

# STATEMENT OF NON-FINANCIAL PERFORMANCE



# 2019



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**Haulotte**   
LET'S DARE TOGETHER

# STATEMENT OF NON-FINANCIAL PERFORMANCE

REPORT 2019

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## NOTE 1 - NON-FINANCIAL STATEMENT





### 1.1 Introduction

Within the framework of the application of the European directive on non-financial reporting (French decree 2017-1265 of 9 August 2017 in application of Ordinance No 2017-1180 of 19 July 2017), as a listed company with total assets and net sales of more than €100 million, and an average number of permanent employees of more than 500, Haulotte Group is required to include a non-financial statement (NFS) in its financial report.

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### 1.2 The Haulotte Group business model

RESOURCES	<p><b>HUMAN CAPITAL:</b> Nearly 1680 employees in 22 countries worldwide. Multiple skills: design/production/distribution/distribution/rental/maintenance. Comex = Managing Director Activity and Area.</p> <p><b>FINANCIAL CAPITAL:</b> Shareholders' equity: €265 million. Syndicated loan: €88 million. Investments: €27 million.</p> <p><b>INTELLECTUAL CAPITAL:</b> 1 Engineering Department, 1 test center, R&amp;D expenses: 16,2 M€.</p> <p><b>SOCIETAL CAPITAL:</b> Process for appointing suppliers to the panel (product certification, supplier audit). Quality department (partnership / quality charter). Customer satisfaction survey.</p> <p><b>GEOGRAPHIC PRESENCE:</b> 6 production units, 22 sales subsidiaries.</p> <p><b>ENVIRONMENTAL CAPITAL:</b> ISO14001 certification in 83% of our production sites. Quality, Safety and Environment Policy, management commitment</p>			
OPERATIONAL EXCELLENCE	<p><b>1</b></p> <p><b>MARKET POSITION</b> Haulotte <b>market leader</b> in Europe ; n° 3 worldwide.</p>	<p><b>2</b></p> <p><b>PROFITABILITY</b> Successful and flexible company <b>able to adapt</b> to the fluctuations in demand and specific <b>market conditions</b>.</p>	<p><b>3</b></p> <p><b>PRODUCT &amp; TECHNOLOGY</b> <b>Full range</b> provider, more than 70 models (AWP &amp; Telehandlers) Offering a complete range of <b>innovative products</b>.</p>	<p><b>4</b></p> <p><b>SALES &amp; SERVICES</b> <b>A distribution network through 20 subsidiaries and offices</b> in strategic markets, supported by a <b>distributor network</b> giving coverage in more than <b>100 countries</b>. <b>Full Services solutions</b> for our products include financing, user training, maintenance, spare parts.</p>
				
STRATEGY	<p>We are developing a "GloCal" strategy that will make it possible to deploy the Group's global strategy locally, by including the necessary adaptations. We rely on defined and shared human, professional and managerial values to guide our actions and give meaning to our performance.</p> <p>In this context, our ambition is to offer our customers solutions that are ever more secure, ever more respectful of the environment, and ever more adapted to our partners' needs.</p> <p>We have defined three major strategic axes to transform this ambition into a concrete action plan: Become a Blue Company, become a full solutions provider, become the best-in-class Service Level Agreement provider. With a cross-company guideline to achieve this ambition: Digital transformation, a key factor in our future success. "Let's Dare" empowerment program to place employees at the heart of performance.</p>			
VALUE CREATION	<p><b>HUMAN CAPITAL:</b> Value Charter based on 3 pillars: Engagement &amp; Responsibility , Respect &amp; Trust, Excellence &amp; Performance. Employees in 2019 : +53 people. Let's dare program deployed in our subsidiaries.</p> <p><b>FINANCIAL CAPITAL:</b> Revenue: €610 million. Cash Flow from operations : €44 million. Taxes paid in France and abroad : €8 million.</p> <p><b>INTELLECTUAL CAPITAL:</b> Pulseo, Digital, Innovation.</p> <p><b>SOCIETAL CAPITAL:</b> Securing supplies to guarantee deliveries to customers. 5-year warranty offered to our customers for the launch of a new machine. Creation of key account managers for our key account customers.</p> <p><b>GEOGRAPHIC PRESENCE:</b> Geographical expansion project to be present as close as possible to the main markets and that our logic is to produce "locally" at least 50% of our customers' needs.</p> <p><b>ENVIRONMENTAL CAPITAL:</b> 2301 Tones of waste recovered. Nearly 200 employees trained in environmental matters.</p>			

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### 1.3 Identification of the main non-financial issues, risks and opportunities of Haulotte Group

To comply with its new obligations, in 2018 Haulotte Group produced for the first time a non-financial risk map. Supplementing the macro-risk map already produced by the Group, this new tool makes it possible to identify its main non-financial risks.

The approach adopted by the Group, reflecting the existing risk management methodology, is organised into three major phases:

#### 1. Definition of the universe of non-financial risks

Identification of 15 risks and issues which could have a material impact on the Group, its stakeholders and its environment in the broad sense.

Material and relevant risks are pre-selected in reference to:

- An assessment of the situation carried out in the 2018 first half which identified the business line risks;
- The major information categories provided for under II of article R. 225-105 of the French commercial code (employment, social and environmental information);
- Areas specifically covered by III of article L. 225-102-1 of the French commercial code (as a listed company);
- Sectorial benchmark information;
- Regulations to which the Group is subject (for example: ILO core conventions, the French Labour Code, the "Sapin 2" law, the French general data protection regulations, etc.);
- Recognised international reporting standards (GRI10, SASB11, etc.).

#### 2. Ranking of the issues:

In 2018, each risk identified was ranked by fifteen different Business Departments using an approach aligned with the approach applied by the Group Risk Management Department. All issues were assessed according to two criteria:

- The severity of the impact, ranked according to three criteria: financial, going concern and reputational risk according to a scale of 1 to 4;
- The probability of occurrence resulting in an impact. The rating scale also includes 4 levels.

In 2019, these issues were reviewed and reassessed in order to determine:

- if they continue to be relevant within the Group,
- if they continue to be relevant with respect to the Group's activity.

The different contributors were also asked if new issues were identified in the period.

#### 3. Ranking of risks:

On the basis of the rankings performed, Haulotte Group confirmed the existence of twelve new priority non-financial risks, in addition to those already being monitored by the Group. All have been validated by the executive committee and policies adopted are presented in this document.

