

# 2018

---

## UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

---

Extract from ELIS 2018 Registration Document



Saint-Cloud, 17th April 2019

Xavier MARTIRÉ  
Chairman of the Management Board





*“Elis is the European and Latin American leader in the rental, laundry and maintenance of flat linen, workwear, and hygiene and well-being appliances, and plays a pioneering role in its business sector. This leadership position rewards the work of the entire Elis workforce and makes us all the more committed to being an ethical, responsible and eco-friendly company.”*

Xavier Martíré – Chairman of the Management Board



# Summary

<b>INTRODUCTION</b>	<b>4</b>		
CSR COMMITMENTS	4		
HUMAN RESOURCES	6		
<b>1 - BUSINESS MODEL</b>	<b>8</b>		
A strategy for added economic, environmental and social value	8		
<b>2 - THE GROUP'S APPROACH TO CSR</b>	<b>10</b>		
2.1 Vision	10		
2.2 The Group's commitments	10		
2.3 CSR Policy	10		
2.4 Assessment of non-financial risks	11		
<b>3 - EMPLOYEE-RELATED RISKS</b>	<b>13</b>		
3.1 Ongoing dialogue with employees	13		
3.2 Managing short-term absenteeism	14		
3.3 Health and safety	15		
3.4 Talent acquisition	16		
<b>4 - ENVIRONMENTAL RISKS</b>	<b>17</b>		
4.1 Having the required environmental permits for our activities	17		
4.2 Sustainable use of water resources	18		
4.3 Wastewater management	19		
4.4 Changes in costs related to energy consumption	20		
4.5 Reduction in fuel consumption	22		
<b>5 - RESPONSIBLE PURCHASING</b>	<b>23</b>		
<b>6 - THE FIGHT AGAINST CORRUPTION AND INFLUENCE PEDDLING</b>	<b>23</b>		
<b>7 - SUMMARY OF ENVIRONMENTAL AND SOCIAL INFORMATION</b>	<b>24</b>		
7.1 Summary of environmental information	25		
7.2 Summary of social information	25		
<b>8 - CROSS-REFERENCE WITH THE UNITED NATIONS GLOBAL COMPACT</b>	<b>25</b>		



# A responsible model by nature

The Elis business model is based on the product-service system, favoring services over products and rental over purchase. The goal of this system is to deliver a responsible, high-quality offering that puts the least amount of pressure on natural resources and the environment.

## Promoting sustainable choices

Elis's rental, laundry and maintenance model allows its customers to enjoy its services without having to purchase the associated products (such as linen, workwear, etc.). This approach maximizes the use of a product by encouraging its repair, reuse and recycling. At the same time, Elis asks its suppliers to adhere to its social and environmental requirements by appending a responsible and ethical purchasing charter to each purchasing contract. To ensure the sector's economic viability, the Group is careful to ensure that the entire supply chain applies a reasonable pricing policy. For example, Elis has been a partner of the international fair trade label Fairtrade/Max Havelaar for a decade.

## Increasing the value of our products

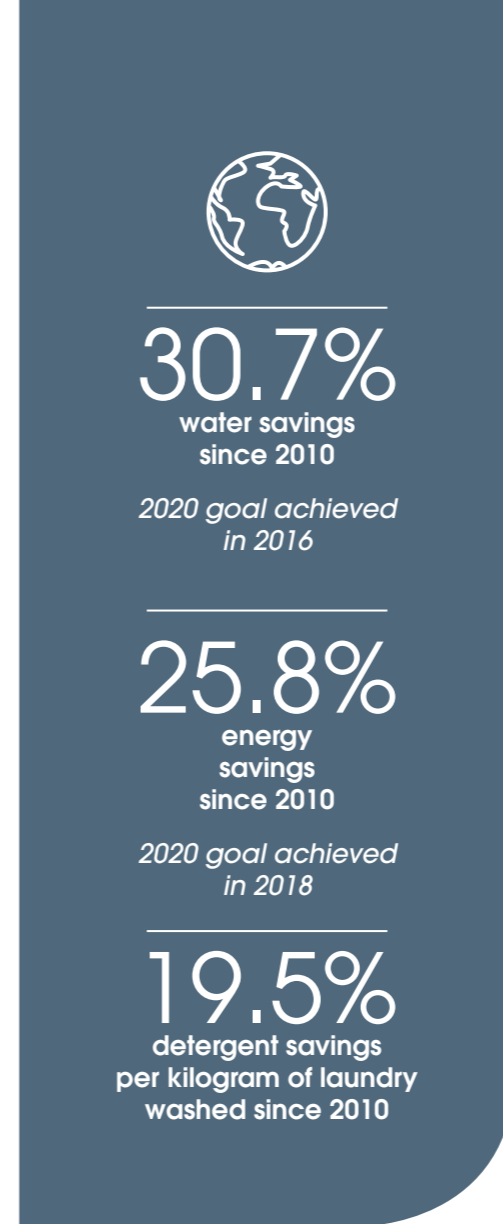
When developing a new offering, Elis apply rigorous technical specifications that take into account a product's life cycle and durability. Considerations include source reduction, product maintenance and the recycling of used materials. Textiles are therefore designed to withstand a higher average number of washes, damaged workwear is repaired, and textiles that have reached the end of their useful lives are sorted and turned into rags for the automotive or aerospace industry or used as an insulation material.



**Frédéric Deletombe,**  
Engineering, Purchasing and  
Supply Chain Director

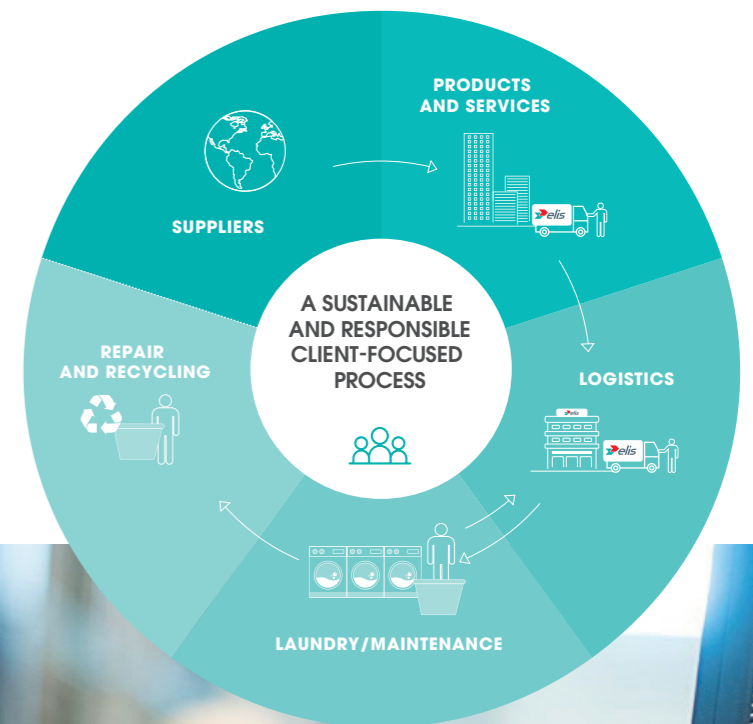


Sustainability is in our DNA. Today, we are working on **two key areas:** optimizing the life spans of our products and improving their environmental and social performance.



## Improving our performance regarding natural resource consumption

Elis has optimized its industrial processes so that it is able to deliver top-quality laundering while significantly reducing its consumption of water, energy and detergent. To make this possible, Elis is pursuing a proactive investment policy dedicated to improving its environmental performance. In Barcelona, for example, the new Elis plant is equipped with solar panels that generate much of the energy needed for laundering linens.



# Employees are key to our performance

As a company built over the years on a cornerstone of values and expertise, Elis places great importance on the engagement of its employees. The Group shares a strong brand culture with its employees and unites them in a desire to constantly improve performance.



