

STATEMENT OF NON-FINANCIAL PERFORMANCE

2020



STATEMENT OF NON-FINANCIAL PERFORMANCE

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NOTE 1 - STATEMENT OF NON-FINANCIAL PERFORMANCE

1.1 INTRODUCTION

Within the framework of application of the European directive on non-financial reporting (French decree No. 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 revenue of more than €100 million, and an average permanent workforce of more than 500, Haulotte Group is required to include a statement of non-financial performance in its financial report.

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1.2 THE HAULOTTE GROUP BUSINESS MODEL

OUR VISION:

To become the most valuable and safest working at height solution maker in creating the serenest customer experience.

RESOURCES



Human capital

- > More than 1,600 employees working in 22 countries
- > A broad array of skills: design / production / distribution / rental / maintenance
- > Comex (Executive Committee) = in charge of activities within a geographic region
- > ISO 45001 certification for 4 of our sites



Financial Capital

- > Equity: €219 million
- > Syndicated credit facility: €94 million
- > Investments: €29 million



Intellectual capital

- > 1 Design office
- > 1 Testing centre
- > Gross R&D expenditures: €16.4 million



Social capital

- > Appointment procedure for suppliers participating in the panel (product approval, supplier audits)
- > Quality Control department (partnership / quality charter)
- > Customer satisfaction survey



Geographic presence

- > 6 production sites
- > 7 logistics platforms for spare parts
- > 22 distribution subsidiaries



Environmental capital

- > ISO 14001 certification for 6 of our sites
- > Quality, Safety and Environment Policy, management commitment

OPERATIONAL EXCELLENCE



1 MARKET POSITION

Haulotte was No. 1 in Europe, No. 3 worldwide in 2019.



2 PROFITABILITY

A profitable and flexible Group **capable of adapting** to fluctuations in demand and **market specificities**.



3 PRODUCTS & TECHNOLOGY

A supplier of **complete product lines** with more than 70 models (Aerial Work Platforms & Telehandlers), offering a comprehensive range of **Innovative products**.



4 SALES & SERVICES

A distribution network made up of **20 subsidiaries and offices** in strategic markets, reinforced by a **network of distributors** that extends to more than **100 countries**.

Associated services ensure financing, user training, technical assistance for machines and supply of spare parts.



STRATEGY

We are developing a "Glocal" approach for local implementation of the Group's global strategy, customized to take account of regional contexts. We rely on the human, professional and managerial values we have defined and disseminated to guide our actions and give meaning to our performance.

Within this framework, we aspire to offer our customers safer and greener solutions, ever more tailored to the needs of our partners.

To do so, we have set out three main strategic priorities:

Become a **BLUE COMPANY**

Become a **PROVIDER OF GLOBAL SOLUTIONS**

Become the **BEST-IN-CLASS service level agreement provider on the market**

VALUE CREATION



Human Capital

- > Value charter based on 3 pillars: Commitment and Responsibility / Respect & Trust / Excellence and Performance
- > "Let's Dare" Programme implemented in all Group sites.
- > Operational Excellence Programme currently being launched



Financial Capital

- > Revenue: €439 million
- > Cash flow: €17 million
- > Tax paid in France and abroad: €5 million



Intellectual Capital

- > Pulseo
- > Innovations
- > Connected Solution
- > Applications: Quick Positioning, Haulotte Diag
- > Haulotte Academy



Social Capital

- > Securing of supply chains to guarantee delivery of our machines
- > 5-year guarantee offered to our customers for the launch of a new machine
- > Development of key account managers to support our top customers



Geographic Presence

- > Focus on geographic expansion to ensure a presence in key markets
- > Priority on "local" production for at least 50% of our customers' needs



Environmental Capital

- > 3,074 tonnes of waste recovered
- > More than 300 employees trained in environmental issues

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1.3 IDENTIFICATION OF HAULOTTE GROUP'S MAIN NON-FINANCIAL ISSUES, RISKS AND OPPORTUNITIES

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

The approach adopted by the Group, reflecting the existing risk management methodology, is carried out in three major phases:

1. Definition of a family 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 broadest sense of the term.

Material and relevant risks are pre-selected based on:

- An situation assessment carried out in 2018, which identified the business line risks;
- The major information categories provided for under article R.225-105, II of the French commercial code (employment, social and environmental information);
- Areas specifically covered by of article L.225-102-1, III of the French commercial code (as a listed company);
- Sector-specific benchmark information;
- Regulations to which the Group is subject (for example: ILO core conventions, the French Labour Code, the "Sapin 2" law, the European General Data Protection Regulation, 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 that 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 on a scale of 1 to 4;
- The likelihood of occurrence resulting in an impact. The rating scale also includes 4 levels.

In 2020, these issues were reviewed and reassessed to determine:

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

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 the policies adopted are presented in this document.

The twelve major issues are:

- Attracting and retaining talent,
- Skills management,
- Protecting IT systems and personal data (customers and employees),
- Strengthening of our R&D policy and system for the protection of rights and the enforcement of intellectual property rights,
- Relations with suppliers and subcontractors,
- Integration of climate change into processes,
- Environmental impact management,
- Respect for human rights,
- Fight against corruption and tax evasion,
- Occupational health and safety,
- Diversity,
- Disabilities.

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The table below illustrates the link between these issues and the risks identified during the Group's 2018 non-financial risk mapping exercise.

