retirement benefit obligations relate to defined benefit plans, which have the following characteristics:

- For French subsidiaries, these are contractual lump sums paid on retirement (generally based on a percentage of final salary, depending on the employee's length of service and applicable collective agreements), supplementary defined benefit retirement plans of which some of the Group's employees, retired employees and officers are members, and a specific obligation in respect of the Vice-Chairman of VINCI SA's Board of Directors.

Some plans, of which several Group executives are members, are pre-financed through two insurance policies taken out with Cardif and one policy taken out with Allianz. These policies involve active management with reference to composite indexes, and aim to achieve a good balance between the expected return on investments and the associated risks. Sufficient liquidity, in view of the timescale of plan liabilities, is maintained so that pensions and other one-off payments can be met.

- To cover the liabilities of VINCI's UK subsidiaries and those of Etavis in Switzerland, plans are funded through independent pension funds.

In the UK, defined benefit plans for certain Group employees and former employees give rise to benefits that are mainly based on final salaries. They also provide benefits in the event of death and disability. Most of these plans are now closed to new members.

At 31 December 2018, 4,520 people, including 2,335 retired people, were covered by the plans. The average duration of the plans is 17 years.

The investment strategy for plan assets is defined by the trustees representing the pension funds. Contribution schedules and the plan's level of funding are determined by the employer and the trustee, based on three-yearly actuarial valuations. Contribution schedules are intended to cover future service costs and any deficit arising from vested rights.

In Switzerland, plans for the Group's employees and former employees (2,338 people at 31 December 2018, of which over 90% are active) are "cash balance" pension plans that guarantee their members a minimum return on their contributions. They provide benefits in the event of death or disability, along with a pension when members stop working. Plans are open to new members. Their duration is around 16 years.

• For German subsidiaries, there are several internal plans within the Group, including so-called direct promises plans. These plans provide members with pensions along with death and disability benefits. At 31 December 2018, 9,634 individuals were covered by the plans, including 5,765 retired people, 2,259 people working for Group subsidiaries and 1,610 people who were generally still working but no longer working for the Group. Most of the plans were closed at 31 December 2018. Their average duration is 13 years.

Commitments relating to lump-sum payments on retirement for manual construction workers in France, which are met by contributions to an outside multi-employer insurance fund (CNPO), are considered as being under defined contribution plans and are therefore recognised as an expense as and when contributions are payable.

The main retirement benefit obligations covered by provisions recognised in the balance sheet are calculated using the following assumptions:

	Eurozone		United Kingdom		Switzerland	
Assumptions	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Discount rate	1.70%	1.75%	2.70%	2.60%	1.05%	0.75%
Inflation rate	1.60%	1.60%	2.25% - 3.25%(*)	2.25% - 3.25%	1.20%	1.30%
Rate of salary increases	1.60% - 4.00%	1.60% - 4.00%	2.00% - 4.25%	2.00% - 4.50%	1.70%	1.80%
Rate of pension increases	0.80% - 1.60%	0.80% - 1.60%	2.25% - 5.00%	2.50% - 5.00%	N/A	N/A

(*) Inflation rates: CPI 2.25%; RPI 3.25%.

Discount rates have been determined by geographical area on the basis of the yields on private-sector bonds with a rating of AA and whose maturities correspond to the plans' expected cash flow.

The other local actuarial assumptions (economic and demographic assumptions) are set on the basis of the specific features of each of the countries in question.

Plan assets are valued at their fair value at 31 December 2018. The book value at 31 December 2018 is used for assets invested with insurance companies.

On the basis of the actuarial assumptions referred to above, details of the retirement benefit obligations, provisions recognised in the balance sheet, and the retirement benefit expenses recognised in 2018 are provided below.

Result of actuarial valuations in the period

Breakdown by type of obligation

		31/12/2018			31/12/2017		
(in € millions)		Lump sums paid on retirement in France	Pensions, supplementary pensions and other	Total	Lump sums paid on retirement in France	Pensions, supplementary pensions and other	Total
Actuarial liability from retirement benefit obligations		800	2,003	2,803	775	1,937	2,712
Plan assets at fair value		45	1,317	1,362	48	1,263	1,311
Deficit (or surplus)		**755**	**687**	**1,441**	**727**	**674**	**1,401**
Provision recognised under liabilities on the balance sheet	**I**	**755**	**718**	**1,472**	**727**	**712**	**1,439**
Overfunded plans recognised under assets on the balance sheet	II	-	5	5	-	14	14
Asset ceiling effect (IFRIC 14)(*)	III	-	26	26	-	24	24
Total	**I-II-III**	**755**	**687**	**1,441**	**727**	**674**	**1,401**

(*) Effect of asset ceiling rules and minimum funding requirements.

Overall, the proportion of obligations relating to retired beneficiaries was around 30% at 31 December 2018.

Breakdown by country

		31/12/2018					
(in € millions)		France	Germany	United Kingdom	Switzerland	Other countries	Total
Actuarial liability from retirement benefit obligations		1,044	435	736	361	227	2,803
Plan assets at fair value		163	7	608	384	199	1,362
Deficit (or surplus)		**881**	**427**	**128**	**(23)**	**28**	**1,441**
Provision recognised under liabilities on the balance sheet	**I**	**881**	**427**	**128**	**2**	**34**	**1,472**
Overfunded plans recognised under assets on the balance sheet	II	-	-	-	2	3	5
Asset ceiling effect (IFRIC 14)(*)	III	-	-	-	23	3	26
Total	**I-II-III**	**881**	**427**	**128**	**(23)**	**28**	**1,441**

(*) Effect of asset ceiling rules and minimum funding requirements.

(in € millions)		France	Germany	United Kingdom	Switzerland	Other countries	Total
		31/12/2017					
Actuarial liability from retirement benefit obligations		1,014	442	764	336	155	2,712
Plan assets at fair value		165	7	640	360	140	1,311
Deficit (or surplus)		**850**	**435**	**124**	**(23)**	**16**	**1,401**
Provision recognised under liabilities on the balance sheet	**I**	**853**	**435**	**124**	**2**	**26**	**1,439**
Overfunded plans recognised under assets on the balance sheet	II	3	-	-	1	10	14
Asset ceiling effect (IFRIC 14)(*)	III	-	-	-	23	1	24
Total	**I-II-III**	**850**	**435**	**124**	**(23)**	**16**	**1,401**

(*) Effect of asset ceiling rules and minimum funding requirements.

Change in actuarial liability and plan assets

(in € millions)		2018	2017
Actuarial liability from retirement benefit obligations			
At beginning of period		**2,712**	**2,799**
of which obligations covered by plan assets		*1,649*	*1,648*
Current service cost		66	77
Actuarial liability discount cost		52	44
Past service cost (plan changes and curtailments)		(2)	(27)
Plan settlements		(18)	(2)
Actuarial gains and losses recognised in other comprehensive income		19	(106)
of which impact of changes in demographic assumptions		*6*	*(19)*
of which impact of changes in financial assumptions		*(18)*	*(95)*
of which experience gains and losses		*31*	*9*
Benefits paid to beneficiaries		(123)	(111)
Employee contributions		12	11
Business combinations		74	85
Disposals of companies and other assets		6	2
Currency translation differences		4	(60)
At end of period	**I**	**2,803**	**2,712**
of which obligations covered by plan assets		*1,724*	*1,649*
Plan assets			
At beginning of period		**1,311**	**1,192**
Interest income during period		26	22
Actuarial gains and losses recognised in other comprehensive income(*)		(26)	57
Plan settlements		(16)	(1)
Benefits paid to beneficiaries		(59)	(43)
Contributions paid to funds by the employer		32	40
Contributions paid to funds by employees		11	11
Business combinations		69	87
Disposals of companies and other assets		8	(1)
Currency translation differences		6	(54)
At end of period	**II**	**1,362**	**1,311**
Deficit (or surplus)	**I-II**	**1,441**	**1,401**

(*) Experience gains and losses corresponding to the observed difference between the actual return on plan assets and a nominal return based on the discount rate for the actuarial liability.

Actuarial losses recorded during the period on hedging assets relate mainly to the actual return on plan assets being lower than the return calculated on the basis of discount rates, particularly in the United Kingdom and Switzerland. The increase in discount rates in Switzerland and the United Kingdom led to actuarial gains being recognised because of the change in financial assumptions.

The amounts in the "Business combinations" line relate in particular to VINCI Airports' acquisition of Airports Worldwide.

VINCI estimates the payments to be made in 2019 in respect of retirement benefit obligations at €79 million, comprising €52 million of benefits to be paid to retired employees or beneficiaries (benefits not covered by plan assets), and €27 million of contributions to be paid to fund managing bodies.
Pension funds are also likely to pay €78 million of benefits to retired employees or their beneficiaries. Since those benefits are pre-funded, they will have no impact on the Group's cash position.

Change in provisions for retirement benefit obligations during the period

(in € millions)	2018	2017
Provisions for retirement benefit obligations recognised under liabilities on the balance sheet		
At beginning of period	**1,439**	**1,608**
Total charge recognised with respect to retirement benefit obligations	90	72
Actuarial gains and losses recognised in other comprehensive income	45	(163)
Benefits paid to beneficiaries by the employer	(64)	(68)
Contributions paid to funds by the employer	(32)	(40)
Business combinations & disposals of companies	3	(2)
Plan assets and asset ceiling effect (IFRIC 14)	(7)	38
Currency translation differences	(2)	(6)
At end of period	**1,472**	**1,439**

Breakdown of expenses recognised in respect of defined benefit plans

(in € millions)	2018	2017
Current service cost	(66)	(77)
Actuarial liability discount cost	(52)	(44)
Interest income on plan assets	26	22
Past service cost (plan changes and curtailments)	2	27
Impact of plan settlements and other	1	(1)
Total	**(90)**	**(72)**

Breakdown of plan assets by country and type of investment

The breakdown of plan assets by type of investment is as follows:

	31/12/2018				
	United Kingdom	**Switzerland**	**France**	**Other countries**	**Weighted average**
Breakdown of plan assets					
Equities	31%	30%	15%	32%	29%
Bonds	37%	45%	28%	34%	38%
Property	15%	20%	4%	8%	14%
Money-market securities	3%	5%	1%	9%	4%
Other	15%	0%	53%	18%	16%
Total	100%	100%	100%	100%	100%
Plan assets *(in € millions)*	**608**	**384**	**163**	**206**	**1,362**
Plan assets by country *(% of total)*	**45%**	**28%**	**12%**	**15%**	**100%**

	31/12/2017				
	United Kingdom	**Switzerland**	**France**	**Other countries**	**Weighted average**
Breakdown of plan assets					
Equities	34%	33%	23%	38%	32%
Bonds	35%	41%	33%	38%	37%
Property	6%	18%	2%	1%	9%
Money-market securities	2%	8%	1%	0%	4%
Other	23%	0%	40%	23%	19%
Total	100%	100%	100%	100%	100%
Plan assets *(in € millions)*	**640**	**360**	**165**	**147**	**1,311**
Plan assets by country *(% of total)*	**49%**	**27%**	**13%**	**11%**	**100%**

At 31 December 2018, the amount of plan assets listed on active markets (fair value level 1 as defined by IFRS 13) was €1,001 million (€998 million at 31 December 2017). During the period, the actual rate of return on plan assets was -0.8% in the UK, -0.9% in Switzerland and +2.6% in France.

Sensitivity analysis

For all post-employment benefit plans for Group employees (lump sums paid on retirement, pensions and supplementary pensions), a 0.5 point fall in the discount rate would increase the actuarial liability by around 7%.

For all pension and supplementary pension plans in force within the Group, a 0.5 point increase in long-term inflation rates would increase the value of obligations by some 5%.

For pension and supplementary pension plans in Switzerland and the UK, sensitivity to mortality rates is calculated based on a one-year reduction in the age of each beneficiary. Applying this assumption increases the corresponding obligation by around 3%.

Expenses recognised in respect of defined contribution plans

In some countries, and more especially in France and Spain, the Group contributes to basic state pension plans, for which the expense recognised is the amount of the contributions called by the state bodies. These plans are considered as being defined contribution plans.

The amounts taken as an expense in the period in respect of defined contribution plans (other than basic state plans) totalled €598 million in 2018 (€552 million in 2017). These amounts include the contributions paid in France to the external multi-employer fund (CNPO) in respect of obligations in regard to lump sums paid on retirement to construction workers.

27.2 Other employee benefits

Provisions for other employee benefits mainly include long-service bonuses and jubilee bonuses.
At 31 December 2018, they amounted to €110 million, including €12 million for the part at less than one year (€102 million including €12 million for the part at less than one year at 31 December 2017).

Long-service bonuses and jubilee bonuses have been calculated using the following actuarial assumptions:

	31/12/2018	31/12/2017
Discount rate	1.70%	1.75%
Inflation rate	1.60%	1.60%
Rate of salary increases	1.60% - 2.60%	1.60% - 2.60%

28. Share-based payments

Accounting policies

The measurement and recognition methods for share subscription plans, the Plans d'Epargne Groupe (Group savings plans) and performance share plans, are defined by IFRS 2 "Share-based Payment". The granting of share options, performance shares and offers to subscribe to Group savings plans in France and abroad represent a benefit granted to their beneficiaries and therefore constitute supplementary remuneration borne by VINCI.
Because such transactions do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired, with a corresponding increase in equity. Benefits are measured by an external actuary on the basis of the fair value, at the grant date, of the equity instruments granted.

Benefits granted under share subscription option plans, performance share plans and Group savings plans are implemented as decided by VINCI's Board of Directors after approval by the Shareholders' General Meeting. As their measurement is not directly linked to the business lines' operations, VINCI has considered it appropriate not to include the corresponding expense in operating income from ordinary activities, which is an indicator of business lines' performance, but to report it on a separate line, labelled "Share-based payment expense (IFRS 2)", in recurring operating income.