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The twelve major issues are:

- Attracting and retaining talent,
- Skills management,
- Protecting IT systems and personal data (customers and employees),
- Strengthening our R&D policy and system for protecting rights and respecting intellectual property rights,
- Relations with suppliers and subcontractors,
- Integrating climate change into processes,
- Managing the environmental impact,
- Respecting human rights,
- Combating corruption and tax evasion,
- Occupational health and safety,
- Diversity,
- Disabled workers.

	Inadequate management of the human resources, generating a lake of commitment, resignations and shortage of employees	Non optimal work environment for health and safety or not suitable for the performance	Risk of image, reputational impact, and lake of transparency	Short-term relations with suppliers	Breach of legislation (human rights, intellectual property, GDPR, Sapin II, protection of resources etc)	Loss of know-how, lake of competitiveness	Inaccessibility of working tools / cyber-crime	Deterioration of the relations with stakeholders due to the contribution to climate change
Attracting and retaining talent	X							
Skills management	X							
Relations with suppliers and subcontractors			X	X				
Strengthening our R&D policy and system for protecting rights and respecting intellectual property rights					X	X		
Protecting IT systems and personal data (customers and employees)					X		X	
Integrating climate change into processes		X	X		X			X
Managing the environmental impact			X					X
Respecting human rights			X	X	X			
Combating corruption and tax evasion			X		X			
Occupational health and safety		X						
Diversity	X		X					
Disabled workers	X		X					

It has been verified that these issues cover the major areas required for disclosure provided for in II of Article R225-105 of the French commercial code (employment, social and environmental information), as well as those areas specifically provided for in III of Article L225-102-1 of this code for listed companies.

Among these specific areas, Haulotte Group does not provide information on the thematics of social engagement in favour of sustainable development, combating food wastage, as well as combating food insecurity, promoting animal welfare and fair and sustainable food practices on the grounds that these are not included in its main risks.

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### 1.4 Haulotte Group's non-financial issues

#### 1.4.1 Attracting and retaining talent

##### **Issue**

The expectations of current and future employees are evolving, notably the new generations entering the job market. Without reason, companies must adapt their work environment to increase their attractiveness or risk being unable to attract and retain new talent

Haulotte Group has initiated a profound transformation of its corporate culture in order to adapt to these societal changes.

Employees seek to improve their performance, communicate more, develop interactions with others in relation to the values, strategy, culture and issues. They share their ideas, advise, represent the company to contribute to customer satisfaction. They know how to think out-of-the-box, innovate and are proud to work for the company.

Obtaining the engagement of everyone is possible if one creates the right conditions. Engagement is a key driver of our performance.

##### **Policy**

Convinced that each employee has a critical role in the Group's success and customer relations, a transformative sustainable programme was implemented to make employees a key driver of performance.

This programme is focus on creating a work environment that encourages engagement, both with respect to interest in the missions assigned, the physical work environment, but also the managerial practices and internal and external communications.

Introduced in 2017, this programme continues to be applied each year through recurrent and ad hoc initiatives designed to strengthen employee engagement through its values of Respect and Confidence, Engagement and Responsibility, the Quest for Excellence and Performance. Collaborative and bottom-up approaches and breaking down barriers are encouraged accompanied by reinforced managerial practices and communication focussing on meaning, strategy and vision.

##### **Actions and results**

#### **1. Signature of a QWL (Quality of Working Life) agreement to promote employee engagement**

Convinced that diversity and quality of working life are the cornerstone of employee performance and, in consequence, the success of our company, we concluded a three-year QWL agreement in 2018 with our labour partners to promote the goal of achieving a balance between quality of working life, collective performance and the quality of the services delivered to our customers.

In this agreement, we reaffirmed our commitment to help employees achieve an optimal balance between their professional life and their family responsibilities and we have undertaken to increased parenthood-related representation within the company, create a supportive environment for employees with children and ensure compliance with the principle of non-discrimination in their career development.

Upon the agreement's signature we implemented the following initiatives which were continued in 2019:

- Engagements in favour of the right to disconnect,
- Engagements in favour of equal employment opportunities between men and women,
- Work schedule accommodations for the beginning of the new school year for parent whose child or spouse has a disability or long-term illness requiring permanent care at fixed hours or planned treatments,
- Organisation and promotion of distance learning,
- Leave for caregivers for employees who wish to suspend their employment contract to care for a relative with a disability or a particularly serious loss of autonomy,
- Implementation and promotion of the French law providing for the donation of the vacation or rest days (**Loi Mathis**).

In this same spirit, an agreement on telework was signed in France giving eligible employees the possibility to work from home 4 days per month.



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### 2. Application of the Values Charter

Directly building on the "Let's Dare" initiative, the Values Charter was drafted entirely by Haulotte employees representing different countries, services and categories.

In 2019, this charter was implemented in particular through the following practices:

- **"Transparently sharing important information with other departments, plants and subsidiaries"**: Organisation of common management committee meetings between the Changzhou plant and the distribution subsidiary in Shanghai.
- **"Valuing and promoting ideas and celebrating successes"**: Based on the idea of an Australian employee, a Group-wide "big cleaning day" was organised: sorting waste at all workstations, plants and offices, throwing out waste, cleaning, promoting paper-free practices and improving work and safety conditions.
- **"Sharing Haulotte's vision and strategy with members of the team and explaining the importance of their work"**: Meetings with all managers in each of their regions by members of the Executive Committee in conjunction with a serious game focusing 12 strategic projects.
- **"Encouraging employees to make suggestions and decisions and take initiatives"**: Organisation by employees of running teams (30 participants at the SaintÉLyon charity race), participation of 5 teams in the "inter-company challenge", organisation of an inter-company football championship "Soccer Team Haulotte Lifters", artistic decoration (focussing on values) in the dining room in Singapore, organisation one Friday per month of a lunch with persons interested in meeting new persons, new business and new employees.
- **"Strengthening cooperation and cohesion through teambuilding initiatives and celebrations"**: Organizing a number of seminars to build cohesion at every level, particularly between different teams as well as large staff events, for example: The BE seminar- Purchasing and Purchasing projects, 10 years of the Changzhou production plant, awarding employees trophies for their 10 years of service at the Argès plant at the annual Christmas party, inauguration of the new site in California and the United Kingdom, a girls night event and a design contest for the children of employees with gifts to win in Romania.

### 3. Creation of a work setting designed to enhance the attractiveness and talent retention

More than 200 employee volunteers participated in 2019 in one of 10 commissions launched for the purpose of defining our future headquarters, the aesthetic concept, the future workspaces, the workstation profile, installations of the testing and validation centre, the decoration of the company restaurant, the showroom, the gym facility, the external fixtures, etc.