	Inappropriate human resources management leading to a lack of commitment, departures or staff shortages	A workplace environment that is not optimal for health and safety or not conducive to performance	Risk for the Company's image, reputational impact and lack of transparency	Unsustainable relationship with suppliers	Violation of regulations (human rights, intellectual property, GDPR, Sapin II law, resource preservation, etc.)	Loss of expertise, lack of competitiveness	Inaccessibility of working tools / cybercrime	Deterioration of relations with stakeholders due to participation in climate change
Attracting and retaining talent	X							
Skills management	X							
Relations with suppliers and subcontractors			X	X				
Strengthening of our R&D policy and system for the protection of rights and the enforcement of intellectual property rights					X	X		
Protection of IT systems and personal data (customers and employees)					X		X	
Integration of climate change into processes		X	X		X			X
Environmental impact management			X					X
Respect for human rights			X	X	X			
Fight against corruption and tax evasion			X		X			
Occupational health and safety		X						
Diversity	X		X					
Disabilities	X		X					

It has been verified that these issues cover the key disclosure areas 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 said code for listed companies.

Among these specific areas, Haulotte Group does not provide information on the topics of social engagement in favour of sustainable development, combating food waste, as well as combating food insecurity, promoting animal welfare and fair and sustainable food practices on the grounds that these areas 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 changing, particularly with regard to younger generations entering the job market. It is thus essential for companies to 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.

Rousing commitment among all employees is possible provided that the proper conditions are in place. Engagement is a key driver of our performance.

Policy

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

This programme is focussed on creating a work environment that encourages engagement, both with respect to interest in the missions assigned, the physical work environment, but also 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, as well as action to break down barriers, are encouraged, along with improved managerial practices and communication focussing on meaning, strategy and vision.

Since 2020, this programme has served to complement the "YELLO" operational excellence initiative, which places people at the heart of the system as a key aspect of performance enhancement. It aims to engage employees through a collaborative approach, letting them decide for themselves how they want to work in the future by building a reference framework that combines the following two dimensions: the company's performance and improvement of working conditions.

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Actions and results

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

Firm in the belief that diversity and quality of working life are the cornerstones of employee performance and, in consequence, the success of our company, we concluded a three-year QWL agreement in 2018 with our social 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 helping employees achieve an optimal work-life balance, and we have undertaken to increase 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.

As part of this agreement, which will be renegotiated with social partners in 2021, we have made certain commitments and implemented the following actions:

- Commitments regarding the right to disconnect,
- Commitments in favour of gender-based equal employment opportunities,
- Work schedule accommodations for the beginning of the school year and for employees whose child or spouse has a disability or long-term illness requiring permanent care at set times or planned treatments,
- Organisation and promotion of remote learning,
- Leave for employees acting as caregivers who wish to suspend their employment contract to care for a relative with a disability or a particularly serious loss of autonomy.

2. Signature of an agreement on regular remote work

Firm in our belief that remote work is an effective way to facilitate a proper work-life balance and reduce the constraints and risks related to travel, while also strengthening the appeal of Haulotte Group's social model, Management has also proposed opening discussions with social partners on this new form of work structure as of 2019. A regular remote work agreement was signed in France in January 2020 offering employees in all Haulotte Group establishments the possibility of working from home four days per month.

This first experiment in "regular" remote work was promptly halted by the COVID-19 health crisis, which impacted all our activities from March 2020 onwards, resulting in a sharp drop in activity in the production plants and indirectly affecting all the Group's businesses. Initiatives to adapt the remote work system during this exceptional period made it possible to protect our employees while ensuring continuity for part of our activities during the initial lockdown.

3. Application of the Values Charter

As part of the "Let's Dare" initiative, the Values Charter was drafted in 2017 by 100 Haulotte employees representing different countries, departments and categories, and presented to all employees in 2018.

Building on the actions underway since 2017, new illustrations were implemented in 2020, despite the health context, which delayed many actions.

For example, the values listed below were illustrated as follows:

"Valuing and promoting ideas and celebrating achievements":



Implementing ideas, including planting a tree for every Haulotte machine sold.

"Creating a fun and motivating work environment":



The Australian team has launched an outstanding initiative aimed at forging connections. Known as HEART (Haulotte Employee Active Rapport Team), the initiative allows Australians to set up fun and engaging activities to improve the overall well-being and atmosphere within the team. As a result, a multitude of actions have been launched.

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“Sharing Haulotte’s vision and strategy with members of the team and explaining the importance of their work”:



Webinars organised during the lockdown to help managers keep all employees up to date with the company’s situation.

“Commitment & Responsibility, Striving for Excellence & Performance, Respect & Trust”:

Construction of the new head office also presented an opportunity to implement many of the practices in our Values Charter, including those related to collaboration, participation, trust, creating a pleasant environment and valuing and promoting ideas.

The YELLO programme is also a concrete expression of many values targeting each and every employee.



Following the presentation of the approach between January and March 2020, 45 volunteer employees, known as “Champions”, representing production sites, subsidiaries or the head office, were trained in the methodology and tools needed to implement the initial improvement-centred actions within their entities and across the board, particularly echoing the following values and practices: ***“Encourage employees to make suggestions, take decisions and launch initiatives”, “Encourage creativity, welcome new ideas and concepts, invent new ways of thinking and working”, “Develop a change-friendly environment to support continuous improvement and maintain sustainable performance” and “Commit to excellence: identify and promote best practices”.***

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4. Creation of a work setting designed to enhance attractiveness and talent retention

After two years of collaborative work via 11 committees involving more than 200 employees, our new H3 head office was born despite the health context.



