

2019

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

Extract from ELIS 2019 Universal Registration Document



UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Saint-Cloud, April, 16th, 2020

Xavier MARTIRÉ
Chairman of the Management Board



Summary

	Message from management	1			
1	CSR AND STRATEGY	2	4	ENVIRONMENTAL RISKS	19
	Industry and CSR	2	4.1	Having the required environmental permits for our activities	19
	Human resources	4	4.2	Sustainable use of water resources	20
	Innovation	6	4.3	Wastewater management	21
	Business model	8	4.4	Changes in costs related to energy consumption	22
2	THE GROUP'S APPROACH TO CSR	10	4.5	Reduction in fuel consumption	23
2.1	Vision	10	5	SUSTAINABLE PURCHASING	24
2.2	The Group's commitments	10	6	THE FIGHT AGAINST CORRUPTION AND INFLUENCE PEDDLING	26
2.3	CSR policy	11	7	SUMMARY OF ENVIRONMENTAL AND SOCIAL INFORMATION	27
2.4	CSR governance	11	7.1	Summary of environmental information	27
2.5	Assessment of non-financial risks	11	7.2	Summary of social information	28
3	EMPLOYEE-RELATED RISKS	13	8	CROSS-REFERENCE WITH THE UNITED NATIONS GLOBAL COMPACT	29
3.1	Ongoing dialogue with employees	13			
3.2	Managing short-term absenteeism	14			
3.3	Health and safety	15			
3.4	Talent recruitment	16			



Xavier Martiré

Chairman of the Management Board

Are you happy with Elis's performance in 2019?

Elis had another year of profitable growth and we are very happy with our results. Our revenue reached a record level of €3.3 billion, and we continue to deliver high profitability, with an EBITDA margin of 31.5% when using accounting standards comparable to those used in 2018. At the same time, we have improved our cash flow generation by 21% and reduced our net debt to 3.2 times EBITDA. We are therefore in line with the targets set. This performance is all the more noteworthy because we not only had to deal with a complicated macro-economic and political environment in our key markets, but also a rise in costs in a number of countries. Our ability to incorporate this increase into our prices while improving sales and our customer retention rate, and gaining market share, attests to the strength of the Elis model.

Is the multi-service approach producing the results you expect?

Absolutely. It's one of Elis's strengths. The multi-service model allows us to optimize our logistics network while offering added value to our customers. Usually the entry point is flat linen or workwear, but from that initial approach we expand the offering with complementary solutions in hygiene and well-being. It's a value-creation model because each additional product sold is a bonus for Elis, since the logistics costs are already in place.



The multi-service model allows us to optimize our logistics network while offering added value to our customers.



It's also an entrepreneurial and rewarding model for our agents, because they go from just being delivery people to being a genuine part of the sales force and the local point of contact for our customers. They also have the opportunity to boost their salaries by being encouraged to cross-sell.

What are your goals in terms of corporate social responsibility (CSR)?

CSR is one of our key concerns, and our goal has three priorities: to offer responsible products and services, to continuously improve our environmental footprint, and to promote the safety, professional development and diversity of our employees. Our model is environmentally conscious, since the concept of a circular economy encourages maintenance, reuse and recycling. In 2019, our know-how and processes allowed us once again to reduce our consumption of water, energy and laundry detergent, thus lessening our impact on the environment. We have set ambitious targets for 2025 with regard to our consumption and CO₂ emissions and are on track to achieve them.

2020 is shaping up to be a difficult one for many companies.

What are your priorities?

The start of 2020 has been overshadowed by the unprecedented COVID-19 health crisis, which has had a major impact on our Hospitality business and a lesser impact on our Industry and Trade & Services business. Business in the Healthcare sector remains strong. We quickly took dramatic action to protect our margins, continue generating cash flow, and preserve liquidity. Our lending banks have given us all the flexibility we need to manage our borrowings. This renewed confidence is a testament to the resilience of our business model and our amazing ability to adapt. Since the crisis began, our main concern has been the health of our workers and quality of service for our customers.

Industry and CSR

Three questions for **Frédéric Deletombe**

Engineering, Purchasing and Supply Chain Director



What did you do in 2019 to strengthen your circular economy model?

Our model is essentially based on a product-service system, which means we favor service over products and rental over purchase, significantly reducing pressure on the environment. In Brazil, rental accounted for 77% of revenue in 2019, versus 61% three years earlier. Elis's rental and services business model is circular by nature: designing sustainable products, maintaining them optimally and facilitating their reuse are part of the Group's DNA. When they reach the end of their life cycle, most of our textiles are turned into rags. We've taken this a step further by launching a number of programs in other sectors to turn these textiles into upholstery fabrics or soundproofing materials. We have also launched a major program to standardize our product ranges so they can be shared more readily among European countries. This will optimize our supply chain and industrial and logistics processes and reduce our environmental impact.

“
Our rental, laundry and maintenance model significantly reduces pressure on the environment as a result of better item use, reduced and more responsible purchasing, maintenance, and optimized logistics.
”



The highlight of 2019 was once again the major results we achieved at our plants in terms of reducing our consumption of water, energy and laundry detergent.



What investments have you made to reduce the environmental footprint of your business?

We opened five new plants in 2019: in Clisson, near Nantes in France, in Dartford and Southampton in the United Kingdom, in Holbæk in Denmark, and in San Francisco de Mostazal in Chile. These plants will eventually enable us to achieve water and energy consumption levels 20% and 30% below the Group's benchmark averages.