The results is a more a more attractive work environment for the future headquarters providing for a variety of comfortable and connected spaces adapted to the different needs that an employee may require during the course of a workday: areas more or less adapted for a high degree of concentration, areas for reflection and formal or informal exchanges and creativity. To these spaces are added a company restaurant, gym facility, a Fab-Lab, an E-Lab, etc.

The spirit, The furniture and the operating procedures are designed to inspire the future installations and renovations of the Group's different sites to help foster greater engagement.

### 4. Reinforcing external and internal communications initiatives

A quarterly newsletter this sent to all employees in both digital and paper format covering all types of news about the Group, including achievements, projects, events, customer relations, and the talent of our employees. This tool is also destined to be distributed to a larger external audience through initiatives targeting the radio, press and social media (Linkedin, Facebook, histogram, etc.).

At the Argès and Creusot production sites, open door days were organized for the families of employees with actual events (design competitions, Lego events, the award of diplomas, etc.) to give them an opportunity to learn about the products, there manufacture, the different skills required for these activities and also to provide an initiation to our equipment.

Interventions were also organized for outside audiences to promote knowledge about our business lines. In France and Singapore, our employees have organized events with students to present our company and our careers. In Romania, the Human Resources Department participates every year in an employment fair in partnership with universities.



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### 5. Developing collaborative approaches and collective intelligence

- Implementation of IDAY brainstorming events: At a one-day event, the ideas of employees in five specific areas are published at the group level through a dedicated IT platform in all languages through an automated translation tool, allowing leaders to at their comments or click on the "like" button. In 2019, through this initiative, 1859 ideas were collected generating 6391 likes and 498 comments. 5 major winners were picked and many ideas continue to be exploited.
- Organization of an Hackathon: Haulotte teams meet and collaborate on a voluntary basis with 40 young developers, coders and creators from IBM in order to work on innovative digital solutions.
- Launch of collaborative work projects: Working groups comprised of members of different nationalities describe the processes of the company and ensure they effectively address customer satisfaction and QWL priorities.

### 6. Assisting art managers, genuine facilitators of change

- Management program & HR training: The purpose of this program is to provide internal training to new managers either promoted from within or joining the company as a way to promote a common language and the same practices, tools and vision. 120 employees were trained in 2019 in the step 1 management program and a training in the conduct of annual meetings was also provided to new managers as well as the managers of the countries where the tool was deployed in 2019.
- Presentation of strategic projects: In every region between April and December 2019, 12 strategic projects were presented to all managers through a giant serious game initiative led by Executive Committee members.
- Coordination of a number of seminars: Seminars were led by external consultants or internally focusing mainly on collaboration, communications, cohesion and soft skills.

### 7. Continuing improvements in promoting employee engagement

The survey conducted in 2017 by Korn Ferry Hay Group identified the main areas for improvement in developing the spirit of employee engagement. Workshops were implemented to identify actions to be adopted at all Group sites.

The high 92% participation rate of this survey made it possible to identify the strengths and areas for improvement of the organisation and employee engagement with workshops and associated action plans. On that basis, more than 550 actions were proposed and more than 50% implemented.

#### **Key performance indicators:**

Turnover rate of permanent employees: 8.35% in 2019 (vs.12.46% in 2018).

*Reporting boundary: Haulotte Group S.A. (L'Horme, Reims, Le Creusot, Lorette).*

Note: the calculation of the turnover rate for permanent employees was modified in 2019 and is now calculated annually instead of monthly.

Employee engagement rate for 2017: 57% (2017 was the first year of the survey and the new survey was initiated in January 2020).

"I am proud to work for Haulotte": 71% (2017).

"I would recommend Haulotte for the quality of work life": 49% (2017).

"Haulotte offers many opportunities for stimulating and interesting work experiences": 67% (2017)

*Scope: Group.*

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### 1.4.2 Skills management

#### **Issue**

Within an increasingly competitive labour market, a scarcity of skills and rapid market changes, notably in terms of technologies, business lines and the development of digital solutions, the company's ability to maintain the employability of its employees, develop their skills and offer career opportunities to enable them to become active stakeholders in their professional project has become critical for ensuring its future.

#### **Policy**

Haulotte wishes to create a favourable environment designed to give every employee an opportunity to learn about and anticipate the changes in his or her activity, but also to share and receive knowledge coming from within the company and outside, notably through mobility. All challenges must be taken up within the framework of a learning organization.

#### **Actions**

#### **1. Strengthening the training offering at the Group level**

In 2019, a large-scale project was carried out to prepare for the 2020 launch of our Haulotte Academy.

Workshops were organized to identify and assess the content of our internal training programs and integration processes with the goal of proposing a common base for all our employees and instructors that takes into account the expectations both our employees and our customers.

The identification of a Group e-learning platform was also initiated to develop a tool designed to chair and bring to life training content for instructors, distribute e-learning modules facilitating distance learning and the sharing of skills, notably by means of international business line communities and making it easier to monitor the expertise of each participant.

#### **2. Offer our employees career development opportunities within the Group through internal mobility**

We continue to deploy our HR Foederis tool in 2019 (skills management) within the context of our mobility offering for opportunities in other countries. In addition to conducting annual interviews to evaluate performance and progress, this tool serves to identify needs and historical training programs, mobility goals, and on that basis, identify potential opportunities for mobility. In 2019, this tool was deployed in China, Romania, Sweden and the Netherlands. Deployment is now being prepared in 2020 for Chile, Mexico, Spain, Argentina and Brazil.

#### **Key performance indicators**

Rate of employees having benefited from internal mobility (functional, hierarchical, geographic) in 2019: 4%.

*Scope: all companies of the Group (with the exception of the following 8 companies, representing 10% of the workforce: Haulotte GbH, Haulotte Polska, Haulotte Vostock, Haulotte Italia, Haulotte Argentina, Haulotte do Brazil, Haulotte Mexico, Haulotte Chile and Haulotte Iberica).*

Estimated percentage of employees having received training: (51.7% in 2019)

*Scope: all companies of the Group (with the exception of the following 8 companies, representing 10% of the workforce: Haulotte GbH, Haulotte Polska, Haulotte Vostock, Haulotte Italia, Haulotte Argentina, Haulotte do Brazil, Haulotte Mexico and Haulotte Iberica).*

**Note: this rate is based on information provided from our Foederis tool where it was observed that a nonmaterial percentage of data was not provided in 2019 (representing a shortfall of less than 5%).**

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### 1.4.3 Protection of IT systems and personal data (customers and employees)

#### **Issue**

With the IT system an integrated component of Haulotte's operations, IT security has become a genuine concern for the Group. In recent years, and even today, the number of computer threats and fraud attempts is continuing to increase.