It offers an engaging work environment, designed by and for employees, and focused on collaboration and digital technologies.

A number of comfortable, connected spaces have been created to meet the different needs an employee may have during the course of a working day: large or smaller areas for concentration, collaboration, reflection, formal and informal discussions, creativity, as well as a company restaurant.

A gym, a Fab-lab and an E-lab will be added once the health situation permits.

All employees, customers and visitors and proclaimed this head office a success!

Newcomers are also won over by these spaces and environments, which correspond to their current working methods.

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

5. Reinforcing external and internal communications initiatives

The Internal Communication department circulates a digital newsletter entitled "TOGETHER", featuring content co-created with an editorial committee made up of employees representing the geographical, cultural and professional diversity of the Company. This digital platform, accessible to all Group employees, highlights the Company's achievements, projects, events and customers, as well as the talents of its employees.

The head office has also set up a system for broadcasting news via screens installed in social interaction spaces throughout the building (coffee room, footbridge, etc.). This broadcasting network will be rolled out gradually throughout the Group's production sites and other locations to better disseminate the Company's internal and external communication, and will also allow for reporting of local and regional news.



External communication includes interviews with customers, distributors, experts, etc. through a blog entitled "Haulotte Community". This website is designed to connect all market players, providing insight into current and future challenges in the lifting industry.

External communication is also active on social networks (Facebook, Twitter, LinkedIn, Instagram) and through weekly press releases.



6. Developing collaborative approaches and collective intelligence

Continuation 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.

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7. Assisting managers, genuine facilitators of change

- Training and coaching initiatives have been maintained during the health crisis, although it is not possible to train and coach as many managers as initially planned
- Coordination of frequent seminars: Seminars were conducted internally or by external consultants, focussing mainly on collaboration, communications, cohesion and soft skills.

8. Continuing improvements in promoting employee engagement

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

The survey conducted in January/February 2020 served to assess **the results of more than 550 actions implemented** since 2017, and to measure the progress of the transformation plan undertaken.

At 89%, the participation rate was quite high, and the results excellent.

- **100% of the 14 topics show** knowledge and know-how **progress**

As a reminder, the topics concerned are as follows: Commitment, Conditions for success, Responsibility and accountability, Clear and promising strategy, Collaboration, Trust in management, Development opportunities, Compensation and benefits, Performance management, Quality and customer focus, Resources, Respect and recognition, Training, Work - structure - process.

- **98% of questions making up the different topics (53 out of 54 questions) showed improvement in results**, with certain topics progressing very strongly.

Our strengths have been confirmed, and although areas for improvement remain unchanged, they demonstrate pronounced progress that brings us into line with the average of companies participating in the Korn Ferry Hay Group commitment survey.

Key performance indicators:

Permanent employee turnover rate:

- 5.5% in 2020 (vs. 8.35% in 2019).

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

- -9.7% i 2020 (2019 data not calculated)

Group scope (excl. Germany, Russia, Italy and Poland, which were only incorporated into our HR IT system in November 2020)

Engagement Survey results:

- Employee engagement rate for 2020: 64% (+7 points vs. 2017)
- "I am proud to work for Haulotte": 76% (+5 points vs. 2017).
- "I would recommend Haulotte as an employer": 65% (+16 points vs. 2017).
- "Haulotte offers many opportunities for stimulating and interesting work experiences": 76% (+ 9 points vs. 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, particularly 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 career 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 and outside the company, particularly through mobility. These are the challenges that a true learning organization must address.

Actions

1. Strengthening the training offering at the Group level

This initiative is based in particular on implementation of our in-house learning centre: **Haulotte Academy**.

This strategic project, which was initially launched in 2019 and will eventually spread across all business lines, came into being in October 2020 with the opening of a new LMS (Learning Management System) platform.

Learning to learn and sharing knowledge have become key elements of an **innovative and successful** company. This outlook echoes the expectations of employees as expressed in the **Engagement Survey**, as well as our Values.

Creation of Haulotte Academy is a major forward-looking measure, the purpose of which is summed up in its slogan: **"Supporting the company's strategic project by accelerating its transformation and magnifying its performance through skills development for our employees and partners."**



The cornerstone of Haulotte Academy, this new LMS platform will ultimately offer **a new collaborative training experience** to all employees via:

- Specific training courses, using innovative and impactful "blended learning" methods, to develop technical and business skills as well as cross-disciplinary capabilities
- Coordination of learning communities, peer-to-peer exchanges, live Q&A sessions with experts and trainers, along with a notification system to keep learners connected to their communities
- Everyone can share knowledge and know-how in one click!
- Challenges and a motivational gamification system

Haulotte Academy will gradually be made available to all employees:

- > Opening in October 2020 for **Sales and Service Teams** worldwide to accompany the launches of our new products & services. The user experience and satisfaction levels have been excellent, in terms of both form and content.
- > In 2021, **the platform will be gradually rolled out to all employees**, with a focus on various topics currently in preparation: corporate onboarding, management, soft skills.

Ultimately, **our clients and partners** will also have access to this platform to take advantage of specific training modules and courses.

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

We are continuing the roll-out of our HR Foederis tool within the context of our international mobility offering. In addition to conducting annual interviews to evaluate performance and progress, this tool serves to identify past training needs, as well as mobility goals and opportunities for our employees. Since the roll-out in Germany, Poland, Russia and Italy in 2020, we have used a single HR field including all employees.