As far as our industrial service logistics are concerned, we are currently testing the use of electric vehicles in France, even though the technology has yet to offer a satisfactory compromise between the number of miles that can be driven on a single charge and weight loading.

What projects are in the pipeline?

We expect to cross a new threshold next year in terms of water and laundry product consumption when we introduce innovative washing processes. And in Nyköping near Stockholm, Sweden, we will be building our first European plant to use biomass aimed at our cleanroom service customers. We also plan to capitalize on the use of biogas and biofuel at some of our other sites to assess whether they could be deployed at other locations and in other countries.

Ecolab, a sustainable partnership



Ecolab is the global leader in water, hygiene and energy technologies and services.

It provides customers located in more than 170 countries with on-site services and comprehensive solutions to keep their environments clean, optimize water and energy use, and operate more efficiently.

Elis and Ecolab have been partners for almost 40 years and together are achieving significant water and energy savings through new emulsion technology.



Ecolab is proud to serve several Elis sites across Europe. Right now, we are deploying lean processing together with our emulsion detergent technology to ensure appropriate, precise, and secure dosing, while reducing water and energy consumption. It is a perfect example of achieving more with less. Ecolab's patented emulsion technology helps companies like Elis reduce the amount of product used and, consequently, reduce chemical waste, rinse water needs, pollution load, and energy use. At the same time, we are improving washing productivity and the length of textiles' useful lives.



Bert Bakker

Vice-President Corporate Accounts Textile Care Europe

Working towards Elis's 2025 CSR targets

› Efficient use of resources *

CO₂ emissions: 2010 to 2025: -20%

Chemicals: 2010 to 2025: -37% **

Energy: 2010 to 2025: -35% **

Water: 2010 to 2025: -50% **

*Ratios per kg of linen treated.

** Elis Europe

› Reduction, reuse and recycling

80% of textiles recycled by 2025

Identify new ways to recycle (sound insulation, recycling of textiles for the furniture industry, recycling of textiles for the carbon fiber industry)

Human resources



Three questions for **Didier Lachaud**

Human Resources and CSR Director

How do you match up Elis's global challenges with HR management at the local level?

As we've expanded internationally, we've made a distinction between corporate and operational. Our main role is to define and implement wage- and labor-related policies and handle international mobility and career management. At the local level, HR departments are empowered through a number of approvals to manage day-to-day business. Our strength and balance are based on a common cornerstone of values and expertise, around which we unite all our employees without neglecting cultural differences or legislation specific to each country.

What programs did you implement in 2019 to promote in-house training?

We place considerable emphasis on in-house training and devote a great deal of time and resources to it, in keeping with our company's values: respect, exemplarity, integrity and responsibility.

Any employee, regardless of rank, can receive high-quality training to develop new skills and grow at the company. We began two programs a year ago that have been extremely successful: the Sales Academy and the Management Trainee Program.

The first is for sales representatives and is a comprehensive course dedicated to sales techniques. It takes the same operational approach, regardless of country. The second is open to external applicants and is designed to prepare them for a career at the Group by developing their management skills. We've accepted highly talented individuals into the program and are very pleased with the early results.

Can you give us examples of two or three major initiatives from 2019?

I'm especially proud of the creation of the Elis Foundation. Its goal is to promote equal opportunities by awarding scholarships to deserving young high school graduates who want to pursue their studies but lack the financial resources. They are assigned a mentor who supports them throughout their studies, sometimes over several years. We have also extended our "Club des Chevrons" (Chevrons Club), which honors production and maintenance workers, across Europe and Brazil. In 2019, a total of 450 of these workers got to go on a trip with their spouses.

Lastly, with regard to CSR, we are proud to have been ranked 22nd out of 230 companies by **Gaia Rating**, the ESG* rating agency of Ethifinance. We are also pleased to have obtained an **MSCI rating of BBB.****

Key figures in 2019

Number of training hours in 2019:
272,714

Sales Academy

- › 300 individuals trained in France, Italy, Switzerland, United Kingdom, Benelux countries and Ireland
- › 1,800 coaching sessions

*Environmental, Social, and Governance
**Morgan Stanley Capital International

Story of Yvana Amegavie, Elis Foundation scholarship recipient



Yvana has been enrolled at the Rouen Faculty of Medicine since the start of the 2019 academic year. She is currently a student and is one of the happy recipients of an Elis Foundation scholarship.

Yvana first learned about the Foundation when she was researching how to fund her post-secondary education. She submitted an application and was shortlisted out of some one hundred candidates. After achieving high honors on her science *baccalauréat* in July 2019, she attended a final interview at Elis's headquarters.

Yvana is very enthusiastic: thanks to the financial support of the Elis Foundation, she has fewer financial constraints and can now concentrate on doing well in her studies.

She is quick to point out how much the Elis Foundation truly helps its young scholarship recipients. "*The Foundation doesn't just help us financially,*" says Yvana. "*It also cares about how we adapt to student life.*" In October, she was introduced to her mentor, one of the Group's employees, who is closely monitoring her progress.



I have exceptional support. I'm lucky enough to be able to talk to my mentor by telephone every Friday and bring her up to date on what happened the previous week. It's reassuring and comforting.



Yvana hopes that the Elis Foundation will expand further so that many more deserving high school graduates will be able to receive support.

Since its creation, the Elis Foundation has given select students who lack the means to pay for college the opportunity to continue their studies. If they graduate from high school with honors, the Foundation provides them with a scholarship as well as a mentor.