**31%**  
of managers  
are women

*i.e., a six-point increase  
in three years*

**93.6%**  
Proportion of  
full-time employees

**32%**  
of new managers  
are promoted  
internally

## Attracting and retaining talent

During its 60 years of growth, Elis has forged a unique identity based on operational excellence. Needless to say, the first people to exemplify this excellence are the Group's employees. Hiring and retaining top talent is therefore a strategic priority for the Company. To raise its profile and attractiveness, Elis has established a powerful employer brand promoting its strengths, including the Group's international scope, its culture of excellence and its spirit of innovation. Today, almost 50,000 people work for Elis worldwide. Their professionalism, commitment and know-how are the foundation for the company's performance, which goes hand in hand with their own career success and personal development. Despite a shortage of talent, Elis is still pursuing a rigorous recruitment policy that addresses two sets of challenges: firstly, generational challenges, to take the expectations of young hires into account; and secondly, cultural challenges, since an increasing proportion of employees work in developing countries and it is important to transmit the Group's values and know-how to them.

### Our values



Respect



Integrity



Responsibility



Exemplarity

In addition to taking part in student forums and forming partnerships with educational institutions, Elis is investing in internal programs aimed at young graduates, such as the Management Trainee Program, which among other things provides them with an opportunity to begin their careers in an international environment.

With this interest in attracting the most promising talent in mind, Elis readily puts its young hires into positions of significant responsibility.

## Develop and unite

For Elis, respect for others is the most important of all its values. The Company does its utmost to reconcile the challenges of a global Group with managing talent at the local level. This approach is reflected in the close contact between management and field teams.



**Didier Lachaud,**  
Human Resources and CSR Director



Our ability to attract and retain top talent is one of the Group's key strategic HR priorities.

As such, **Elis goes to great lengths to use a proactive policy** to highlight its strengths and especially its culture, which is considered a major competitive advantage.



## The Elis Foundation

The Elis Foundation was created at the end of 2018 to promote equal opportunity while rewarding excellence. With this in mind, the Foundation decided to support deserving French high school graduates whose financial situations preclude them from following an ambitious career path.

The Foundation's goal is to help these students pursue higher education. In addition to a scholarship, the Foundation assigns an Elis employee mentor to each recipient. The mentor's role is to stay in touch with the student, help and encourage them, and provide advice during their studies.

Every employee can count on his or her manager to support them on a daily basis, both in their work tasks and their progression. Careers at the Group are built over time, sometimes in a number of different countries. It recently broadened its international exchange programs to new destinations, such as Spain, Portugal and Brazil, to support the Group's major expansion in those countries. Another of Elis's priorities is the quality of its in-house training. The Group recently developed new programs to address the challenges it is facing, particularly in the areas of management and leadership. For example, the newly launched Sales Academy will provide more advanced sales force training.

The effectiveness of the Elis model is strengthened by a strong culture of friendliness as a way for employees to engage. The best example of this is Elis's "Club des Chevrons" (Chevrons Club), which has been recognizing the most deserving production and maintenance staff for more than 30 years.



A STRATEGY FOR ADDED ECONOMIC, ENVIRONMENTAL AND SOCIAL VALUE

Resources

**CUSTOMERS**

- 400,000 customers of all sizes across sectors
- Four segments: Hospitality, Healthcare, Industry, and Trade & Services
- More than a century of know-how

**HUMAN RESOURCES**

- Nearly 50,000 employees
- Spread across 28 countries

**FINANCES**

- Company listed on Euronext (SBF 120) to finance growth
- Strong business model ensuring profitable growth

**FACILITIES**

- 440 processing and dispatching centers
- Fleet of 6,000 vehicles
- 128 ISO 14001-certified sites and 77 ISO 50001-certified sites
- A responsible industrial model based on the product-service system

**BRAND**

- Recognized leadership
- New slogan, "We empower your day" to embody the brand's DNA  
Elis offers solutions that help its clients put their best foot forward daily, thereby improving their performance every single day

Mission

To make its customers' lives easier and contribute to their success through a sustainable, responsible process



Customers at the core of the Group's DNA

- Customer Experience department
- In-house Customer Satisfaction program
- Customer Voice program created in 2017
- Almost 50,000 satisfaction surveys per year

Strategy for profitable and sustainable growth

Consolidation of Group positions through organic growth and acquisitions

Regular entry into new markets and new geographic regions

Continued improvement of the Group's operational excellence

Innovative products and services

Value created

**CUSTOMERS**

- Ability to focus on core business
- 86% satisfaction rate in France, Belgium and Luxembourg
- More than 2/3 of contracts now multi-service

**EMPLOYEES**

- 53% women
- 9,114 new hires in 2018
- 9,881 employees in 10 countries took an employee survey

**INVESTORS**

- Since the IPO:
- +€213 million paid to shareholders
  - Average annual revenue growth of +30.3%
  - Average annual EBITDA margin growth of +30.2%

**THE PLANET**

- Reduction plan since 2010 in line with 2020 targets (-25%) for:
  - Water: 30.7%
  - Energy: 25.8%
  - Laundry products: 19.5%

## 2.1 VISION

Elis's primary responsibility is to ensure the well-being and professional development of its employees. Our human resources are a pillar of the culture that underpins everything we do. This culture is based on the values that have been the core of Elis's DNA from the very beginning: respect for others, exemplarity, integrity and responsibility.

Our Group's ethical and responsible conduct are the key to our success and longevity.

Respect for others and exemplary conduct under all circumstances are factors that contribute to our employee's job satisfaction. The principles that are shared by all Elis employees can be summarized as follows:

- act with integrity, responsibility, and exemplarity;
- respect the dignity and rights of others;
- act in an environmentally-friendly way;
- comply with all laws and regulations;
- continuously improve performance.

## 2.2 THE GROUP'S COMMITMENTS

The Group's commitments are demonstrated by the priority given to employee comfort and safety, the attention paid to employees' career development, the promotion of the true value of work, and profit sharing.

Its Ethics Charter states the principles that apply to everything the Company does and provides a reference framework for what the Group expects from its employees, its leadership and its partners. The Charter is intended to help everyone seek out and make the right decision in any given situation, in accordance with the prevailing laws and regulations in each of the countries where the Group operates.

The Charter sets out rules of conduct all stakeholders must adopt in four major areas:

- protecting employees;
- acting with all stakeholders with integrity, responsibility, and exemplarity;
- protecting Group assets;
- limiting environmental impact.

## 2.3 CSR POLICY

Elis's CSR policy aligns with the Group's overall strategy, which focuses on customer satisfaction, the ability to enter new regions and markets, and generating continued, profitable and sustainable growth. Elis strives to provide a working environment that respects human rights and promotes diversity while limiting its environmental footprint.

The Group wants to lead by example, particularly through its integrity and honesty, and to share its values with its employees and partners.

Elis's commitments in terms of 360-degree social and environmental responsibility are as follows:

Respect for those principles and values is a major factor in the Group's positive reputation and performance.

The Elis Group does not compromise when it comes to integrity, which it believes must govern its business relations and professional practices every single day.

The Group's business model is based on the concept of the product-service system and offering a range of high-quality products and services. This business model, which is centered around the life cycle of its products, has led the Group to improve both their ecodesign and sustainability, in contrast to traditional modes of consumption, which encourage disposable products or planned obsolescence, this business model puts less pressure on the environment.

The Group's business model, which reflects the value chain of Elis's products and services, is described in chapter 1.

The Charter is furthermore intended to form the foundation on which all internal standards and charters adopted by the Group are based. Those include the Sustainable and Ethical Purchasing Charter, the Code of Conduct for Trading and Market Activities, and methods developed by the Group to combat the risk of corruption.

The Ethics Charter and its principles apply to the Group as a whole and to all of its activities, whether with regard to its employees, to the way it does business with its suppliers, customers and stakeholders, or to its activities with other players.

All Group employees, regardless of rank, whom they report to, or geographical region of activity must simultaneously be promoters and guardians of this Ethics Charter.

The Group's principles are consistent with the fundamental principles laid down by:

- the United Nations Universal Declaration of Human Rights and the European Convention on Human Rights;
- the United Nations Convention on the Rights of the Child;
- the United Nations Global Compact.

## Offer high-quality, responsible products and services

- Promote and develop our business model around the circular economy.
- Ensure that our products are manufactured with respect for others while safeguarding the environment.
- Ensure that the entire value chain complies with Elis's Ethics Charter.

## Continuously reduce the environmental footprint of our business

- Promote more sustainable choices that include reducing, reusing or recycling our raw materials and products.
- Increase the value of our products by improving their ecodesign, life cycle and end-of-life recovery.
- Improve our performance in terms of natural resource consumption (water, energy, fuel) to limit greenhouse gas emissions and the direct and indirect environmental impact of our business.