Key performance indicators

Rate of employees having benefited from internal mobility (functional, hierarchical, geographic) in 2020: 6.4 %

Scope: all Group companies (with the exception of the following 4 companies: Haulotte GbH, Haulotte Polska, Haulotte Vostock, Haulotte Italia, not included in our HR IT system for all of 2020).

In 2019, the mobility rate was 4%, based on a slightly different scope: all Group companies (with the exception of the following 8 companies, accounting for 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: 66.4% in 2020 vs. 51.7% in 2019.

Scope: all companies of the Group (with the exception of the following 12 companies: Haulotte GmbH, Haulotte Netherlands, Haulotte Vostock, Haulotte Italia, Haulotte Argentina, Haulotte do Brazil, Haulotte Chile, Haulotte Middle East, Haulotte India, Haulotte Mexico and Haulotte Scandinavia).

Note: rates are based on information provided by our HR IT system, Foederis.

In 2019, the scope was as follows: all companies of the Group (with the exception of the following 8 companies, accounting for 10% of the workforce: Haulotte GmbH, Haulotte Polska, Haulotte Vostock, Haulotte Italia, Haulotte Argentina, Haulotte do Brazil, Haulotte Mexico and Haulotte Iberica)

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

Issue

With the IT system as an integral 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 on the rise.

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

It is thus vital to secure our IT systems by taking into account continuous technological and organisational developments as well as new methods being adopted by hackers. As such, the Group's IT system must be constantly updated to ensure maximum security.

Our objective is to ensure the Group is equipped with an ever more effective IT system to withstand 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 user awareness of the proper practices for using IT tools. It is signed by all employees upon joining the company as a binding and enforceable commitment. As part of the integration process, users also are provided with security training, including information on the proper responses when receiving a suspicious email.

The anti-fraud working group established a few years ago has made it possible to ensure that users are constantly informed about the main IT risks and know how to best avoid them. In 2020, after re-examining its functions, this working group decided to focus on cybersecurity and to intensify its work by increasing the frequency of its meetings (monthly instead of quarterly).

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.

As the satisfaction of IT systems users is a good indicator of the quality of the service, daily satisfaction surveys are conducted with regard to closed tickets. This method makes it possible to monitor user satisfaction in real time. In addition, users were requested to complete an overall satisfaction survey at the end of 2019. 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 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.

An e-learning tool was created in 2020 to train employees in the various forms of fraud they may encounter, enhance vigilance and equip them with the proper reflexes.

Employees will begin using this tool in 2021.

2. Compliance with the General Data Protection Regulation

Since the entry into force of the GDPR in May 2018, Haulotte Group has conducted a compliance audit in collaboration with IBM. This audit mapped the risks associated with management and protection of personal data held by Haulotte and established an action plan to ensure sustainable compliance with the regulation.

At present, Haulotte Group does sell the personal data entrusted to it. For persons providing the Group with personal data and consenting to its use, Haulotte ensures that such data is properly stored and used solely for the purposes described. Haulotte may return or destroy the personal data of the holder on request.

Compliance with the regulation also entails providing information and training to departments that process personal data. This was carried out in 2020, along with support to update the processing register.

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3. Number of security breaches reported to the CNIL (French data protection commission).

Although the business world was heavily impacted by targeted attacks in 2020, no incident related to security or the integrity of Haulotte Group's information systems was reported to the CNIL.

4. IT development prospects

Over the past two years, the IT & Solutions Department has become more structured from a methodological point of view, with very compelling results. The coming years will be focussed on activity-centred support for strategic projects, as well as training and awareness-raising measures around new tools that allow for ever-greater business efficiency.

5. Management of the COVID-19 crisis.

In March 2020, the department initiated comprehensive mobility solutions in less than a week to provide employees with the means to work remotely: laptops for those still using fixed PCs, massive deployment of VPN to access Haulotte resources, and a best practice guide distributed to all Group employees. Broad access to videoconferencing through the "Teams" platform has offered employees nearly identical working conditions, mitigating the disruptions of working from home.

Key performance indicators

In 2019, two types of performance indicators were implemented:

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

RUN indicators:

Significant decline in backlog volume

For the past two years, the IT & S Department has undertaken targeted actions to improve performance for users, with several targeted campaigns aiming to drastically reduce the backlog of user requests still in progress.

There were 1,600 such requests at the beginning of 2019, 940 at the beginning of 2020, and the backlog at the end of 2020 stood at fewer than 340 open tickets. Most significantly, 87% of new requests are resolved in less than 5 days for incidents, and 8 days for requests for upgrades

Scope: Group.

User satisfaction rate for closed tickets

Each user request may be entered into a random survey sent to the requester after closure. In 2020, 4,000 surveys were sent out, generating nearly 2,000 responses. The yearly satisfaction rate reached 88% in 2020, with an average of almost 92% over the last two quarters. This performance measurement increases the responsiveness of our service, allowing our users to rely on our performance to improve their own.

In parallel, an annual satisfaction survey was conducted at the beginning of the year for the previous year. For 2019, this survey revealed an overall user satisfaction rate of 89%. For 2020, the satisfaction rate was 93%, and analysis of this strong increase points to improvement in almost all areas (project management, incident/request management, software and hardware) and across countries, sites and businesses.

Scope: Group.

BUILD indicators:

100% of projects managed by the IT & Solutions department meet methodological expectations (methodology defined in early 2019)

Scope: Group.

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1.4.4 Strengthening our R&D policy and system for protection of rights and enforcement of intellectual property rights

Issue

In response to market conditions, companies in 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, particularly in new markets, then accelerating pace of technological progress) place innovation at the heart of the Haulotte strategy as the key to competitiveness.