28.1 Share subscription options

Options to subscribe to shares had been granted to certain Group employees and senior executives. For some of these plans, definitive vesting of those options was conditional on performance conditions (stock market performance or financial criteria) being met. The fair value of options, calculated by an external actuary, was determined at the grant date using the Monte Carlo valuation model. That model takes account of the impact of the market performance condition if applicable. It allows a large number of scenarios to be modelled, by including in particular the valuation of assumptions about beneficiaries' behaviour on the basis of historical observations.

No new share subscription option plans were set up in 2018 or 2017.

No expense relating to share subscription option plans was recognised in 2018 or 2017.

Movements in the number and weighted average exercise prices of share subscription options were as follows in 2018:

	31/12/2018		31/12/2017	
	Options	Average exercise price *(in €)*	Options	Average exercise price *(in €)*
Options in circulation at beginning of period	**954,658**	**39.94**	**2,780,519**	**39.15**
Options exercised	(494,532)		(1,799,056)	
Options cancelled	-		(26,805)	
Options in circulation at end of period	**460,126**	**39.04**	**954,658**	**39.94**
of which exercisable options	*460,126*		*954,658*	

Options exercised in 2018 and remaining to be exercised at 31 December 2018

Share subscription option plans	Number of options exercised in 2018	Number of options remaining to be exercised at at 31/12/2018	Exercise price *(in €)*
VINCI 2011	185,296	-	43.70
VINCI 2012	309,236	460,126	39.04
Total	**494,532**	**460,126**	**39.04** (*)

(*) Based on the number of options remaining to be exercised at 31/12/2018.

28.2 Performance shares

Performance shares have been granted to certain Group employees and senior executives. The corresponding plans provide that the final vesting of these shares is dependent on the realisation of financial criteria. The number of performance shares measured at fair value in the calculation of the IFRS 2 expense is therefore adjusted for the impact of the change in the likelihood of these financial criteria being met.

Information on changes in performance share plans currently in force

	31/12/2018	31/12/2017
Number of shares granted subject to performance conditions at beginning of period	**5,407,402**	**4,236,319**
Shares granted	2,349,324	2,325,383
Shares acquired by beneficiaries	(935,763)	(952,499)
Shares cancelled	(86,969)	(201,801)
Number of shares granted subject to performance conditions not vested at end of period	**6,733,994**	**5,407,402**

Information on the features of the performance share plans currently in force

	Plan 17/04/2018	Plan 20/04/2017	Plan 19/04/2016	Plan 14/04/2015
Original number of beneficiaries	2,947	2,537	2,051	1,846
Vesting date of the shares granted	17/04/2021	20/04/2020	19/04/2019	14/04/2018
Number of shares granted subject to performance conditions	**2,349,324**	**2,325,383**	**2,249,676**	**1,036,658**
Shares cancelled	(5,150)	(59,649)	(119,490)	(98,795)
Shares acquired by beneficiaries	-	(1,500)	(4,600)	(937,863)
Number of shares granted subject to performance conditions at end of period	**2,344,174**	**2,264,234**	**2,125,586**	**-**

On 7 February 2018, VINCI's Board of Directors decided that 100% of the performance shares originally granted under the 14 April 2015 long-term incentive plan had vested for their beneficiaries, i.e. a total of 937,863 shares, given that the performance and presence conditions had been met (1,641 employees).

On 17 April 2018, VINCI's Board of Directors decided to set up a new long-term performance share plan involving conditionally allotting performance shares (2,349,324 shares) to 2,947 employees. The shares granted will only vest after a period of three years. Vesting is subject to beneficiaries having remained with the Group until the end of the vesting period and to performance conditions.

The performance conditions are as follows:
• an internal criterion (80% weighting) consisting of the ratio at 31 December 2020 of return on capital employed (ROCE) to the average weighted average cost of capital (WACC), with each of those indicators calculated as an average over the previous three years (2018, 2019 and 2020).
This ratio must be equal to or greater than 1.1 for all performance shares granted to vest. If the ratio is between 1 and 1.1, the number of performance shares that vest will be reduced in proportion and no shares will vest if the ratio is equal to or less than 1.
• an external criterion (20% weighting) consisting of the difference, at 31 December 2020, between:
- the average total return on VINCI shares over a three-year period (2018, 2019 and 2020), and
- the average total return for a shareholder investing in the CAC 40 index over a three-year period (2018, 2019 and 2020).
Total shareholder returns include dividends.
The difference must be equal to or greater than +10% for all performance shares granted to vest. If the difference is between +10% and -10%, the number of performance shares that vest will be reduced in proportion and no shares will vest if the difference is equal to or less than -10%.

Fair value of the performance share plans

The fair value of the performance shares has been calculated by an external actuary at the respective grant dates of the shares on the basis of the following characteristics and assumptions:

	2018 plan	2017 plan	2016 plan	2015 plan
Price of VINCI share on date plan was announced *(in €)*	81.23	73.99	66.18	56.45
Fair value of performance share at grant date *(in €)*	64.12	61.20	56.17	47.22
Fair value compared with share price at grant date	78.94%	82.71%	84.87%	83.65%
Original maturity (in years) – vesting period	3 years	3 years	3 years	3 years
Risk-free interest rate (*)	-0.32%	-0.29%	-0.41%	-0.15%

(*) Three-year government bond yield in the eurozone.

An expense of €120 million was recognised in 2018 in respect of performance share and long-term incentive plans for which vesting is in progress (April 2018, April 2017 and April 2016 plans), compared with €90 million in 2017 (April 2017, April 2016 and April 2015 plans).

28.3 Group savings plans

VINCI's Board of Directors defines the conditions for subscribing to Group savings plans in accordance with the authorisations granted to it by the Shareholders' General Meeting.

Group savings plan – France

In France, VINCI issues new shares reserved for employees three times a year at a subscription price that includes a 5% discount against the average stock market price over 20 trading days before the Board of Directors meeting that set the subscription price. Subscribers also benefit from an employer contribution with an annual maximum of €3,500 per person since 1 January 2018, as opposed to a maximum of €2,500 previously. The benefits granted in this way to Group employees are recognised in profit or loss and are valued in accordance with IFRS 2 on the basis of the following assumptions:
- length of subscription period: four months;
- length of period during which funds are frozen: five years.

The estimated number of shares subscribed to at the end of the subscription period is calculated based on a linear regression method applied to historical observations of the plans between 2007 and 2017, taking account of the cost of restrictions on the availability of units in the savings fund. As certain restrictions apply to the sale or transfer of shares acquired by employees under these plans, the fair value of the benefit to the employee takes account of the fact that the shares acquired cannot be freely disposed of for five years. The opportunity cost of the frozen shares subscribed to is estimated from the point of view of a third party holding a diversified portfolio and prepared to acquire the frozen shares in return for a discount, which should correspond to the return demanded by a purchaser on own funds allocated to hedge against market risk over the period in which the shares are frozen (five years). The market risk is assessed on an annual basis applying a value-at-risk approach.

	2018		
Group savings plan – France	First four-month period of 2019 (1 January – 30 April 2019)	Third four-month period of 2018 (1 September – 31 December 2018)	Second four-month period of 2018 (1 May – 31 August 2018)
Anticipated return from VINCI shares	4.70%	4.60%	4.72%
Subscription price *(in €)*	76.62	80.90	82.22
Share price at date of Board of Directors' meeting *(in €)*	78.44	84.50	83.62
Historical volatility of the VINCI share price	19.30%	19.50%	19.51%
Estimated number of shares subscribed	1,745,341	439,383	383,806
Estimated number of shares issued (subscriptions plus employer contribution)	2,468,001	616,542	538,556

	2017		
Group savings plan – France	First four-month period of 2018 (1 January – 30 April 2018)	Third four-month period of 2017 (1 September – 31 December 2017)	Second four-month period of 2017 (1 May – 31 August 2017)
Anticipated return from VINCI shares	4.44%	4.27%	4.90%
Subscription price *(in €)*	76.42	73.34	62.46
Share price at date of Board of Directors' meeting *(in €)*	80.61	78.01	65.22
Historical volatility of the VINCI share price	19.87%	20.14%	22.24%
Estimated number of shares subscribed	1,433,895	387,665	408,186
Estimated number of shares issued (subscriptions plus employer contribution)	2,003,215	517,924	532,480

Group savings plan – international

In 2018, in accordance with authorisations given to the Board of Directors by the Shareholders' General Meeting, VINCI initiated a new savings plan for the employees of certain foreign subsidiaries. Known as Castor International, the plan covered 31 countries in 2018: Australia, Austria, Bahrain, Belgium, Brazil, Cambodia, Canada, Chile, the Czech Republic, the Dominican Republic, Germany, Hong Kong, Indonesia, Luxembourg, Malaysia, Mexico, Morocco, the Netherlands, New Zealand, Peru, Poland, Portugal, Romania, Singapore, Slovakia, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States.

The main characteristics of this plan are as follows:
• subscription period: from 21 May to 8 June 2018 for all countries except the United Kingdom (seven successive periods between March and September 2018 in the United Kingdom);
• employer contribution consisting of bonus shares, with delivery deferred for three years – as a general rule – or with immediate delivery but a three-year vesting period;
• no lock-up period beyond the three-year vesting period for bonus shares.

Castor International plan (excluding the UK)	2018	2017	2016	2015
Subscription price *(in €)*	84.50	77.67	64.90	55.65
Closing share price on the last day of the subscription period *(in €)*	84.32	78.01	64.67	55.47
Anticipated dividend pay-out rate	2.34%	2.32%	2.55%	3.35%
Fair value of bonus shares on the last day of the subscription period *(in €)*	78.66	72.83	59.97	50.24

The expense recognised in 2018 for all Group employee savings plans amounted to €85 million versus €72 million in 2017.

L. Other notes

29. Related party transactions

The Group's transactions with related parties mainly concern:
• remuneration and similar benefits paid to members of the governing and management bodies;
• transactions with companies over which VINCI exercises significant influence or joint ventures over which VINCI has joint control.
Transactions with related parties are undertaken at market prices.

29.1 Remuneration and similar benefits paid to members of the governing and management bodies

The remuneration of the Group's company officers is determined by the Board of Directors following proposals from the Remuneration Committee.

The table below shows the remuneration and similar benefits, on a full-year basis, granted by VINCI SA and the companies that it controls to persons who, at the balance sheet date are (or, during the period, have been), members of the Group's governing bodies and Executive Committee. The corresponding amounts have been recognised and expensed in 2018 and 2017 as follows:

	Members of governing bodies and the Executive Committee	
(in € thousands)	2018	2017
Remuneration	13,348	12,189
Employer social contributions	7,785	8,885
Post-employment benefits	1,973	2,114
Termination benefits	-	688
Share-based payments (*)	10,807	9,763
Directors' fees	1,421	1,250

(*) This amount is determined in accordance with IFRS 2 and as described in Note K.28 "Share-based payments".

The variable portion of remuneration and similar benefits relating to 2018 is an estimate, for which a provision has been taken in the period.

The aggregate amount of retirement benefit obligations (contractual lump sums payable on retirement and supplementary defined benefit plans) in favour of members of the Group's governing bodies and Executive Committee amounted to €86.6 million at 31 December 2018 (€79.0 million at 31 December 2017).

29.2 Other related parties

Qatar Holding LLC owned 3.7% of VINCI at 31 December 2018. VINCI Construction Grands Projets (49%) and Qatari Diar Real Estate Investment Company (QD, 51%) jointly own Qatari Diar VINCI Construction (QDVC), which is accounted for under the equity method. This company's corporate object is the development of construction activities in Qatar and international markets. It generated revenue of €658 million in 2018.
Group companies can also carry out work for principals in which QD may have a shareholding.
Lastly, the Group has normal but non-material business relations with companies in which members of the VINCI Board of Directors are senior executives or directors.
Financial information on companies accounted for under the equity method is given in Note E.10.2 "Aggregated financial information".

30. Statutory Auditors' fees

As recommended by the AMF, this table includes only fully consolidated companies.

	DELOITTE 2018				KPMG 2018			
(in € millions)	Statutory Auditor (Deloitte & Associés)	Network	Total Deloitte	%	Statutory Auditor (KPMG Audit IS)	Network	Total KPMG	%
Certification, half-year limited review of statutory and consolidated financial information								
VINCI SA	0.4	-	0.4	4%	0.4	-	0.4	4%
Fully consolidated subsidiaries	4.8	3.9	8.7	84%	4.7	3.7	8.4	82%
Subtotal	**5.2**	**3.9**	**9.1**	**88%**	**5.1**	**3.7**	**8.8**	**86%**
Services other than certification of accounts (*)								
VINCI SA	-	-	-	-	0.4	-	0.4	4%
Fully consolidated subsidiaries	0.2	1.1	1.3	12%	0.2	0.8	1.0	10%
Subtotal	**0.2**	**1.1**	**1.3**	**12%**	**0.6**	**0.8**	**1.4**	**14%**
Total	**5.4**	**5.0**	**10.4**	**100%**	**5.7**	**4.5**	**10.2**	**100%**

(*) Services other than certification of accounts include services required by regulations and those provided at the request of controlled entities (contractual audits, comfort letters, audit certificates, agreed procedures, consulting and assignments relating to changes in accounting standards, due diligence procedures for acquisitions, audits of procedures and information systems, and tax services that do not impair auditor independence).

M. Note on litigation

The companies comprising the VINCI Group are sometimes involved in litigation arising from their activities. The related risks are assessed by VINCI and the subsidiaries involved on the basis of their knowledge of the cases, and provisions are taken in consequence as appropriate.

The main legal, administrative or arbitration proceedings that were in progress on 31 December 2018 were as follows:

• In relation to the compensation claim commenced by SNCF in March 2011 following the decision handed down on 21 March 2006 by the Conseil de la Concurrence (*) (French competition authority), which penalised several companies for collusion in relation to civil engineering works at the Magenta and Saint Lazare Condorcet stations in Paris (EOLE project), the VINCI Group companies reached a settlement with SNCF in March 2016 for the purpose of ending SNCF's claim against them. On 8 March 2016, the Paris Administrative Court noted the reciprocal discontinuance of proceedings and waiver of rights of action between SNCF Mobilités and all VINCI group companies involved in these proceedings, and dismissed SNCF's claim in respect of the other companies concerned. After SNCF appealed against that decision, the proceedings continued between SNCF and the companies outside the Group, which had nevertheless had recourse to the Group companies concerned as guarantors. In a decision on 29 December 2017, the Paris Administrative Appeal Court dismissed SNCF's claim and SNCF appealed against that decision to the Conseil d'Etat. In view of the current situation, the VINCI group considers that this dispute will not have a material effect on its financial situation.