## 2.4 ASSESSMENT OF NON-FINANCIAL RISKS

### Methodology

The Human Resources, Quality-Safety-Environment and Purchasing departments have formed an in-house working group to describe and assess the CSR risks that could affect the Elis Group's performance. Its work is based on the Group's business model.

This business model is described in chapter 1.

The risks identified and examined cover the following four areas:

- the social impact of our business;
- the environmental impact of our business;
- the impact of our business with regard to human rights;
- the impact of our business with regard to the fight against corruption.

Some thirty risks were identified and entered into a risk matrix. Elis assessed the likelihood of each risk's occurrence, as well as its potential consequences at the legal and operational level and on brand image. This enabled Elis to identify its material risks.

This study and the accompanying assessment were validated by two members of the Executive Committee. Some risks were taken into account even though the matrix did not suggest they would be material.

Of the risks assessed as material, the following were not selected:

- the impact on economic performance and employee working conditions of collective bargaining agreements entered into within the Group; good labor relations mean that the Group negotiates balanced collective bargaining agreements that protect the interests of both the Group and its employees;
- the risks related to initiatives aimed at combating discrimination and promoting diversity and measures taken for people with disabilities; the Company is committed to promoting diversity and equal opportunity without these initiatives creating any risk for the Group or the Company itself.

## Be a vector of personal development and well-being for our employees

- Work together to ensure the well-being and safety of our employees.
- Allow everyone to grow both personally and professionally.
- Promote diversity and equal opportunity.

The key elements for the sustainable growth of Elis's business are the Elis experience, employees who take pride in the Company and its values, and shareholder confidence. Individual buy-in at all levels of the Group is essential to ensure the success of this approach and, by extension, total customer satisfaction.

In addition, the following social aspects were not considered to pose a significant risk to Elis's business activities: food insecurity, animal welfare, responsible, fair and sustainable food, and the fight against food waste.

The Group's business and the use of its goods and services are not considered to have a significant impact on climate change. The main greenhouse gas emissions are related to thermal and electrical energy and fuel. The measures implemented by the Group to reduce these emissions are indirectly exposed through the corresponding material risks. The impact of climate change on the availability of water resources is addressed in section 4.2.

This document will not further elaborate on corporate commitments to sustainable development and the circular economy. Because our business model is based on the product-service system, our strategy consists of enhancing the useful lives of our textiles and recycling our waste. Furthermore, Elis locates its operations where its customers are and is involved in those communities.

Summary of material non-financial risks and key performance indicators

Social	Environment	Responsible purchasing
<ul style="list-style-type: none"> <li><b>Labor relations</b> Number of countries that conducted an employee survey in 2018 and number of employees surveyed % of employees working at centers or in countries with stable or increasing revenue (when comparison is possible)</li> <li><b>Occupational health and safety</b> Frequency rate</li> <li><b>Absenteeism</b> Percentage of employees present throughout the year who had no days absent during the year Number of days absent, paid or unpaid, for absences lasting less than seven days Percentage of short absences (up to seven days) out of all absences</li> <li><b>Recruitment of key personnel</b> Recruitment rate of permanent staff (number of permanent hires/permanent staff as of December 31)</li> </ul>	<ul style="list-style-type: none"> <li><b>Environmental permits allowing us to conduct business</b> Number of countries with a system to manage environmental permits</li> <li><b>Availability and sustainable management of water resources</b> Ratio of water consumption in liters per kg of linen treated</li> <li><b>Wastewater management</b> Percentage of wastewater treated before being discharged into the natural environment</li> <li><b>Changes in costs related to energy consumption</b> Energy costs (in millions of euros) Thermal energy consumption ratio (excluding fuel for vehicles) in kWh per kg of linen treated</li> <li><b>Availability of fossil fuel resources for delivery vehicles</b> Ratio of fuel consumed in liters per euro of revenue</li> </ul>	<ul style="list-style-type: none"> <li><b>Responsible purchasing unethical practices on the part of our suppliers in conducting their businesses</b> Percentage of direct purchases covered by a CSR assessment</li> </ul>

Elis implements appropriate policies with relevant indicators to prevent, identify and mitigate the occurrence of these risks.

For each indicator, the scope covered is specified in order to calculate the rate of coverage.

As is standard:

- the coverage rate for social indicators is calculated on the basis of the number of employees (total employees of contributing entities/total consolidated employees);
- the coverage rate for environmental indicators is calculated on the basis of revenue.

Reporting scope

The declaration of non-financial performance applies to all of Elis's business, including all of its subsidiaries in all countries of operation.

- There were no disposals in 2018.
- The legal entities acquired in 2018 (BW Textilservice GmbH in Germany, Blanchisserie Basse Meuse in Belgium, Ardenne & Meuse Logistic SA in Belgium, Wäscherei Waiz GmbH in Germany, Lavanderias Triton S.L. in Spain) were not included in the 2018 report.
- They will be included in the 2019 report or, at the latest, the 2020 report (in order to set up reporting and ensure it is reliable).
- Where applicable, new entities have been added to the reporting scope (those acquired before 2017 but not included in the 2017 report, and entities acquired in 2017).

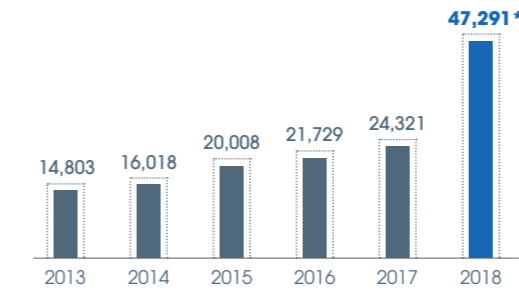
3. EMPLOYEE-RELATED RISKS

3.1 ONGOING DIALOGUE WITH EMPLOYEES

Challenge

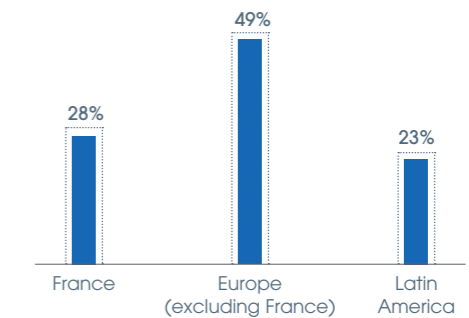
As a company that is committed to its employees' wellbeing, Elis makes every effort to ensure ongoing close contact between management and employees at every level. Since the Group's employees ensure the quality of its service, the trust that the Group builds every day through its interactions with them is essential.

NUMBER OF EMPLOYEES



\* Scope of CSR.

BREAKDOWN OF TOTAL WORKFORCE (PERMANENT AND NON-PERMANENT) BY REGION AS OF DECEMBER 31, 2018



Policy

Every day, at each site, Elis employees create value. This value is the fruit of a close relationship between the Company and its employees that has always been built on a common vision and ambition that naturally promote and contribute to performance.

Actions

Transmitting our values



Elis's long-held values are an integral part of our social policy:

- respect for others: accept everyone's differences, recognize everyone's commitment, value each contribution;
- integrity: remain true to our values, respect our commitments, be honest;
- responsibility: listen to our customers and our employees, work to protect the environment and be involved at the local level, take responsibility for the quality of our service;
- exemplarity: serve as an example to all, both internally and externally, embody the company's values in everything that we do, remain humble.

These values, which Elis has transmitted to all of the former Berendsen countries, were the topic of a new communications campaign.

Employee representation

Employee regulations are specific to each country. Therefore, employee bodies are set up accordingly.

For example, in France in 2018 and 2019, new employee representative bodies created by the Order of September 22, 2017 have gradually been introduced at different sites.

In 2018, the first meeting of the European Works Council was held, which brought together representatives from all Elis centers in the European Union.

Employee surveys

The commitment of each individual is key to the Group's success. This commitment is measured periodically through a survey sent to all employees, who respond individually and anonymously.

This employee survey is a key indicator of Elis's human resource policy and is also used in the former Berendsen countries. It demonstrates the importance attached to corporate climate and the working environment at every level.

Employees can thus give their opinions on a variety of issues such as working conditions, training, career development, working time and safety via anonymous individual questionnaires. The highly anticipated results of each employee survey make it possible to determine areas of improvement for each center.

Key performance indicator (KPI) and outcomes

24 countries and two sites in Brazil periodically conduct employee surveys.