Working towards Elis's 2025 CSR targets

› Support for education

Triple the budget available for the Elis Foundation

› Employee safety

Reduce workplace accidents by 50%*

› Personal and professional development

Implement the Chevrons Club in all host countries

Increase the retention of key personnel through talent development

› Diversity

Continue to pursue Elis's commitment to gender equality by achieving a rate of women in permanent management positions of 40%

*Base year: 2019

Innovation

1

Three questions for **Caroline Roche**

Marketing and Innovation Director



Did you develop any innovative new services in 2019?

We sure did, and it wasn't just services. We also came up with innovative experiences for our customers and their end users that are consistent with our business model, based on a product-service system. When we design, let's say, workwear at our design studio in Sweden, we make sure it is fit for purpose. We also make sure that the garment is eco-designed, comfortable and looks good. It's not just workwear, it has to inspire a sense of pride in the person who wears it. Our garments can also be traced through an innovative RFID chip and bar code system thanks to our exclusive Elis Connect solution.

The Group is also dependent on textile resources which, like other resources on the planet, are being affected by climate change and scarcer fossil resources. The sustainability performance of these materials (sourcing, durability, recyclability) is taken into account by product managers and included in product information management tools.

How does Elis stand out from its competitors when it comes to innovation?

Our leadership position means we have the resources to invest very quickly and innovate in a concrete and pragmatic way in many sectors, pretty much anywhere in the world. The secret lies in striking the right balance between creativity and a results-oriented culture.

We also organize a lot of brainstorming workshops with our customers, who often guide our innovations. For example, we brainstormed how to optimize hygiene at a major hospital and in areas with mats where there is a lot of foot traffic. These sessions of "thinking outside the box" are very stimulating for us as well as for our customers and help make us better known and recognized as an innovative group.

At Elis, we undertake product innovation projects that focus on better management of materials (for example, C2C certification of the Fusion line of hygiene appliances, and current innovation projects that seek ways to replace disposable plastic cups in the beverage sector). We apply life-cycle assessment methodology to selected products (towels, surgical drapes) to demonstrate scientifically the environmental performance of our product-service system compared to disposable or direct-purchase solutions.

Can you give us an example of a particularly innovative project in 2019?

We developed a full line of clothing for a major agri-food group for all its plants in 11 European countries. Together we created workwear that combined style with technical performance, comfort and CSR considerations. The fabric used to manufacture these garments is actually made from recycled plastic bottles.

Working towards Elis's 2025 CSR targets

Sustainable product design

Offer at least one collection made of 100% sustainable materials for each product group



Our product manager teams are developing lines that meet consumer health and safety requirements, especially those related to existing regulations, customer demands and a desire for innovation. Stringent testing is a major part of the development process and is conducted at the Group's laboratory, except for tests requiring certification or special equipment. As the owner of its products, the Group performs regular testing and maintenance throughout the product's life, either in-house (e.g., flat linen) or directly at the customer's premises (e.g., water coolers).



Business model

Resources

CUSTOMERS

- ▶ **400,000** customers of all sizes across all sectors
- ▶ **4** markets: Hospitality, Healthcare, Industry, Trade and Services
- ▶ More than a century of know-how

HUMAN RESOURCES

- ▶ Almost **50,000** employees
- ▶ Spread across **28** countries

FINANCIALS

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

FACILITIES

- ▶ **440** production and distribution centers
- ▶ **Approx. 6,000** vehicles
- ▶ **139** ISO 14001-certified sites
- ▶ **81** ISO 50001-certified sites
- ▶ A responsible industrial model
- ▶ Product-service system

BRAND

- ▶ Recognized leadership
- ▶ A slogan "*We empower your day*" to embody the brand's DNA. Elis delivers solutions that allow its customers to perform at their best on a daily basis and thus improve their performance, day after day.

Elis's mission

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



Customer experience at the core of Elis's DNA

- ▶ A Customer Experience department with almost **60** dedicated staff members
- ▶ A Customer Voice customer care program created in 2017
- ▶ An in-house Customer Satisfaction program
- ▶ Almost **53,000** satisfaction surveys per year

The four pillars of Elis's strategy

To deliver cutting-edge solutions, Elis's strategy is based on four key pillars.

Consolidation of position

Elis is consolidating its market share and geographic coverage by combining organic and external growth, which is key to the sustainability of its multi-service model.

Network expansion

To find growth opportunities, the Group is entering new markets in geographical regions where it is already established or, in some cases, in new countries if they are considered to offer good potential.

Operational excellence

By controlling costs and promoting best practices, Elis can improve the productivity of its plants and production centers and also take advantage of economies of scale made possible by the density of its network.

Innovation

At a time of digital transformation and a massive shift in how products and services are being used, Elis's strong spirit of innovation means it can meet its customers' new requirements and create new services or optimize existing ones.

Elis relies on technological innovations and pursues the most promising ones so it can quickly adapt them to its business. This approach has led to a dozen or so partnerships with start-ups and innovative small businesses with the potential to optimize its offering.

Value created

CUSTOMERS

- › Ability to focus on core business
- › **87.1%** satisfaction rate in France, Belgium, Luxembourg, Spain, Portugal, Brazil, Italy and Switzerland.

EMPLOYEES

- › **53%** women
- › **Elis for All**, first employee share ownership plan launched in **16** countries to incentivize employees.