• In a judgment handed down on 17 December 2013, the Paris Regional Court declared time-barred and inadmissible a claim by Région Île de France for compensation for the harm it purportedly suffered because of the anti-competitive practices penalised by the Conseil de la Concurrence (*) (French competition authority) on 9 May 2007 in relation to the programme to refurbish schools in the Paris region between 1989 and 1996. After that judgment, on 16 November 2015, the *tribunal des conflits* (jurisdiction court) declared the ordinary courts not competent to decide the dispute between the region and various construction companies. More than two years after the jurisdiction court's decision, the region made 88 applications to the Paris Administrative Court relating to 88 school refurbishment contracts, claiming €293 million of damages from 14 companies – including several Group companies – and 11 individuals. The Group takes the view that these proceedings, whose origin dates back more than 20 years and which concerns a claim that was already found to be time-barred in 2013, represent a contingent liability whose impact it is unable to measure.

• The Czech Republic's roads and motorways department (RMD) has made several claims against Eurovia CS, a Eurovia subsidiary based in the Czech Republic, as well as other non-Group companies. These claims concern works carried out between 2003 and 2007 in building the D47 motorway. In late 2012, the RMD commenced arbitration and legal proceedings challenging (i) the inflation coefficients used in revising the price of works and (ii) the payment of various sums for what RMD alleges was defective work affecting the roads and engineering structures that were built. As regards the claims relating to inflation coefficients, all awards made under arbitration decisions have been much smaller than those sought by RMD. Regarding the other claims, relating mainly to defective work, the RMD is currently claiming 3.1 billion Czech korunas, of which Eurovia CS's share would be around 75%. Repairs have been carried out since the start of 2014, costing substantially less than that amount, and technical assessments are under way on the worksite. In view of the current situation, the Group considers that this dispute will not have a material effect on its financial situation.

• Soletanche Bachy France had submitted a request for arbitration to the International Chamber of Commerce after ACT (Aqaba Container Terminal) terminated a contract for the construction of an extension to a container terminal in the port of Aqaba in Jordan. The company was disputing the grounds for terminating the contract, and was claiming $10 million in damages. ACT contended that it had valid grounds for terminating the contract and that it had incurred additional costs in completing the works, and was counter-claiming $44 million in damages. The arbitration tribunal, in an arbitration award dated 30 August 2017, corrected by two awards dated 28 September 2017 and 1 May 2018, dismissed the company's claim and ordered it to pay ACT $38.3 million plus $9.1 million of legal expenses. The company has appealed against that decision. Other proceedings are on foot before courts in France and Jordan following enforcement action against the joint contractors. Given the provisions it has set aside, the Group considers, in view of the current situation, that this dispute will not have any material effect on its financial situation.

• In 2011, Freyssinet Canada undertook to make prefabricated beams for PIC under a contract worth C$23 million. Prefabrication work started in 2012 but was suspended in 2013 because the project owner took the view that the beams were defective. PIC terminated the supply contract, resulting in legal proceedings before the Superior Court of Ontario. In those proceedings, Freyssinet Canada is claiming C$11 million for wrongful termination and PIC is claiming C$189 million from Freyssinet Canada and several Soletanche Freyssinet group companies for the replacement of the beams and losses arising from the alleged defects. In view of the current situation, the Group considers that this dispute is unlikely to have a material effect on its financial situation.

• There were previously two disputes between Consortium Stade de France (CSDF), which operates the Stade de France, and the French Rugby Federation (Fédération Française de Rugby or FFR), which uses the stadium.
– On 13 June 2013, the FFR commenced proceedings against CSDF before the Paris regional court (Tribunal de Grande Instance de Paris) on the grounds of "significant contractual imbalance" in the rights and obligations arising from the 15-year stadium provision agreement formed on 26 April 1995. The FFR claimed that the purported imbalance caused it harm, which it quantified at €183 million in its main claim, corresponding to the amount it claims was wrongly received by CSDF. The FFR's claim was dismissed by a judgment on 8 February 2018.
– The FFR also claimed, in separate proceedings before the Bobigny regional court, €2.3 million in damages for various types of purported commercial harm arising in particular from the cancellation of a match. On 27 March 2018, the court found the FFR's claim inadmissible and ordered it to pay €2.1 million to the CSDF. The FFR did not appeal against those judgments, so the dispute is now at an end.

• On 10 August 2018, the Colombian competition authority sent a statement of objections to several companies including VINCI Concessions Colombia SAS, Via 40 SAS and Constructora Conconcreto SAS, and to several natural persons, relating to alleged anticompetitive practices in the competitive tender procedure held in 2015 and 2016 by Colombia's national infrastructure agency ANI with a view to awarding a concessions contract for the widening and operation of a road between the cities of Bogotá and Girardot. The concession contract was formed between the ANI and Via 40 SAS in October 2016. Via its VINCI Concessions Colombia SAS subsidiary, the Group acquired a 50% stake in Via 40 SAS on 19 December 2016, and it owns a non-controlling 20% stake in Constructora Conconcreto SAS. The companies involved in the procedure dispute the authority's allegations.

There are no other judicial, administrative or arbitration proceedings, including any proceedings known to the Company, pending or with which it is threatened, that are likely to have, or have had in the last 12 months, a material effect on the financial situation or profitability of the Company and/or Group.

N. Post-balance sheet events

31. Appropriation of 2018 net income

The Board of Directors finalised the consolidated financial statements for the year ended 31 December 2018 on 5 February 2019. These financial statements will only become definitive when approved by the Shareholders' General Meeting of 17 April 2019. A resolution will be put to that meeting for the payment of a dividend of €2.67 per share in respect of 2018. Taking account of the interim dividend already paid on 8 November 2018 (€0.75 per share), this would result in a final dividend of €1.92 per share to be paid on 25 April 2019 (ex-date: 23 April 2019).

32. Other post-balance sheet events

32.1 VINCI bond issue as part of its EMTN programme

On 14 January 2019, as part of its EMTN programme, VINCI issued €950 million of bonds due to mature in January 2029, with an annual coupon of 1.625%.

O. Other consolidation rules and methods

Intragroup transactions

Reciprocal operations and transactions relating to assets, liabilities, income and expenses between companies that are fully consolidated are eliminated in the consolidated financial statements.
Where a fully consolidated Group entity carries out a transaction with a joint venture or associate that is accounted for under the equity method, income and losses resulting from the transaction are only recognised in the Group's consolidated financial statements to the extent of the interest owned by third parties in the joint venture or associate.

Translation of the financial statements of foreign companies and establishments

In most cases, the functional currency of companies and establishments is their local currency.
The financial statements of foreign companies of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated at the closing rate for balance sheet items and at the average rate for the period for income statement items. Any resulting translation differences are recognised under other comprehensive income. Goodwill relating to foreign entities forms part of the assets acquired and is therefore denominated in the company's functional currency and translated at the exchange rate in force at the balance sheet date.

Foreign currency transactions

Transactions in foreign currency are translated into euros at the exchange rate at the transaction date. Assets and monetary liabilities denominated in foreign currencies are translated at the closing rate. Foreign exchange gains and losses are recognised in income.
Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency exchange rate derivatives qualifying as hedges of net investments in foreign subsidiaries are recorded under currency translation differences in equity.

Business combinations

Under IFRS 3 Amended, the cost of a business combination is the fair value, at the date of exchange, of the assets given, liabilities assumed, and/or equity instruments issued by the acquirer in exchange for control of the acquiree. Contingent price adjustments are included in the cost of the business combination and are measured at fair value at each balance sheet date. From the acquisition date, any subsequent changes to this fair value resulting from events after control was acquired are recognised in profit or loss.
Expenses that are directly attributable to the acquisition, such as professional fees for due diligence and other related fees, are expensed as they are incurred. They are presented in the "Impact of changes in scope and gain/(loss) on disposals of shares" item on the income statement.
Non-controlling interests in the acquiree, where they give their holders present ownership interests in the entity (voting rights, a share of earnings, etc.) and entitle them to a proportionate share of net assets in the event of liquidation, are measured either at their share of the acquiree's net identifiable assets, or at their fair value. This option is applied on a case-by-case basis for each acquisition.
On the date control is acquired, the cost of acquisition is allocated by recognising the identifiable assets acquired and liabilities assumed from the acquiree at their fair value at that date, except for tax assets and liabilities and employee benefits, which are measured according to their reference standard (IAS 12 and IAS 19 respectively) and asset groups classified as held for sale, which are recognised under IFRS 5 at their fair value less costs to sell. The positive difference between the cost of acquisition and the fair value of the identifiable assets and liabilities acquired constitute goodwill. Where applicable, goodwill can include a portion of the fair value of non-controlling interests if the full goodwill method has been selected.
The Group has 12 months from the date of acquisition to finalise the accounting for business combinations.
In the case of a business combination achieved in stages, previously acquired shareholdings in the acquiree are measured at fair value at the date of acquisition of control. Any resulting gain or loss is recognised in profit or loss.

Transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control

In accordance with IFRS 10, acquisitions or disposals of non-controlling interests, with no impact on control, are considered as transactions with the Group's shareholders. The difference between the consideration paid to increase the percentage shareholding in an already-controlled entity and the supplementary share of equity thus acquired is recorded under equity attributable to owners of the parent. Similarly, a decrease in the Group's percentage interest in an entity that continues to be controlled is booked in the accounts as a transaction between shareholders, with no impact on profit or loss. Professional fees and other costs relating to acquisitions and disposals of non-controlling interests that have no impact on control, and any associated tax effects, are recorded under equity. Cash flow related to transactions between shareholders is presented under cash flow (used in)/from financing activities in the consolidated cash flow statement.

Put options granted to non-controlling shareholders

Put options (options to sell) granted to the non-controlling shareholders of certain Group subsidiaries are recognised under other non-current liabilities for the present value of the exercise price of the option and as a corresponding reduction of consolidated equity (non-controlling interest and equity attributable to equity holders of the parent for the surplus, if any).

Report of the Statutory Auditors on the consolidated financial statements

Year ended 31 December 2018

To VINCI's Shareholders' General Meeting,

1. Opinion

In accordance with our appointment as Statutory Auditors by the Shareholders' General Meeting, we have audited the accompanying consolidated financial statements of VINCI for the year ended 31 December 2018.

In our opinion, the consolidated financial statements for the year give a true and fair view of the financial position, the assets and liabilities, and the results of the Group formed by the persons and entities included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union.

The opinion formulated above is consistent with the content of our report to the Audit Committee.

2. Basis of our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we collected provides a sufficient and appropriate basis for our opinion.

Our responsibilities under those standards are stated in the "Responsibilities of the Statutory Auditors in relation to auditing the consolidated financial statements" section of this report.

Independence

We conducted our audit in accordance with the independence rules applicable to us between 1 January 2018 and the date on which we issued our report, and in particular we did not provide any services forbidden by Article 5, paragraph 1 of Regulation (EU) No. 537/2014 or by the code of conduct of the Statutory Auditors' profession in France.

3. Emphasis of matter

We draw attention to the Note A.4. to the consolidated financial statements which sets out changes in accounting methods relating to the adoption of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" from 1 January 2018. Our opinion is not modified in respect of this matter.

4. Justification of our assessments – Key audit matters

As required by Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters, relating to what were, in our professional judgment, the main risks of material misstatement in relation to our audit of the year's consolidated financial statements, and our responses to those risks.

Those assessments were made in the context of our audit of the consolidated financial statements taken as a whole and in the formation of our opinion stated above. We express no opinion on items of the consolidated financial statements taken in isolation.

Long-term construction contracts and measurement of losses on completion and provisions for project risks

Notes A.3, G.15 and H.18.3 to the consolidated financial statements

Description of the risk

VINCI's Contracting business accounts for more than 80% of VINCI's consolidated revenue, and most of the revenue in that business comes from long-term construction contracts.

Construction contract income and expenses are recognised using the stage-of-completion method defined by the appropriate accounting standard.

If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion regardless of the stage of completion, based on the best estimates of income, including, if need be, any rights to additional revenue or claims if these are highly probable and can be reliably estimated. Provisions for losses on completion and project risks are shown under liabilities in an amount of €1,346 million at 31 December 2018.

The stage of completion and the revenue to be recognised are calculated on the basis of a large number of completion estimates made by monitoring the work performed and taking into account unforeseen circumstances. Adjustments may therefore be made to initial estimates throughout the life of the contracts and may materially affect results.

Determining these completion estimates and any adjustments that may become necessary during the performance of projects and operations is a key audit matter, given the amounts involved and the high level of judgment required on the part of the entities' operational departments.

Audit work performed

We selected projects on the basis of their size, technical complexity and geographical location, and for each selected project, we:
• checked that the estimated revenue on completion was consistent with contracts and supplementary agreements signed;
• checked that the risks of delays and cost overruns related to the performance of works were properly taken into account, along with estimates of completion costs, and reviewed the contingencies included in the budget and the extent to which disputes were covered;
• checked that, if a project is expected to be loss-making on completion, a provision is set aside for the loss on completion including, if need be, any rights to additional revenue or claims if these are highly probable and can be reliably estimated.