In 2018, a total of 9,881 employees in 10 countries responded to an employee survey.

**In the centers or countries where a comparison can be made with previous surveys, the results were either stable or had improved for 87% of employees surveyed.**

### 3.2 MANAGING SHORT-TERM ABSENTEEISM

#### Challenge

Absenteeism is a reality that affects the Group.

In our business, unexpected and short-term absences impact us the most. These absences have a variety of consequences:

- company productivity and performance can suffer: production delays, quality issues, poor customer service;
- work teams must be reorganized on short notice to replace absent workers;
- workloads must be redistributed, other employees must be asked to step in and put forth additional effort;
- it represents a cost for the company in terms of administrative and replacement costs, plus it can have an indirect financial impact related to repercussions on customer service quality (dissatisfaction that must be dealt with, contract longevity that could be affected, etc.).

#### Policy

Although each absence has its own particular characteristics and employers are not permitted to ask employees about the medical reasons for their absence, the Group has nevertheless implemented a series of collective measures to prevent absences and limit their impact on its business.

#### Actions

##### Preventative measures

Each center has introduced measures according to their specific issues:

- flu shots are offered every year at certain centers;
- some centers pay a bonus to employees who have perfect or near-perfect attendance;
- in 2012, French entities introduced the Gest'Elis program, aimed primarily at preventing musculoskeletal disorders (see below, which will be rolled out at various centers outside of France);
- training sessions on job-specific body movements and postures are provided to production and distribution staff.

##### Return-to-work interview

Management may set up an informal interview after an employee returns from a short- or long-term absence. Return-to-work interviews allow the Company to demonstrate to employees not only its concern for them but also how much absences impact its business. These interviews are conducted in full compliance with medical confidentiality obligations. The interviews update employees about the center and how business is going and gauge how employees feel about their work and the quality of life in the workplace. Appropriate measures may be taken following these interviews.

##### Versatility

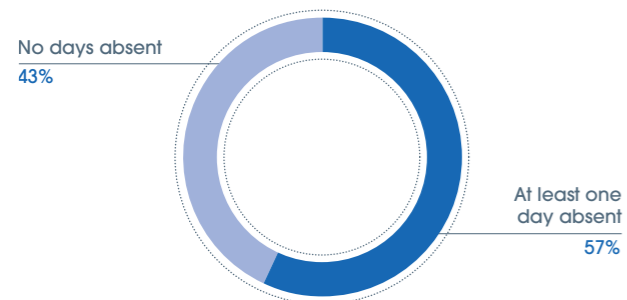
The company encourages employee versatility so that they can step into a variety of positions at the processing centers to replace an absent colleague. The most straightforward positions are typically filled by employees on temporary contracts.

#### Key performance indicator (KPI) and outcomes

**Number of absences shorter than seven days (paid or unpaid): 84,820.**

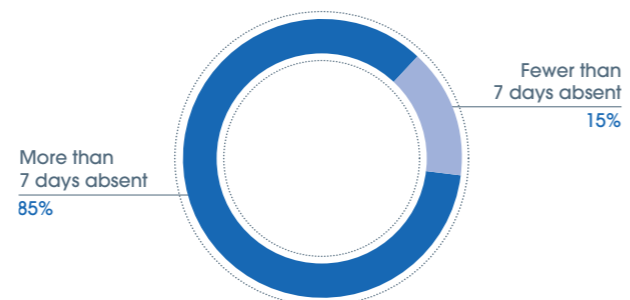
In 2018, the coverage rate was 62%

##### NUMBER OF EMPLOYEES WITH PERFECT ATTENDANCE



In 2018, the coverage rate was 66%.

##### BREAKDOWN OF DAYS ABSENT



In 2018, the coverage rate was 62%.

### 3.3 HEALTH AND SAFETY

#### Challenge

For the Elis Group, the health and safety of its employees and everyone else at its sites is paramount. To this end, it strives to offer a safe, healthy working environment by preventing the occurrence of workplace accidents, injuries and occupational illnesses. With its ongoing expansion and entries into new regions and markets, the Group wants to become an example in terms of health and safety.

#### Policy

The Elis Group's health and safety policy is designed to reduce the accident rate to zero by improving workplace safety. This means reducing risks, preventing accidents, and implementing Group safety standards in all countries and across all activities by ensuring the involvement of all employees.

The Group is committed to a process of continuous improvement to reduce the number of risk situations. Its priorities are to strengthen the Group's safety culture by promoting and raising awareness, preventing fire and handling risks, improving workstation ergonomics, and preventing business-specific risks.

#### Measures implemented

As part of the integration of Berendsen, Elis has increased the number of corporate staff dedicated to safety and defined a new organizational structure that focuses on quality, safety and the environment. In each operating region, the Cluster/Country QSE teams work closely with the Group QSE Department to help improve and strengthen the Group's safety standards. These teams also assist countries and sites with operational deployment and monitoring their application.

The measures introduced in 2018 with the support of the QSE network primarily involved:

- standardizing incident and accident reporting and safety indicators for all operations;

- strengthening safety culture through training and providing materials that promote safety;
- sharing feedback and best practices;
- introducing a reinforced fire prevention program and continuing the fire protection strategy;
- integrating ergonomics and safety principles into all new work equipment and new production lines with main suppliers;
- continuing the development of the Gest'Elis program, including solutions to improve workstation layout and equipment and tools used, and producing information sheets for each job concerned featuring details about correct posture and comfort and safety precautions;
- holding safety committee meetings at sites.

The Cluster/Country QSE teams have assisted with the improvement plans within their respective scopes of activity:

- for example, in Brazil, local operational teams conducted multiple safety presentations and training sessions based on their *regras de ouro* (golden rules) during a special Safety Week. A plant safety index has also been deployed, based on self-assessments of key preventative measures. The index is reviewed monthly by the country's management committee;
- following in the example of France, Portugal and Switzerland in 2016 and 2017, employees in Spain identified and eliminated risks during World Day for Safety and Health at Work;
- more than 100 staff members in France were trained on how to perform risk analyses and make prevention plans for all the pest control services carried out on customers' premises;
- in the United Kingdom and several Scandinavian countries, occupational risk prevention has been strengthened by the introduction of dashboards that make it easier to identify risk situations at Group sites.

#### Key performance indicator (KPI) and outcomes

With the support of the Group's Human Resources Department and those in each of the countries, reporting on safety indicators, frequency rates (FR) and severity rates (SR) has gradually been implemented in all Elis's countries of operation, including former Berendsen countries.

(Permanent and non-permanent staff)	2018
Fatal accidents	0
Lost time accidents	1,658
Frequency rate <sup>(a)</sup>	19.15
Severity rate <sup>(b)</sup>	0.71

(a) Frequency rate = Number of accidents resulting in lost time, excluding commuting accidents, during the year/Total number of theoretical hours worked x 1,000,000.  
 (b) Severity rate = Number of calendar days of lost work due to workplace accidents with lost work of more than 1 day, excluding commuting accidents/Total number of theoretical hours worked x 1,000.

In 2018, the coverage rate was 100%.



### 3.4 TALENT ACQUISITION

#### Challenge

The Group's development strategy relies on its ability to recruit and retain competent, high-performing employees.

Some profiles can be more difficult to recruit because of a labor market unsuited to our needs or due to challenges related to our employer brand.

This may result in problems performing certain services or impact the quality of our services, or even lead to compliance issues.

#### Policy

The Company must boost its attractiveness and increase recognition to encourage people to join us.

The Group's Communications and Human Resources teams have worked together to develop a new social media communications strategy aimed at promoting the jobs available within the Group and increasing the applicant pool, as well as uniting employees and strengthening internal cohesion.

#### Actions

##### Targeted partnerships

**Targeted partnerships with schools and universities** are being developed in countries experiencing recruitment problems, the goal being to attract interns or apprentices. Center visits are being organized and the Group is participating in open houses at schools and universities to introduce the Group and its business lines.

For example, we have formed a close partnership with the ICAM engineering school, which has a number of campuses in France, and developed relationships in Portugal with the University of Algarve, University of Minho, University of Lisbon and University of Porto.

#### Partnership with AFORP

In France, and specifically in the Paris region, Elis has experienced problems in recent years hiring maintenance technicians suited to our industrial environment. Elis has therefore teamed up with AFORP, a trade school for young people and adults, to offer an on-the-job training program. The program was jointly developed specifically for Elis by AFORP trainers and Elis managers. Training alternates between theory learned in the classroom and practical training at Elis sites, and the program teaches skills that correspond perfectly to our needs.