Policy

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

In addition, appropriate protection of the Group's intellectual property rights and know-how offers a source of legal security and can provide 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 that take 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 a dynamic 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 current topics and ensure that important information is communicated.

In addition, the Company recognizes creators, above and beyond 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. Enforcing our rights and those of third parties

Key initiatives in this field are carried out by the Intellectual Property (IP) Manager.

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

This also makes it possible to 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. Initiatives include making teams aware of the results of periodic monitoring procedures through monthly monitoring bulletins.

Finally, the IP manager strengthens our intellectual property rights by protecting our innovations through patent applications.

On that basis, all reports concerning employee collaboration with third parties are secured with a view to establishing dialogue based on trust.

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Key performance indicators:

Percentage of revenue devoted to R&D: 3.74 % in 2020 (vs. 2.7 % in 2019)

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

Number of patent applications 16 in 2020 (3 patents, 2 provisional US patents, 9 Soleau envelopes and 2 brands), compared to 17 in 2019 (5 patents, 8 Soleau envelopes, 2 models and 2 brands),

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

1.4.5 Relations with suppliers and subcontractors

Issue

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

Policy

The importance of maintaining long-term and high-quality relationships with suppliers is part of Haulotte Group's strategy.

Actions and results

1. Maintaining lasting relations with suppliers

For every new supplier, a procedure is adopted for their inclusion in the panel, with audits carried out. The results of the supplier audit, carried out in the context of inclusion in the panel, are shared with each supplier to allow for corrective measures, if necessary.

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

We have developed a partnership agreement with new suppliers, which is signed before launching mass production. These contracts set out all operating procedures, needs, payment terms, prices, warranties, quality standards, insurance, etc., while putting forth a general framework for lasting relations. Improvement plans agreed upon are also included in this contract, with the same objective of promoting lasting relations.

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 participates in these exchanges, which helps promote the development of a long-term vision with our suppliers.

In addition, projects aimed at improving competitiveness were implemented in 2020, in the form of action plans conducted by our suppliers to identify, reduce or eliminate operations without added value and unnecessary quality requirements, as well as to identify potential improvements in components supplied. Gains identified are validated collectively and shared according to set procedures incorporated into our partnership agreements. These operations involve the participation of the different departments concerned.

2. Maintaining ethical and responsible relations with our suppliers

The Responsible Purchasing Charter was introduced in 2019. This document was signed by 230 suppliers with whom we worked in 2020. It aims 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.

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Key performance indicators:

Percentage of purchases from suppliers covered by a partnership agreement: 34% in 2020 vs. 30% in 2019.

Percentage of purchases from suppliers having dealt with Haulotte for more than 5 years: 78% in 2020 vs. 79% in 2019.

Percentage of purchases from suppliers covered by a responsible purchasing charter: 60 % in 2020 vs. 63% in 2019. This decline is due in particular to orders from long-term suppliers who have yet to sign the charter, which was only introduced in 2019.

Scope: Group (purchasing function centralised within Haulotte Group)

1.4.6 Integrating climate change into processes

Issue

In the current environment, with climate change having become indisputable and a central concern, 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, with respect to our products, our production processes, production sites and points of 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 climate conditions of the area selected are taken into account in order to anticipate potential weather events which could impact our business.

For new facilities, we take into account characteristics such as seismic risks in the areas concerned, with assistance from 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. As such, Haulotte has integrated into its strategy the "blue dimension", while enriching its business model with more environmentally friendly "all-electric solutions" such as PULSEO, a line of 100% electric machines.

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

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In addition, Haulotte has initiated a Group-wide process-based management approach to obtain ISO 14001 certification for all plants and subsidiaries by 2023 (6 production sites and 22 distribution subsidiaries). In addition, our factory in Romania was granted ISO 45001 certification in 2020.

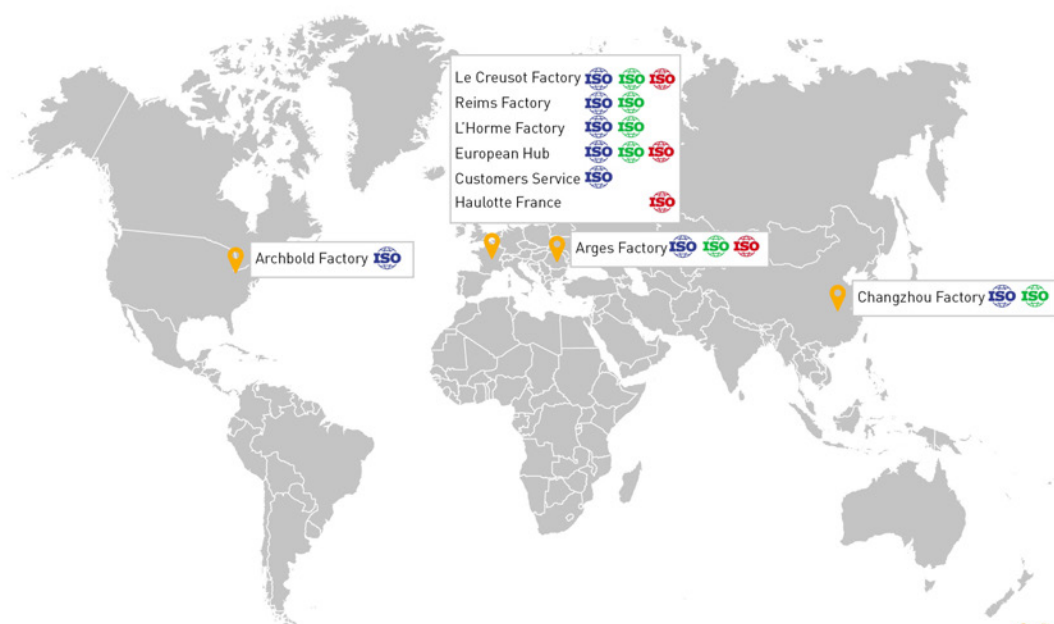
Our new head office, which will apply for 9001/14001 and 45001 certification shortly, was created specifically with environmental performance in mind.