IT security as well as the protection of our data represent two indispensable tools for reducing the risk of financial loss and/or damage in terms of image and reputation.

#### **Policy**

For that reason it is vital to secure our IT systems by taking into account the continuous technological and organisational developments as well as new methods being adopted by scammers. On this basis, the Group's IT system must be constantly updated to ensure maximum security.

Our objective is to ensure the Group is equipped with an IT system constantly being improved to resist potential cyberattacks and ensure the protection of personal data of our employees, customers as well as any other stakeholders.

#### **Actions and results**

##### **1. Promoting staff awareness**

The purpose of the IT Charter which is reviewed each year is to raise awareness of users about the proper practices for using IT tools. It is signed by all employees upon joining the company as an enforceable and binding document. As part of their integration process, users also are provided with training on security providing information on the proper responses when receiving a suspicious email.

At the L'Horme site, employees are also informed about the risks of fraud through a series of rapid presentations on the main risks and practices to be adopted to limit these risks. An anti-fraud working group was established a few years ago to provide regular information in this area.

In addition, a warning message is distributed to all employees in the event of an attack, and a warning platform exists in the event of a breakdown in computer systems as a means of preventing any security lapses.

Because the satisfaction of IT systems users is a good indicator of the quality of the service, daily satisfaction surveys are conducted when open cases have been closed. This method makes it possible to monitor user satisfaction in real time. In addition, at the end of 2019, they are sent a global satisfaction survey. 500 employees (representing a participation rate of 35%) shared their opinions on the quality of the services provided. On that basis, the rate of satisfied or very satisfied users was 89%, based on scores between 7.2 and 10. 59% of the users consider that the service has improved (among the 41% remaining, 11% consider that the service has deteriorated). Areas for improvement highlighted in this service will be communicated in 2020.

##### **2. Monitoring the quality of IT services and security**

A security audit was conducted in 2019 in the form of a penetration test designed which involves conducting a simulated cyberattack designed to test all entry points to our sites. The results of these tests resulted in the adoption of corrective measures.

In 2019, a methodology was defined in order to adopt quality standards in the conduct of IT projects. To monitor the implementation of this methodology, indicators of quality, time and costs, risks and adoption are monitored for each project.

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### **Key performance indicators**

In 2019, we adopted two types of performance indicators:

- RUN indicators (covering IT support activities),
- BUILD indicators (covering project activities).

### **RUN indicators:**

In January 2019, the It department had a backlog of 1,600 support tickets (the number of tickets pending resolution whereas in December 2019 this backlog was 928 tickets or a reduction of 42.75% of user requests pending resolution);

*Scope: Group.*

Customer satisfaction for closed support tickets between October and December 2019 80%.

*Scope: Group.*

Total user satisfaction according to the 2019 survey. 90%

*Scope: Group.*

### **BUILD indicators:**

100% of projects managed by the IT & Solutions department respond to the methodological concerns (methodology defined in early 2019).

*Scope: Group.*

## **1.4.4 Strengthening our R&D policy and system for protecting rights and respecting intellectual property rights**

### **Issue**

In response to market conditions, companies of the sector are redirecting their efforts to adopt more ambitious development projects. Haulotte must innovate to ensure its growth and propose new ranges of equipment and/or services in order to maintain its leadership in the market.

Multiple pressures (such as production costs, the growing complexity of competition, notably in new markets, accelerating pace of technological progress) place innovation at the heart of the Haulotte strategy, the key to its competitiveness.

### **Policy**

For Haulotte, intellectual property must become an instrument for commercial conquest and communications. The right intellectual property policy can offer a very effective means for acquiring and defending market positions.

In addition, the appropriate protection of intellectual property rights and know-how of the Group offers a source of legal security and can offers benefits in terms of both profits and image.

Our objective is to maintain an increasingly dynamic R&D policy in order to address the new challenges that the Group will be facing but also to develop products taking into account the rights of third parties in this area while ensuring the protection of our own intellectual property rights.

### **Actions and results**

#### **1. Maintaining the dynamic of the R&D policy**

A continuing technological intelligence watch was implemented in order to remain permanently up-to-date of new innovations arriving on the market.

The Company has developed an intellectual property risk management plan providing for the adoption of risk management tools by all departments concerned. There also exists of an Intellectual Property Committee to provide a forum for exchanges on subjects in progress and ensure that important information is communicated.

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In addition, the Company recognizes the creators, on a broader basis exceeding the scope of patentable inventions. It recognizes and respects inventors and creators of innovative ideas (a policy for employee inventions).

Finally, during the project creation process, an intellectual property recommendation is mandatory for certain steps.

### 2. Respecting the rights of third parties and our rights

The main actions in this area are carried out by the Intellectual Property (IP) manager which was appointed at the end of 2018 and who succeeded in 2019 to develop a dynamic intellectual property policy.

The IP manager monitors on a regular basis competitive and technological developments (freedom of use, technological status (in order to identify the technological developments in the company's areas of activities and ensure there are no infringements on the rights of third parties).

This enables him to also evaluate the availability of intellectual property rights and ensure that third parties respect our rights.

In addition, the IP manager contributes to optimizing our intellectual and industrial property policies by increasing Haulotte staff awareness about managing IP risk.

Finally, the IP manager reinforces our intellectual property rights by protecting our innovations through filings.

On that basis, all of employees with third parties have been secured through collaboration with third parties by establishing a dialogue based on trust.

#### **Key performance indicators:**

Percentage of sales devoted to R&D: 2.7% in 2019 (vs. 2.47% in 2018 or an increase of 0.23 points between the two years).

*Scope: Group (centralised R&D within Haulotte Group).*

Number of patents filed: 17 in 2019 (5 patents, 8 "Soleau envelope" filings, 2 models and 2 brands, compared to 7 in 2018, or an increase of 143%).

*Scope: Group (centralised R&D within Haulotte Group).*

### 1.4.5 Relations with suppliers and subcontractors

#### **Issue**

As a specialist in the design and assembly of lifting equipment, suppliers have a critical role for Haulotte This requires quality collaboration in order to optimise the company's added value.

#### **Policy**

The strategic importance for Haulotte is to devote the necessary time and efforts to maintain quality and lasting relations with its suppliers.

#### **Actions and results**

##### 1. Maintaining lasting relations with suppliers

For every new supplier, a procedure is adopted for their inclusion in the panel monitored by audits. The results of the supplier audit are shared with all suppliers for corrective measures if necessary to be included in the panel.

