

PROGRESS ON DEPLOYMENT OF THE GROUP CORPORATE SOCIAL RESPONSIBILITY PROGRAM

As Fives continues its CSR actions program, it has decided in 2018 to review its commitments to meet the expectations of its stakeholders, which have evolved significantly over the past 10 years. The Group wishes to strengthen its actions on key topics such as the fight against climate change, the development of technologies to serve the circular economy and the contribution to the development of the territories in which the company operates.

As every year, a review of the CSR action plan was carried out and the main summary elements are included in the following table, with a correspondence with the 10 principles of the Global Compact. This table naturally includes the new commitments of the Fives CSR policy as well as the objectives set within the new roadmap.



By placing the men and women of Fives at the center of our concerns, by reinforcing actions in terms of environmental protection, by combating climate change and by respecting shared values, we can successfully respond more quickly to our stakeholders' expectations. Making a commitment and taking stock of our actions through the United Nations Global Compact will also help to build this future.

Frédéric Sanchez
Chairman & CEO

THE 10 PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



HUMAN RIGHTS

- GC 1.** Businesses should support and respect the protection of internationally proclaimed human rights; and
- GC 2.** Ensure that they are not complicit in Human Rights abuses.

LABOR













- GC 3.** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- GC 4.** The elimination of all forms of forced and compulsory labor;
- GC 5.** The effective abolition of child labor; and
- GC 6.** The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT










- GC 7.** Businesses should support a precautionary approach to environmental challenges;
- GC 8.** Undertake initiatives to promote greater environmental responsibility; and
- GC 9.** Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- GC 10.** Businesses should work against corruption in all its forms, including extortion and bribery.