Measurement of goodwill and concession intangible assets, along with interests in concession companies accounted for under the equity method

Notes A.3, E.9, E.10 and H.16.3 to the consolidated financial statements

Description of the risk

Goodwill and concession intangible assets had material net carrying amounts at 31 December 2018, i.e. €9,792 million and €27,118 million respectively, together equal to 49% of total assets. Those assets may present a risk of impairment losses arising from internal or external factors, such as a deterioration in performance, changes in the economic environment, adverse market conditions, movements in traffic levels and changes in legislation or regulations.
The Group is also exposed to a risk of impairment losses in respect of infrastructure operated by concession companies over which the Group has joint control or significant influence. Interests in those concession companies amounted to €1,143 million at 31 December 2018.
The Group carries out impairment tests on goodwill, concession intangible assets and interests in concession companies accounted for under the equity method where there is an indication that an impairment loss has arisen. The recoverable amount is based on a value in use calculation, which is itself based on discounted future cash flow forecasts.
Determining the recoverable amount of these assets and any impairment losses to be recognised is a key audit matter, given the importance of estimates and the level of judgment required by management regarding the operational performance and future traffic assumptions, long-term growth rates and discount rates used, and the sensitivity of the measurement to certain assumptions.

Audit work performed

For cash-generating units and concession intangible assets that are material or present what we regard as a substantial specific risk of impairment losses, we:
• checked the relevance of the approach used to determine the cash-generating units on which the asset impairment tests were carried out;
• familiarised ourselves with the way in which those impairment tests were carried out;
• assessed whether the main assumptions were reasonable, particularly regarding changes in operational performance and traffic levels, long-term growth rates and discount rates used, including by comparing those rates with our internal databases.
As regards goodwill, we examined the appropriateness of information provided in the notes to the consolidated financial statements on the determination of underlying assumptions and sensitivity analyses in view of the appropriate accounting standard.

Provisions for liabilities and litigation

Notes H.18.3, H.19 and M to the consolidated financial statements.

Description of the risk

The Group's companies are sometimes involved in litigation arising from their activities.
Provisions may, as the case may be, be set aside for these liabilities and litigation in accordance with the appropriate accounting standard, and the liabilities and litigation are assessed by VINCI and the subsidiaries concerned based on their knowledge of the matters.
Provisions for litigation (€513 million at 31 December 2018), other current liabilities (€1,035 million at 31 December 2018) and other non-current liabilities (€544 million at 31 December 2018) represented a total amount of €2,092 million at 31 December 2018.
Determining and measuring the recognised provisions for liabilities and litigation is a key audit matter given the amounts involved, the importance of estimates and the level of judgment required by management in determining those provisions, as regards the likely outcome of the corresponding liabilities and litigation.

Audit work performed

To obtain an understanding of existing liabilities and litigation and the related matters of judgment, we held discussions with the Group's departments, business lines and main subsidiaries. For each of the main liabilities and items of litigation identified, we:
• familiarised ourselves with the procedures used by the Group when measuring the corresponding provisions;
• corroborated the amount of provisions recognised with the lawyers' replies to our requests for information;
• carried out a critical examination of internal analyses relating to the probability and possible impact of each liability and item of litigation, examining the available information relating to the proceedings (correspondence, claims, judgments, notifications etc.). In particular, we used our professional judgment to assess the positions adopted by management, to see where they fell within risk assessment ranges, and the consistency of those positions over time.
We examined the appropriateness of information provided in the Notes to the consolidated financial statements regarding the main items of litigation identified.

5. Specific verifications

We also verified, in accordance with the professional standards applicable in France and as required by laws and regulations, the information concerning the Group presented in the management report by the Board of Directors.
We have no comments to make as to its fair presentation and its consistency with the consolidated financial statements.
We attest that the consolidated declaration of extra-financial performance, required under Article L.225-102-1 of the French Commercial Code (Code de commerce), is included in the information relating to the Group provided in the management report, being specified that, in accordance with the provisions of Article L.823-10 of this Code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information provided in this declaration and this information must be subject to a report by an independent third party.

6. Information resulting from other statutory and regulatory obligations

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of VINCI by shareholders in the Shareholders' General Meeting of 23 June 1989, taking into account mergers and acquisitions of firms since that date.
At 31 December 2018, KPMG Audit IS and Deloitte & Associés were in their 30th consecutive year as the Company's Statutory Auditors.

7. Responsibilities of management and persons involved in corporate governance in relation to the consolidated financial statements

Management is responsible for preparing consolidated financial statements that present a true and fair view, in accordance with IFRSs as endorsed by the European Union, and for setting up the internal controls it deems necessary for preparing consolidated financial statements that do not contain any material misstatements, whether due to fraud or error.
When preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the Company or discontinue its operations.
The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and treatment of accounting and financial information.
The consolidated financial statements have been approved by the Board of Directors.

8. Responsibilities of the Statutory Auditors as regards auditing the consolidated financial statements

Audit objective and procedure

Our responsibility is to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free of material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.
As stated by Article L.823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your Company or the quality of its management.
When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgment throughout the audit. In addition:

- they identify and assess the risks that the consolidated financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;
- they familiarise themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by management, along with information about those estimates provided in the consolidated financial statements;
- they assess whether management has applied appropriately the going concern convention and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the Company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the Company's status as a going concern. If the auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the consolidated financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them;

• they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying operations and events so that they give a true and fair view;
• regarding financial information relating to persons or entities included in the scope of consolidation, they collect the information that they regard as sufficient and appropriate to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for managing, supervising and conducting the audit of the consolidated financial statements and for the opinion expressed on those financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and treating accounting and financial information.
The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year's consolidated financial statements, and which are therefore the key audit matters. It is our role to describe those points in the present report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

Paris La Défense, 8 February 2019
The Statutory Auditors
French original signed by

KPMG Audit IS		Deloitte & Associés	
Jay Nirsimloo	Philippe Bourhis	Sami Rahal	Marc de Villartay

This is a free translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
The Statutory Auditors' report includes information specifically required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the 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.

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Income statement

(in € millions)	Notes	2018	2017
Revenue		16	12
Reversals of provisions and transfers of expenses		19	7
Other operating income		133	124
Revenue and other income		**169**	**143**
Other purchases and external charges		(98)	(74)
Taxes and levies		(6)	(10)
Wages, salaries and social benefit charges		(46)	(46)
Depreciation and amortisation		(5)	(4)
Provision charges		-	-
Other operating expenses		(2)	(2)
Operating expenses		**(157)**	**(135)**
Share in profit or loss of joint operations		-	-
Operating income		**12**	**8**
Income from investments in subsidiaries and affiliates		1,043	141
Income from other securities and fixed asset receivables		42	40
Other interest and similar income		258	268
Net income from disposals of marketable securities and treasury shares		1	-
Foreign exchange gains		27	64
Reversals of provisions and transfers of expenses		83	59
Financial income		**1,454**	**573**
Expenses related to investments in subsidiaries and affiliates		-	(1)
Interest paid and similar expenses		(133)	(117)
Net expense on disposal of marketable securities and treasury shares		(2)	(1)
Foreign exchange losses		(27)	(64)
Depreciation, amortisation and provisions		(246)	(149)
Financial expense		**(408)**	**(332)**
Net financial income/(expense)	**12**	**1,046**	**241**
Income from ordinary activities		**1,059**	**249**
Relating to operating transactions		-	5
Relating to capital transactions		44	-
Reversals of provisions and transfers of expenses		2	35
Exceptional income		**45**	**40**
Relating to operating transactions		-	(21)
Relating to capital transactions		(21)	(13)
Depreciation, amortisation and provisions		(1)	(1)
Exceptional expense		**(23)**	**(34)**
Net exceptional income/(expense)	**13**	**23**	**6**
Income tax expense	**14**	**193**	**214**
Net income for the period		**1,275**	**469**

Balance sheet

Assets

(in € millions)	Notes	31/12/2018	31/12/2017
Intangible assets	1	1	-
Property, plant and equipment	1	11	5
Financial assets	2	30,562	29,250
Treasury shares	3	1,282	1,282
Deferred expenses	4	33	10
Total non-current assets		**31,888**	**30,548**
Trade receivables and related accounts		325	225
Other receivables		228	366
Treasury shares	3	1,041	469
Other marketable securities	7	1,400	1,133
Cash management current accounts of related companies	7	1,419	1,667
Cash	7	2,101	1,534
Prepaid expenses	9	53	8
Financial instruments – assets		29	
Total current assets		**6,594**	**5,401**
Translation differences, assets		57	120
Total assets		**38,539**	**36,070**

Equity and liabilities

(in € millions)	Notes	31/12/2018	31/12/2017
Capital	5	1,494	1,478
Premiums on share issues, mergers, asset contributions	5	10,442	9,989
Statutory reserve		150	150
Other reserves		46	46
Retained earnings		17,673	18,562
Net income for the period		1,275	469
Interim dividends		(416)	(383)
Equity	**5**	**30,664**	**30,311**
Other equity			
Provisions	**6**	**369**	**278**
Financial debt	7	7,108	5,030
Other payables		232	247
Deferred income	9	35	28
Financial instruments – liabilities		41	-
Total liabilities		**7,416**	**5,306**
Translation differences, liabilities		91	175
Total equity and liabilities		**38,539**	**36,070**

Cash flow statement

(in € millions)		2018	2017
Operating activities			
Gross operating income		16	7
Financial and exceptional items		1,246	387
Tax		193	215
Cash flow from operations before tax and financing costs		**1,455**	**609**
Net change in working capital requirement		16	(164)
Total	**I**	**1,471**	**445**
Investing activities			
Operating investments		(7)	(2)
Disposal of non-current assets			
Net operating investments			
Acquisition of investments and securities			(509)
Proceeds from disposal of securities		44	20
Net financial investments			
Change in other non-current financial assets and treasury shares		(637)	(716)
Total	**II**	**(600)**	**(1,207)**
Financing activities			
Increases in share capital		468	443
Dividends paid		(974)	(814)
Interim dividends		(416)	(383)
Total	**III**	**(922)**	**(754)**
Cash flow for the period	**I+II+III**	**(51)**	**(1,516)**
Net financial surplus/(debt) at 1 January		**7,502**	**9,018**
Net financial surplus/(debt) at 31 December		**7,451**	**7,502**

Notes to the parent company financial statements

The financial statements at 31 December 2018 have been prepared in accordance with the general conventions required by France's General Accounting Plan, in accordance with Regulation no. 2017-03 issued by the Autorité des Normes Comptables (ANC, the French accounting standards setter).

However, in a departure from the French General Accounting Plan and in order to improve the presentation of its financial statements, VINCI reports changes in provisions relating to a given income or expense item on the same line of the income statement as determined by its nature, which may be operating, financial, exceptional or tax.

A. Key events in the period

1. Financing activities

In the first quarter of 2018, to help finance its recent development in the United States, VINCI SA borrowed $300 million (€242 million) from a credit institution for a term of five years, with the possibility of extending that term twice by one year on each occasion.

As part of its Euro Medium Term Notes (EMTN) programme, VINCI also carried out several issues in the second half of 2018 for a total amount of €2.0 billion:
In September 2018:
- a €1,000 million issue of notes with a coupon of 1.75% and maturing in September 2030, and a €750 million issue of notes with a coupon of 1% and maturing in September 2025.

In November 2018:
- a €100 million tap of the €1,000 million issue carried out in September 2018, on the same terms;
- a private placement of $70 million (€61 million) of notes maturing in October 2028.

In December 2018:
- a private placement of €120 million of notes maturing in November 2034.

In addition, in November 2018, VINCI arranged a new €8 billion syndicated bank facility with a term of five years, with the possibility of extending that term twice by one year on each occasion, to replace the previous €3.8 billion facility due to expire in May 2021.

2. Treasury shares

Under its share buy-back programme, VINCI purchased 7,667,561 shares in 2018 for €637 million, at an average price of €83.11 per share.

The gross carrying amount of treasury shares thus increased from €1,751 million at 31 December 2017 to €2,323 million at 31 December 2018, representing an average price of €54.34 per share.

At 31 December 2018, VINCI held 42,749,600 of its own shares (i.e. 7.15% of its capital) in treasury. Those shares are either allocated to covering long-term incentive plans and employer contributions to international employee share ownership plans, or intended to be used as payment for acquisitions, sold or cancelled.

B. Notes to the balance sheet

1. Intangible assets and property, plant and equipment

Accounting policies and methods
As a general rule, software, recorded under "Concessions, patents and licences", is amortised over two or three years on a straight-line basis.

Property, plant and equipment is recognised at acquisition cost, including acquisition costs. The Company applies CNC Opinion 2004-06, issued by the Conseil National de la Comptabilité, on the definition, recognition and measurement of assets.
Depreciation is calculated on a straight-line basis over an asset's estimated useful life:

Constructions	10 to 40 years
Other property, plant and equipment	3 to 10 years

Property, plant and equipment is used mainly for the Company's operations or those of its subsidiaries. However, some properties may be rented to third parties.

Gross values

(in € millions)	31/12/2017	Acquisitions	Disposals	31/12/2018
Concessions, patents and licences	9	1	-	10
Total intangible assets	**9**	**1**	**-**	**10**
Land	3	-	-	3
Constructions	2	6	-	9
Other property, plant and equipment and assets under construction	7	2	-	9
Total property, plant and equipment	**12**	**8**	**-**	**21**

Depreciation, amortisation and impairment

(in € millions)	31/12/2017	Expense	Reversals	31/12/2018
Concessions, patents and licences	9	-	-	9
Total intangible assets	**9**	**-**	**-**	**9**
Constructions	2	1	-	3
Other property, plant and equipment	7	-	-	7
Total property, plant and equipment	**9**	**1**	**-**	**10**

2. Financial assets

Accounting policies and methods

Investments in subsidiaries and affiliates are measured at their cost of acquisition. In accordance with CRC Regulation 2004-06, issued by the Comité de la Règlementation Comptable, on the definition and recognition of assets, VINCI includes the associated acquisition expenses in the cost of shares. If this cost is greater than the asset's value in use, an impairment allowance is taken equal to the difference, as an exceptional item.

Value in use is determined on the basis of the portion of the equity represented by the shares. This portion is adjusted if necessary to take account of the cash flow prospects for the companies in question.

Capital gains or losses on disposal of shareholdings are recorded under exceptional income and expense.