It is a Smart building that adapts energy consumption to weather variations; other specific actions linked to our environmental policy have been implemented, such as reducing food waste and optimising waste sorting.

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

HAULOTTE ISO CERTIFICATIONS

6 FACTORIES
1 SPARE PARTS HUB
1 SUBSIDIARY



04/2021

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1.4.7 Managing environmental impact

Issue

To rise to challenges regarding climate change and adapt production processes and procedures, Haulotte, like many other companies, wishes to implement concrete actions in favour of environmental protection.

Policy

Our objective is to establish a sustainable course of conduct that respects the environment for those processes where we have the possibility of reducing our environmental footprint. On that basis, we are targeting:

- Maximum value generation from our non-hazardous industrial waste and reducing our tonnage of waste per machine.
- 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, at production sites, hubs and distribution subsidiaries.

We distinguish between two types of waste:

- Non-hazardous Industrial Waste (NHIW) which may be considered as comparable to household waste (inert and non-hazardous), e.g. scrap material and packaging, consisting mainly of glass, plastics, metals, rubber, textiles, paper, wood, and organic plant and animal waste.
- Hazardous Industrial Waste (HIW) which may be harmful for people and the environment due to one or more dangerous properties defined in appendix I of French Decree 2002-540 of 18 April 2002 on hazardous waste. These characteristics warrant 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.

As such, for production waste, we recover industrial waste in proportion to production levels 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 weight (kg of waste / kg of machines), as there may 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 several key steps:

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

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 together account for more than two-thirds of our total energy bill.

At present, we calculate Scopes 1 and 2.

Gas currently accounts for more than 80% of our carbon footprint (painting assembly line and heating of production facilities and offices)

Source: BEGES 2017.

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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, triggering actions designed to reduce this impact (example: to promote carpooling, 50% of the cost of travel by public transport reimbursed by the company),
- Promoting remote work
- Proposal for installing intermediate sub-meters at production sites to determine actual consumption of the different locations of the plant to reduce energy consumption.

On that basis, estimated electricity consumption was 5,894,838 kW in 2020, compared to 9,025,340 kW in 2019, i.e. A decrease of 35%. This change is due in part to the downturn associated with the health crisis, in addition to improvements in the furnaces.

Furthermore, gas consumption is estimated at 19,899,554 kWh in 2020, compared to 33,908,107 kWh in 2019, i.e. a change of -41%. This change is due in part to the downturn associated with the health crisis, in addition to improvements in the furnaces.

Scope: Production sites in France and Romania (Reims, Le Creusot, L'Horme, Arges), Lorette HUB, Lorette H3.

Key performance indicators:

The overall rate of waste recovery or recycling was 66.12% in 2020 (vs. 63.46% in 2019).

The proportion of non-hazardous industrial waste (NHIW) was 80% in 2020 (vs. 76% in 2019).

The average weight of waste per machine tonne was 63 kg in 2020 (vs. 67 kg in 2019).

Scope: Production sites in France (Reims, Le Creusot, L'Horme) and Romania (Haulotte Arges), Lorette HUB, Lorette H3.

Tonnes of CO2 equivalent: 3,904 TCO2e in 2020 (vs. 6,571 TCO2e in 2019).

CO2 per machine tonne: 108 kg CO2e / machine tonne in 2020 (equivalent 2019 data not available).

Scope: Production sites in France (Reims, Le Creusot, L'Horme) and Romania (Haulotte Arges), Lorette HUB, Lorette H3.

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1.4.8 Respect for human rights

Issue

Multinationals are exposed to diverse cultures and regulations resulting from their locations. In this context, 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 therefore important for Haulotte to ensure uniform compliance with human rights over its entire value chain, within both our internal and external environments.

Actions and results

Through the "Let's Dare" approach, promoted via a number of communications channels (training programmes, participatory events, etc.), and the associated Values Charter, Haulotte places people at the heart of its activities. As mentioned above, the Group's values have been determined by employees themselves through the different workshops in which all categories of staff from every level, country and department participated. Respect and confidence have thus been defined as core values and underpin practices that 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 thus adopted a Responsible Purchasing Charter inviting all its suppliers to apply core principles for sound and ethical business practices. Roll-out of this charter continued throughout 2020.

The charter includes a section on Haulotte's social engagements such as prohibiting child labour, combating undeclared work and fighting against discrimination and harassment. Haulotte Group believes it is crucial that these engagements are also adopted by its partners to ensure an efficient and coherent global approach. We believe that sharing these engagements will allow for a more effective approach to building lasting partnerships.

Finally, within Haulotte UK and Haulotte Australia (wholly owned subsidiaries of Haulotte Group S.A.), an anti-slavery charter has been put in place. This charter, which complies with local regulations, describes the principles and best practices applicable to the fight against modern slavery at the Group level.

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 operates in more than 100 countries through six production sites and 22 subsidiaries, making for considerable 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 when it comes to 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.