INVESTORS

Since the IPO* in 2015:

- › Shareholder return greater than 10%

**Initial public offering*

THE PLANET

Reduction in consumption between 2010 and 2019, in line with 2025 targets*:

- › Water: **-40.6%**
- › Energy: **-23.4%**
- › Laundry products: **-25.5%**

**Per kg of linen treated – Europe.*

2 THE GROUP'S APPROACH TO CSR

Elis is a multi-service provider offering textile, hygiene and facility services solutions. With our international scale and position as market leader comes a responsibility not only for our own people and customers, but also for the environment and society at large. Acting as a responsible company has long been fully integrated as part of Elis' business model and is fundamental to who we are, reflected in our values of respect, integrity, responsibility and exemplarity. We depend on resources that are under pressure from the effects of climate change, like energy, water and textiles. World population growth also poses new challenges for our hygiene and pest-control products. Sustainability concerns are increasing among our people, talents, customers and investors.

In recent years, we have taken steps to formalize our approach to CSR by setting targets and establishing performance measures. For Elis, CSR is not a distinct program that runs parallel to the rest of the company; CSR is inseparable from our daily operations and to Elis' development and strategy. This reflects the fact that our business exemplifies the notion of a "circular economy," in which the take-

make-dispose model of production is replaced by a system that minimizes waste and maximizes the value of resources. With its multi-service model and by encouraging maintenance, reuse and recycling, Elis is at the forefront of the new economy. At the same time, we genuinely involve our employees, ensuring a positive workplace environment in which diversity is promoted and ethics and integrity instilled in all we do.

At the heart of our CSR strategy are three complementary focus areas: responsible products and services, our environmental footprint and employee well-being and growth.

This strategy is supported by our 2025 sustainability goals in which we want to do our part in creating a more sustainable world for society, the environment and our own people.

Xavier Martiré – CEO

2.1 Vision

Elis' 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' 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.

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 products, has led the Group to improve both their resource efficient design 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' products and services, is described in chapter 1, pages 8 and 9.

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 Code of Ethics states the principles that apply to everything the Company does and provides a reference framework for what the Group expects from its employees, its managers and its partners. The Code 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 Code sets out rules of conduct all stakeholders must adopt in four major areas:

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

This Code is intended to form the foundation on which all internal standards and charters adopted by the Group are based, including the Supplier Code of Conduct, the Code of Conduct for Trading and Market Activities, and resources developed by the Group to combat the risk of corruption. The documents referred to are publicly available on the Elis website.

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

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

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.

2.3 CSR policy

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

Elis's commitments are based on three pillars:

Manage our impact on society through responsible products and services

- › Ensuring that our products are produced in a manner that respects people and the planet
- › Respecting the Elis Code of Ethics throughout the value chain, whatever our function or the country in which we operate
- › Empowering those directly or indirectly connected to Elis through educational support

Continuously reducing our business's environmental footprint

- › Promoting sustainable decision-making by reducing; reusing; repurposing or recycling materials and products
- › Increasing the value of our products by improving their resource-efficient design, lifespan and end-of-life use
- › Improving our direct and indirect environmental impact and lowering our greenhouse gas emissions caused by our activities

2.4 CSR governance

To steer and coordinate its sustainability ambitions, Elis has set up a governance structure overseen by the Human Resources and CSR Director, supported by the CSR Manager. The members of the Management Board have annual, individual non-financial goals related to CSR topics. These goals are reviewed annually and are published in the annual report. A general international update is given to the Executive Committee once a year. As CSR is a broad subject, closely-linked to our day to day activities, subareas have been defined and placed under the responsibility of our Executive Committee members and their teams:

- › Human Resources and CSR Director: subjects linked to human resources and CSR

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

Promoting the well-being and fulfillment of our employees

- › Working together to ensure our employees' well-being and safety
- › Enabling each other to grow both personally and professionally
- › Promoting diversity and equal opportunity

The key elements for the sustainable growth of Elis's business are: the Elis experience, employees proud of their 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.

- › Engineering, Purchasing and Supply Chain Director: subjects linked to the environment, supply chain and industry
- › Marketing and Innovation Director: product development and sustainable innovation

The key sustainability issues are reviewed during the annual collection of worldwide data on human resources and quality, safety and environment (QSE) and during meetings.

2.5 Assessment of non-financial risks

Methodology

The Human Resources, Quality, Safety, and 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 described in chapter 1, pages 8 and 9.

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 in 2018 and a risk matrix was created. In order to identify its material risks, Elis assessed the likelihood of occurrence, as well as the potential consequences at the legal and operational level and on brand image. The CSR risks were reassessed in 2019.

This study and assessment were validated by two members of the Executive Committee and some risks were taken into account, even though they did not emerge as significant after application of the rating.

Of the risks assessed, 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.

Corruption risk was also not selected as a material risk, firstly because the Group has implemented procedures to combat corruption and influence peddling, especially in countries considered vulnerable, and secondly because the percentage of business activities and sites that could be considered vulnerable to corruption at Group level is very small. Similarly, given the Group's business activities and the location of its sites, its exposure to the risk of tax evasion is minimal.

