

NON-FINANCIAL INDICATORS

The Group's progress on social and environmental issues, innovation and ethics is monitored year-round for analysis and strategic purposes. Our reporting system is designed so that we can track progress on the Group's initiatives and keep all Fives stakeholders informed of these changes.

The HR (social indicators) and Innovation reports are scoped in line with the financial consolidation process. Health, Safety, Ethics and Environmental data, on the other hand, are based on headcount and activity criteria which may lead to differences in scope.

SOCIAL INDICATORS

	2016	2017	2018	The Americas	France	Europe excl. France	Asia and Africa (*)
Employees	8,365	8,666	8,658	1,913	4,324	1,336	1,085
Workforce at year-end from acquisitions completed in the year	60	0	0	0	0	0	0
Workforce at year-end of companies entering the consolidated scope	7	228	0	0	0	0	0
Number of new hires (long-term contracts)	961	976	1140	387	483	147	123
Workforce by gender							
Percentage of men	84%	85%	84%	87%	84%	85%	81%
Percentage of women	16%	15%	16%	13%	16%	15%	19%
Percentage of engineers and managers among women	39%	40%	41%	34%	50%	20%	38%
Share of women in management - total	14%	14%	16%				
Share of women among CEOs	1%	1%	1%				
Share of women on Management Committees	16%	14%	14%				
Share of women managers who report directly to a Management Committee member	14%	15%	17%				
Number of nationalities	60	63	70				
Employees by category							
Engineers or managers	44%	45%	45%	44%	47%	32%	56%
Technicians, designers and supervisors	25%	26%	25%	15%	32%	23%	16%
Staff	11%	10%	10%	14%	5%	17%	12%
Operators	18%	17%	17%	25%	11%	24%	15%
Trainees (alternates?)	2%	2%	3%	2%	4%	3%	0%
Employees by age range							
Under 20	0%	0%	0%	0%	0%	0%	0%
From 20 to 29	13%	13%	14%	15%	13%	12%	15%
From 30 to 39	27%	27%	27%	18%	29%	23%	43%
From 40 to 49	25%	25%	25%	19%	27%	28%	26%
From 50 to 59	27%	26%	26%	28%	27%	30%	12%
60 and more	8%	8%	8%	20%	4%	7%	4%
Employees by length of service							
Under 5 years	37%	38%	42%	45%	39%	39%	50%
5 to 10 years	24%	23%	21%	16%	23%	20%	25%
11 to 15 years	11%	10%	11%	7%	13%	11%	13%
16 to 20 years	8%	8%	8%	4%	10%	8%	4%
21 to 25 years	6%	5%	5%	5%	5%	8%	4%
26 to 30 years	6%	6%	5%	6%	6%	7%	2%
31 to 35 years	3%	3%	3%	4%	3%	4%	1%
36 to 40 years	4%	4%	3%	6%	3%	2%	1%
41 years and more	2%	2%	2%	6%	0%	1%	1%
Employees by region							
Americas	22%	21%	22%				
France	51%	52%	50%				
Europe (excluding France)	15%	15%	15%				
Asia and Africa (including the Middle-East and Australia)	12%	12%	13%				

	2016	2017	2018	The Americas	France	Europe excl. France	Asia and Africa (*)
Employees by business sector							
Aluminium	10%	10%	10%				
Steel	9%	8%	7%				
Cement	7%	6%	6%				
Energy	27%	26%	26%				
Logistics	7%	10%	11%				
Automotive	18%	18%	19%				
Aerospace and industry	19%	18%	18%				
Others	4%	4%	3%				
Skills and mobility management							
% of employees reviewed by the CEDRE** career management committee	56%	50%	63%				
% of employees receiving regular appraisal interview	69%	64%	77%				
% of employees having attended at least one training course	73%	77%	74%				
Number of employee shared between the companies	164	129	85				
Number of people who underwent a starter interview***	454	528	618				

* Including the Middle-East and Australia

** CEDRE: Career management committee (Human resources evaluation and development committee)

*** Starter interviews: Assimilation reports completed 6 to 18 months after new hires arrive

The Group workforce numbered 8,658 employees at end 2018, confirming a stabilization that began a few years ago.