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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 employee representative bodies for entities in France. 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 at www.haulotte.com. The adoption of the Anti-Corruption Code of Conduct confirms the Company's 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 WhistleB, a company that guarantees the anonymity of alerts and the encryption of data collected. Alerts are sent to the Group's Secretary-General, or for cases potentially involving the latter, to the Group's Deputy Chief Executive Officer. The risk manager has director-level access 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 was made accessible to employees via a link available on the Haulotte intranet.

An e-learning tool was created in 2020 to train employees on the principles set out in the code of conduct, raise awareness regarding the various forms of corruption and illustrate how the whistleblower platform works.

Training of employees will begin in 2021.

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 Group company 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 returns and as such may, as applicable, be subject to audits, and their employees have been accordingly made aware of these issues;
- a review of current tax liabilities is performed at the Group level;
- the consolidated financial statements include a tax calculation supporting the effective tax rate of the Group.

In addition, the Group has partnered with the French tax authorities since 14 March 2019. This partnership is based on the principle of voluntary participation and is destined for large Groups and medium-sized companies. It 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 regarding complex tax questions which could involve in a financial or legal risk. This process will ensure greater transparency on the part of companies. For the tax authorities, this partnership serves to ensure tax compliance by companies in a much more cost-efficient manner, while more efficiently combating fraud and 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 practice of transfer pricing) have been positive: for example, the last two tax audits of the controlling company of Haulotte Group S.A did not result in any tax adjustments.

Key performance indicators

Number of corruption alerts issued: 0, identical to 2019

Alert processing time: N/A.

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

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

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

Change in the Group's effective tax rate compared to the theoretical tax rate in force in France (28.92%): effective tax rate of -66.67% in 2020, with negative pre-tax current operating income (vs. 27.25% in 2019)%.

Scope: Group.

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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.

2020 was profoundly affected by the COVID-19 health crisis, which impacted all of our activities as of January 2020 and called for implementation of extremely strict health and safety protocols to ensure the protection of our employees in this unprecedented health context.

Policy

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

In 2020, we continued our efforts to reduce accident frequency and severity rates in all industrial sites and distribution subsidiaries. A safety committee meets every two months, bringing together all parties involved in prevention (industrial unit directors, site directors, R&D director and QSE and human resources managers) for dynamic discussions on results and sharing of best practices. Frequency and severity indicators are now available for all industrial sites worldwide, and the approach has been extended to distribution subsidiaries in Europe.

Actions and results

1. Significant decline in the number of workplace accidents

All occupational accidents are systematically analysed to identify root causes and design 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.

In France, the number of workplace accidents was reduced by 68% in 2020 and the severity rate continued to decline, as it has since 2019, falling to 0.60% for the year, i.e. 0.4 points less than the average for the metal industry (1% in 2019).

The frequency rate has also fallen, but nonetheless remains excessive among temporary workers. These employees now benefit from specific job integration support.

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

By way of example, for our latest assembly line, the ergonomics of the assembly stations were studied in advance of the design phases for the product and processes. In addition, the main components of the machines will be assembled at standing height.

Furthermore, concerning the product, it is no longer necessary to slide under the chassis to perform certain operations by raising one's arms, a practice potentially leading to musculoskeletal disorders and head injuries.

This process was designed to ensure that 100% of work on the chassis are carried out within an ergonomic window by suspending the chassis from an aerial conveyor. The assembly of the scissor lift arms is also carried out at a constant ergonomic height by means of a buried and secured lift table that will be lowered to floor level as the arms are gradually assembled.

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

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

The Haulotte industrial site became the first triple-certified site after obtaining ISO 45 001 certification in December 2019: all industrial sites and distribution subsidiaries are also engaged in this approach.

In 2020, we renegotiated a new safety challenge aimed at strengthening individual and collective workplace accident prevention efforts. The results are compelling: workplace accidents were down 68% in 2020 throughout Haulotte Group.

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.

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In 2019, we established a safety committee including all Group plant managers, as well as the R&D Division, to share results from each of the sites through scoreboards, preventive measures and best practices in terms of security.

Dashboard model:



2. Management of the COVID-19 health crisis

At the end of the first lockdown, significant resources were mobilised to prepare for the resumption of business under stringent safety conditions, based on the recommendations of the government and the Regional Health Agency (ARS). Employees were provided with surgical masks and hand sanitizer. Reinforced cleaning services have been implemented in all of our sites. A budget of **€400,000** was allocated to ensuring employee safety in 2020.

Social dialogue was strengthened in order to maintain close contact with our social partners, who have been very closely involved in the various safety protocols set out to ensure employee protection.

Each modification to safety rules (four versions in France in line with regulatory changes) was submitted to the central economic and social committee (CSE) on a consultation basis, and then to the individual CSEs of each site for approval by Health, Safety and Working Conditions Committees. These bodies endorsed all safety rules, adjusted as necessary to reflect the environment of the individual sites. The central CSE met more than 10 times during 2020, not counting informal meetings that take place almost daily.

Exceptional remote work measures were implemented to limit in-person interactions, and remain in place today.

Key performance indicators

Number of Group safety committees: 5

Frequency rate of workplace accidents: 28.82% in 2020 (vs. 36.84% in 2019).

Severity rate of workplace accidents: 0.60% in 2020 (vs. 1.43% in 2019)

Scope: Haulotte production sites in France

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1.4.11 Diversity

Issue

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

Policy

We are committed to supporting the company's transformation by pursuing the goal of gender diversity in all jobs.