Gross values

(in € millions)	31/12/2017	Acquisitions	Disposals	Contributions	31/12/2018
Investments in subsidiaries and affiliates	20,934	-	(20)	-	20,914
Receivables connected with investments in subsidiaries and affiliates	8,344	2,125	(795)		9,674
Other fixed asset securities	4	-	-		4
Other non-current financial assets	1	-	(1)		-
Total	**29,283**	**2,125**	**(816)**	**-**	**30,592**

The increase in receivables connected with investments in subsidiaries and affiliates relates mainly to a loan granted by VINCI SA to VINCI Finance International.

Impairment allowances

(in € millions)	31/12/2017	Expense	Reversals	31/12/2018
Investments in subsidiaries and affiliates	25	1	(1)	25
Receivables connected with investments in subsidiaries and affiliates	5	-	(1)	4
Other non-current financial assets	3	-	-	3
Total	**33**	**1**	**(2)**	**32**

3. Treasury shares

Accounting policies and methods

Treasury shares allocated to share purchase option and performance share plans are recognised under marketable securities.
In accordance with CRC Regulation 2008-15, issued by the Comité de la Règlementation Comptable, a provision is taken as a financial expense during the period in which the beneficiaries' rights vest, whenever an expense becomes probable.

Treasury shares not allocated to plans are recorded under other non-current financial assets at their acquisition cost.
An impairment allowance is recognised as a financial expense if the average stock market price of these shares during the last month of the period is lower than their unit cost. Treasury shares intended for cancellation are not written down.

Whenever plans are hedged by call options, the premiums paid are recorded under marketable securities when the options hedge share purchase option plans or performance share plans, and under other non-current financial assets when these options hedge share subscription option plans.

In both cases, a provision is recognised whenever an expense becomes probable. Income and expense relating to treasury shares (provisions and gains or losses on disposal) are recognised under financial income/(expense).

Transactions under the 2017/2018 and 2018/2019 share buy-back programmes:

Gross values

	Gross values 31/12/2017		Increases: buy-backs		Decreases: disposals and transfers		Reclassifications: transfers between accounts		Gross values 31/12/2018	
	Unit value in €	Value in €m	Unit value in €	Value in €m	Unit value in €	Value in €m	Unit value in €	Value in €m	Unit value in €	Value in €m
Shares bought back to use in payment or exchange	43.97	1,282							43.97	1,282
Shares bought back to be cancelled										-
Subtotal directly held treasury shares		**1,282**								**1,282**
Liquidity account										
Subtotal non-current financial assets		**1,282**		**-**		**-**		**-**		**1,282**
Shares intended to be transferred to the beneficiaries of performance share and employee share ownership plans	65.48	469	83.11	637	52.68	(65)			76.59	1,041
Subtotal current assets		**469**		**637**		**(65)**		**-**		**1,041**
Total cash transactions on VINCI shares		**1,751**		**637**		**(65)**		**-**		**2,323**

During 2018:
- VINCI acquired 7,667,561 shares on the market for a total of €637 million, at an average price of €83.11 per share.
- 1,235,329 treasury shares were transferred to beneficiaries of employee share ownership plans, notably in respect of the 2015 Castor International plan and the long-term performance share incentive plan adopted by the Board of Directors on 14 April 2015. These share transfers generated an expense of €65 million, covered by a release for the same amount of provisions previously taken in this respect.

Impairment allowances

A €55 million impairment allowance for treasury shares was recognised, based on the average stock market price of VINCI shares in December 2018, i.e. €72.73.

Number of shares

	31/12/2017	Increases: buy-backs	Decreases: disposals and transfers	Reclassifications: transfers between accounts	31/12/2018
Shares bought back to use in payment or exchange	29,162,955	-		-	29,162,955
Shares bought back to be cancelled	-	-	-	-	-
Subtotal directly held treasury shares	**29,162,955**	**-**	**-**	**-**	**29,162,955**
Liquidity account					
Subtotal non-current financial assets	**29,162,955**	**-**	**-**	**-**	**29,162,955**
Shares intended to be transferred to the beneficiaries of performance share and employee share ownership plans	7,154,413	7,667,561	(1,235,329)	-	13,586,645
Subtotal current assets	**7,154,413**	**7,667,561**	**(1,235,329)**	**-**	**13,586,645**
Total cash transactions on VINCI shares	**36,317,368**	**7,667,561**	**(1,235,329)**	**-**	**42,749,600**

At 31 December 2018, VINCI held 42,749,600 treasury shares directly (representing 7.15% of the share capital), for a total of €2,323 million or €54.34 per share:

- 13,586,645 shares (€1,041 million) were allocated to covering long-term incentive plans and employee share ownership transactions;
- 29,162,955 shares (€1,282 million) were intended to be either exchanged as part of acquisition transactions or sold.

4. Deferred expenses

(in € millions)	31/12/2017	New deferrals	Amortisation	31/12/2018
Deferred expenses	10	26	(3)	**33**

The €26 million increase in deferred expenses relates to issuance costs and redemption premiums in respect of new financing obtained during the year (see section A above, "Key events in the period").

5. Equity

(in € millions)	Capital	Share premium	Reserves and retained earning	Profit or loss	Total
Equity at 31/12/2017	**1,478**	**9,989**	**18,375**	**469**	**30,311**
Appropriation of 2017 net income and payment of dividends			(506)	(469)	**(975)**
Interim dividend in respect of 2018			(416)		**(416)**
Increases in share capital	16	453			**469**
Net income for 2018				1,275	**1,275**
Equity at 31/12/2018	**1,494**	**10,442**	**17,453**	**1,275**	**30,664**

At 31 December 2018, VINCI's share capital amounted to €1,494 million, represented by 597,515,984 shares of €2.50 nominal, all conferring the same rights.

VINCI has reserves (share premiums, merger and contribution premiums, reserves other than the statutory reserve) of an amount greater than the amount of all the treasury shares it owned directly or indirectly at 31 December 2018.

Dividends paid in 2018 amounted to €1,390 million, corresponding to the final dividend in respect of 2017 for €974 million (€1.76 per share) and the interim dividend in respect of 2018 for €416 million (€0.75 per share).

The share capital increases in 2018, amounting to €468 million, are the result of subscriptions to Group savings plans for around €448 million, and the exercise of subscription options for €20 million.

(in € millions)	Number of shares	Capital	Share premiums and other reserves	Total
Employees' subscriptions to Group savings plans	5,804,504	15	433	**448**
Exercise of share subscription options	494,532	1	19	**20**
Total	**6,299,036**	**16**	**452**	**468**

6. Provisions

Accounting policies and methods

Provisions are recorded in the balance sheet in respect of the Company's obligations to pay supplementary pensions to certain employees or company officers, for the part relating to beneficiaries who are retired. An off-balance sheet commitment is recorded for the portion relating to beneficiaries who have not yet retired.

Retirement benefit obligations (lump sums paid on retirement and supplementary retirement benefit plans) are measured using the prospective actuarial method (the projected unit credit method) on the basis of external assessments made at each period end, for each existing plan.

Other provisions are intended to cover the risks arising from past or present events that are probable at the balance sheet date.
They are estimates as regards their amount and expected period of use.

			Reversals		
(in € millions)	31/12/2017	Expense	Provisions used	No longer needed	31/12/2018
Retirement and other employee benefit obligations	21	-	(2)		20
Liabilities in respect of subsidiaries	4				4
Other provisions	253	178	(86)		345
Total	**278**	**179**	**(88)**	**-**	**369**

Provisions for retirement and similar benefit obligations relate solely to beneficiaries who have retired.

Retirement benefit obligations are calculated on the basis of the following actuarial assumptions:

	31/12/2018	31/12/2017
Discount rate	1.7%	1.75%
Inflation rate	1.6%	1.6%
Rate of pension increases	0.8% - 1.6%	0.8% - 1.6%
Rate of salary increases	2.6%	2.6%

Other provisions relate in particular to VINCI's obligation to deliver shares as part of performance share plans decided by the Board of Directors on 19 April 2016, 20 April 2017 and 17 April 2018. Provisions taken in this respect at 31 December 2018, for €113 million, €99 million and €49 million respectively, take account of the estimated probability, at 31 December 2018, that these shares will be definitively granted.

7. Net financial (surplus)/debt

Accounting policies and methods

Marketable securities are recognised at their acquisition cost and an impairment loss is recorded at the period end whenever the cost is higher than the latest net realisable value.

Loans (bonds, bank and intragroup borrowing) are recorded under liabilities at their nominal value. The associated issuance costs are recorded under deferred expenses, redemption premiums under assets, and issuance premiums under deferred income. These three items are amortised over the length of the loan.
Loans and advances are recognised at nominal value. In the event of a risk of non-recovery, an impairment allowance is recognised.

(in € millions)	2018	2017
Bonds	3,920	1,878
Borrowings from financial institutions	274	-
Accrued interest on bonds	34	26
Long-term financial debt	**4,228**	**1,904**
Borrowings from financial institutions and bank overdrafts	1	1
Other borrowings and financial debt	1,281	1,034
Cash management current accounts of related companies	1,630	2,169
Short-term financial debt	**2,912**	**3,204**
Total financial debt	**7,140**	**5,108**
Receivables connected to investments in subsidiaries and affiliates and loans	**(9,671)**	**(8,339)**
Marketable securities	(1,400)	(1,070)
Cash management current accounts of related companies	(1,419)	(1,667)
Cash	(2,101)	(1,534)
Short-term cash	**(4,920)**	**(4,271)**
Net financial (surplus)/debt	**(7,451)**	**(7,502)**

VINCI's net financial surplus went from €7,502 million at 31 December 2017 to €7,451 million at 31 December 2018.

The increase in long-term financial debt resulted from new financing arranged in 2018 (totalling €2,273 million and described in section A above, "Key events in the period"). Financial debt includes any related currency translation differences.

The cash management current accounts of related companies, shown under assets and liabilities, represent the balance of movements of cash between the subsidiaries and the holding company under the Group's centralised cash management system.

Marketable securities mainly comprise certificates of deposit and money market UCITS with maturities of usually less than three months, whose carrying amount is close to their net asset value.

8. Market value of derivatives

Accounting policies and methods

Forward financial instruments and derivative financial instruments are measured at the period end. A provision is recognised in the income statement for any unrealised losses where the instruments are not designated as hedges (isolated open positions).
Changes in their value are recorded on the balance sheet with a balancing entry under suspense accounts.

VINCI uses derivatives to hedge its exposure to market risks in respect of its financial debt and to cover its subsidiaries' hedging needs.

At 31 December 2018, the market value of these financial instruments broke down as follows:

(in € millions)	Market value	Notional
Interest rate instruments		
- Interest rate swaps	65	4,644
- Cross-currency swaps	2	1,015
Currency instruments		
- Forward purchases	-	192
- Forward sales	1	421
- Cross-currency swaps	(5)	613

9. Receivables and payables

Accounting policies and methods

Trade receivables are measured at their nominal value. An impairment allowance is recognised if there is a possibility of non-recovery of these receivables.

Receivables and payables denominated in foreign currency are measured at the closing rate or at their hedged rate. Any gains or losses arising on this translation are recorded in the balance sheet as translation differences. Provisions are taken in respect of any unrealised losses unless specific rules are laid down in the accounting regulations.

Receivables at 31 December 2018

	Gross	Of which	
(in € millions)		Within 1 year	After 1 year
Receivables connected with investments in subsidiaries and affiliates	9,674	368	9,306
Loans and other non-current financial assets	1	1	
Non-current assets	**9,675**	**368**	**9,306**
Trade receivables and related accounts	325	325	
Other receivables	272	272	
Cash management current accounts of related companies	1,419	1,419	
Prepaid expenses	53	53	
Current assets	**2,068**	**2,068**	**-**
Total	**11,743**	**2,436**	**9,306**

Allowances against receivables

Allowances against current assets changed as follows during the period:

(in € millions)	31/12/2017	Expense	Reversals	31/12/2018
Trade receivables	1			1
Other receivables	46			46
Total	**47**	**-**	**-**	**47**

Liabilities at 31 December 2018

	Gross	Of which		
(in € millions)		Within 1 year	Between 1 and 5 years	After 5 years
Bonds	3,923	109	1,783	2,031
Amounts owed to financial institutions	274	12		262
Other borrowings and financial debt	1,281	1,281		
Cash management current accounts of related companies	1,630	1,630		
Financial debt	**7,108**	**3,032**	**1,783**	**2,293**
Trade payables and related accounts	37	37		
Tax, employment and social benefit liabilities	24	24		
Liabilities related to non-current assets and related accounts	1	1		
Other payables	171	171		
Deferred income	35	35		
Other liabilities	**267**	**267**		
Total	**7,376**	**3,300**	**1,783**	**2,293**

In accordance with the French government order of 20 March 2017 implementing Article D.441-4 of the French Commercial Code, the tables below show the breakdown of trade payables and trade receivables by maturity at 31 December 2018:

Breakdown of invoices received and due but not paid at the accounts closing date

(in € thousands)

A - Number of days overdue	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and above	TOTAL (1 day and above)
Number of invoices concerned		1	14	10	437	462
Total ex-VAT amount of invoices concerned		1,892	153	3	625	2,673
Percentage of total ex-VAT purchases during the period		2.3%	0.2%	0.0%	0.8%	3.3%
B - Invoices excluded from A relating to disputed or unrecognised payables and receivables						
Number of invoices excluded				-		
Total amount of invoices excluded				-		
C - Reference payment periods used (contractual or statutory - Article L.441-6 or Article L.443-1 of the French Commercial Code)						
Payment periods used to calculate late payments	Contractual periods					

Breakdown of invoices raised and due but not paid at the accounts closing date

(in € thousands)

A - Number of days overdue	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and above	TOTAL (1 day and above)
Number of invoices concerned	127	66	50	29	117	389
Total ex-VAT amount of invoices concerned	6,489	1,274	61	130	198	8,152
Percentage of total ex-VAT purchases during the period	4.37%	0.86%	0.04%	0.09%	0.13%	5.49%
B - Invoices excluded from A relating to disputed or unrecognised payables and receivables						
Number of invoices excluded				-		
Total amount of invoices excluded				-		
C - Reference payment periods used (contractual or statutory - Article L.441-6 or Article L.443-1 of the French Commercial Code)						
Payment periods used to calculate late payments	Statutory periods: 45 days after the end of month in which the invoice was raised					

10. Accrued expenses, by balance sheet item

(in € millions)	31/12/2018	31/12/2017
Financial debt		
Accrued interest on bonds	34	26
Other payables		
Trade payables and related accounts	29	17
Other tax, employment and social benefit liabilities	15	19
Other liabilities	1	4

11. Accrued income, by balance sheet item

(in € millions)	31/12/2018	31/12/2017
Financial assets		
Receivables connected with investments in subsidiaries and affiliates	15	15
Receivables		
Trade receivables and related accounts	312	190
Other	6	4
Cash	31	24

C. Notes to the income statement

12. Net financial income/(expense)

(in € millions)	2018	2017
Income from subsidiaries and affiliates	1,043	140
Net interest income/(expense)	53	99
Foreign exchange gains and losses	-	-
Provisions and other	(50)	2
Net financial income/(expense)	**1,046**	**241**

Income from investments in subsidiaries and affiliates corresponds to the dividends received from subsidiaries.