Haulotte is currently working on a draft multi-year agreement for all new projects.

With new suppliers, we have developed a partnership agreement which it signed before launching series production. These contracts define all operating procedures, the expression of needs, payment terms, the price, warranties, quality standards, assurance (...) And provide a general framework for lasting relations. The improvement plans agreed are also included in this contract with the same objective of promoting lasting relations.

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For existing suppliers, Haulotte has adopted a procedure for management meetings in order to share our respective expectations, our development strategies and the evolution of projects for new products. The management of both companies participate in these exchanges which helps promote the development of a long-term vision with our suppliers.

In addition, projects for improving competitiveness were adopted in 2019. These are in the form of action plans conducted by our suppliers to identify, reduce or eliminate operations without added value, unnecessary quality requirements or potential improvements in the components. Gains identified are validated collectively and shared according to procedures defined and integrated in our partnership agreements. These operations involve the participation of the different functions concerned.

## 2. Maintaining ethical and responsible relations with our suppliers

The Responsible Purchasing Charter was introduced in 2019. This document was signed by 232 of the suppliers with whom we work in 2019. Its purpose is to create lasting and balanced relations that respect the rights and duties of each party.

In parallel, the confidentiality agreement is signed between Haulotte and all suppliers in order to protect the information of each of the parties.

### **Key performance indicators:**

Percentage of purchases from suppliers of more than 5 years: 79% in 2019.

Percentage of purchases from suppliers covered by a partnership agreement: 30% in 2019.

Percentage of purchases from suppliers covered by a responsible purchasing charter: 63 % in 2019.

*Scope: Group (centralised purchasing function within Haulotte Group).*

### 1.4.6 Integrating climate change into processes

#### **Issue**

In the current environment where climate change is a key concern of indisputable importance, it is important to make this subject a priority for the future. On that basis, as a Group operating on different continents subject to various climatic constraints, Haulotte is nevertheless exposed to this challenge which is taken into account in its development processes.

#### **Policy**

We seek to take into account climate change in our activities, both with respect to our products, our production processes, their production sites and sale. However, in light of its role as an assembler, it is important to note that its activity has only a limited environmental impact and in consequence, marginal influence on climate change.

#### **Actions and results**

When we set up our different subsidiaries, the climatic conditions of the area selected are taken into account in order to anticipate potential climatic events which could impact our business.

For the new installations, we take into account, for example, the seismic risks in the areas concerned and are assisted by our insurers for studies linked to the situation of the selected sites.

With respect to our products, we have fully integrated climatic factors and, on that basis, energy efficiency has become a key focus of development. On that basis, Haulotte has integrated into its strategy, the "blue dimension" and more environmentally friendly "all electric solutions" into its business model. It was on this basis that we introduced all electric machine, PULSEO.

A new environmental policy was developed and presented to all employees in the 2018 third quarter, helping to focus the efforts of the company, its managers and employees alike around a shared CSR engagement. This policy was translated in 10 languages. Our objective is to raise the awareness of our employees, stakeholders and customers in order to improve their understanding about the importance of protecting the environment and encouraging measures to reduce energy consumption in offices.

*Source: Group QSE policy on the Haulotte' main intranet page.*

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In addition, Haulotte has initiated a Group process-based management approach to obtain Group 14001 certification for all plants and subsidiaries by 2023 (6 production sites and 22 distribution subsidiaries).

In early 2020, the 2015 version of the ISO 14001 certification was available at five of the six production sites throughout the world with a target for certifying 100% of the production sites by early 2021.

*Source: Certification on intranet Haulotteway2, certification section.*

### 1.4.7 Managing the environmental impact

#### **Issue**

In response to the challenges relating to climate change and adapting production processes and procedures, Haulotte wishes, like many companies, to concretely act to protect the environment.

#### **Policy**

Our objective is to establish a line of conduct which is sustainable and respects the environment for those processes where we have levers for action to reduce our environmental footprint. On that basis, we are targeting:

- Generate the maximum amount of value from our non-hazardous industrial waste and reducing our tonnage of waste per machine,
- A reduction of greenhouse gas emissions (GGE).

#### **Actions and results**

##### **1. Waste management**

Haulotte also ensures that its production of waste is effectively managed at every stage of its activity, both at production sites and offices.

We distinguish between two types of waste:

- Non-hazardous Industrial Waste (NHIW) which may be considered by its composition as comparable to household waste (inert and non-hazardous). This represents for example scrap material and packaging, and consists mainly of glass, plastics, metals, rubber, textiles, paper, wood, organic plant and animal waste.
- Hazardous Industrial Waste (HIW) which may generate nuisances for people and the environment by presenting one or more dangerous properties defined in appendix I of the French Decree 2002-540 of April 18, 2002 on hazardous waste. These characteristics warrants special precautions and are subject to reinforced administrative controls.

Haulotte has implemented a system for monitoring and managing waste which contributes to developing the circular economy, recycling and recovery.

On that basis, for production waste, the recovery of our industrial waste is in proportion to the level of our protection to allow for the possibility of reuse in certain cases. For greater reliability the indicator used is the percentage of waste per machine according to its weight (example kg of waste / kg of machines) as there can be a significant difference in weight between one machine model and another.

In addition, we apply sorting procedures to recover and recycle certain types of non-hazardous waste. For production sites, waste management is organised in terms of a number of key steps:

- identifying waste with instructions that are provided through environmental training programs,
- verifying the regulatory compliance of our waste management service providers,
- a colour coding system: 1 waste = 1 bin = 1 colour; this method contributes to developing environmentally responsible reflexes and improving on-site sorting,
- storage (storage containers for liquid waste, respecting the compatibility between products, identification for facilitating their evacuation, use of a cardboard compactor, etc.),
- traceability (hazardous waste tracking forms, registers, declarations),
- treatment, with a technical and regulatory knowledge of the waste processing channels, under the site's responsibility,
- periodic monitoring through field inspections,
- a waste elimination method depending on its composition: material or energy recovery, recycling, landfills or incineration.



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### 2. Reducing Greenhouse Gas Emissions (GGE)

The current scope used to determine our carbon footprint includes the three production sites in France and our site in Romania, which represents more than two thirds of our total energy bill.

For the time being Scopes 1 and 2 are used.

Our carbon footprint includes currently more than 80% gas (the painting process line and heating of the production facilities and offices).