Similar partnerships are currently being set up in the Paris region to cover the skills for which there is a shortage of qualified workers.

##### Promoting our employer brand

To become better known and be able to recruit these types of individuals, Elis must increase its visibility among students and more experienced professionals. This objective can be achieved through the Group's presence on social media, which helps to both enhance the employer brand and provide information about job opportunities.

In line with the creation of a strong international brand for the Group, Elis is continuing to promote its employer brand and will be providing all countries with new communication tools to boost recruitment.

##### Programs aimed at young people

Management Trainee program: each management trainee undertakes four projects over a two-year period. Each project lasts six months and two are international. The first and final project are conducted in the trainee's country of origin, allowing them to create their own network and prepare for taking on their permanent role. Throughout the program, trainees interact with staff in different business lines and from different operating departments.

The program has been extended to all Group countries, creating more attractive opportunities for potential young managers. The variety of our business lines and locations means that we can offer them a multitude of opportunities.

International exchange programs: young people are hired and trained in the Group's key business lines (in the production and sales segments), then sent to another country for 12 to 24 months to complete their training, share best practices and strengthen the Group's culture. The first exchange programs took place in 2013 and involved young Spaniards coming to France. Additional exchanges were then organized between Brazil and Portugal. Similar exchanges will be organized between the UK and Germany in the coming months before being extended to other countries.

##### Onboarding program

To help new employees settle in, **onboarding** is arranged for every new hire. This onboarding is developed in each country according to the position being filled. A new integration kit is currently being deployed in all Group countries. It contains information for new employees as well as tools and resources that can be adapted to suit different situations.

##### Elis Talent Month

Launch of a new event: March will now be dedicated to improving Elis's image as an employer. The aim is to expand our talent pool and present ourselves to the world as a global organization.

##### Promotions

Elis recognizes and develops the skills of all employees to promote mobility and career development.

Certain vacant positions are filled through internal promotion. In 2018, a total of 1,239 positions were filled this way.

**31% of new managers are promoted internally.**

### Key performance indicator (KPI) and outcomes

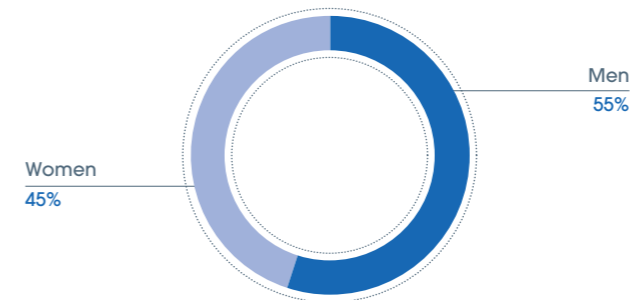
**A total of 9,114 permanent new hires, 565 of them managers.**

In 2018, the coverage rate was 98%.

**Hiring rate of permanent staff (number of permanent hires/ permanent staff as of December 31): 22%.**

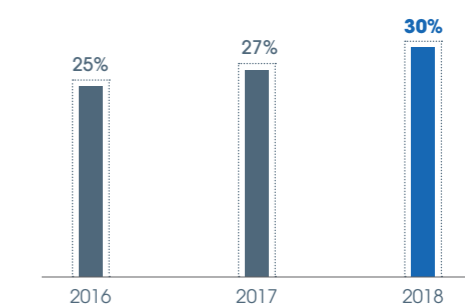
In 2018, the coverage rate was 98%.

#### BREAKDOWN OF NEW HIRES BY GENDER



In 2018, the coverage rate was 93%.

#### PERCENTAGE OF NEWLY HIRED WOMEN MANAGERS



In 2018, the coverage rate was 93%.

## 4. ENVIRONMENTAL RISKS

### 4.1 HAVING THE REQUIRED ENVIRONMENTAL PERMITS FOR OUR ACTIVITIES

#### Challenge

Industrial laundry operations are subject to particularly strict environmental regulations. In most of the countries where Elis does business, such operations require a number of separate permits to cover industrial operations, chemical storage, withdrawal of water resources from the natural environment, and the discharge of industrial wastewater.

In France, for example, each French processing site that washes more than five tons of linen per day is subject to a prefectural-level operating authorization or registration requirement, pursuant to France's regulation on classified facilities for the protection of the environment (ICPE), which sets, among other things, limits on water withdrawal, discharges into water, air emissions and waste management.

#### Policy

Elis makes every effort to ensure that it is in compliance with legal requirements, regardless of the country of operations, and that its industrial laundries have the necessary approvals and permits covering the entire operating cycle.

#### Measures implemented

##### Organizational structure vis-à-vis the environment

The Group's Quality, Safety and Environment (QSE) manager, who reports to the Group Engineering and Purchasing Director, is a member of the Executive Committee and is responsible for defining the Group's environmental policy and environmental risk prevention policy. A team of environmental engineers assists her with regulatory compliance management.

In the countries where Elis operates, QSE operational teams, or sometimes teams specifically dedicated to the environment, support the operational departments and help sites deal with the competent authorities to obtain, modify or renew permits. The teams are also responsible for helping sites manage environmental indicators and follow environmental best practices.

Operational deployment at each processing center is handled by a network of environmental officers (the plants' technical managers), who are trained in environmental best practices.

##### Environmental compliance

Since 2018, all Group countries have implemented a system to manage each site's environmental permits. Whenever it acquires a new company, Elis performs environmental due diligence and systematically checks that the operator is compliant with local regulatory requirements and has the necessary permits.

To support its environmental management system and promote its efforts in this area to stakeholders, Elis holds ISO 14001 certification for a total of 128 sites, mainly in Germany (24), Sweden (24), Denmark (18), Spain (19), Norway (9), the Netherlands (9) and Poland (7).

#### Investments in environmental provisions and compliance

Elis invests in compliance and in improving its environmental performance every year. The amounts invested are mainly allocated to improving the on-site pretreatment of water discharges, monitoring action plans following inspections by

government environmental agencies, and the remediation of closed facilities.

Elis also regularly assesses its environmental provisions, especially when acquiring new companies.

#### Key performance indicator (KPI) and outcomes

**Number of countries with a system for managing environmental permits: 100%.**

In 2018, the coverage rate was 100%.

#### AMOUNTS AND RESOURCES DEDICATED TO COMPLIANCE AND PREVENTION OF ENVIRONMENTAL RISK AND POLLUTION

(In millions of euros)

	2018
Compliance costs	5.4
Environmental provisions and guarantees	69.4
Compensation paid for environmental litigation	0.0

In 2018, the coverage rate was 100%.

## 4.2 SUSTAINABLE USE OF WATER RESOURCES

### Challenge

Unlike traditional modes of consumption, the rental and maintenance model – which fully fits into the product-service system – enables Group customers to benefit from Elis's services without having to purchase any products (workwear, etc.). This model simplifies customers' lives while also reducing pressure on natural resources and the environment. This approach also extends products' service lives and maximizes their use by naturally promoting their repair, reuse and recycling.

In 2008, the Elis Group participated in the "Chantier 31" working group to study the product-service system as part of France's Grenelle de l'Environnement initiative. Specifically, it demonstrated the benefits of this model on its workwear service. This service's life cycle analysis was updated in 2015. Through process optimization, **Elis's workwear rental and laundry service is able to reduce water consumption by nearly 50%** compared to a solution based on the purchase of workwear and in-house laundering.

Water supply is crucial to operating an industrial laundry, in large part due to the activity of washing laundry. The Group's processing centers obtain their water either from an underground supply (wells) or from the public drinking water system.

### Policy

In accordance with its Quality, Health, Safety and Environment policy, Elis's environmental commitments are primarily aimed at furthering the circular economy aspect of its business model and improving its performance in terms of natural resource consumption.

Thanks to a concerted capital expenditure program and the deployment and promotion of water saving best practices, the Elis Group has reduced its water consumption per kilogram of linen treated between 2% to 5% per year since 2008.

In France, for instance, Elis achieved its water-saving target to reduce water consumption 25% by 2020 in December 2016.