Commitments	Group's objectives	Program and action plans	Level of maturity at end-2018	Achievements at end-2018	2019 goals
 Minimizing the environmental footprint of Fives and its customers	<u>Reduce our sites' environmental impacts:</u> GC7 - GC8	<ul style="list-style-type: none"> Support all our industrial sites towards ISO 14001 certification Reduce the Group's energy consumption by 10% by 2022 	 	<ul style="list-style-type: none"> Certification program for the Group's industrial sites: <ul style="list-style-type: none"> 75% of the Group's industrial sites ISO 14001-certified 46 sites of all types ISO 14001-certified within the Group ISO 14001 v2015: <ul style="list-style-type: none"> All 46 ISO 14001-certified sites successfully completed the transition to the new 2015 version. Energy consumption: <ul style="list-style-type: none"> Definition of relevant indicators to better monitor Fives' energy consumption. Voluntary actions to reduce energy consumption in the Group's subsidiaries (30% of the Group's sites implemented actions in 2018, while less than 20% carried out energy audits). Improvement in the Group's energy efficiency with a reduction in energy consumption per hour worked (8.3 in 2017 to 7.8 in 2018). REACH regulation: <ul style="list-style-type: none"> Implementation of an approach to help subsidiaries understand the expectations of European Reach regulation and integrate them into their processes. Creation of an e-learning course to present this approach to the team internally. 	<ul style="list-style-type: none"> Group Environment Directive: <ul style="list-style-type: none"> Finalization of the Group Environment Directive, formalizing the new policy and integrating the objectives set for the subsidiaries Energy efficiency: <ul style="list-style-type: none"> New energy consumption reduction target for all Group companies: -10% on consumption in kWh/hour worked by the end of 2022 (base year: 2018) <p>Supporting companies in the deployment of this new objective:</p> <ul style="list-style-type: none"> Evaluation of their maturity level on energy management and implementation of roadmaps Structuring of an energy network: provision of a collaborative workspace, tools, organization of training sessions Supporting companies in carrying out energy audits and identifying actions to improve their energy performance.
	<u>Improve the environmental performance of our customers:</u> GC7 - GC8 - GC9	<ul style="list-style-type: none"> Help subsidiaries to integrate environmental criteria into their design processes Enhance and develop services that extend the life of our products and clients' equipment 	 	<ul style="list-style-type: none"> Eco-design program: <ul style="list-style-type: none"> Internal eco-design program: Engineered Sustainability, which complies with ISO 14062. 9 products currently carry the Engineered Sustainability® brand 33% of subsidiaries (scope R&D) are involved in eco-design 200 people have been trained in eco-design 	<ul style="list-style-type: none"> Eco-design program: <ul style="list-style-type: none"> Evolution of this approach to integrate eco-design more systematically into innovation and design approaches. The methodology and tools will be updated to help companies structure the development of their products. Promotion of solutions that contribute to preserving the Environment: <ul style="list-style-type: none"> Creation of a database listing all Fives products and services with a positive impact on the environment (reduction of energy and water consumption, greenhouse gas emissions and pollutants, waste, use of consumables, better recyclability, etc.)
	<u>Apply our expertise to Climate Change and Circular Economy:</u> GC7	<ul style="list-style-type: none"> Adapt our solutions to meet these challenges 		<ul style="list-style-type: none"> Circular economy: <ul style="list-style-type: none"> Development of a new crushing system to recycle deconstruction concrete using Rhodax®. Climate change and circular economy: <ul style="list-style-type: none"> Production of electricity and heat (cogeneration) from the sugarcane bagasse (sugar activity). 	<ul style="list-style-type: none"> Development of services contributing to the fight against climate change and/or the circular economy
 Being a responsible economic actor	<u>Promote fair market behaviour:</u> GC10	<ul style="list-style-type: none"> Define the new Group compliance roadmap Setting up of the internal alert system Promote social responsibility in our commercial offer 	  	<ul style="list-style-type: none"> Business ethics: <ul style="list-style-type: none"> Strengthening the non-compliance risks monitoring process (particularly in the areas of anti-corruption, competition law, ethics, alert law, customs and dual-use goods control) with the creation of a Compliance Department and the appointment of a Group Compliance Officer, reporting to the Group's General Management. Internal control: <ul style="list-style-type: none"> Creation of a Group Internal Control department to ensure: <ul style="list-style-type: none"> the application of the Directives and guidelines set by the SBUs and the Group's senior management the proper functioning of the Group's internal processes Group Directives: <ul style="list-style-type: none"> Complete update of the Fives Group Guidelines Enhancing the value of non-financial rating with our clients: <ul style="list-style-type: none"> Improvement of the rating with a Confirmed (Gold) level, 76/100, top 1% of the panel of 35000 companies rated by EcoVadis in 2018 	<ul style="list-style-type: none"> Business ethics: <ul style="list-style-type: none"> Definition of an Anti-corruption charter Launch of specific training courses for all Group companies Communication and training on the implementation of the new internal alert system for the entire Group
	<u>Deploy a "Responsible Purchasing" approach:</u> GC1 - GC2 - GC3 - GC4 - GC5 - GC8 - GC10	<ul style="list-style-type: none"> Carry out a mapping of CSR risks in Purchasing and set up means to reduce them Integrate environmental and social criteria into purchasing processes 	 	<ul style="list-style-type: none"> Purchasing: <ul style="list-style-type: none"> Integration of safety into purchasing processes to better take into account safety objectives through subcontracting (selection, contracts, monitoring, evaluation of subcontractors' safety performance): this point is systematically included in Group Safety audits. 	<ul style="list-style-type: none"> Purchasing: <ul style="list-style-type: none"> Updating of the General Terms and Conditions of Purchase with a reinforcement of the consideration of environmental and social criteria.

 Non-deployed topic
  Emergent
  In construction
  Defined, with deployment in progress
  Fully and satisfactorily deployed