*Source: BEGES 2017.*

The objective is to ensure a correlation with increases in production, thus increasing gas consumption and inevitably the carbon footprint, despite measures taken:

- A mobility plan to determine the carbon footprint of professional travel and commuting to trigger actions designed to reduce this impact (example: promoting carpooling, 50% of the cost of travel by public transport reimbursed by the company),
- Improving the painting process, changing the burners as part of the preventive maintenance process which had a positive impact in several plants, adjusting the furnace doors resulting in energy savings,
- Proposal for installing intermediate sub-meters at the production sites to determine actual consumption of the different locations of the plant to reduce energy consumption.

On that basis, estimated electricity consumption was 9,025,340 kW in 2019 compared to 9,904,030 kW 2018, or a decrease of 9%. This improvement reflects the adoption of LED lighting at the L'Horme site and furnace settings adjustments.

In addition, estimated gas consumption was 33,908,107 kW in 2019 compared to 38,733,409 kW 2018, or a decrease of 12.5%. This improvement reflects the adoption of adjustments to the furnace door settings in Romania.

*Scope: Production sites in France and Romania (Reims, Le Creusot, L'Horme, Argès).*

#### **Key performance indicators:**

The rate of a recovered or recycled waste out of total waste was 63.46% in 2019 (compared to 88.4% in 2018) a decrease of 25 points reflecting the impact of the expanded scope which now includes our site in Romania.

The rate of a recovered non-hazardous industrial waste (NHIW) was 76% in 2019 (compared to 91% in 2018) a decrease of 15 points reflecting the scope's addition of the Argès sites in Romania.

The average weight of waste for tonnes per machine was 67 kg in 2019 (a new metrics which cancels the indicator per machine).

Mt CO<sub>2</sub>e: 6,571 Mt CO<sub>2</sub> in 2019 (compared to 7,551 Mt CO<sub>2</sub>e in 2018).

Weight of CO<sub>2</sub> per machine: 91 Kg CO<sub>2</sub>e / tonne per machine.

*Scope: Production sites in France (Reims, Le Creusot, L'Horme) and Romania (Haulotte Argès).*

### 1.4.8 Respecting human rights

#### **Issue**

As multinationals are exposed to diverse cultures and regulations resulting from their locations, the challenge in terms of Human Rights is to ensure they are respected within the Group's activities, regardless of the activity (production, distribution, support services, etc.) and the geographical location of the entities concerned.

#### **Policy**

It is for that reason important for Haulotte to ensure a uniform compliance with human rights over its entire value chain, both within our internal and external environments.

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### **Actions and results**

Through the "Let's Dare" approach, promoted through a number of communications channels (training programs participative events, etc.), and the associated Values Charter, Haulotte has placed people at the heart of its activities. As mentioned above, the Group values have been determined by the employees themselves through the different workshops in which all categories of staff from every level, country and department contributed. Respect and confidence have thus been defined as core values and underpin practices which apply to all employees and specific practices for managers.

In addition to the values applied by the Group to people within the organisation, Haulotte Group also sought to develop a common vision of core fundamental values shared by its commercial partners. Haulotte Group as in consequence adopted a Responsible Purchasing Charter inviting all its suppliers to apply core principles for sound and ethical business practices. Drafted in 2018, this document was deployed in 2019.

This charter contains notably a section on Haulotte's social engagements in thematic prohibiting child labour, combating undeclared work or discrimination and harassment. Haulotte Group believes it is crucial that these engagements of the Group are also be adapted by its partners to ensure the application of an efficient and coherent global approach. We believe indeed that sharing these engagements will contribute to a more effective approach to building lasting partnerships.

### **1.4.9 Combating corruption and tax evasion**

#### **Issue**

All multinational companies are exposed to various tax and related regulations which complicate accounting flows and controls. The Group has six production sites and 22 subsidiaries which allow it to operate in more than 100 countries. This represents in consequence a significant diversity in terms of tax regulations.

In addition, multinational companies with operations in different parts of the world subject to different regulations, cultures and customs, face a significant challenge, namely combating corruption.

#### **Policy**

Following the production of a corruption risk map within the Group, in application of the French anti-corruption law (Sapin 2), the company adopted an anticorruption code of conduct and the necessary tools to prevent tax evasion.

### **Actions and results**

#### **1. Application of a solid business model fully aligned with our expertise and French regulations**

Haulotte Group adopted an anti-corruption code of conduct validated by management and the representative bodies of the French scope. This code is included in an appendix to the rules of procedure and was distributed on 12 November 2019. It can also be consulted on the company's intranet site and the website [www.haulotte.com](http://www.haulotte.com). The adoption of the Anti-Corruption Code of Conduct reconfirms its commitment to applying high level ethical standards and compliance with all legal obligations.

In addition, the Company has also adopted an anonymous whistleblowing procedure available to every employee possessing information and suspicions of misconduct that could constitute incidents of corruption. This platform is hosted by a company, WhistleB, that guarantees the anonymity of alerts and the encryption of data collected. Alerts are sent to the Group's Secretary-General, or in cases potentially involving the latter, to the Group's Deputy Chief Executive Officer. The risk manager has access to the administrator in order to ensure that the warnings are taken into account within a maximum period of twenty (20) days.

This tool also can also be used for conducting anonymous surveys to assist in the decision-making process.

In 2020, the alert platform will be accessible through a link available on Haulotte's intranet site.

In order to raise awareness of personnel of the company about those acts constituting corruption, it is planned to deploy an e-learning tool in 2020.

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### 2. Respecting rules in force and preventing risks relating to tax evasion (or double taxation)

The Group undertakes to ensure compliance with tax regulations:

- The group respects and regularly updates its transfer pricing policy with the assistance of its tax attorneys specialized in this area. This policy was developed to ensure that the operating results of each company of the Group are determined on the basis of the arm's-length principle defined through studies of comparables and taking into account the functions, risks and responsibilities of each subsidiary;
- most of our subsidiaries file their own tax statements and as such may, as applicable, be subject to audits, and their employees have been accordingly made aware of these issues;
- at the Group level a review of current tax liabilities is performed;
- in the consolidated financial statements a tax calculation is performed supporting the level of the effective tax rate of the Group.

In addition, since 14 March 2019, the Group has entered into a form of partnership with the French tax authorities. This partnership is based on the principle of voluntary participation and is destined for large Group and medium-sized companies. This takes the form of a regular and transparent dialogue between the companies and the tax authorities in order to obtain a firm position from the latter about complex tax questions which could involve in a financial or legal risk. This process will be conducted by ensuring greater transparency on their part. For the tax authorities, this partnership enables them to ensure the tax compliance of companies in a more cost-efficient manner and more efficiently combat fraud, while offering the companies greater legal security.