The line item “Provisions and other” consists mainly of the results of transactions on treasury shares.

13. Net exceptional income/(expense)

(in € millions)	2018	2017
Gain/(loss) on capital transactions		
- Disposals of property, plant and equipment and intangible assets		
- Disposals/contributions of shares and securities	23	(12)
Income/(expense) relating to operations	(1)	(16)
Exceptional provisions	1	34
Net exceptional income/(expense)	**23**	**6**

14. Income tax expense

Accounting policies and methods

Under the group tax regime agreement between VINCI SA and those subsidiaries that are members of the tax group, tax savings made by the tax group connected with the tax losses of some subsidiaries are recognised by the parent company as income for the period.

Provisions for tax taken and reversed are recorded here.

The line item "Income tax expense" records income and expense connected with the group tax regime of which VINCI is the lead company.

There was net tax income of €193 million in 2018, compared with net tax income of €214 million in 2017.
Tax income in respect of 2018 received from subsidiaries that are members of the tax group amounted to €1,010 million (€1,074 million in 2017) and the tax expense due by VINCI was €802 million (€990 million in 2017).
In 2017, that tax expense included a €255 million impact resulting from the 30% special levy on companies with revenue of more than €3 billion. It also included a €24 million impact of the additional 3% tax on dividends paid in 2017, along with an expected €151 million rebate of that tax (including interest) following the ruling by France's Constitutional Council on 8 October 2017 that the tax was unconstitutional.
The amount of the CICE (competitiveness and jobs tax credit) recognised with respect to 2018 in VINCI SA's financial statements is not material.

15. Related companies

15.1 Balance sheet

Balance sheet items at 31 December 2018 in respect of related companies break down as follows:

(in € millions)	
Assets	
Non-current assets	
Investments in subsidiaries and affiliates	20,889
Receivables connected with investments in subsidiaries and affiliates	9,671
Current assets	
Trade receivables and related accounts	325
Other receivables	226
Cash management current accounts of related companies	1,419
Equity and liabilities	
Borrowings and financial debt	1,281
Cash management current accounts of related companies	1,630
Trade and other operating payables	
Liabilities related to non-current assets and related accounts	1
Trade payables and related accounts	37
Other payables	171

15.2 Income statement

The transactions with related companies recorded in 2018 break down as follows:

(in € millions)	
Financial income	**1,321**
Cash management current accounts	16
Loans to subsidiaries	42
Dividends (including results of joint ventures)	1,043
Other	220
Financial expense	**(5)**
Cash management current accounts	(5)

16. Off-balance sheet commitments

(in € millions)	31/12/2018	31/12/2017
Sureties and guarantees	575	347
Retirement benefit obligations	36	35
Total	**611**	**382**

The line item "Sureties and guarantees" relates mainly to the guarantees given by VINCI on behalf of certain of its subsidiaries in favour of financial institutions or directly to those subsidiaries' customers.

Retirement benefit obligations comprise lump sums payable on retirement to VINCI personnel and obligations for a supplementary retirement benefit in favour of certain employees or company officers in service.

17. Remuneration and employees

Remuneration of executives

Remuneration, including social benefit charges, recognised in respect of members of Group corporate management bodies, for the share borne by VINCI in 2018, breaks down as follows:

(in € thousands)	Members of the Executive Committee	Directors who are not members of the Executive Committee
Remuneration	10,015	97
Directors' fees	-	1,365

Retirement benefit obligations towards members of corporate governing bodies, corresponding to the rights acquired as at 31 December 2018, break down as follows:

(in € thousands)	Members of the Executive Committee	Directors who are not members of the Executive Committee
Retirement benefit obligations	30,390	7,577

The members of the corporate governing bodies are also entitled to share subscription and purchase option plans, as well as performance share plans.

Average numbers employed

The average number of people employed by the Company was 282 (including 227 engineers and managers) in 2018, as opposed to 267 (including 199 engineers and managers) in 2017. In addition, 26 employees on average were seconded to VINCI by subsidiaries or external suppliers in 2018 (including 19 engineers and managers) as opposed to 15 in 2017.

Personal training account (CPF)

In application of CNC Opinion 2004 F relating to the recognition of the individual entitlement to training, VINCI has taken no provisions for these rights in the financial statements for the period ended 31 December 2018.
Since 1 January 2015, personal training accounts have been managed by an accredited fund collection agency (OPCA).

D. Post-balance sheet events

18. Appropriation of 2018 income

The Board of Directors finalised the financial statements for the year ended 31 December 2018 on 5 February 2019. These financial statements will only become definitive when approved by the Shareholders' General Meeting to be held on 17 April 2019. A resolution will be put to shareholders in that meeting for the payment of a dividend of €2.67 per share in respect of 2018. Taking account of the interim dividend already paid in November 2018 (€0.75 per share), this means that the final dividend will be €1.92 per share, representing a total of around €1,482 million on the basis of the shares giving a right to dividends at the date of the meeting of the Board of Directors called to approve the financial statements, i.e. 5 February 2019.

19. Financing activities

In January 2019, as part of its EMTN programme, VINCI carried out a €950 million issue of bonds with a coupon of 1.625% and maturing in 2029.

E. Subsidiaries and affiliates at 31 December 2018

The information in the following table reflects only the individual financial statements of the subsidiaries.

(in € millions)	Capital	Reserves and retained earnings before net income appropriation	Share of capital held (%)	Carrying value of shares held		Loans and advances made by VINCI	Sureties and guarantees given by VINCI	Revenue excl. tax in the last financial year	Net income/(loss) in the last financial year	Dividends received by VINCI
				Gross	Net					
A - Detailed information by entity										
1 - Subsidiaries (at least 50%-owned by VINCI)										
a - French entities										
VINCI Concessions	4,306.9	2,246.5	100%	6,535.9	6,535.9	698.5		94.4	1,213.0	230.7
VINCI Construction	162.8	942.6	100%	1,313.3	1,313.3	410.4		12.8	32.8	
VINCI Energies	123.1	1,033.0	99.34%	1,041.3	1,041.3	51.8		140.5	240.8	76.4
Eurovia	366.4	209.6	100%	1,034.2	1,034.2	166.0			180.0	
VINCI Immobilier	39.6	22.1	100%	111.4	111.4	264.4		110.2	66.6	40.8
VINCI Colombia	70.0		100%	70.0	70.0	9.2			-	
Ornem	6.0	3.9	100%	24.5	9.9					
VINCI Assurances	-	0.1	99.44%	-	-			10.9	2.3	2.0
b - Foreign entities										
VINCI Finance International	4,788.7	33.5	100%	4,788.7	4,788.7	2,600.0	-		39.7	28.7
2 - Affiliates (10%- to 50%-owned by VINCI)										
a - French entities										
VINCI Autoroutes	5,237.5	5,041.5	45.91%	5,908.5	5,908.5	1,480.0		14.1	1,264.7	589.2
b - Foreign entities										
B - Information not broken down by entity										
1 - Subsidiaries not included in paragraph A (at least 50%-owned by VINCI)										
a - French subsidiaries (in aggregate)				0.4	0.1					
b - Foreign subsidiaries (in aggregate)				0.2						
2 - Affiliates not included in paragraph A (10%- to 50%-owned by VINCI)										
a - French companies (in aggregate)				0.1						
b - Foreign companies (in aggregate)				-						

NB: information about affiliates representing less than 1% of VINCI's share capital is aggregated.

Five-year financial summary

	2014	2015	2016	2017	2018
I - Share capital at the end of the period					
a - Share capital *(in € thousands)*	1,475,247	1,471,133	1,473,264	1,478,042	1,493,790
b - Number of ordinary shares in issue (1)	590,098,637	588,453,075	589,305,520	591,216,948	597,515,984
II - Operations and net income for the period *(in € thousands)*					
a - Revenue excluding taxes	13,336	12,335	13,129	12,102	16,491
b - Income before tax, employee profit sharing, amortisation and provisions	2,878,154	6,853,659	4,631,226	327,610	1,246,812
c - Income tax (2)	(116,472)	(234,008)	(186,628)	(214,558)	(193,370)
d - Income after tax, employee profit sharing, amortisation and provisions	2,792,406	7,126,347	4,744,753	468,877	1,274,680
e - Earnings for the period distributed	1,228,454	1,018,529	1,163,058	1,357,933	1,481,673 (3)(4)
III - Results per share *(in €)* (5)					
a - Income after tax and employee profit sharing and before amortisation and provisions	4.7	12.0	8.2	0.9	2.4
b - Income after tax, employee profit sharing, amortisation and provisions	4.7	12.1	8.1	0.8	2.1
c - Net dividend paid per share	2.22	1.84	2.10	2.45	2.67 (4)
IV - Employees					
a - Average numbers employed during the period	226	233	254	267	282
b - Gross payroll cost for the period *(in € thousands)*	25,775	25,709	25,887	27,468	28,065
c - Social security costs and other social benefit expenses *(in € thousands)*	10,928	12,843	13,125	16,978	16,994

(1) There were no preferential shares in issue in the period under consideration.
(2) Taxes recovered from subsidiaries under tax consolidation arrangements, less VINCI's own tax charge (sign convention = (net income) / net expense).
(3) Calculated on the basis of the number of shares that gave a right to the interim dividend on 1 January 2018 and/or give a right to dividends at the date of approval of the financial statements, i.e. 5 February 2019.
(4) Proposal to the Shareholders' General Meeting on 17 April 2019.
(5) Calculated on the basis of shares outstanding at 31 December.

Report of the Statutory Auditors on the parent company financial statements

For the year ended 31 December 2018

To VINCI's Shareholders' General Meeting,

1. Opinion

In accordance with our appointment as Statutory Auditors by the Shareholders' General Meeting, we have audited the accompanying parent company financial statements of VINCI for the year ended 31 December 2018.
In our opinion, the parent company financial statements for the year give a true and fair view of the financial position, the assets and liabilities, and the results of the Company, in accordance with generally accepted accounting principles in France.
The opinion formulated above is consistent with the content of our report to the Audit Committee.

2. Basis of our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we collected provides a sufficient and appropriate basis for our opinion.
Our responsibilities under those standards are stated in the "Responsibilities of the Statutory Auditors in relation to auditing the parent company financial statements" section of this report.

Independence

We conducted our audit in accordance with the independence rules applicable to us between 1 January 2018 and the date on which we issued our report, and in particular we did not provide any services forbidden by Article 5, paragraph 1 of Regulation (EU) No. 537/2014 or by the code of conduct of the Statutory Auditors' profession in France.

3. Justification of our assessments - Key audit matters

As required by Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters, relating to what were, in our professional judgment, the main risks of material misstatement in relation to our audit of the year's parent company financial statements, and our responses to those risks.
Those assessments were made in the context of our audit of the parent company financial statements taken as a whole and in the formation of our opinion stated above. We express no opinion on items of the parent company financial statements taken in isolation.

Assessment of investments in subsidiaries and affiliates

Note B.2 to the parent company financial statements

Description of the risk

At 31 December 2018, the net carrying amount of investments in consolidated and non-consolidated subsidiaries and affiliates was €20,889 million, equal to 54% of total assets. They are recognised on the balance sheet at their acquisition cost. In accordance with Regulation no. 2004-06, issued by the Comité de la Réglementation Comptable (CRC, the French accounting regulations committee), on the definition and recognition of assets, VINCI includes the associated acquisition expenses in the cost of the investments.
Where that cost is greater than the asset's value in use, an impairment allowance is taken equal to the difference, as an exceptional item. Value in use is determined on the basis of the portion of the equity represented by the investments. This portion is adjusted if necessary on the basis of estimates used by management to determine the value in use of the investments in the companies in question.
Given the extent of the investments in subsidiaries and affiliates on the balance sheet and their sensitivity to changes in the data and assumptions on which management bases its estimates when determining their value in use, we took the view that assessing the value in use of investments in subsidiaries and affiliates was a key audit matter that presented a risk of material misstatement.

Audit work performed

For investments in subsidiaries and affiliates that are material or present a specific risk, we:
• verified, on a test basis, the arithmetic accuracy of the value in use calculations used by the Company and any impairment charges recognised;
• checked that the equity figures used in impairment tests agreed with the financial statements of audited entities and that any adjustments made to equity were based on appropriate documentation;
• checked, on the basis of the information provided to us, that value in use estimates made by management were based on an appropriate justification of the valuation method and figures used.

4. Specific verifications

We also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information provided in the management report of the Board of Directors and in other documents concerning the financial position and parent company financial statements addressed to the shareholders

We are satisfied that the information given in the management report of the Board of Directors and in the documents concerning the financial position and parent company financial statements addressed to the shareholders is fairly stated and agrees with the parent company financial statements.