The proportion of women fell slightly in 2017 but recovered in 2018 to match the level of preceding years. With gender balance within the Group remaining a strategic priority, the number of women in management posts has increased by two percentage points in relation to 2017. The high number of long-term contracts hires in 2018 reflects the departures registered in the year, significantly increasing the proportion of employees with less than 5 years' length of service. HR processes like the Starter interviews were directly impacted by this level of recruitment, with an increase of nearly 20% in the number of appointments organized.

Digitalization of HR process, mainly thanks to the set-up of Fives&Me, the fully digital HR management system, in almost all Group entities, has increased the number of employees attending an annual appraisal interview in 2018, as well as the numbers reviewed by CEDRE.

Employee qualification levels are ensured with training initiatives, with 74% of colleagues receiving training in 2018, mainly on trade techniques, but also in safety, one of the Group's major priorities.

INNOVATION INDICATORS

	2016	2017	2018
R&D expenditure in millions of Euros	36.7	34.9	34.1
Breakdown of R&D expenditure			
Costs of patents and trademarks	9%	9%	8%
Standards design and formalization of know-how	11%	9%	8%
Continuous improvement of products and processes	21%	23%	25%
Developing new products and processes	46%	44%	43%
Research and radical innovation activities	13%	15%	17%
Patents and trademarks			
Number of patents and patents applications in force	2,032	2,160 ¹	2,113
Number of patent families in force	611	624 ¹	645
Number of first patents applications (new patented inventions)	45	44 ¹	45
Number of first patents applications relating to equipment energy and environmental performance	7	7	7
% of these patents relating to equipment energy and environmental performance	16%	13%	16%
Number of "product" trademarks registered or being registered	126	134	132
Number of R&D and test centers			
Number of research and test centers ²	29	29	30
<i>France: 17, Americas: 6, Europe (excl. France): 5, Asia: 2</i>			

1 On reprocessing 2017 data for patent requests made in 2017 but completed in 2018.
2 Including all subsidiaries conducting their own R&D product testing in dedicated locations.

The Group's Research & Development effort was generally at the same level in 2018 as for the previous two years, as the figures show.

The proportion of the R&D budget dedicated to developing new products/processes remained stable whilst the budget allocated to radical research and innovation increased by 2%, which underlines the Group's intention to offer innovative and high performance technical solutions to its clients.

The rate of patent registration requests has been very consistent over these last 3 years. In 2018 there were 45 new inventions for which a patent request was made, with a major contribution from Fives Stein Metallurgical Technology Shanghai (15).

The Group has launched an initiative to formalize the innovation process with the aim of improving its efficiency. The aim is to ensure the portfolio of R&D activity is well positioned in terms of market relevance, economic performance and speed to market for new products and services.

The indicators used in past years for the eco-design program and Fives Innovation Awards are no longer appropriate. Remaining constant for 3 years, they no longer make it possible to illustrate the progress made in these areas.

INTRODUCTION TO THE DATA BY SITE AND TO THE STATISTICS ON ENVIRONMENT / HEALTH & SAFETY / ETHICS

Corporate Social Responsibility (CSR) reporting covered all sites with an average workforce of 10 or more in 2018, as well as all sites with an industrial activity.

In 2018, the changes to the scope were due to several factors:

- The integration of Fives Syleps, a company in the logistics sector acquired in 2017.
- Subsidiaries added and removed, finishing with a positive balance of 2 entities. The additions arise both from a wish to isolate entities that have distinct operational activities - for easier oversight, and from a growth in activities that has brought two subsidiaries, in Spain and Thailand, into the CSR reporting scope. Those removed were the result of transfers, liquidations and mergers.

CSR CROSS-SECTIONAL INDICATORS

	2016	2017	2018	The Americas	France	Europe excl. France	Asia and Africa (*)
Number of subsidiaries included in the scope of the CSR report	64	68	72	19	20	15	18
Subsidiaries acquired in n-1 that entered the CSR scope in n	7	2	2	0	2	0	0
Subsidiaries integrated into the CSR scope	-2	2	2	0	0	1	1
Total number of sites	102	100	105	21	42	19	23
Industrial sites	41	44	44	12	17	8	7
Offices	32	29	31	5	11	6	9
Combined sites, test centers and regional facilities	29	27	30	5	14	4	7
Management system							
Number of sites with ISO 9001 certification	69	71	71	12	31	17	11
Number of sites with pending ISO 9001 certification	4	1	1	0	0	0	1
Health, Safety and Environment community							
Number of Group HSE representatives	60	67	75				
Number of Group HSE auditors	21	21	25				
Number of Group HSE audits conducted	18	13	6				

* Including the Middle-East and Australia

The Group HSE community continues to gain strength, with the arrival of 8 additional employee in 2018, because of Safety being promoted as a priority for the Group.

