

# 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 cover the financial consolidation scope. Health, Safety, Ethics and Environmental data, on the other hand, is based on headcount and activity criteria which may lead to differences in scope.

## SOCIAL INDICATORS

	2013	2014	2015	The Americas	France	Europe excl. France	Asia and Africa*
<b>Employees</b>	7,825	7,745	8,298	1,808	4,302	1,205	983
Workforce at the end of the year from acquisitions completed in the year	1,304	65	641	155	380	10	96
Workforce at the end of the year in companies entering the consolidated scope	-	1	69	54	15		
Number of new hires (all types of contracts)	1,150	966	989				
<b>Workforce by gender</b>							
Percentage of men	84%	84%	84%	86%	84%	86%	78%
Percentage of women	16%	16%	16%	14%	16%	14%	22%
Percentage of engineers and managers among women	30%	36%	37%	30%	46%	20%	32%
<b>Share of women in management - total</b>	-	14%	14%				
Share of women among CEOs		2%	2%				
Share of women in Management Committees		13%	14%				
Share of women managers who report directly to a management committee member		16%	15%				
<b>Number of nationalities</b>	46	53	61				
<b>Employees by category</b>							
Engineers and managers	36%	41%	42%	40%	42%	35%	55%
Technicians, designers and supervisors	25%	24%	26%	17%	31%	26%	17%
Staff	15%	11%	11%	15%	7%	16%	15%
Operators	24%	22%	19%	28%	16%	23%	13%
Alternates	-	2%	2%	1%	3%	0%	0%
<b>Employees by age range</b>							
Less than 20	1%	0%	0%	0%	1%	0%	0%
From 20 to 29	14%	14%	14%	12%	14%	12%	19%
From 30 to 39	23%	25%	26%	16%	28%	20%	42%
From 40 to 49	25%	25%	25%	18%	27%	29%	26%
From 50 to 59	29%	28%	27%	34%	27%	30%	11%
60 and more	8%	8%	8%	20%	4%	8%	3%
<b>Employees by length of service</b>							
Less than 5	36%	37%	36%	38%	33%	31%	55%
From 5 to 10	23%	22%	23%	13%	27%	22%	26%
From 11 to 15	9%	9%	10%	6%	13%	11%	8%
From 16 to 20	8%	8%	8%	7%	9%	11%	4%
From 21 to 25	8%	7%	6%	6%	5%	9%	4%
From 26 to 30	5%	5%	5%	7%	4%	9%	1%
From 31 to 35	5%	5%	4%	6%	4%	4%	1%
From 36 to 40	6%	5%	5%	9%	4%	2%	0%
41 and more	2%	2%	2%	6%	1%	1%	0%

\* Including the Middle East and Australia

	2013	2014	2015
<b>Employees by region</b>			
The Americas	24%	22%	22%
France	50%	51%	52%
Europe (excl. France)	16%	16%	15%
Asia and Africa	10%	11%	12%
<b>Employees by business sector</b>			
Aluminium	4%	4%	10%
Steel/Glass	16%	16%	14%
Cement	7%	9%	8%
Energy	28%	28%	24%
Logistics and maintenance	8%	8%	10%
Automotive and transformation industries	20%	19%	16%
Aerospace and special machines	13%	12%	13%
Others	3%	4%	4%
<b>Skills and mobility management</b>			
% of employees reviewed by the CEDRE* career management committee	47%	54%	46%
% of employees receiving regular appraisal interview	70%	68%	66%
% of employees having attended at least one training course	70%	73%	74%
Number of employees shared between the companies	84	85	126
Number of people who underwent a starter meeting**	-	337	470

\*CEDRE: Career management committee (Human Resources Evaluation and Development Committee)

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

At end 2015, the Fives group had a total of 8,298 employees, a 7% increase over 2014. Fives ECL and its subsidiaries, Fives Keods, Fives Cinetic Mexico, Fives Lund and Ernst Polack (which became Fives Landis GmbH), boosted the number of employees when they joined the Group's consolidated scope in 2015. These acquisitions also led to a 6-point increase over 2014 in the Aluminium division.