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	Environmental	Responsible Purchasing
<ul style="list-style-type: none"> › Challenge: Ongoing dialogue with employees <ul style="list-style-type: none"> - Risk: Temporary halt to business with operational, financial and reputational consequences - KPI: Percentage of employees working at centers or in countries with stable or increasing results (when comparison is possible) › Challenge: Occupational health and safety <ul style="list-style-type: none"> - Risk: Employee injuries, accidents or illnesses - KPI: Frequency rate › Challenge: Managing short-term absenteeism <ul style="list-style-type: none"> - Risk: Business disruption - KPI: Percentage of employees present throughout the year who had no days absent during the year - KPI: Percentage of short absences (up to seven days) out of all absences › Challenge: Recruitment of key personnel <ul style="list-style-type: none"> - Risk: Difficulty recruiting certain types of candidates due to a market unsuited to our needs - KPI: Recruitment rate of permanent staff (number of permanent hires/permanent staff as at December 31) 	<ul style="list-style-type: none"> › Challenge: Having the required environmental permits for our activities <ul style="list-style-type: none"> - Risk: Not obtaining environmental permits - KPI: Percentage of countries with a system for managing environmental permits › Challenge: Sustainable use of water resources <ul style="list-style-type: none"> - Risk: Reduction in water resources that could result in the temporary closure of laundries - KPI: Ratio of water consumption in liters per kg of linen delivered › Challenge: Wastewater management <ul style="list-style-type: none"> - Risk: Untreated wastewater discharged into municipal networks for regulatory reasons - KPI: Percentage of wastewater treated before being discharged into the natural environment › Challenge: Changes in costs related to energy consumption <ul style="list-style-type: none"> - Risk: Significant increase in energy costs - KPI: Thermal energy consumption ratio (excluding fuel for vehicles) in kWh per kg of linen delivered › Challenge: Reduction in fuel consumption <ul style="list-style-type: none"> - Risk: Reduction in the availability of fossil fuels leading to a significant increase in energy costs - KPI: Ratio of fuel consumed in liters per ton of linen delivered 	<ul style="list-style-type: none"> › Challenge: Sustainable purchasing <ul style="list-style-type: none"> - Risk: Unethical practices on the part of our suppliers in conducting their business - KPI: Percentage of direct purchases covered by a CSR assessment

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 2 disposals in 2019: On my Way in Switzerland and Rocialle Healthcare Ltd in the United Kingdom, which were excluded in the 2019 report.

- › The legal entities acquired in 2019 (Br Laundry Industria Comercio e Serviços in Brazil, AS Desinfection SA in Switzerland, Lloguer Textil, Marina de Complementos SLU and Base Lavandería Industrial SLU in Spain, Lavamejor Zona Franca in Columbia, and OOO Maki Service, OOO Geo Group, OOO Hollservice, OOO Mat, OOO Novost and OOO KoverService in Russia) were not included in the 2019 report.

- › There's an exception with Curantex GmbH & Co KB acquired at the beginning of 2019, which has been included in the 2019 report.
- › They will be included in the 2020 report or, at the latest, the 2021 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 2018 but not included in the 2018 report, and entities acquired in 2018).
- › A few minor logistics sites with no environmental aspects have been excluded from the scope of environmental reporting.

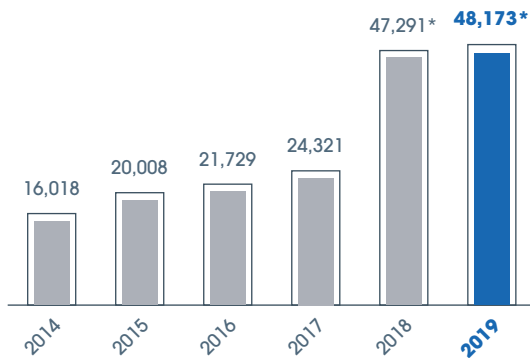
3 EMPLOYEE-RELATED RISKS

3.1 Ongoing dialogue with employees

Challenge

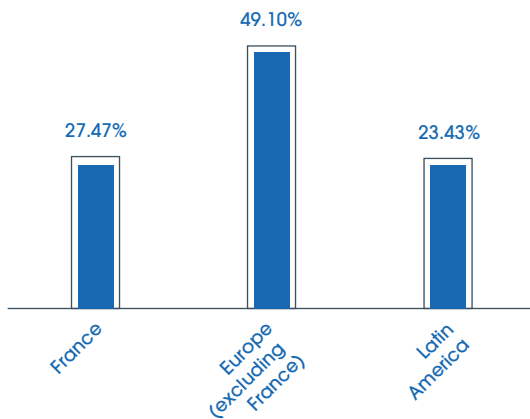
Social conflicts or even strikes caused by a lack of monitoring and prevention of social tension could have an operational and financial impact due to temporary inactivity, and a reputational impact as an employer and supplier within the local community. No events of this magnitude have occurred in recent years, but if they did, the consequences are likely to be significant. As a company committed to its employees' wellbeing, Elis makes every effort to ensure ongoing close contact between management and employees at every level. Because its employees are the guarantors of the quality of its service, the trust that the Group places in these relationships every day is essential.

NUMBER OF EMPLOYEES



* Scope of CSR.

BREAKDOWN OF TOTAL WORKFORCE (PERMANENT AND NON-PERMANENT) BY REGION AS AT DECEMBER 31, 2019



Policy

Every day, at each site, Elis employees create value. This is the result of a close relationship between the Company and its employees, established on the basis of a common vision and ambition since Elis was created, which naturally allows them to promote and contribute to performance.



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

- › respect: accepting everyone's differences, recognizing everyone's commitment, valuing each contribution;
- › integrity: remaining true to our values, respecting our commitments, being honest;
- › responsibility: listening to our customers and our employees, working to protect the environment and being involved at the local level, taking responsibility for the quality of our service;
- › exemplarity: serving as an example to all, both internally and externally, embodying the company's values in everything that we do, remaining humble.

Together with the communications department, we have created several types of documents to facilitate the sharing of our values among all Elis employees and to insist that they be applied.