Commitments	Group's objectives	Program and action plans	Level of maturity at end-2018	Achievements at end-2018	2019 goals
 Being a responsible employer	<u>Manage a forward-planning management of jobs and skills:</u> GC1 – GC2	<ul style="list-style-type: none"> • Development of a forecast strategy for jobs and organizations in each company: A 4-step program, based on the strategy defined at the activity level: <ul style="list-style-type: none"> - Determine the business goals and the operational goals - Identify the skills required to achieve these objectives - Qualify existing positions in the company in relation to the required skills - Perform a gap analysis and set up an action plan • Human Resources Evaluation and Development Committee: Annual career management committee in each subsidiary, attended by the management team and a Human Resources representative, to: <ul style="list-style-type: none"> - Determine which measures need to be taken to improve employee performance - Approve personal career plans • Training plan and monitoring of employee development 	  	<ul style="list-style-type: none"> • Strategic Workforce Planning: Several companies have updated their Strategic Workforce Planning frameworks in France, Italy and the United States, keeping pace with the updating of their strategic plans. • Create and maintain dialogue: - 618 people (+90 people compared to 2017) were interviewed by the "Starter" (assessment carried out 6 to 18 months after the arrival of a new employee to validate integration and suitability for the position). - 77% of employees carried out an annual review (+13% compared to 2017), including 72% of interviews fully conducted and completed in the Fives&Me HR information system. • Evaluate and develop: Human Resources Evaluation and Development Committee: - Evaluation for 63% of the workforce (+13% compared to 2017) with better monitoring of action plans thanks the fully digital HR management system: Fives&Me. • Training and monitoring of employee development: - 74% of the employees have followed at least one training course, including 43% technical training; 40% safety training; 7% management training; 5% language training; 5% personal development training. The training commitment for the year represents a total of 178,658 hours, which is 29 hours per employee. - 548 managers were trained in the specific Manager@Fives program in Canada, China, France, the United States, Italy and the United Kingdom since 2015, including 139 in 2018. 	<ul style="list-style-type: none"> • Development of a forecast strategy for jobs and organizations in each company: Continue updates, based on actions taken on the strategic plans led over a 3 to 4 year cycle. • Evaluate and develop: Human Resources Evaluation and Development Committee : - Ongoing improvement of the follow-up of the animation of the action plans identified. • Training and monitoring of employee development: - Access to the training module for all subsidiaries integrated into the fully digital HR management system: Fives&Me. - Ongoing development of the Group's international training offer, notably through the digital platform elearning@fives. - Development of the mentoring program. - Development of the coaching offer.
	<u>Strengthen the sense of belonging to the Group:</u> GC1 – GC2	<ul style="list-style-type: none"> • Share the vision and insights: - Redesign of the Group Intranet Portal and evolution of communication tools and channels to share more visual and verbal information - Group-wide deployment of online collaboration tools that promote exchanges, cross-functional work and opening-up of silos • Be attentive to the teams: - An opinion survey conducted among all Group employees every three years, designed to measure satisfaction levels and any organizational malfunctions, and which gives rises to the implementation of action plans proposed by employee bodies 	 	<ul style="list-style-type: none"> • Be attentive to the teams: - Carrying out a study in 2018 with a higher participation rate than in 2015 (+5.9 points): The first Group-wide results show a general satisfaction rate of 77% for all employees, up three points compared to 2015. - The work of the last few years has made it possible to improve 41% of the items in the survey: safety (89%), relations with colleagues (94%) and the direct superior (86%), and the interest of work (88%). They are all results that are still on the rise and contribute to job satisfaction at Fives. - Satisfaction rates by theme are improving or stable, and 83% of the indicators show significant progress or stability. 	<ul style="list-style-type: none"> • Group intranet portal: Deployment of a new Intranet Portal and development of a Group collaborative platform. • Be attentive to the teams: Support and follow-up of the implementation, by company, of the actions identified during the satisfaction survey.
 Supporting Local Development	<u>Promote the civic engagement of employees:</u> GC6 – GC7 – GC8	<ul style="list-style-type: none"> • Develop a skill-based sponsorship program for all Group employees 			<ul style="list-style-type: none"> • Definition of the skill-based sponsorship program for subsidiaries: The objective is to enable volunteer employees to put their skills at the service of associations working in the field of the environment and employment.
Integrate CSR priorities into the organization of all Fives entities	<u>Fives Code of conduct:</u> GC10	<ul style="list-style-type: none"> • Acknowledgement of the Code of conduct by all employees, by: - the distribution to all employees - the implementation of training tools to facilitate the appropriation of the Code of conduct 		<ul style="list-style-type: none"> • Follow-up of the diffusion of the Code of conduct to all employees. 	<ul style="list-style-type: none"> • Redesign of the Code of Conduct to make it a key reference document

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