The results of the different tax audits under this system (some resulting in particular attention being given to the transfer pricing policy) have been positive: for example, the last two tax audits of the head of our tax group, Haulotte Group S.A, did not result in any tax adjustments.

#### **Key performance indicators**

Number of alerts issued: 0.

Reducing the processing time for alerts: N/A.

% of cases reported concerning solely the thematic of corruption: N/A.

Out of this total number, xx % of these cases are dismissed: N/A.

*Scope: Haulotte Group S.A. (L'Horme, Reims, Le Creusot, Lorette).*

The change in the Group's effective tax rate in relation to the theoretical tax rate in force in France (34.43%): effective tax rate of 27.25% in 2019 vs. 29,08% in 2018, or a decrease of 1,8 points.

*Scope: Group.*

### 1.4.10 Occupational health and safety

#### **Issue**

Preventing professional and occupational safety risks represents a major priority of Haulotte Group's Executive Management.

We are very attentive to the importance of occupational health and safety with the goal of preventing and reducing professional risks by offering our employees a safe work environment.

#### **Policy**

We are maintaining our efforts to significantly reduce our number of occupational accidents at all our sites throughout the world with a target that remains zero lost time injuries.

In 2019, we continued our efforts to reduce the accident frequency and severity rates.

# STATEMENT OF NON-FINANCIAL PERFORMANCE

## REPORT 2019

### **Actions and results**

All occupational accidents are systematically analysed to identify the causes in order to define targeted action plans, using the 8D problem-solving method or the root cause analysis. All teams in charge of safety receive training on these methods of analysis.

While our frequency rate continues to be too high, it nevertheless declined in 2019. In contrast we significantly reduced the severity rate in 2019 from 1.50% to 0.92%.

At all industrial sites we are working to improve workstation ergonomics reflecting a continuing improvement approach designed to reduce these risks and improve working conditions.

By way of example, on our last assembly line, the ergonomics of the assembly stations was studied in advance of the design phases for the product and processes. Moreover, the assembly of the principal components of the machines will be done high up.

Concerning the product, it is no longer necessary for example to slide under the chassis to perform certain operations by raising one's arms with the potential of generating musculoskeletal disorders and head injuries.

This process was designed so that 100% of the interventions on the chassis were carried out within an ergonomic window by suspending the chassis by means of an aerial conveyor. The assembly of the scissor lift arms is thus carried out at a constant ergonomic height by means of a lift table buried and secured with dissent below the floor level as the arms are gradually assembled.

We are also working in partnership with the French social security agency on initiatives to reduce musculoskeletal disorders.

In 2018 we were engaged in a process of obtaining triple certification for all our sites.

The Haulotte industrial site was the first triple certified sites to have obtained in December 2019 ISO 45 001 certification: all industrial sites and distribution subsidiaries are also engaged in this approach.

We are in discussions with labour partners to renegotiate the terms of a security challenge designed to reinforce individual and collective efforts with the goal of preventing occupational accidents.

Occupational health and safety commissions meet on a quarterly basis with the occupational physician to exchange ideas about safety issues and to propose preventive measures.

In 2019 we implemented a safety committee with membership included all plant managers of the Group and R&D, in order to share all results from each of the sites through the use of scoreboards, our prevention measures and good practices in terms of security.

### **Key performance indicators**

Frequency rate: 24.95 % in 2019 (vs. 28.98% in 2018).

Severity rate: 0.92 % in 2019 (vs. 1.50 % in 2018).

*Scope: Haulotte Group S.A. (L'Horme, Reims, Le Creusot, Lorette).*

## **1.4.11 Cultivating diversity**

### **Issue**

Our priority is to support the company's transformation by pursuing the goal of gender diversity across the different workstations.

### **Policy**

Convinced that diversity is a social performance driver which contributes to the overall success of the company, Haulotte Group is conducting a proactive strategy to promote gender balance and equal opportunity employment for men and women. Our goal is to increase gender diversity notably for those functions where men or women are underrepresented.

# STATEMENT OF NON-FINANCIAL PERFORMANCE

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### **Actions and results**

Our QWL (Quality of Working Life) agreement signed in October 2018 includes a provision for promoting professional equality.

On that basis, our management program integrates the valuable contribution provided by the diversity of profiles within a team and a company, by notably taking into account factors such as self-knowledge (natural and adapted), our personal characteristics, motivations but also those of others and the fact that they are necessarily different (use of the AEC® Colour Method).

These different strengths constitute genuine assets for the Group and understanding them makes it possible to better interact, communicate and collaborate (for example by allowing us to learn that it is preferable to communicate with someone, not as we would like that they communicate with us, but rather how they need us to communicate with them).

All managers and a certain number of employees were provided training in this benefits and this diversity which is necessary to form a team.

We also apply equal opportunity and neutral recruitment policy (all genders, ages, etc.). Regardless of the type of post proposed, the human resources department ensures that the content of the job announcements are drafted without reference to gender or family situation or any other terminology of a potentially discriminating nature.

Based on a voluntary approach at each site, a correspondent is appointed by the social and economic committee ("**comité social et économique**" or CSE) and is responsible for combating gender bias. Its role is preventive in nature and consists notably in reporting alerts of inappropriate behaviour.

The Group operates in 21 different countries throughout the world with as many nationalities represented.

### **Key performance indicators:**

Percentage of women in the total workforce: 24.20% in 2019 (vs. 23.34% in 2018).

Gender equality index: 82 points in 2019 (vs. 82 in 2018).

*Scope: Group.*

### **1.4.12 Persons with disabilities:**

#### **Issue**

Beyond simply complying with our legal obligations, we must adopt a proactive approach to maintaining disabled persons in the workplace by supportive measures and adjusting workstations and opening up positions more broadly to workers with disabilities.

#### **Policy**

Our goal is to develop access to our job offers to workers with disabilities and develop employment of disabled workers within the Company.

#### **Actions and results**

Haulotte has been fulfilling its obligations with respect to the employment of disabled persons for a number of years. The main actions carried out up till now have focused on maintaining persons with disabilities in the workplace. Actions must now be deployed to increase the percentage of recruitment of persons with disabilities.

On that basis, initiatives have been undertaken such as with sheltered work facilities, making adjustments to workstations, supporting AGEFIP agency projects, collaboration with the CAP EMPLOI disabled workers agency.

A total of 50 "mandatory units" was set by law for Haulotte 2018 (which would represent in theory 6% of the workforce). In 2019, Haulotte totalled 56.10 unit beneficiaries whether employed internally or through a subcontracting arrangement.