**Water**  
**30.7%**  
savings per kilogram  
of laundry washed since 2010  
AREA: FRANCE

#### Measures implemented

##### Reduction in water consumption

The **optimization measures** implemented in recent years have been based on the following:

- widespread use of heavy-duty tunnel washers: equipped with separate compartments, they allow laundry to progress through the different processing stages by moving from one compartment to another;
- regular monitoring of plants' water meters to prevent any losses;
- 44 water- and energy-related audits conducted;
- optimization of washing equipment (fine-tuning of water flow monitoring) and related washing programs;
- recycling of washing equipment;

- recycling of wastewater discharged from plants to partially replenish the washing process with new water;
- updating of washing equipment as soon as possible;
- selection and management of the detergents used for the industrial process (which affects water consumption);
- gradual replacement of powdered detergents with liquid detergents, which are easier to rinse and therefore consume less new water.

#### Matching water needs with local resources

**When choosing sites for its new processing plants**, Elis conducts a hydrogeological survey to determine whether its water supply can be obtained from wells or from other sources (recycled water, municipal water, etc.) and consults with the competent authorities regarding the technical and regulatory feasibility of the provision of process water.

**When planning to expand its operations**, Elis verifies whether it has sufficient supply and implements measures to adapt to local constraints.

**Before acquiring a new company**, Elis performs environmental audits and systematically checks that the operator has the necessary resources.

The Group also complies with any exceptional measures that may be determined by the authorities in the event of drought: these go hand-in-hand with the continuous reduction of water consumption.

#### Climate change

The measures implemented by Elis to reduce its water consumption have helped reduce the potential consequences of droughts.

Risks related to climate change also include potential changes to flood risk prevention programs. Elis is incorporating appropriate constructive measures when building its new buildings.

## 4.3 WASTEWATER MANAGEMENT

### Challenge

Since the nature of wastewater from laundries is the same as household wastewater, the vast majority of Elis's laundry facilities are connected to the municipal wastewater networks in France and other European countries. All industrial wastewater discharged into municipal networks is pretreated or treated on site before being discharged. It is then treated by a municipal wastewater treatment plant. The permanence of these connections, or of the possibility of discharging wastewater into the natural environment itself once it has been treated, is key to growing the Group's business while limiting its impact on the natural environment.

In many European countries, discharges into water are subject to authorizations by local authorities (discharge agreement or decree) setting the conditions for discharges into municipal networks before treatment at wastewater treatment plants. When so required by local regulations, these specifications are also included in environmental permits covering discharges to municipal treatment plants or into the natural environment.

#### Key performance indicator (KPI) and outcomes

In 2018, 130 plants in the Elis North countries (integrated following the Berendsen acquisition) updated their indicators in order to standardize how they managed their water consumption and performance with the rest of the Group.

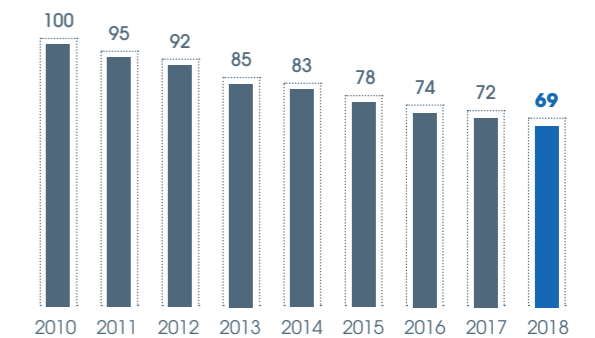
**Ratio of water consumed per kg of linen treated: 9.6.**

In 2018, the coverage rate was 98% (industrial laundry sites).

**Annual use of water for the Group's business: Water consumption (in millions of m<sup>3</sup>): 16.3.**

In 2018, the coverage rate was 98% (all sites).

#### WATER CONSUMPTION – L/KG – FRANCE



### Policy

The Elis Group ensures that it has discharge permits for the wastewater resulting from activities and manages its wastewater in accordance with local regulatory requirements. It has been committed to reducing its water consumption for many years and, consequently, the volume of its industrial wastewater discharges: one cubic meter of unused water saves one cubic meter of discharged wastewater.

In addition, thanks to the self-monitoring of wastewater performed through regular analyses at most sites, the Elis Group has acquired in-depth knowledge of the quality of its wastewater and is working on improving it. Depending on local conditions, some of Elis's plants may have their own water treatment and pretreatment stations to ensure consistent discharges and quality levels.

Elis laundries are in regular contact with public sanitation services. In the event of changes in the quality or volume of a site's discharges, Elis reviews the potential measures to be implemented with the competent local authorities. If need be, the Group will invest in processes based on the treatment capacities of the local authorities and the local regulations in each country.



### Measures implemented

The key measures implemented in 2018 to prevent the risks of water pollution are as follows:

- self-monitoring of industrial wastewater in accordance with the requirements of industrial wastewater discharge ordinances or prevailing regulations;
- continuation of improvement plans aimed at reducing water consumption and, by extension, the volume of water discharged;
- in Sweden, roll-out of a series of investments to improve wastewater treatment. Two new on-site wastewater treatment stations have been installed, significantly reducing the amount of metals in wastewater discharges;
- in Belgium, study under way to limit the eco-toxicity of water discharges;
- in Brazil, water treatment facilities installed at seven sites to treat water before it is discharged into the natural environment;

□ in Denmark, project under way with a university to study microplastics in wastewater;

□ in France, implementation of the self-monitoring required under the new ministerial decree for laundries that includes relevant micropollutants; commissioning of a biological wastewater treatment station at a plant in southwest France to reduce its discharges.

### Key performance indicator (KPI) and outcomes

**% of wastewater treated before being discharged into the natural environment: 99.9%**

In 2018, the coverage rate was 100%.

## 4.4 CHANGES IN COSTS RELATED TO ENERGY CONSUMPTION

### Challenge

Intent on limiting its environmental footprint, in particular by reducing its greenhouse gas emissions and making better use of natural resources, the Group has been continuously improving its thermal energy performance over the last ten years in Europe, thanks to its energy policy. Its efforts in this area underpin the Group's resolve to strengthen its leadership position and involve all stakeholders, from the design and purchase of equipment to the daily operation of our facilities, in the ongoing quest for optimal energy consumption. This approach is fully in line with the Elis Group's drive for operational excellence.

Events such as changes in supply and demand, changes in energy-related taxes, or political events in oil- and gas-producing countries can cause fluctuations—sometimes significant—in the price of the thermal energy and electricity required to operate the Group's laundry facilities and processing centers. For this reason, the Group pays close attention to its energy costs and expected trends.

### Policy

In accordance with its Quality, Health, Safety and Environment policy, Elis's environmental commitments are aimed at reducing its consumption of natural resources, especially when it comes to energy, and reducing its environmental footprint. The goal is to ensure that both consumption and related costs are kept under control.

The Group has a centralized purchasing department supplemented by local buyers in the key countries where it operates. It has also implemented appropriate processes to ensure that purchases in Europe are coordinated by the central department. The Purchasing Department actively monitors changes in energy costs and contracts with preferred suppliers. This allows it to plan for any potential changes and avoid fluctuations in its energy bills.

The policy to reduce energy consumption, which is fully in line with the Group's drive for operational excellence, underpins the following program, which is designed to:

- continuously improve the energy performance of processes, buildings and the vehicle fleet by incorporating energy efficiency criteria at the facility design phase, encouraging the purchase of energy-efficient appliances and services, and implementing best practices for efficient and rational use of energy at existing facilities;
- analyze significant energy consumption items (gas, fuel oil, electricity and fuel);
- monitor improvements in energy performance through appropriate indicators and communicate them to all relevant levels of the organization to help achieve the objectives and targets set;
- adapt energy use and consumption and maintain equipment and buildings so that they are always in compliance with legal and other relevant requirements;
- involve all employees and external partners so that everyone is aware of their roles and responsibilities in the Group's overall energy performance.



**Energy**  
**25.8%**  
savings per kilogram  
of laundry washed since 2010  
AREA: FRANCE

The program is further strengthened by Elis's efforts to obtain ISO 50001 energy management system certification, which was awarded to 77 European sites in 2018. 54 sites in France are SGS-certified and 21 sites in Germany are ISO-certified.

In Norway, three sites have been awarded the Nordic Swan Ecolabel for textile services, a standard that sets strict limits on energy consumption. In Denmark, 17 plants also have Nordic Ecolabel certification.