Measures implemented

Employee representation

Since employee regulations are specific to each country, staff representative bodies are created 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.

Created in 2018, the European Works Council has 28 members, covers approximately 41,600 employees in 22 countries. The EWC leads discussions and formal meetings with its members on the Group's current situation and outlook.

70% of Elis employees are covered by a collective bargaining agreement. These agreements, which mainly concern working time organization, remuneration or working conditions contribute to the ongoing dialogue with the employees, and their representatives.

Elis for All

In 2019, Elis launched its first employee shareholding plan, "Elis for All," in 16 countries. The aim is to increase employee engagement and give employees the opportunity to capitalize on Elis's success.

The plan gave eligible employees the chance to buy shares with very advantageous conditions that allow employees to participate in the Group's growth, aims to bring them together, unite them and build loyalty around Elis's strategy by strengthening their sense of belonging and commitment.

Elis Chevron - rewarding our employees' work

The effectiveness of the Elis model is strengthened by a strong culture of conviviality, as a way for employees to engage. The best example is Elis's "Club des chevrons" (Chevrons Club) which has been rewarding the most deserving production and maintenance operators for more than 30 years. In 2019, the Chevrons Club brought together 425 employees from 15 of the Group's countries. Due to the recent merger with the entities that formerly were part of the Berendsen Group, many employees were part of the Chevrons Club for the first time and were able to take part in a trip to Prague. The same program has been set up in Brazil.

Employee surveys

The commitment of each and every 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. 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. It demonstrates

the importance attached to corporate climate and the working environment at all levels.

The results of each social survey are eagerly awaited and allow us to determine the areas of improvement specific to each center.

The results are communicated to the employees by the management team together with the action plans defined in the response to the survey.

This periodic measurement of employee commitment is essential for the relationship of trust that the Group maintains with its staff on a daily basis and that underpins the quality of its service.

This employee survey is a key indicator of Elis's human resource policy.

Key performance indicator (KPI) and outcomes

In all, 25 countries periodically conduct employee surveys. In 2019, a total of 6,935 employees in 14 countries responded to an employee survey (compared with a total of 9,881 employees in 10 countries in 2018). Some countries haven't done any survey since the Berendsen acquisition because of successive acquisitions or internal reorganization. These countries and, in particular, the United Kingdom and Germany will conduct an employee survey in 2020.

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

(2018: 87%)

3.2 Managing short-term absenteeism

Challenge

Absenteeism is a reality that affects the Group. A reactive attitude towards absenteeism caused by internal and external factors could cause a negative operational and financial impact.

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 ensure additional effort;
- › it represents a cost for the company in terms of administrative and replacement costs, plus it can have an indirect financial impact linked to the repercussions on the quality of customer services (dissatisfactions that have to be dealt with, durability of contracts, 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. There is no international policy for absenteeism, as this issue is very much linked to different climates (for example, influenza is not a major concern in Brazil, Chile or Colombia, unlike in European countries). Policies are decided at the national level, based on each country's legislation and regulations, and sometimes by collective agreements for each sector.

Measures implemented

Preventative measures

Each center has introduced measures in accordance with their specific issues:

- › vaccinations against influenza (or other diseases) 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 France;
- › training sessions on job-specific body movements and postures are provided to production and distribution staff;
- › training is offered to managers to provide them with the skills and knowledge to deal with absenteeism cases;
- › some countries link a portion of managers' variable compensation to the absenteeism performance of their teams.

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 they can step into a variety of positions at processing centers in order to replace an absent colleague. This is ensured by cross-functional training and job adjustments or modifications to documentation material, with the simplest positions being filled by employees on fixed-term contracts.

Brazil

"We have implemented measures and indicators in many plants and link them to variable pay. In 2019, we recorded the best results in the fight against absenteeism in the history of Elis Brazil. For 2020, we want to focus on those plants that require more support and that did not perform well in 2019."

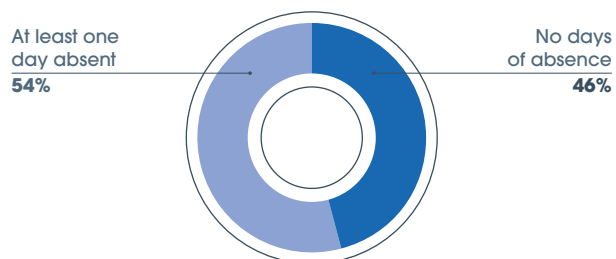
Key performance indicator (KPI) and outcomes

The absenteeism indicator was changed in 2019: in 2018, we were measuring the number of days of short-term absences, whereas it is the short-term absences themselves, not their duration, that have an impact on our activities. Therefore, it appeared more relevant to measure the number of short-term absences rather than the number of days. The definition of an absence was also reviewed, shared with all Elis countries and adjusted in the data collection tool. The change in the indicator means that a comparison with historical data is not possible this year.

Number of absences shorter than 7 days (paid or unpaid): 48,246

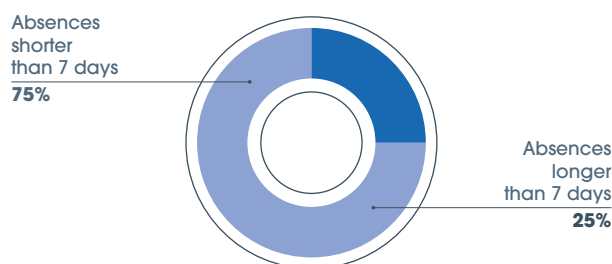
(In 2019, the coverage rate was 73%)

NUMBER OF EMPLOYEES WITH PERFECT ATTENDANCE



In 2019, the coverage rate was 94.3%.
(In 2018, the coverage rate was 66%.)