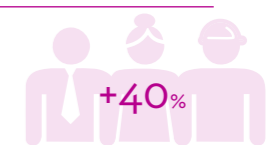
The inclusion of these companies in the scope did not affect the Group's gender balance, which remains stable compared to 2014 at 84% men and 16% women. The age and seniority structure also remained stable, with the 50+ age group still accounting for 35% of staff and employees with less than 5 years' seniority making up 36%. The proportion of female employees who are managers and engineers has slightly increased.

The continued rise in the percentage of employees who are managers, engineers and technicians reflects our teams' increased level of qualifications, although production remains a very significant part of our activities.



The need to adjust headcount in line with the volume of business while preserving skills led to a decrease in headcount in certain businesses, additional hiring in others, and an increased focus on resource pooling among subsidiaries. In France, staff loans increased by nearly 50%. Fives ECL was the main "source" subsidiary and Fives FCB, in the cement and minerals sector, was the main "recipient".

Starter meetings, a key step for new hires in which the employee meets with an HR representative, were carried out more frequently, with a Group-level increase of close to 40% in 2015, making this step *an essential part of successfully joining the company.*



## INNOVATION INDICATORS

	2013	2014	2015
<b>R&amp;D expenditure in € million</b>	<b>28.1</b>	<b>33.1</b>	<b>35.5</b>
<b>Breakdown of R&amp;D expenditure</b>			
Costs of patents and trademarks	7%	9%	<b>9%</b>
Standard design and formalization of know-how	8%	8%	<b>9%</b>
Continuous improvement of products and processes	32%	27%	<b>24%</b>
Development of new products and processes	42%	43%	<b>44%</b>
Research and radical innovation activities	11%	12%	<b>13%</b>
<b>Patents and trademarks</b>			
Number of patents and patent applications in force	1,784	1,859	<b>1,948</b>
Number of patent families in force	504	532	<b>582</b>
Number of first patent applications (new patented inventions)	61	53	<b>50</b>
Number of first patent applications relating to energy and environmental performance	16	17	<b>11</b>
Percentage of patents relating to energy and environmental performance	26%	32%	<b>22%</b>
Number of "product" trademarks registered	98	113	<b>111</b>
<b>The eco-design program</b>			
Number of products carrying the Engineered Sustainability® brand	2	6	<b>9</b>
Number of products currently being analyzed	12	10	<b>7</b>
Number of subsidiaries participating in the program	12	14	<b>14</b>
Percentage of eligible subsidiaries participating in the program	29%	33%	<b>39%</b>
Number of people trained in eco-design in 2015	48	54	<b>98</b>
<b>Fives Innovation Awards</b>			
Number of subsidiaries taking part in the Group Innovation Award contest	44	45	<b>46</b>
Percentage of Group employees invited to compete for the Group Innovation Award	62%	82%	<b>79%</b>
Number of ideas submitted for the Group Innovation Award	443	407	<b>481</b>
<b>Research and test centers</b>			
Number of research and test centers (*)	27	27	<b>28</b>
France: 17, the Americas: 6, Europe (excl. France): 4, Asia: 1			

(\*) All of the subsidiaries conducting their own R&D product testing in designated locations are counted.

The Group R&D program saw a renewed emphasis in 2015, with a 7% spending increase on research and innovation. At constant scope (excluding the 2015 acquisitions), R&D spending reached €34.9 million in 2015, a 5% increase.



**The percentage of the R&D budget which is dedicated to new product/process development and breakaway research and innovation continued to increase in 2015, reflecting the Group's desire to maintain its position on innovative, high-performance technical solutions.**

Fives continued to file patents at an impressive pace in 2015, with 50 new patented inventions. The Group has a broad range of 582 patented inventions, covering all of its activities and protected by a total of 1,948 current patents in different countries. Fives ECL, which joined the Group in 2015, contributed to these strong results with 7 new patents in 2015 as well as a solid portfolio of 37 patent families and 186 current patents. Five ECL also brought the number of Group research and test centers up to 28.

2015 was a good year for the innovation competition, with a strong increase in the numbers of ideas nominated (+18%) and competitors (+16%). These results highlight employees' drive to contribute to developing innovative solutions. While the number of people invited to participate in the Group Innovation Award continued to increase in 2015, the percentage of Group employees involved dropped slightly due to the changes in Group headcount.