We attest to the fair presentation and the consistency with the parent company financial statements of the information given with respect to the payment terms referred to in article D.441-4 of the French Commercial Code.

Information on corporate governance

We confirm that the section of the management report of the Board of Directors devoted to corporate governance contains the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.
As regards the information provided pursuant to the provisions of Article L.225-37-3 of the French Commercial Code on remuneration and benefits paid to and commitments made to the directors and executive officers, we have verified that this information is consistent with the parent company financial statements or the data used to prepare the parent company financial statements, and, where applicable, the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we confirm that this information is accurate and fairly presented.
As regards information relating to items that your Company considered capable of having an impact in the event of a public tender or exchange offer, provided in accordance with Article L.225-37-5 of the French Commercial Code, we have checked that it is consistent with the documents from which it originates and that were sent to us. On the basis of our work, we have no observations to make on that information.

Other information

As required by law, we have satisfied ourselves that information relating to the identity of owners of capital and voting rights has been provided to you in the management report of the Board of Directors.

5. Information resulting from other statutory and regulatory obligations

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of VINCI by its shareholders at the Shareholders' General Meeting of 23 June 1989, taking into account mergers and acquisitions of firms since that date.
At 31 December 2018, KPMG Audit IS and Deloitte & Associés were in their 30th consecutive year as the Company's Statutory Auditors.

6. Responsibilities of management and persons involved in corporate governance in relation to the parent company financial statements

Management is responsible for preparing parent company financial statements that present a true and fair view, in accordance with generally accepted accounting principles in France, and for setting up the internal controls it deems necessary for preparing parent company financial statements that do not contain any material misstatements, whether due to fraud or error.
When preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the Company or discontinue its operations.
The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and treatment of accounting and financial information.
The parent company financial statements have been approved by the Board of Directors.

7. Responsibilities of the Statutory Auditors in relation to auditing the parent company financial statements

Audit objective and procedure

Our responsibility is to prepare a report on the parent company financial statements. Our objective is to obtain reasonable assurance about whether the parent company financial statements, taken as a whole, are free of material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the parent company financial statements take on the basis of those statements.
As stated by Article L.823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your Company or the quality of its management.

When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgment throughout the audit. In addition:

• they identify and assess the risks that the parent company financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;

• they familiarise themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control;

• they assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by management, along with information about those estimates provided in the parent company financial statements;

• they assess whether management has applied appropriately the going concern convention and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the Company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the Company's status as a going concern. If the auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the parent company financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them;

• they assess the overall presentation of the parent company financial statements and assess whether the parent company financial statements reflect the underlying operations and events so that they give a true and fair view.

Report to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and treating accounting and financial information.

The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year's parent company financial statements, and which are therefore the key audit matters. It is our role to describe those points in the present report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

Paris La Défense, 8 February 2019
The Statutory Auditors
French original signed by

KPMG Audit IS

Jay Nirsimloo Philippe Bourhis

Deloitte & Associés

Sami Rahal Marc de Villartay

This is a free translation into English of the Statutory Auditors' report on the parent company financial statements issued in French and it is provided solely for the convenience of English-speaking users.
This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Special report of the Statutory Auditors on regulated agreements and commitments

Shareholders' General Meeting held to approve the financial statements for the financial year ended 31 December 2018

To the Shareholders of VINCI,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on the information provided to us, the principal terms and conditions of those agreements and commitments, and the reasons put forward for their benefit to the Company, which have been brought to our attention or which we may have discovered in the course of our audit, without having to express an opinion on their usefulness and appropriateness or identify such other agreements and commitments, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code, to assess the advantages of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past financial year of agreements and commitments previously approved by the Shareholders' General Meeting, if any.

We have carried out the procedures we considered necessary in accordance with the professional guidelines of the Compagnie Nationale des Commissaires aux Comptes (CNCC, the representative body of the statutory audit profession in France) relating to this engagement. Those procedures involved checking whether the information given to us was consistent with the underlying documents from which it was derived.

Agreements and commitments subject to the approval of the Shareholders' General Meeting

Agreements and commitments authorised and executed during the past financial year

We hereby inform you that we have not been advised of any agreements or commitments that were authorised and executed during the past financial year and must be submitted for the approval of the Shareholders' General Meeting in application of the provisions of Article L.225-38 of the French Commercial Code.

Agreements and commitments already approved by shareholders

Agreements and commitments approved during previous financial years that remained in force during the past financial year

In accordance with Article R.225-30 of the French Commercial Code, we have been informed that the following agreement approved by the Shareholders' General Meeting in previous financial years remained in force during the year.

Services agreement with YTSeuropaconsultants

Person concerned: Yves-Thibault de Silguy, Managing Director and sole shareholder of YTSeuropaconsultants and Vice-Chairman of the Board of VINCI

On 5 February 2014, VINCI entered into a services agreement with YTSeuropaconsultants, a French limited liability company ("Société à responsabilité limitée") with a sole shareholder, under the terms of which Mr de Silguy assists the Chairman and Chief Executive Officer in his role as representative of the VINCI Group, in particular in dealings with French or foreign public authorities, major clients, current or potential French or foreign shareholders and individual shareholders at regular meetings organised by your Company for that purpose.

This agreement, which was executed for a period of four years with an option for the Board of Directors to terminate it at the end of each year of Mr de Silguy's term of office as a Director, was in effect from the time it was approved by the Shareholders' General Meeting of 15 April 2014 until the end of the Shareholders' General Meeting of 17 April 2018.

Remuneration for these services was set at a non-adjustable lump sum of €27,500, excluding VAT, per month.

In 2018, VINCI recognised a total charge of €97,167 excluding VAT in respect of this agreement.

The agreement was authorised by the Board of Directors on 5 February 2014.

Paris La Défense, 8 February 2019
The Statutory Auditors
French original signed by

KPMG Audit IS

Jay Nirsimloo Philippe Bourhis

Deloitte & Associés

Sami Rahal Marc de Villartay

Persons responsible for the registration document

1. Statement by the person responsible for the registration document

"I declare, having taken all due care, that to the best of my knowledge, the information presented in this registration document gives a true and fair view and that there are no omissions likely to affect materially the meaning of the said information.

"I confirm that, to the best of my knowledge, the financial statements have been prepared in compliance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all consolidated entities. I also confirm that the Report of the Board of Directors that starts on page 119 presents a true and fair view of business developments, the results and the financial position of the Company and all consolidated entities, as well as a description of the principal risks and uncertainties that they face.

"I have received a letter from the Statutory Auditors reporting on the completion of their audit work and stating that they have verified the information relating to the financial position and financial statements included in the present registration document as well as the overall presentation of this registration document."

Xavier Huillard, Chairman and Chief Executive Officer, VINCI

2. Statutory Auditors

Names of the Statutory Auditors

Statutory Auditors

KPMG Audit IS
Tour Eqho, 2 avenue Gambetta
92066 Paris La Défense, France
(Jay Nirsimloo and Philippe Bourhis)

First appointed: 10 May 2007 (as KPMG SA, a member of KPMG International)

Current term of office ends at the close of the Shareholders' General Meeting called to approve the financial statements for the year ending 31 December 2018.

Deloitte & Associés
Tour Majunga, 6 place de la Pyramide
92908 Paris La Défense Cedex, France
(Sami Rahal and Marc de Villartay)

First appointed: 30 May 2001

Current term of office ends at the close of the Shareholders' General Meeting called to approve the financial statements for the year ending 31 December 2018.

Deputy Statutory Auditors

KPMG Audit ID
Tour Eqho, 2 avenue Gambetta
92066 Paris La Défense, France

First appointed: 16 April 2013

Current term of office ends at the close of the Shareholders' General Meeting called to approve the financial statements for the year ending 31 December 2018.

BEAS
6 place de la Pyramide
92908 Paris La Défense Cedex, France

First appointed: 30 May 2001

Current term of office ends at the close of the Shareholders' General Meeting called to approve the financial statements for the year ending 31 December 2018.

The Company's Statutory Auditors are registered with the Compagnie Nationale des Commissaires aux Comptes (the official French statutory auditors' representative body) and are subject to the authority of the Haut Conseil du Commissariat aux Comptes (the French public authority charged with the supervision of the statutory audit profession).

3. Persons responsible for financial information

Christian Labeyrie, Executive Vice-President and Chief Financial Officer and member of the Executive Committee (+33 1 47 16 35 23).
Pierre Duprat, Vice-President, Corporate Communications and member of the Executive Committee (+33 1 47 16 44 06).
Franck Mougin, Vice-President, Human Resources and Sustainable Development and member of the Executive Committee (+33 1 47 16 37 58).
Patrick Richard, General Counsel, Secretary to the Board of Directors and member of the Executive Committee (+33 1 47 16 31 05).

4. Information incorporated by reference

In application of Article 28 of European Regulation (EC) No. 809/2004, the following information referred to in this registration document is deemed to have been provided thereby:

- the 2017 IFRS consolidated financial statements and the 2017 parent company financial statements prepared in accordance with the rules applicable in France, the associated reports of the Statutory Auditors, and sections 9 and 10 of the cross-reference table shown on pages 230-300, 305-319 and 328 respectively of the 2017 registration document filed with the AMF on 26 February 2018 under the number D.18-0076;

- the 2016 IFRS consolidated financial statements and the 2016 parent company financial statements prepared in accordance with the rules applicable in France, the associated reports of the Statutory Auditors, and sections 9 and 10 of the cross-reference table shown on pages 220-301, 302-317 and 322-323 respectively of the 2016 registration document filed with the AMF on 24 February 2017 under the number D.17-0109.

5. Documents available for public consultation

All the documents defined in Article L.451-1-2 of the French Monetary and Financial Code and Article 221-3 of the General Regulation of the AMF are available on the Company's website (www.vinci.com).

VINCI's Articles of Association may be consulted at the Company's registered office at 1 cours Ferdinand de Lesseps, 92500 Rueil Malmaison, France (+33 1 47 16 31 05) and on the Company's website (www.vinci.com).

Cross-reference table for the registration document

The table below gives references to the information to be included in the annual report filed as a registration document.

Items listed in Appendix 1 to European Regulation (EC) No. 809/2004
Registration document

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Cross-reference table for the annual financial report

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Cross-reference table for workforce-related, environmental and social information

Introduction to the registration document	Page in the registration document	Non-financial performance statement	GRI indicator - By code
Non-financial performance statement	13 20-29 177-182 189-248	Description of the company's business model, or, where applicable, the business model of the group of companies for which the company prepares consolidated financial statements Description of the main risks related to the activities of the company or group of companies Description of the policies applied by the company or the group of companies and the results of these policies, including the key performance indicators	-

Sections in chapter E of the Report of the Board of Directors on workforce-related, environmental and social information			
Workforce-related information			
General human resources policy			
General human resources policy	190	-	GRI 102-14
Employment			
Workforce	190	Workforce by gender, age and geographical area	GRI 102-7, GRI 102-8, GRI 401-1, GRI 405-1
Recruitment and departures	191	Recruitment and redundancies	GRI 401-1
Remuneration, employer social contributions, employee savings plans			
General remuneration policy	193	-	GRI 102-14
Remuneration and employer social contributions	193	Remuneration and its change	GRI 102-35, GRI 102-36, GRI 102-37, GRI 401-2, GRI 405-2
Employee savings plans	194		GRI 401-2
Organisation of working hours			
Hours worked and overtime	195	Organisation of working hours	-
Absenteeism	195	Absenteeism	-
Health and safety			
General health and safety policy	195	Health and safety conditions in the workplace	GRI 102-14
Health and safety of VINCI employees	196	Health and safety conditions in the workplace Occupational accidents, particularly their frequency and severity, and occupational illnesses	GRI 403-2, GRI 403-3
Health and safety of temporary staff	197	Health and safety conditions in the workplace Occupational accidents, particularly their frequency and severity, and occupational illnesses	GRI 403-2, GRI 403-3
Subcontractor health and safety	197	Health and safety conditions in the workplace	GRI 102-14
Health and safety agreements	197	Health and safety agreements with trade unions or employee representatives	GRI 403-4
Labour relations and collective agreements			
General policy regarding dialogue between management and labour	197	Labour-management relations, employee notification, negotiation and consultation procedures	GRI 402-1
Employee representative bodies			
Trade union freedoms	198		
Collective agreements	198	Collective agreements, especially workplace health and safety agreements	-
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Training			
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Training initiatives	200	Total number of training hours	GRI 404-1, GRI 412-2
Environmental training	200	Environmental protection training policies	GRI 102-27, GRI 404-1
Equality and diversity			
General policy for promoting diversity and preventing discrimination	200	Policy implemented and measures to combat discrimination	GRI 405-1
Measures to promote gender equality	201	Policy implemented and measures to promote gender equality	
Measures to promote the employment and social integration of people with disabilities	201	Policy implemented and measures to promote the employment and social integration of people with disabilities	
Environmental information			
General environmental policy: "Acting for green growth"			
Environmental organisation	202	Company organisation to take into account environmental issues and environmental assessments or certification	GRI 102-14
Environmental reporting coverage and scope	202		
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CROSS-REFERENCE TABLE FOR WORKFORCE-RELATED, ENVIRONMENTAL AND SOCIAL INFORMATION