Since 2010, the French segment has improved its performance by 25.8%, exceeding the target of a 25% reduction set for 2020 more than two years ahead of schedule. Elis France has therefore updated its target to a 30% reduction to further improve its thermal energy performance between 2010 and 2025.

Elis Netherlands is involved in a voluntary energy efficiency program aimed at reducing its consumption by 20,000 MWh by 2020 across all sites.

### Measures implemented

The Group continues to implement measures to reduce its energy consumption and energy costs. The main measures are described below:

- 44 energy diagnostics performed in 2018 at selected sites by the Process Engineering team in collaboration with the processing center teams;
- central management of energy indicators (gas and electricity consumption). Consumption reduction goals are defined annually for each center;
- centralized monitoring of heat exchanger output for reheating process water and of the status of steam trapping equipment;
- investment in equipment that allows for energy recovery or lower consumption (synchronized heat exchangers, the latest burner and drying equipment technology that consumes less gas, systematic installation of gas meters, and installation of low-pressure heaters and reverse osmosis units in boilers) ;
- ongoing insulation of points of concern;
- the Process Engineering team also reviewed "standard" settings in order to get the best compromise between quality and energy consumption, and successfully tested low-temperature washing. This led to the creation of two fact sheets, Tunnel Finisher Settings and Ironing Machine Suction Settings, which were distributed to the processing plants.

Numerous improvement plans are being carried out in all Group countries. For example, in Sweden, Elis operates five laundries that use biogas. The substitution for natural gas reduces its CO<sub>2</sub> emissions by 4,000 tons per year and increases the percentage of renewable energy used to over 52%.

In Europe, Elis opened its first three "zero steam" (boiler-free) laundries in Barcelona, Torres Vedras and Helmond. These plants are now among the Group's best-performing plants in terms of consumption of thermal energy per kilogram of linen treated. Furthermore, the new plant in Barcelona is equipped with solar panels to produce the heat required for the washing vats.

### Key performance indicator (KPI) and outcomes

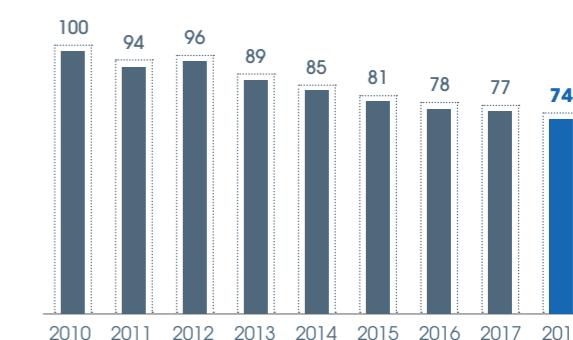
**Amount spent on energy  
(in millions of euros): 120.6.**

In 2018, the coverage rate was 98.4%  
(all sites).

**Ratio of thermal energy consumption  
(excluding fuel for vehicles) in kWh per kg  
of linen treated: 1.37.**

In 2018, the coverage rate was 98.4%  
(industrial laundry sites).

### ENERGY CONSUMPTION IN KWH/KG - FRANCE



Elis continues to implement measures to reduce its thermal energy consumption (mainly natural gas) per kilogram of linen treated, and in 2018 improved its performance in France by 3.8% compared to 2017.

## 4.5 REDUCTION IN FUEL CONSUMPTION

### Challenge

With several hundred thousand customers in Europe and Latin America, the logistics service provided by the Group's vehicles accounts for a significant portion of the Group's CO<sub>2</sub> emissions and its consumption of fossil fuels. This is the subject of an optimization strategy deployed in close coordination with the Group's sites, with ongoing priority objectives to limit fuel consumption and reduce emissions of pollutants and nitrous oxides (NOx). Elis is also adapting its delivery fleet to account for sustainable policies related to low-emission zones.

### Policy

Elis's Quality, Safety and Environment policy underscores the Group's commitment to improving its performance in terms of natural resource consumption and thus limit its greenhouse gas emissions.

To that end, the operating sites, with the assistance of the Logistics Department, are implementing route optimization plans. The Logistics Department makes sure that the most suitable delivery vehicles are used, manages logistical dashboards and produces strategic studies related to industrial strategy and site location.

Elis manages and reduces its fuel consumption by consolidating its delivery trips, promoting eco-driving, maximizing the fill rate of its trucks, and improving the performance of its vehicle fleet.

Lastly, the Group actively monitors future developments in alternative energy trucks in order to diversify its fleet.



### Measures implemented

#### Management of fuel performance

To better manage energy performance related to fuel consumption, the Group has been progressively implementing a single vehicle fleet management tool supplied with fuel consumption data. The fuel consumption of each vehicle is thus easier to monitor and tracked locally and centrally.

#### Maximization of vehicle fill rate

To optimize travel while guaranteeing high service quality, the Group's Field Agents have one objective: "full vehicles in both directions." A delivery vehicle never returns empty, as the return journey to the processing center is an opportunity to transport soiled linen/clothing, empty water cooler bottles, etc.

#### Reducing distances traveled

The Logistics Department lends its expertise to all service centers to optimize routes using special software. These operations aim to concentrate deliveries to a limited number of areas and assign customers to the nearest delivery centers.

Elis is also launching the GLAD (Google Logistics Assistant for Drivers) project to assist operational staff in the field. Field Agents will have a PDA that shows them the best route in real time. This system will also promote eco-driving, since it will inform the driver if it detects excessive speed or braking.

#### Eco-driving awareness

Best practices have been strengthened and action plans drawn up across the entire Group. Field Agents are audited during rounds with their managers in order to assess, reiterate and raise awareness of good driving practices.

In the Netherlands, some one hundred drivers assess and compare their eco-driving results daily using the tracking system installed on their fleet. A mobility plan was introduced with a set of measures that includes eco-driving, carpooling and the use of shuttles to transport employees.

In the United Kingdom, the practice of eco-driving combined with the use of a navigation system reduced vehicle fuel consumption by 6% in 2018. A significant reduction in average speed was also observed.

#### Improved vehicle fleet performance

Controlling fuel consumption also involves the improvement of the vehicle fleet's performance. Since 2008, the Elis Group has been upgrading its vehicle fleet on a regular basis, thereby increasing the payload of its light vehicles from 800 kg to 1,200 kg. Moreover, the replacement of the former Euro 6 standard light vehicles and heavy goods vehicles means that all new vehicles are equipped with latest-generation particle filters.

### Key performance indicator (KPI) and outcomes

**Ratio of fuel consumed in liters per euro of revenue: 0.013.**

The coverage rate is 96.3%.

In 2018, Elis purchased new alternative energy vehicles (hybrids, electric vehicles, NGVs) following tests carried out in previous years. The Elis Group now has 30 hybrid vehicles, 13 electric vehicles, and six vehicles powered by natural gas.

## 5. RESPONSIBLE PURCHASING

### Challenge

The Purchasing and Procurement Department plays an important role in selecting suppliers, products and services throughout the world. At Elis, item quality is a constant priority. As such, purchases of textile products and HWB appliances are a key concern.

Therefore, it naturally gravitates toward genuine partnerships, fostered by recurrent collections and stable production cycles. Most of the Company's suppliers have built and continue to build strong relationships with Elis, some of them going back more than 20 years. These relationships are essential to the Company's long-term success and the satisfaction of its customers.

The standards imposed by the Group on its suppliers and subcontractors in terms of fair practices, human rights, health and safety, and environmental protection are set out in a Sustainable and Ethical Purchasing Charter.

### Policy

Since 2006, the Group's commitment has been detailed in its Sustainable and Ethical Purchasing Charter, also known as the Supplier Code of Conduct, which describes Elis's relationships with suppliers beyond the mere purchase of goods and services.

The Charter, which is central to the Group's purchasing policies, is integrated into the ISO 9001 documentation system of the Purchasing Department. This system is used to support the deployment of the Charter among all tier 1 suppliers (i.e., suppliers with whom Elis has a direct business relationship) as well as tier 2 suppliers (but only in situations where Elis imposes the choice of weaver on the manufacturer).

Elis has established a risk assessment matrix for its suppliers related to corporate social responsibility so that it can conduct periodic CSR assessments of all suppliers of linens and HWB products. Any new supplier of items for any Elis service or product must have a satisfactory CSR assessment in order to be listed.