ETHICS INDICATORS

	2016	2017	2018
Code of Conduct			
Number of languages into which the Group Code of conduct has been translated	13	13	13
% of companies to which the Code of conduct has been distributed	97%	93%	85%
% of employees accounted for by these companies	94%	94%	82%
% of subsidiaries that hold an annual presentation of the Code of conduct involving at least 25% of the workforce	22%	23%	32%

The Code of conduct is the main tool for dialog with all employees in terms of ethics. Changes to distribution of the Code of conduct - from 93% of companies in 2017 to 85% in 2018 - are due to the integration of new subsidiaries which have not immediately included the Fives Code of conduct in their internal processes. The reduction is further explained by a number of companies leaving the Group.

However, the increase of 9 points of the number of companies delivering Code of conduct presentations demonstrates a real educational drive in the Group.

In 2018 Fives appointed a Group Compliance Officer to implement and manage the Group compliance system, focusing in particular on fight against corruption, compliance with competition law, ethics, whistleblowing, customs and dual-use supervision.

In 2019 new indicators will be defined to track and measure the actions taken (supervision mechanisms, training, whistleblowing system, etc.).

HEALTH & SAFETY INDICATORS

	2016	2017	2018
Number of industrial sites	41	44	44
Number of sites with safety certification*	29	29	28
Number of sites engaged in safety certification	5	6	2
Percentage of industrial sites with safety certification	32%	34%	32%
Percentage of subsidiaries with a written and distributed Health & Safety Policy	89%	87%	88%
Number of FTEI Health and Safety in the Group	61.3	68.6	79.3
Accident statistics (employees + temporary employees)			
Number of severe accidents**	7	3	1
Number of which were fatal	0	0	0(1 ²)
Number of lost-time accidents (≥ 1 day)	64	59	57
Percentage of lost-time accidents occurring on client/sub-contractor sites	23%	15%	30%
Percentage of lost-time accidents occurring in workshops	64%	80%	63%
Percentage of lost-time accidents occurring in offices	9%	3%	7%
Percentage of lost-time accidents occurring on business trips	3%	9%	0%
Lost-time accident frequency rate (Number of lost-time accidents (≥ 1 day) × 1,000,000 / Number of hours worked)	4.26	3.74	3.41
Severity rate (Number of lost-time accidents (≥ 1 day) × 1,000 / Number of hours worked)	0.166	0.151	0.122

1 FTE: Full-Time Equivalent

2 One fatal accident involving a subcontractor in Algeria

* OHSAS 18001 or French MASE("Manuel d'Amélioration Sécurité des Entreprises") certification (Corporate Safety Improvement Manual), French safety management system

** Severe accidents: accidents which could have severe reversible or irreversible consequences, or which could cause death (monitored from January 2015)

Continuing the progress made in 2017, the Group's accident performance improved notably in 2018 for Fives' employee and its temporary staff. In this population the lost-time accident frequency rate achieved a historic low, with the number of severe accidents significantly reduced. However, Fives deplores a fatal accident involving a subcontractor working on a cement plant construction site in Algeria.

In contrast to past years, the percentage of lost-time accidents in our workshops has fallen, from 80% in 2017 to 63% in 2018. Specific actions continue to be put in place in workshops to make significant progress, at both field and management level. The implementation of the Group Safety Golden Rules in our operations since 2016 is bearing fruit in 2018; the accident severity rate is historically low.