BREAKDOWN OF DAYS ABSENT



In 2019, the coverage rate was 73%.
(In 2018, the coverage rate was 62%.)

3.3 Health and safety

Challenge

When an Elis employee is doing the job he or she was hired to do, he/she can be exposed to some risks that can cause injuries, accidents or disease. This could result in legal proceedings and could have significant financial and operational consequences if the person concerned has core competencies. Thus, 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 diseases. 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 applying the Group's safety standards in all countries and across all businesses with the involvement of all employees. This internal policy is rolled out internationally and reviewed frequently. The main commitments in the Elis Health and Safety policy are:

- › ensure workplace safety by reducing and preventing accidents;
- › apply the Group's safety standards in all our countries and businesses;
- › involve all employees, so they actively contribute to maintaining a safe work environment;

- › ensure compliance with legal requirements in all countries where we operate.

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, work-place hygiene and preventing business-specific risks.

In 2019, Elis started to implement a corporate incident reporting system (CIRS). This records all information about incidents, their causes and the corrective actions taken as a result. The system is the result of a cooperation of multiple countries and experts within the QSE department and serves the goal of managing incidents and sharing good practices. It will be internationally implemented in 2020.

Measures implemented

As part of integrating 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 2019 with the support of the QSE network primarily involved:

- › standardizing incident and accident reporting and safety indicators for all operations;
- › reinforcing the Elis safety culture providing materials that promote safety. In 2019 Elis developed 'Golden Rules' that will be rolled out internally in 2020. The rules are based on creating a safe work environment and healthy habits. The materials have been developed in conjunction with the QSE Cluster managers and with the help of the Elis communications department to increase awareness. Golden rules will be part of onboarding for everyone at Elis;
- › sharing feedback and good practices;
- › strengthening fire prevention by defining an Elis fire management standard in conjunction with the QSE Cluster team, providing training to the departments concerned, improving the 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/organization as well as the equipment and tools used. Information sheets are created for each affected workstation featuring details about how to perform the task correctly and tips on comfort and safety;
- › holding safety committee meetings at sites.

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

- › in Sweden, 100 managers and their direct teams and plant managers underwent training on the rules and regulations applicable to their working environment; other managers will undergo training in 2020. The training will be repeated and updated every three years and must be taken by all newly recruited managers;
- › in France, periodic visits focusing on health and safety and conference calls on safety have been introduced in order to increase support to plants. "Minute safety" training materials have been implemented to help managers conduct monthly meetings with all operators;
- › in Brazil, daily safety discussions have been established in the plants. A safety monitoring program was also launched, with more than 200 staff members (supervisors, managers, team leaders) trained as part of the program and working on potential safety issues;
- › in the United Kingdom, actions to create a safety culture were continued, with the distribution of new health and safety manuals issued to every employee, safety management training attended by 432 people, safety observations raised, site inspections, safety meetings promoting staff involvement/commitment and compliance checks on various health and safety topics by the General Manager.

Key performance indicator (KPI) and outcomes

With the support of the Group's Human Resources Department and the various countries, reporting on safety indicators, frequency rates (FR) and severity rates (SR) have gradually been implemented in all the countries where Elis operates, particularly in the countries that were part of the former Berendsen scope.

(Permanent and non-permanent staff)

	2019	2018
Fatal accidents	0	0
Lost time accidents	1,529	1,658
Frequency rate ^(a)	16.90	19.15
Severity rate ^(b)	0.66	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 2019, the coverage rate was 99% (compared with 100% in 2018).

3.4 Talent recruitment

Some types of candidates 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

Elis is committed to providing a workplace that respects human rights and promotes diversity. Elis seeks to foster a culture of diversity and inclusion, ensuring that each employee can develop and grow without being subjected to discrimination, including on the basis of gender, religion, origin, age, sexual orientation, physical appearance, health status, disability or political beliefs. Elis

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

promotes equal opportunities for all employees and candidates in terms of recruitment, access to training, compensation and social protection. Elis is committed to highlighting the benefits of diversity and how different knowledge and viewpoints contribute to building synergies and stimulating innovation.

Diversity and equality

Diversity and equality are broad topics for which the Elis Code of Ethics is the minimum requirement, but many countries go beyond this Code by following their own initiatives or local/national regulations. The themes that often recur in the countries where Elis operates is gender equality, the gender salary gap, and recruiting people who are mentally or physically challenged.

In 2019, Elis has signed agreements in France on gender equality in the workplace and the recruitment of people with disabilities.

The individuals responsible for recruitment within the various Human Resources departments work with local employment agencies and other recruitment channels. Depending on the position targeted headhunting is used. Furthermore, on site level the General Managers have the authority to work together with agencies to be flexible in case of absenteeism and seasonal fluctuations in certain activities.

Referral policy

Employees are rewarded for using their network to find a new recruit who proves to be successful in the position (In the Netherlands, employees receive vouchers after the trial period and after the first year of employment; in France, they can choose to make a donation to the Elis Foundation).

Talentsoft

Talentsoft is a tool developed for the Human Resources department which has been further developed in 2019. Talentsoft can be used to support and streamline processes. The following topics are part of the scope: recruiting, performance and competencies review, talent review, compensation and general HR analytics. In 2020, the tool will be launched in new countries, with a goal of making it available across the Elis Group.