Elis also requires Oeko-Tex certification for all textiles delivered, in accordance with its Sustainable and Ethical Purchasing Charter. This standard is a worldwide testing and certification system involving tests for harmful substances, including prohibited and regulated substances, chemicals that are known to pose health risks, and precautionary parameters relating to healthcare.

Lastly, Elis procures its supplies from Europe, Asia and Africa, with most being sourced from Europe, especially France. For example, Elis's coffee supplier, Malongo, and its paper and soap suppliers are all based in France. Furthermore, to ensure the sustainability of the French supply chain, Elis guarantees constant volumes to its European partners, helping them remain competitive and safeguarding local jobs. More than 38% of textiles and HWB purchases were made in Europe in 2018.

### Measures implemented

Our responsible and ethical purchasing policy applies to all our suppliers, whether new or existing. Each supplier must sign the responsible purchasing charter when entering into or renewing a contract.

The Purchasing Department assesses the CSR of all its suppliers using a risk assessment matrix. Any new supplier must have a satisfactory CSR assessment in order to be listed. This CSR assessment first examines the risk of the geographic region where the supplier operates based on internationally recognized indicators. For high- and moderate-risk regions, the supplier's CSR assessment will qualify as satisfactory if the supplier has a recognized certification, such as ISO 26000 or ISO 14001/SA8000, or has undergone an external CSR audit (e.g. SMETA or BSCI). If the supplier does not have this qualifying assessment, Elis will commission a CSR audit to be conducted by an independent third party according to its own specifications. Elis monitors the action plans resulting from such audits.

Elis is gradually rolling out this assessment to the entire supplier base, which has grown in size since the integration of the Berendsen Group and the other companies acquired in 2018. The Purchasing Department prioritizes this action for strategic suppliers, as defined in the Group's purchasing strategy.

### Key performance indicator (KPI) and outcomes

**Percentage of direct purchases covered by a supplier's CSR assessment: 91%.**

In 2018, Elis commissioned 19 CSR audits.

## 6. THE FIGHT AGAINST CORRUPTION AND INFLUENCE PEDDLING

In order to comply with the obligations of French Law 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the modernization of the economy (the "Sapin II" law) and as part of its risk management strategy, the Group has undertaken to set up a program to prevent and combat the risks of corruption and influence peddling that covers France and all the countries in which the Group operates.

During the 2018 financial year, based on the eight pillars required by the Sapin II law, the Group continued rolling out the following measures:

- mapping the Group's corruption risks, broken down by country, identifying the functions and the countries most exposed to the risks of corruption and influence peddling;
- the revision of its Group Code of Ethics, which includes the Code of Conduct. This Code sets out and illustrates the rules applicable in the fight against corruption and influence peddling, among other things, and is intended to be distributed in all Group countries (on a case-by-case basis, where appropriate, after having been adapted to any local requirements);

- the introduction of a single Group whistleblowing system and a procedure for handling alerts;
- the reinforcement of its procedures, including the introduction of a guide on gifts, invitations, donations and sponsoring;
- the implementation of training for at-risk managers and staff, giving priority to the most sensitive geographical areas.

The program to prevent and combat the risks of corruption and influence peddling will continue to be rolled out throughout the current financial year.

This program is in addition to programs already being implemented in some Group countries, in particular Brazil, as well as the existing programs within Berendsen and its subsidiaries under British anti-corruption regulations. The Company intends to merge these programs to prevent and combat corruption risks into its own, in order to have a single program for the entire Group.



7.1 SUMMARY OF ENVIRONMENTAL INFORMATION

	Unit	Group, 2018
<b>SCOPE</b>		
Gross revenue of sites within the scope	Millions of euros	3,104,975
Number of sites included in the scope	Number of sites	444
<b>GENERAL ENVIRONMENTAL POLICY</b>		
ISO 14001 certified sites	Number of sites	128
ISO 50001 certified sites	Number of sites	77
Amount of compliance costs	Millions of euros	5.4
Amount of environmental provisions and guarantees	Millions of euros	69.4
Amount of compensation paid for environmental litigation	Millions of euros	0.0
<b>POLLUTION PREVENTION AND WASTE MANAGEMENT</b>		
Total amount of waste generated	Tons	36,111
Amount of hazardous waste generated	Tons	6,308
Proportion of hazardous waste recovered	%	27
Amount of non-hazardous waste generated	Tons	29,803
Proportion of non-hazardous waste recovered	%	58
Amount spent on waste treatment	Millions of euros	6.1
Amount generated through waste recovery	Millions of euros	0.76
<b>SUSTAINABLE USE OF RESOURCES</b>		
Total volume of water consumed	Millions of m <sup>3</sup>	16.3
Amount spent on water consumption	Millions of euros	12.8
Volume of industrial wastewater discharged	Millions of m <sup>3</sup>	13.9
Volume of industrial wastewater treated	Millions of m <sup>3</sup>	13.9
Total energy consumption	MWh (HHV)	2,721,191
Electricity consumption	MWh	411,868
Consumption of renewable energy	MWh (HHV)	430,612
Consumption of natural gas/propane/butane	MWh (HHV)	1,738,267
Consumption of fuel oil (excluding fuel for vehicles)	MWh (HHV)	61,459
Consumption of other energy sources	MWh (HHV)	78,985
Amount spent on energy consumption	Millions of euros	120.6
Total fuel consumption	Thousands of liters	41,405.3
Gasoline consumption	Thousands of liters	617.8
Diesel consumption	Thousands of liters	40,787.5
Amount spent on fuel consumption	Millions of euros	47.1
<b>FIGHT AGAINST CLIMATE CHANGE</b>		
Direct GHG emissions – Scope 1	Kt CO <sub>2</sub> eq.	450.3
Direct GHG emissions – Scope 2	Kt CO <sub>2</sub> eq.	101.5
Total GHG emissions	Kt CO <sub>2</sub> eq.	551.8

7.2 SUMMARY OF SOCIAL INFORMATION

	Unit	Group, 2018
<b>TOTAL WORKFORCE</b>	<b>Number of employees</b>	<b>47,291</b>
<b>PERMANENT WORKFORCE</b>		
Permanent female workforce		21,712
Permanent male workforce		19,350
Permanent managers		2,994
Permanent female managers		931
<b>NON-PERMANENT WORKFORCE</b>		
Total workforce – France		13,046
Total workforce – Europe (excluding France)		23,153
Total workforce – Latin America		11,092
Permanent workforce aged 17 or under as of December 31		24
Permanent workforce aged 18-26 as of December 31		4,409
Permanent workforce aged 27-49 as of December 31		23,974
Permanent workforce aged 50 and over as of December 31		12,655
Based on the social reporting scope		
<b>NUMBER OF NEW PERMANENT HIRES</b>		<b>9,114</b>
Compensation	Euros	
<b>FIXED AND VARIABLE COMPENSATION, COLLECTIVE AND INDIVIDUAL</b>		
Of which bonuses, collective compensation and discretionary profit sharing		17,820,254
Organization of work	%	
Proportion of full-time permanent workforce		93.6
<b>PROPORTION OF PART-TIME PERMANENT WORKFORCE</b>		
Absenteeism rate		6.13
<b>WORKPLACE ACCIDENTS</b>		
Number of fatal accidents	NUMBER	0
Number of accidents with lost time		1,658
Frequency rate		19.15
Severity rate		0.71

8. CROSS-REFERENCE WITH THE UNITED NATIONS GLOBAL COMPACT

Category	Principles of the United Nations Global Compact	Sections
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	2 5
	2. Businesses should make sure that they are not complicit in human rights abuses.	2 5 6
	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	2 5
Labor rights	4. Businesses should uphold the elimination of all forms of forced and compulsory labor.	2 5
	5. Businesses should uphold the effective abolition of child labor.	2 5
	6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	2 5
Environment	7. Businesses should support a precautionary approach to environmental challenges.	2 4 5
	8. Businesses should undertake initiatives to promote greater environmental responsibility.	2 4 5
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	2 4 5
Fight against corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	2 5 6



[elis.com](https://www.elis.com)



French corporation (Société Anonyme) governed by a Management Board and a Supervisory Board with a share capital of €219,927,545  
Registered office: 5, boulevard Louis Loucheur - 92210 Saint-Cloud - France - Trade and Companies Register (R.C.S.) no. 499 668 440 Nanterre