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.
<table>
<thead>
<tr>
<th>Commitments</th>
<th>Group’s objectives</th>
<th>Program and action plans</th>
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<tr>
<td>Reduce our sites’ environmental impacts: GC7 - GC8</td>
<td>• Support all our industrial sites towards ISO 14001 certification</td>
<td>• Certification program for the Group’s industrial sites: - 75% of the Group’s industrial sites ISO 14001-certified - 46 sites of all types ISO 14001-certified within the Group</td>
<td>• ISO 14001 v2015: - All 46 ISO 14001-certified sites successfully completed the transition to the new 2015 version.</td>
<td>• Group Environment Directive: - Finalization of the Group Environment Directive, formalizing the new policy and integrating the objectives set for the subsidiaries</td>
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<td>Improve the environmental performance of our customers: GC7 - GC8 - GC9</td>
<td>• Help subsidiaries to integrate environmental criteria into their design processes</td>
<td>• Eco-design program: Internal eco-design program: Engineered Sustainability, which complies with ISO 14062. - 9 products currently carry the Engineered Sustainability® brand - 33% of subsidiaries (scope R&amp;D) are involved in eco-design - 200 people have been trained in eco-design</td>
<td>• Circular economy: Development of a new crushing system to recycle deconstruction concrete using Rhodax®. • Climate change and circular economy: Production of electricity and heat ( cogeneration) from the sugarcane bagasse (sugar activity).</td>
<td>• Eco-design program: Evaluation 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.</td>
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<td>Apply our expertise to Climate Change and Circular Economy: GC7</td>
<td>• Adapt our solutions to meet these challenges</td>
<td>• Business ethics: - 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: - Creation of a Group Internal Control department to ensure: * 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: - Complete update of the Fives Group Guidelines • Enhancing the value of non-financial rating with our clients: - Improvement of the rating with a Confirmed (Gold) level, 76/100, top 1% of the panel of 35000 companies rated by EcoVadis in 2018</td>
<td>• Business ethics: - 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</td>
<td>• Development of services contributing to the fight against climate change and/or the circular economy</td>
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| Preserve the health and safety of the women and men working for Fives | **Group Safety Ambition 2018-2020** program: | - Enhance the Group’s safety culture with:  
  - Accident objectives for 2020:  
    - Reduce the accident frequency rate to 2.5 or below  
    - Halve the number of accidents with lost-time (LT2) in Fives’ workshops  
    - Reach 0 severe accidents  
    - NO fatality (including subcontractors)  
  - Safety culture targets for 2020:  
    - Achieve the “Independent” maturity status at Group level (Bradley Curve)  
    - Have no company with “reactive” status  
    - Reach “Interdependent” status for some Group companies  
- Ensure the management of the medical and safety assistance program for the travel abroad of the Group’s employees: | ![Emergent](image) | ![Emergent](image) | ![Emergent](image) |
| | | | | | - Safety results:  
  - Improvement of the Group’s statistics with a lost-time accident frequency rate of 3.21  
  - 1 fatal accident of a subcontractor in the Group’s activities  
  - The number of severe accidents was halved (from 7 in 2016 to 1 in 2018)  
- **Group Safety Ambition program:** | - Support for each Fives company in the implementation of tools and the monitoring of improvement action plans  
- Continued deployment of Health, Safety and Environment tools in all Fives companies. | - Communication to all companies of the content and benefits of the program.  
- Training of travellers for French and English’ subsidiaries in the use of services to prevent risks. | - Group Safety Ambition program:  
  - Reinforce Safety coordination by geographical area, in particular by creating a China Safety coordination to help defining and implementing actions.  
  - Continue to implement the action plans set in 2018 across all Group activities.  
- **Medical and safety assistance program for the travel abroad of the Group’s employees:** | - Implementation of a retirement plan for all Canadian companies.  
- Study of an additional coverage in Asia. |
| Ensure a fair level of coverage in all Group subsidiaries: | **GC1 – GC5** | ![Emergent](image) | ![Emergent](image) | ![Emergent](image) |
| | | | | | | - Harmonization and implementation of a “Framework agreement” social welfare contract for all Canadian entities.  
- Harmonization and implementation of a “Framework agreement” social welfare contract for all entities in the Middle East. |
| Promote diversity and guarantee equal opportunity: | **GC1 – GC2** | ![Emergent](image) | ![Emergent](image) | ![Emergent](image) |
| | | | | | | - Promotion of programs that enhance employee engagement with young talent  
- Ongoing work-study training within the Group  
- Welcoming young people in 3rd grade internships in order to promote equal opportunities in education  
- Introduction to the world of industry and the diversity of Fives’ activities:  
  - Promotion of programs that enhance employee engagement with young people  
- Disability:  
  - 2% of the workforce are employees with disabilities in France. | - Establishment of the Group’s commitment to diversity and inclusion |

**Non-deployed topic** - [image]  
**Emergent** - [image]  
**In construction** - [image]  
**Defined, with deployment in progress** - [image]  
**Fully and satisfactorily deployed** - [image]
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<td>Manage a forward-planning, management of jobs and skills</td>
<td>GC1 – GC2</td>
<td>• 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: - 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</td>
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<td>• Development of a forecast strategy for jobs and organizations in each company: 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.</td>
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<td>• Human Resources Evaluation and Development Committee: Annual career management committee in each subsidiary, attended by the management team and a Human Resources representative, to: - Determine which measures need to be taken to improve employee performance - Approve personal career plans</td>
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<td>• Create and maintain dialogue: - 618 people (+90 people compared to 2017) were interviewed by the &quot;Starter&quot; (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 12% of interviews fully conducted and completed in the Fives&amp;Me HR information system.</td>
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<td>• Training plan and monitoring of employee development</td>
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<td>• 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&amp;Me.</td>
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<td>Strengthen the sense of belonging to the Group</td>
<td>GC1 – GC2</td>
<td>• 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</td>
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<td>• 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.</td>
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<td>• 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 rise to the implementation of action plans proposed by employee bodies</td>
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<td>• 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 (88%), 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.</td>
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<td></td>
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<td>• Group intranet portal</td>
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<td>• Group intranet portal Deployment of a new Intranet Portal and development of a Group collaborative platform.</td>
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<td>Promote the civic engagement of employees</td>
<td>GC6 – GC7 – GC8</td>
<td>• Develop a skill-based sponsorship program for all Group employees</td>
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<td>• Be attentive to the teams: Support and follow up the implementation, by company, of the actions identified during the satisfaction survey.</td>
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<td>• 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</td>
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<td>• 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.</td>
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<td>• Follow-up of the diffusion of the Code of conduct to all employees.</td>
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<td>• Redesign of the Code of Conduct to make it a key reference document</td>
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2019 Annual CSR report # 2018 financial year