Actions and results

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

Our management program thus incorporates the rich diversity of profiles within a team and a company, particularly by taking into account factors such as self-knowledge (natural and adapted), personal characteristics, our own motivations as well as 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 (e.g. by helping us learn that it is preferable to communicate with people not as we would like them to communicate with us, but rather as they need they need us to communicate with them).

All managers and a number of employees were provided training in the richness and diversity necessary to form a team.

We also apply an equal opportunity and non-discrimination recruitment policy (all genders, ages, etc.). Regardless of the type of post proposed, the human resources department ensures that 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 representative is appointed by the economic and social committee to fight against gender bias. This role is preventive in nature and consists particularly in reporting inappropriate behaviour.

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

Key performance indicators:

Percentage of women among employees: 22% in December 2020 vs. 24.2% in 2019

Gender equality index: 87 points in 2020 vs. 82 in 2019

Scope: Group.

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1.4.12 Disabilities

Issue

Beyond simply complying with our legal obligations, we must adopt a proactive approach to maintaining disabled persons in the workplace by offering support and flexibility, and by making positions more broadly available to workers with disabilities.

Policy

Our goal is to develop access to our job offers for 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 many years. The main actions carried out until now have focused on maintaining persons with disabilities in the workplace. Actions must now be implemented to increase recruitment of persons with disabilities.

Several initiatives have thus been undertaken, such as partnerships with sheltered work facilities (ESAT), appropriate arrangements on the job, support for AGEFIP agency projects and collaboration with the CAP EMPLOI disabled workers agency.

A total of 50 "mandatory units" was set out for Haulotte by law (which would in theory represent 6% of the workforce). In 2019, Haulotte totalled 56.10 beneficiary units, employed either directly or through a subcontracting arrangement. Calculation methods for "mandatory units" were modified in 2020; the definitive calculation will become available in June 2021. As such, the Company is unable to provide precise figures for FY2020.

At the present time, potential new actions are under review, 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.

Key performance indicators

Employees with disability accounted for 3.1% of the total workforce at 31/12/2020, vs. 3.2% in 2019.

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

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

Persons with disabilities accounted for 3.95% of the total workforce in 2019.

This percentage was calculated with regard to beneficiary units; the Company is unable to provide corresponding data for 2020.

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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 2020, the following departments were involved in this approach:

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

Collection and monitoring of indicators:

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

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

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. As such, consistency monitoring is carried out at the department level.

1.5.2 Reporting period

Data published covers the period from 1 January 2020 to 31 December 2020.

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

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1.6 REPORT OF THE INDEPENDENT THIRD-PARTY ASSURANCE ON THE STATEMENT OF NON-FINANCIAL PERFORMANCE

Haulotte Group S.A.

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.

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

For the year ended 31 December 2020

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

In our capacity as Statutory Auditor of your company Haulotte Group S.A. (hereinafter the "entity"), appointed as an independent third party and accredited by Cofrac (accreditation Cofrac Inspection n°3-1060 whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial information statement for the year ended 31 December 2020 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, 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 non-financial 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 legal department.

Independence and quality control

Our independence is defined by the provisions 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 containing conclusions of adequate assurance regarding:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 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 provisions, 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.

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*.

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

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities and, where applicable, 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 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. 225-1021 III, as well as information set out in the second paragraph of article L. 22-10-36 regarding compliance with human rights and anticorruption and tax evasion legislation;
- we verified that the Statement includes an explanation for the absence of the information required under article L. 225-102-1 III, 2;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' 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;
- 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 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, Le Creusot and Arges, and covers around 40% 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;
- 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 4 people between mid-December 2020 and April 2021 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 some 15 interviews with people responsible for preparing the Statement, representing legal, purchasing, compliance, IT, research and development, human resources, and environment department.

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Conclusion

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

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 indicators;
- Key performance indicators relating to training, disability, and accident at work, do not cover all the entities in scope.

Lyon, April the 19th 2021

One of the Statutory Auditors
PricewaterhouseCoopers Audit

original French version signed

Elisabeth L'hermite
Partner

original French version signed

Pascal Baranger
Sustainable Development Director

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APPENDIX: LIST OF THE INFORMATION WE CONSIDERED MOST IMPORTANT

Key performance indicators and other quantitative results:

- Headcount (M/F, CDD/CDI), turnover, collaborators who received a training this year, and those who benefitted from a mobility;
- Disabled people;
- Frequency and gravity rates of accidents at work;
- Engagement survey, charter signed by employees;
- Waste recovered, including common industrial wastes, waste per machine, gaz and electricity consumption, tons of CO2 scope 1 and 2 ;
- Group effective tax rate;
- Amount and 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;
- Share of sales revenue dedicated to research and development and number of patent filings, brands, Soleau envelopes;
- Processing delay for IT tickets (incidents and changes), users satisfaction rate for closed tickets.

Qualitative information (actions and results):

- E-working and Working life quality agreement signature ;
- Let's Dare program follow-up and communication;
- Change and participatory design of new headquarter ;
- Engagement/satisfaction survey addressed to collaborators ;
- Covid crisis management ;
- Haulotte Academy implementation and Foederis deployment;
- Technological watch and related communication;
- Continuous improvement project for suppliers;
- Sites ISO certification;
- Waste follow-up and management integration ;
- Whistleblowing system implemented to alert on any ethical issues;
- E-working measures;
- Neutral and egalitarian recruitment policy ;
- Partnership with ESAT.