2018 saw the implementation of the Safety Ambition 2018-2020 that was defined in 2017. The planned actions at Group, Business Unit and company level are steadily being rolled out by operational personnel and managed by the leadership teams. This program is designed to:

- reinforce all Group tools and systems defined in recent years (such as the Group Safety Golden Rules, the Field Safety Observation and Dialog (FSOD) visits for management, accident communication management, activity safety procedures, etc.)
- directly address current Fives issues such as the high number of accidents at our workshops or the potential severity of the accidents at our sites
- collectively and individually involve all actors (Fives staff, temporary workers, subcontractors, etc.)
- improve and entrench the monitoring and steering of actions and performance at all levels of Fives' organization

The progressive deployment of this program across all operations will allow the Group to improve its safety culture and its practices, and as a result, continue to reduce the frequency rate and severity of accidents.

ENVIRONMENTAL INDICATORS

	2016	2017	2018	The Americas	France	Europe excl. France	Asia and Africa (*)
Number of sites with ISO 14001 certification (all types of sites)	42	46	46	12	17	11	6
ISO 14001 certification for industrial sites							
Number of industrial sites	41	44	44	12	17	8	7
Number of industrial sites with ISO 14001 certification	30	35	33	10	12	8	3
Number of sites with ISO 14001 certification in progress	6	1	1	0	1	0	0
% of industrial sites with ISO 14001 certification	73%	80%	75%	83%	71%	100%	43%
ISO 14001 certification for other types of sites (offices, combined sites, test centers, regional facilities)							
Number of non-industrial sites with ISO 14001 certification	12	11	13	2	5	3	3
% of non-industrial sites certified	20%	20%	21%	10%	12%	16%	13%
Environmental management system							
% of sites that have written and distributed an Environment policy	71%	72%	65%	13%	29%	17%	13%
Number of FTE** Environment staff in the Group	21.1	20.7	22.9	5.0	9.7	4.3	3.9
Energy consumption in GWh							
Electricity consumption in GWh	66.3	65.8	66.0	27.5	23.5	7.1	7.9
Natural gas and heating oil consumption in GWh	65.7	66.2	64.7	35.2	19.3	9.2	0.9
Total energy consumption in GWh	131.9	132.0	130.6	62.7	42.8	16.4	8.8
Energy consumption in €000							
Electricity consumption in €000	6,243	6,000	6,115	2,224	2,087	822	982
Natural gas and heating oil consumption in €000	2,064	2,059	1,805	502	828	433	42
Total energy consumption in €000	8,307	8,059	7,920	2,726	2,916	1,254	1,024
Water consumption							
Water consumption (industrial sites) in m ³	97,405	94,823	89,014	29,587	30,287	13,609	15,431
Water consumption (industrial sites) in €000	261	252	247	115	83	38	11

* including the Middle-East and Australia

** FTE: Full-Time Equivalent

Since Fives committed to reducing its environmental footprint by supporting its production sites towards ISO 14001 certification in 2012, the number of certified sites in the Group has more than doubled from 18 in 2012 to 46 in 2018.

2018 was a pivotal year for the ISO 14001 transition to the 2015 version: all 46 ISO 14001 certified sites shifted successfully to the new version of the standard before the September 2018 deadline, and were thus able to maintain their certification.

This year, two ISO 14001-certified industrial sites were removed from the scope: Bar le Duc, in France (transfer of Fives Stein Manufacturing), and Livonia, in the United States (left by Fives Cinetic Corp). This has led to a slight reduction in the proportion of ISO 14001 certified industrial sites, particularly since the companies most recently acquired by the Group (Daisho and Fives Syleps, added to the CSR reporting scope in 2017 and 2018) have not yet obtained this certification.

As every year, the Group's energy and water consumption was affected by changes in the scope of consolidation, changes in the level of activity of companies, as well as changes in the climate for energy. Work was carried out with the subsidiaries in 2018 to define relevant energy indicators to better monitor the Group's energy consumption. This has highlighted an improvement in the Group's energy efficiency in recent years: energy consumption per hour worked has risen from 8.3 in 2017 to 7.8 in 2018.

More and more companies are spontaneously taking an interest in the issue of energy efficiency, and are implementing actions to reduce their consumption. In total, 30% of Group sites implemented actions in 2018, while less than 20% carried out energy audits.

The Group intends to take this further in 2019: targets for reducing energy consumption will be set up based on the most energy-intensive sites and on feedback from the companies that already have action plans in place.