At the present time, potential new actions are under study such as publishing job offers at sites specifically devoted to workers with disabilities, negotiating an agreement including commitments to promote the employment of disabled workers and appointing a workplace disability project leader.

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### **Key performance indicators**

Persons with disability account for 3.95% of the total workforce (vs. 4.4% in 2018).

*Scope: Haulotte Group S.A. (L'Horme, Reims, Le Creusot, Lorette)*

*Calculation: number of employees with disabilities / total workforce at 31/12.*

## **1.5 Methodology note**

### **1.5.1 Information collection process**

#### **Departments involved:**

The reporting process for non-financial information is placed under the authority of the Legal Department tasked with collecting the requisite data and information from the relevant departments.

For 2019, the following departments were involved in this approach:

- Quality and Environment,
- Human Resources,
- Purchasing,
- Risk Management,
- Finance,
- Innovation and R&D,
- IT.

#### **The collection and monitoring of indicators:**

The different indicators mentioned in this Non-Financial Statements originate from the information systems and internal reports maintained by the company's different departments.

By way of example, the employment indicators are produced by the Human Resources Department derived from outputs generated by the personnel and payroll management tool.

The environmental data or data relating to the purchasing department is monitored by means of internal reporting tools.

Each department is responsible for the data and information transmitted. The consistency control are in consequence performed at their levels.

### **1.5.2 Reporting period**

Data published covers the period from January 1, 2019 to December 31, 2019.

In those cases where physical data is not exhaustive, contributors have recourse to estimates or extrapolations to estimate the missing data.

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## 1.6 Report of the Independent Third-Party assurance on the Non-Financial Statement

### Haulotte Group S.A.

Report by one of the Statutory Auditors, appointed as an independent third party, on the non-financial information statement included in the management report

For the year ended December 31st, 2019

This is a free translation into English of the Statutory Auditor's 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.

To the Haulotte Group S.A. annual general meeting,

In our capacity as Statutory Auditor of Haulotte Group S.A. (hereinafter the "entity"), appointed as an independent third party and accredited by COFRAC under number 3-1060 rév.2 (whose scope is available at [www.cofrac.fr](http://www.cofrac.fr)), we hereby report to you on the non-financial information statement for the year ended December 31<sup>st</sup> 2019 (hereinafter the "Statement"), included in the group management report pursuant to the legal and regulatory requirements of articles L. 225102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

### ***The entity's responsibility***

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal nonfinancial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are available on request from the entity's head office.

### ***Independence and quality control***

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

### ***Responsibility of the Statutory Auditor, appointed as an independent third party***

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225105 I, 3 and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- The compliance of products and services with the applicable regulations.



# STATEMENT OF NON-FINANCIAL PERFORMANCE

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### ***Nature and scope of our work***

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information.*

Our procedures allowed us to assess the compliance of the Statement with regulatory requirements and the fairness of the Information:

- we obtained an understanding of the entity's activities, the description of the social and environmental risks associated with their activities, and the impact of these activities on compliance with human rights and anticorruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 2251021 III of the French Commercial Code;
- we verified that the Statement includes an explanation for the absence of the information required under article L. 225-102-1 III, 2 of the French Commercial Code;
- we verified that the Statement presents the business model and the principal risks associated with the entity's activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II of the French Commercial Code;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities, namely L'Horme, Lorette, Reims, and Argès, and covers 47% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
  - we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important and which are listed in appendix;
  - we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

### ***Means and resources***

Our work was carried out by a team of 5 people between mid-December and beginning of April 2020 and took a total of 3 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted about a fortnight interviews with a fortnight people responsible for preparing the Statement, representing legal, compliance, IT, research and development, human resources, environment, and purchasing departments.

# STATEMENT OF NON-FINANCIAL PERFORMANCE

REPORT 2019

## **Conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial information statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respect.

## **Comments**

Without qualifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- For the risks relating to Human Rights policy and climate change consideration in the group strategy, policies presented do neither disclose objectives of improvement, nor key performance indicator;
- Key performance indicators relating to turnover, disability, and accident at work, do not cover subsidiaries other than Haulotte Group S.A. and therefore represent only 41% of group total headcount.

Lyon, April the 30th 2020

One of the Statutory Auditors

PricewaterhouseCoopers Audit

French original signed



Elisabeth L'hermite

Partner

French original signed



Pascal Baranger

Sustainable Development Director

# STATEMENT OF NON-FINANCIAL PERFORMANCE

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## APPENDIX: LIST OF THE INFORMATION WE CONSIDERED MOST IMPORTANT

Key performance indicators and other quantitative results:

- Number of employees trained to management program;
- Charter signed by all employees;
- Number of disabled people and percentage of disabled collaborators in total headcount;
- Turnover rate;
- Number of sites covered by ISO 14001 certificate;
- Participation rate to engagement survey and collaborators' engagement rate;
- Percentage of collaborators who received a training this year, and those who benefitted from a mobility;
- IT Backlog evolution and & percentage of IT projects managed according with methodology expectations;
- Share of sales revenue dedicated to research and development and number of patent filings;
- Share of supplier sales revenue covered by partnership principle, then covered by responsible purchase charter, then realized with supplier for which relationship dates back more than 5 years;
- Supplier charter signed by 232 suppliers;
- Percentage of wastes recovered, common industrial wastes recovered, and total tonnage of wastes per machine tonnage;
- Tons of CO2 equivalent evolution (scope 1 and 2) per machine tonnage;
- Number of ethical alerts and treatment delay;
- Percentage of alerts related to corruption and among them, percentage of files closed without pursue;
- Group effective tax rate;
- Frequency and gravity rates of accidents at work;
- Percentage of women in total headcount.

Qualitative information (actions and results):

- Big cleaning day & serious game for 12 strategic construction sites;
- Trophy presentation for employees with more than 10 years seniority, women afterwork, drawing competition;
- Participatory design of new headquarter;
- Quarterly newsletter publication;
- Identification of needs for e-learning platform that would be implemented in 2020;
- IT charter updates, IT services satisfaction survey;
- Technological watch and responsible purchase charter;
- New electrical machines purchase;
- Paint oven changed at Argès;
- Waste management and follow-up;
- "Let's Dare" program development and Foederis expansion;
- Whistleblowing system implemented to alert on any ethical issues;
- Assembly line modification to reduce accidents;
- Referent in charge of gender-based discrimination;
- Partnership with ESAT;
- Absence of any fiscal recovery;
- ISO 45 001 certification for Le Creusot;
- Engagement survey 2017;
- IT satisfaction survey, end-of-the-year satisfaction survey and tickets closed.