*The roll-out of the Engineered Sustainability® eco-design program, an innovation process which aims to optimize the environmental and operational performance of Fives' products, continued in 2015 with the selection of Group products with a strong environmental impact which are strategic for the Group's markets. EY certified the program in October 2013.*



After undergoing a stringent process, three more products earned the internal Engineered Sustainability® brand: Stein Digiflex®, a continuous annealing line for steel coils, mainly for the automotive market; the GENI-belt™ for courier, postal and distribution sorting system; and the North American Regenerative Furnace, a forging furnace with regenerative burners.

As part of the Engineered Sustainability® program, 98 people received eco-design training in 2015, bringing the total number of people trained in the Group to nearly 250.

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

Corporate Social Responsibility (CSR) reporting covered all sites with an average workforce of 10 or more in 2015 and all sites with an industrial activity.

In 2015, the changes to the scope were caused by four factors:

- the increase in headcount at an entity in Bahrain, bringing it up to the CSR reporting threshold;
- the integration of Fives ITAS, a company in the combustion sector acquired in 2014;
- a policy of rationalizing the Group's legal entities, which led to the merger or dissolution of five legal entities;
- the creation and closure of sites within the legal entities.

As a reminder, unlike HR and Finance reporting, this reporting excludes companies that had not conducted their business in the Fives group for the full year 2015. Fives ECL and its subsidiaries in the Aluminium division, Ernst Polack (now Fives Landis GmbH) in Germany in the automotive division, and Fives Lund, a company located on the west coast of the US in the aerospace division, which were acquired in 2015, were not included in the CSR reporting scope.

## CSR CROSS-SECTIONAL INDICATORS

	2013	2014	2015	The Americas	France	Europe excl. France	Asia and Africa*
Number of subsidiaries included in the scope of the CSR policy	53	62	<b>59</b>	12	20	15	12
Subsidiaries acquired in n-1 that entered the CSR scope in n	1	7	<b>1</b>	0	0	1	0
Subsidiaries newly included in the CSR scope	1	2	<b>1</b>	0	0	0	1
<b>Total number of sites</b>	<b>79</b>	<b>92</b>	<b>98</b>	<b>20</b>	<b>42</b>	<b>18</b>	<b>18</b>
Industrial sites	30	37	<b>38</b>	11	15	8	4
Offices	26	29	<b>31</b>	5	13	4	9
Combined sites, test centers and regional facilities	23	26	<b>29</b>	4	14	6	5
<b>CSR Coaching</b>							
Number of subsidiaries already embarked on a CSR coaching program	35	38	<b>37</b>	11	17	3	6
Percentage of employees accounted for by these subsidiaries (total and by region)	68%	63%	<b>64%</b>	46%	88%	20%	48%
<b>Management system</b>							
Number of sites with ISO 9001 certification	49	56	<b>61</b>	9	33	12	7
Number of sites with pending ISO 9001 certification	3	7	<b>7</b>	4	0	3	0
<b>Health, Safety and Environment (HSE) community</b>							
Number of Group HSE representatives	48	58	<b>59</b>				
Number of Group HSE auditors	15	15	<b>20</b>				
Number of Group HSE audits conducted	22	21	<b>20</b>				
Percentage of companies audited (cumulative)	75%	79%	<b>81%</b>				

\* Including the Middle East

The development of the Group's Service activities indirectly contributed to the increase in the number of sites, in order to have locations closer to the customer sites. However, industrial sites still account for the largest proportion of Group sites, a proportion which increases every year.

The roll-out of the Health & Safety program continues, with a focus on getting management involved and preventing the main risks of severe accidents within the Group. To support these initiatives, the HSE community continued to grow in 2015 at both the subsidiary level and the Group-wide Health & Safety coordination level.

The Group HSE audits, which are a key resource for coaching and continuous improvement in the subsidiaries, were carried out in workshops and on customer sites. *Several work sites were audited in 2015, mainly in the cement and steel businesses.* In 2016, the focus will shift to supervision and services sites where the Group operates in order to prevent accidents on these sites over the long term.



The CSR coaching program, which was launched in 2011, was not extended to any new subsidiaries in 2015, in order to prioritize the roll-out of a series of themed programs on environmental issues, ethics, and above all safety. The decrease between 2014 and 2015 is due to the merger of two entities. In 2016, the Group will decide whether to continue or overhaul this program, in light of the Group's overall transformation program for 2020.