Sections in chapter E of the Report of the Board of Directors on workforce-related, environmental and social information	Page in the registration document	Non-financial performance statement	GRI indicator - By code
Prevention and restoration			
Preventing environmental incidents	203	Resources devoted to preventing environmental risks and pollution	-
Legal and regulatory compliance	204	-	-
Prevention of environmental impacts and associated costs	204	Resources devoted to preventing environmental risks and pollution	-
Environment provisions and guarantees	204	Environment provisions and guarantees	GRI 201-2
Damages paid during the period concerned following legal decisions on environmental matters and lawsuits filed for damage to the environment	204	-	GRI 307-1
Resource conservation and the circular economy			
Protecting water resources	204	Measures to prevent, reduce and restore air, water and soil pollution seriously affecting the environment	GRI 303-1, GRI 303-2, GRI 303-3
	205	Water consumption and supply based on local restrictions	
Raw materials consumption	206	Raw materials consumption and measures to improve the efficiency of their use	GRI 301-1, GRI 302-2
Energy consumption	206	Energy consumption, measures to improve energy efficiency and the use of renewable energy	GRI 302-1, GRI 302-2, GRI 302-3, GRI 302-4, GRI 302-5
Use of renewable energy	208		-
Land use	208	Land use	-
Waste prevention and management	208	Measures to prevent, recycle, reuse and otherwise recover or eliminate waste	GRI 306-2, GRI 306-3, GRI 306-4
Combating food waste	209	Initiatives to recover food waste in establishments open to the general public	-
Air, water and soil pollution	210	Measures to prevent, reduce and restore air, water and soil pollution seriously affecting the environment	GRI 305-6
Noise and light pollution	210	Consideration of noise and light pollution, along with any other form of pollution specific to a given activity	-
Combating climate change			
Greenhouse gas emissions	210	Significant sources of greenhouse gas emissions produced from the company's activities, particularly through the use of the goods and services that it produces	GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5
Adapting to climate change	212	Measures taken to adapt to the consequences of climate change	-
Emission reduction targets and resources deployed	212	Voluntary medium- and long-term greenhouse gas reduction targets and the resources deployed to achieve them	GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5
Biodiversity conservation			
General biodiversity policy	212	Measures to conserve or restore biodiversity	GRI 304-2
Measures to promote biodiversity	213		GRI 304-1, GRI 304-2, GRI 304-3
Sponsorship, research and development to promote biodiversity	214		-
Social information			
Social commitments to promote sustainable development			
Impact of the company's business on employment and local development	214	Impact of VINCI's business on employment and local development	GRI 203-1, GRI 203-2
Impact of the company's business on local populations	217	Impact of VINCI's business on local populations	GRI 203-1, GRI 203-2, GRI 413-1, GRI 413-2
Relations with civil society stakeholders and methods used to maintain dialogue with them			
General policy relating to dialogue with stakeholders	219	Relations with civil society stakeholders and methods used to maintain dialogue with them	GRI 102-42, GRI 102-44, GRI 102-43, GRI 102-21
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Initiatives and sponsorships to promote social integration and solidarity	222		
Subcontractors and suppliers			
Taking social and environmental issues into account in purchasing processes	223	Taking social and environmental issues into account in purchasing processes	GRI 204
Encouraging suppliers and subcontractors to promote sustainability principles	223	Encouraging suppliers and subcontractors to promote sustainability principles	GRI 204, GRI 308-1, GRI 308-2, GRI 414-1
Managing relations with subcontractors	224		-

Sections in chapter E of the Report of the Board of Directors on workforce-related, environmental and social information	Page in the registration document	Non-financial performance statement	GRI indicator - By code
Measures to promote the health and safety of customers and end users			
Measures to promote the health and safety of customers and end users	224	Measures to promote consumer health and safety	GRI 417-1
Information relating to ethical practices			
General policy in the area of ethical practices	225	Initiatives to prevent corruption	GRI 102-16, GRI 102-17, GRI 205-2
Tax planning practices	226	Tax avoidance	-
Information on initiatives to promote human rights			
General policy in the area of human rights	226	Initiatives to promote human rights, particularly those included in the ILO's fundamental conventions	GRI 406-1, GRI 407, GRI 408-1, GRI 409-1, GRI 411-1, GRI 412
Prevention of human rights risks in Qatar	227	-	-

GLOSSARY

Cash flow from operations before tax and financing costs (Ebitda): Ebitda corresponds to recurring operating income adjusted for additions to depreciation and amortisation, changes in non-current provisions and non-current asset impairment, gains and losses on asset disposals. It also includes restructuring charges included in non-recurring operating items. The reconciliation between this indicator and consolidated net income for the period is presented in the cash flow statement.

Concession subsidiaries' revenue from works done by non-Group companies: this indicator relates to construction work done by concession companies as programme manager on behalf of concession grantors. Consideration for that work is recognised as an intangible asset or financial asset depending on the accounting model applied to the concession contract, in accordance with IFRIC 12 "Service Concession Arrangements". It excludes work done by Contracting business lines.

Cost of net financial debt: the cost of net financial debt comprises all financial income and expense relating to net financial debt as defined above. It therefore includes interest expense and income from interest rate derivatives allocated to gross debt, along with financial income from investments and cash equivalents. The reconciliation between this indicator and the income statement is detailed in the notes to the Group's consolidated financial statements.

Ebitda margin, Ebit margin and recurring operating margin: ratios of Ebitda, Ebit, or recurring operating income to revenue excluding concession subsidiaries' revenue from works done by non-Group companies.

Free cash flow: Free cash flow is made up of operating cash flow and growth investments in concessions and PPPs. The reconciliation between this indicator and consolidated net income for the period is presented in the Group's cash flow statement.

Like-for-like revenue growth: this indicator measures the change in revenue at constant scope and exchange rates.
- Constant scope: the scope effect is neutralised by the following methodology:
  - The revenue of year N is adjusted from companies that joined the Group in year N.
  - The revenue of year N-1 includes the full-year revenue of companies joining the Group in year N-1, and excludes the contributions from companies that left the Group in years N-1 and N.
- Constant exchange rates: the currency effect is neutralised by applying exchange rates in year N to foreign currency revenue in year N-1.

Net financial surplus/debt: it corresponds to the difference between financial assets and financial debt. If the assets outweigh the liabilities, the balance represents a net financial surplus, and if the liabilities outweigh the assets, the balance represents net financial debt. Financial debt includes bonds and other borrowings and financial debt (including finance lease transactions and liabilities relating to financial instruments). Financial assets include cash and cash equivalents and assets relating to derivative instruments. The reconciliation between this indicator and balance sheet items is detailed in the notes to the Group's consolidated financial statements.

Non-recurring operating items: non-recurring income and expense mainly includes goodwill impairment losses, restructuring charges and income and expense relating to changes in scope (capital gains or losses on disposals of securities and the impact of changes in control).

Operating cash flow: Operating cash flow is a measurement of cash flows generated by the Group's ordinary activities. It is made up of Ebitda, the change in operating working capital requirement and current provisions, interest paid, income taxes paid, dividends received from companies accounted for under the equity method and net operating investments net of disposals. Operating cash flow does not include growth investments in concessions and public-private partnerships (PPPs). The reconciliation between this indicator and consolidated net income for the period is presented in the cash flow statement.

Operating income: this indicator is included in the income statement.
Operating income is calculated by taking recurring operating income and adding non-recurring income and expense (see above).

Operating income from ordinary activities (Ebit): this indicator is included in the income statement.
Ebit measures the operational performance of fully consolidated Group subsidiaries. It excludes share-based payment expense (IFRS 2), other recurring operating items (including the share of the income or loss of companies accounted for under the equity method) and non-recurring operating items.

Order book
- The order book in the Contracting business (VINCI Energies, Eurovia, VINCI Construction) represents the volume of business yet to be carried out on projects where the contract is in force (in particular after service orders have been obtained or after conditions precedent have been met) and financed.
- At VINCI Immobilier, the order book corresponds to the revenue, recognised on a progress towards completion basis, that is yet to be generated on a given date with respect to property sales confirmed by a notarised deed or with respect to property development contracts on which the works order has been given by the project owner.

Order intake
- In the Contracting business lines (VINCI Energies, Eurovia, VINCI Construction), a new order is recorded when the contract has been not only signed but is also in force (for example, when the service order has been obtained or when conditions precedent have been met) and when the project's financing is in place. The amount recorded in order intake corresponds to the contractual revenue.
- At VINCI Immobilier, order intake corresponds to the value of properties sold off-plan or sold after completion in accordance with a notarised deed, or revenue from property development contracts where the works order has been given by the project owner.

For joint property developments:
  - If VINCI Immobilier has sole control over the development company, it is fully consolidated. In that case, 100% of the contract value is included in order intake.
  - If the development company is jointly controlled, it is accounted for under the equity method and its order intake in not included in the total.

Public-private partnership – concessions and partnership contracts: public-private partnerships are forms of long-term public-sector contracts through which a public authority calls upon a private-sector partner to design, build, finance, operate and maintain a facility or item of public infrastructure and/or manage a service.
In France, a distinction is drawn between concessions (for works or services) and partnership contracts.
Outside France, there are categories of public contracts – known by a variety of names – with characteristics similar to those of the French concession and partnership contracts.
In a concession, the concession-holder receives a toll (or other form of remuneration) directly from users of the infrastructure or service, on terms defined in the contract with the public-sector authority that granted the concession. The concession-holder therefore bears "traffic level risk" related to the use of the infrastructure.
In a partnership contract, the private partner is paid by the public authority, the amount being tied to performance targets, regardless of the infrastructure's level of usage. The private partner therefore bears no traffic level risk.

Recurring operating income: this indicator is included in the income statement. Recurring operating income is intended to present the Group's operational performance excluding the impact of non-recurring transactions and events during the period. It is obtained by taking operating income from ordinary activities (Ebit) and adding the IFRS 2 expense associated with share-based payments (Group savings plans and performance share plans), the income or losses of subsidiaries accounted for under the equity method, and other recurring operating income and expense. The latter category includes recurring income and expense relating to companies accounted for under the equity method and to non-consolidated companies (financial income from shareholder loans and advances granted by the Group to some of its subsidiaries, dividends received from non-consolidated companies, etc.).

VINCI Airports aircraft movements: this is the number of commercial aircraft movements recorded at a VINCI Airports airport during a given period.

VINCI Airports passenger traffic: this is the number of passengers who have travelled on commercial flights from a VINCI Airports airport during a given period.

VINCI Autoroutes motorway traffic: this is the number of kilometres travelled by light and heavy vehicles on the motorway network managed by VINCI Autoroutes during a given period.

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In accordance with Article 212-13 of the General Regulation of the Autorité des Marchés Financiers (AMF, the French securities regulator), this document comprises the registration document filed with the AMF on 27 February 2019 under the number D.19-0079.
It may be used in support of a financial transaction only if it is supplemented by a prospectus on the transaction officially approved by the AMF. The signatories of this document, prepared by VINCI, are responsible for the information contained therein.
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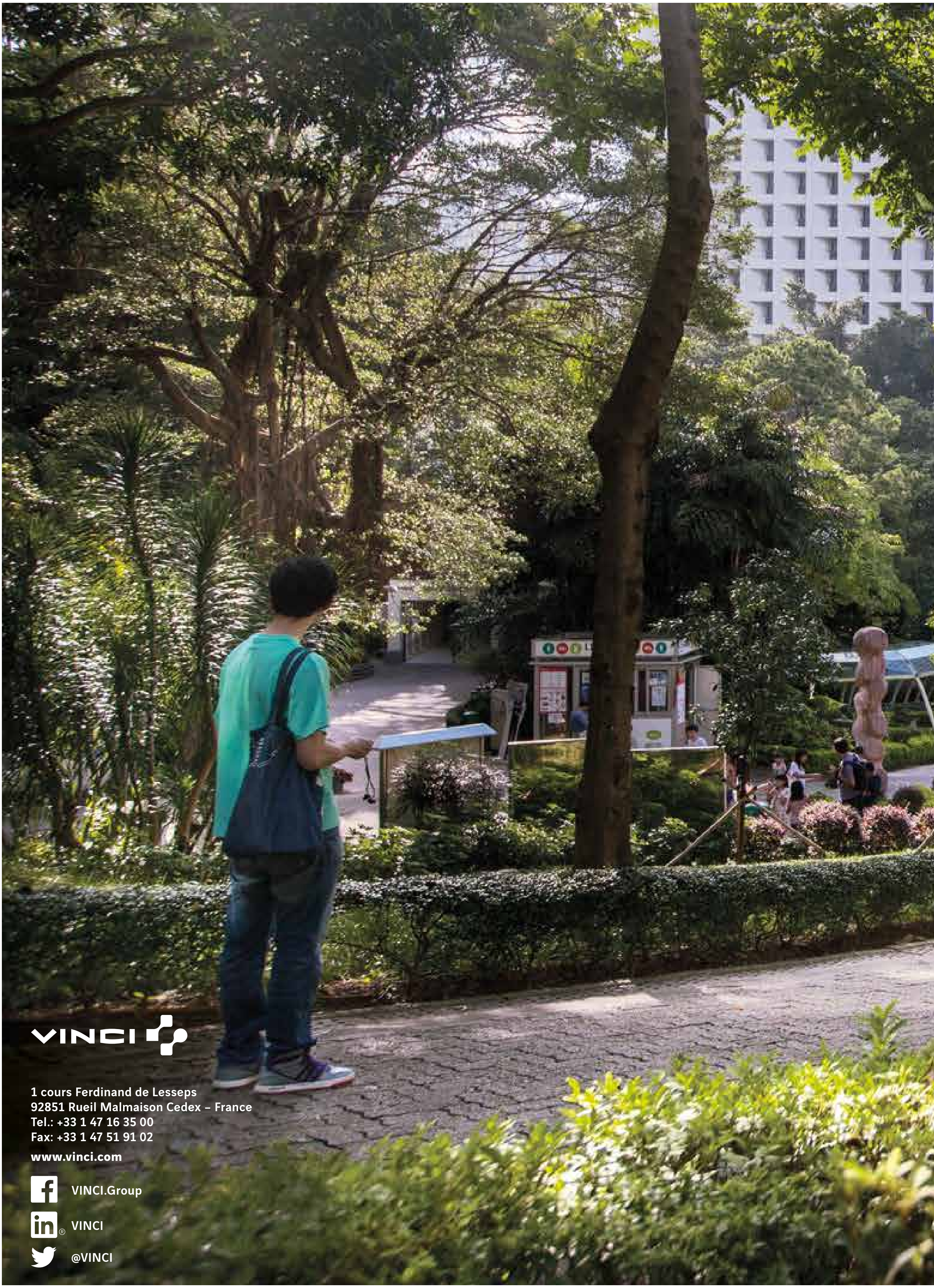

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