#### ETHICS INDICATORS

	2013	2014	2015
Percentage of CEOs and Financial Directors who attended business ethics training in 2014-2015	-	96%	77%
Number of subsidiaries which have created a business ethics management committee	-	-	5
<b>Code of conduct</b>			
Number of languages into which the Group Code of conduct has been translated	13	13	13
Percentage of companies in which the Code of conduct has been distributed	98%	87%	88%
Percentage of employees accounted for by these companies	94%	76%	84%
Percentage of subsidiaries that hold an annual presentation of the Code of conduct involving at least 25% of the workforce	13%	16%	10%



*The roll-out of the business ethics program, which started in 2014 with training sessions for all Group executive officers, continued.* The second phase, launched at the subsidiary level in 2015, aims to provide practical guidelines to the management teams and uses an entity-specific risk analysis process to identify the actions to take in order to improve the corruption and anti-competitive practices prevention measures. The first subsidiaries to apply the approach served as pilots in North America, the United Kingdom and India.

The drop in the number of executive officers who have been trained is due to the Group's natural turnover. Another session will be held for new arrivals in 2016.

In addition to the work done with the management committees, a more ambitious Code of conduct initiative remains to be carried out to quickly and thoroughly distribute it to all subsidiaries, including the most recently acquired.

#### HEALTH & SAFETY INDICATORS

	2013	2014	2015
<b>Number of industrial sites</b>	30	37	38
<b>Number of sites with safety certification*</b>	18	22	25
Number of sites engaged in safety certification	6	5	4
Percentage of industrial sites with safety certification	23%	30%	32%
Percentage of subsidiaries having written and distributed a Health & Safety Policy	77%	79%	83%
Number of FTE(I) Health & Safety staff in the Group	46.0	50.7	53.0
<b>Accident statistics (employees + temporary employees)</b>			
<b>Number of severe accidents**</b>	NA	NA	5
Number of which were fatal	-	-	1
<b>Number of lost-time accidents (≥1 day)</b>	73	77	55
Percentage of lost-time accidents occurring on customer/subcontractor sites	34%	31%	42%
Percentage of lost-time accidents occurring in workshops	53%	64%	45%
Percentage of lost-time accidents occurring in offices	5%	5%	7%
Percentage of lost-time accidents occurring on business trips	7%	0%	5%
<b>Lost-time accident frequency rate</b> (Number of lost-time accidents (≥1 day) x 1,000,000 / Number of hours worked)	5.86	5.36	3.91
<b>Severity rate</b> (Number of lost-time accidents (≥1 day) x 1,000 / Number of hours worked)	0.182	0.207	0.135

(I) FTE: Full-Time Equivalent

\* OHSAS 18001 or MASE ("Manuel d'Amélioration Sécurité des Entreprises") certifications (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)

Despite all of the Group companies' hard work and the overall decrease in the number and severity of lost-time accidents, 2015 was not a good year. A supervisor died following an accident on a work site in China and four other severe accidents occurred over the course of the year, some with lasting consequences (this is the first year for which severe accidents have been distinguished using a clear definition shared by all subsidiaries).

Real progress has, however, been made on corporate culture and practices. This progress is seen in the fact that the target frequency rate for 2016 was achieved in 2015 and that subsidiaries are continuing to acquire safety certification, which is a voluntary measure. The Group frequency rate was 3.91, down from 5.36 in 2014. In 2016, the focus will be on redefining the objectives for the coming years in order to continue this trend.

**For the first time, the distribution of accidents changed: 42% of lost-time accidents occurred on customer or sub-contractor sites, up from 31% last year. This reflects the efforts made in Group workshops, where the number of lost-time accidents has dropped significantly, while it stayed essentially stable for work sites and service activities. The drop in the Group's number of lost-time accidents in 2015 is thus due to the work done in the different workshops, particularly in France and the United States.**

The level of severity of accidents returned to its 2012 level, which corresponds to the period before the integration of the MAG group (now Fives Machining Systems and Fives Machining) and OTO Mills (now Fives OTO). Note that this calculation does not include fatal accidents.

The severe accidents which occurred in 2015 confirm the 2016 priorities:

- Implementing the Group's Safety Golden Rules,
- Training the management teams on Field Safety Observation and Dialog (FSOD) visits to develop a shared culture of vigilance,
- More stringent requirements for analysis of the underlying causes of accidents.

In 2015, the Group Health & Safety Coordination team was boosted by the creation of dedicated coordination teams for North America and Europe, which will improve monitoring of the action plans formalized during internal audits.

## ENVIRONMENTAL INDICATORS

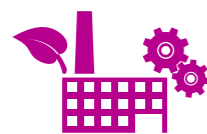
	2013	2014	2015	The Americas	France	Europe excl. France	Asia and Africa*
Number of sites with ISO 14001 certification (all types of sites)	21	31	37	8	15	7	7
<b>Objective of ISO 14001 certification for industrial sites</b>							
Industrial sites	30	37	38	11	15	8	4
Number of industrial sites with ISO 14001 certification	16	25	28	8	11	6	3
Number of industrial sites with ISO 14001 certification in progress	13	3	6	0	3	3	0
Percentage of industrial sites with ISO 14001 certification	53%	68%	74%	73%	73%	75%	75%
<b>ISO 14001 certification for other types of sites (offices, combined sites, test centers, regional facilities)</b>							
Number of non-industrial sites with ISO 14001 certification	5	6	9	0	4	1	4
Percentage of non-industrial sites certified	10%	11%	15%	0%	15%	10%	29%
<b>Environmental management system</b>							
Percentage of sites that have written and distributed an Environment policy	62%	61%	64%	50%	71%	78%	50%
Number of FTE <sup>(1)</sup> Environment staff in the Group	19.5	20.8	20.0	3.5	10.95	3.7	1.8
<b>Energy consumption in GWh</b>							
Electricity consumption in GWh	48.7	65.2	63.0	27.9	21.4	7.1	6.7
Natural gas and heating oil consumption in GWh	56.8	61.6	62.2	32.0	19.4	10.2	0.6
Total energy consumption in GWh	105.5	126.8	125.2	59.9	40.7	17.3	7.3
<b>Energy consumption in €000</b>							
Electricity consumption in €000	4,604	5,857	6,451	2,359	2,146	1,084	860
Natural gas and heating oil consumption in €000	2,018	2,140	2,124	680	877	521	46
Total energy consumption in €000	6,622	7,997	8,575	3,040	3,023	1,605	907
<b>Water consumption</b>							
Water consumption (industrial sites) in m <sup>3</sup>	84,739	83,816	89,316	32,533	19,684	14,376	22,723
Water consumption (industrial sites) in €000	190	178	213	108	51	43	10

(1) FTE: Full-Time Equivalent  
\* Including the Middle East

Fossil energy consumption (gas and oil) was roughly the same as in 2014, with variations on different sites mainly due to the weather, with a relative decrease in consumption due to milder temperatures in North America (Michigan, Ohio and Wisconsin, where the Group highest-consumption sites are located) and colder temperatures in Europe. Certain sites have, however, already updated their heating systems, which improves their energy performance. The actual effects of these changes in terms of gas consumption remain difficult to isolate from variations in activity and weather.

The increase in water consumption, in terms of both volume and value, is due to the activity of the Suzhou site in China, the Group's top water consumer, and the fact that Fives ITAS, a new industrial site in Italy which accounts for 8% of the Group's water consumption, was included this year.

The drive in favor of the environment continues, supported by the Group policy which requires all industrial sites to achieve ISO 14001 certification. In 2015, 74% of industrial sites had earned environmental management certification. However, in addition to this policy, other sites are voluntarily getting involved: for example, three non-industrial sites obtained ISO 14001 certification in 2015.



Following the European Directive on energy efficiency, eight Group companies based in Italy, France and the United Kingdom, carried out energy audits, leading to consumption reduction plans, the full effects of which will be felt from 2016.

Electricity consumption (electricity is the Group's top energy source) dropped 35% in 2015 despite the integration of a new industrial site in Italy. This decrease is mainly due to variations in activity levels (at constant scope the drop is roughly 4%) at the major Aerospace and Energy workshops in Europe and the United States. The opposite trend was seen in Asia, where the top consumer, the Fives Cryo Suzhou plant (Energy division) saw an increase in production in 2015. The relative drop in consumption was not reflected in costs, since the average price per kWh rose.