Measures implemented

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. The partnerships with schools and universities differ depending on the country and the type of challenges they face.

Building on our reputation as an employer

The Company must boost its attractiveness and increase its recognition to encourage more 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.

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 with articles, videos and pictures, which helps to both enhance the employer brand and provide information about job opportunities.

Programs aimed at young people

- › Management Trainee Program: each management trainee completes four projects over a two-year period. Each project lasts six months and one is 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, management trainees interact with staff in different business lines and from different operating departments. The variety of our business lines and locations means that we can offer them a multitude of opportunities. The recruits are often new graduates or people with a short work experience after their graduation.
- › 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, Portugal and Sweden. 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. Most countries have a buddy/mentor program in place for new employees depending on the position to help them get settled in their new role.

Personal and professional development

The majority of countries have an annual performance review in place. This is a moment during which the manager and employee review the previous year, discuss measures for personal or professional development for the coming year, and identify internal mobility opportunities or targeted training to help the employee grow within their field of expertise or broaden their skills, making it possible for them to switch to a new role. This can mitigate recruitment issues, either as part of succession planning or at the request of the employee.

Training

Training is a key factor of success for the Group. It starts upon the arrival of new employees, with a program enabling them to discover Elis's values, culture, organizational structure and functions, and build themselves an internal network. Recognizing and developing the skills of all employees to upskill and promote mobility and career development, including internal promotion and geographic mobility, are crucial aspects to develop and nurture employees that make up Elis.

The human resources teams have the freedom to adjust their training initiatives to the specific challenges and opportunities where they are. This gives them the flexibility to quickly adjust their approach when labor market dynamics change and to promote internal mobility.

The Group offers a variety of training programs enabling employee development. The training programs that are internationally available are: the onboarding program, the management trainee program, the Sales Academy and the International Exchange Program.

These are trainings aside from the international programs, to uphold the knowledge and skill level for relevant positions.

For example, in France, there are specific professional development programs to meet future skill requirements for the following roles:

- › Production team leaders, through the École de maîtrise program: this enabled a number of production operators to move into team-leader positions;
- › Customer Service Managers, through the Filière d'Excellence Disco (FED) program: since 2010, this veritable corporate ladder has allowed service agents to advance within the Company.

Elis Talent Month

Launch of a new event: March 2019 was 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. Each country has the opportunity to launch a campaign directed at a specific group of people, a specific skill set or to just draw attention to Elis and an employer. Events of that type will be launched locally each year.

Elis Talent Month

In the Netherlands, it was decided to recruit drivers, employees who enable our customers to benefit from our services and deliver products where we need them. Our drivers are the "faces of Elis" and highly valued. Recruiting new people for this position has been a challenge, which is why Elis Talent Month was dedicated to attracting drivers. A video was made following one of our drivers during a typical day, showing what the work entails. The video has been broadcast both internally and externally. Our Elis colleagues could, of course, take advantage of the referral policy. In the end, 17 qualified people got in touch with our recruiter.

Promotions

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

Certain vacant positions are filled through internal promotion. 1,700 in 2019 (1,239 positions in 2018).

35.82% of new managers are promoted internally.

(31% in 2018)

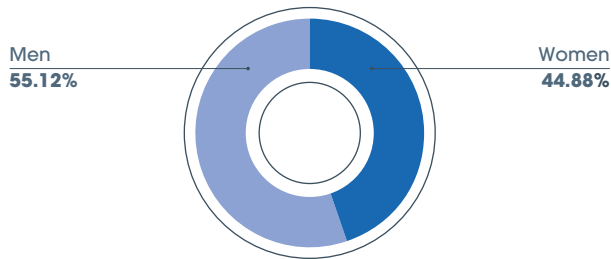
Key performance indicator (KPI) and outcomes

**A total of 10,736 permanent new hires,
448 of them managers.**

In 2019, the coverage rate was 99%.

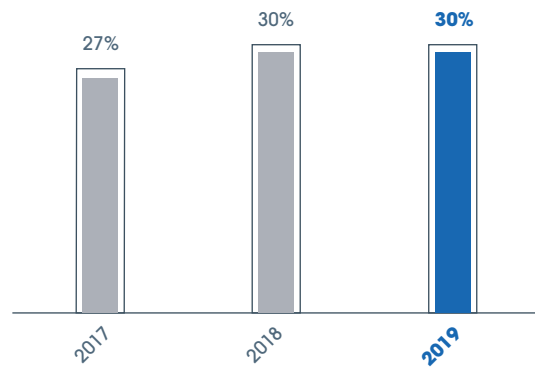
(In 2018, there was a total of 9,114 permanent new hires, 565 of them managers, with a coverage rate of 98%)

BREAKDOWN OF NEW HIRES BY GENDER



In 2019, the coverage rate was 100%.
(In 2018, the coverage rate was 93%.)

PERCENTAGE OF NEWLY HIRED FEMALE MANAGERS



In 2019, the coverage rate was 99%.
(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 operation, and that its industrial laundries have the necessary approvals and permits covering the entire operating cycle.

Organizational structure vis-à-vis the environment

The Group's Quality, Safety and Environment (QSE) Director reports to the Group Engineering, Purchasing and Supply Chain Director who is a member of the Executive Committee. The QSE Director 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.

Measures implemented

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 139 sites, mainly in Germany (30), Sweden (24), Spain (25), Denmark (19), Norway (9), the Netherlands (8) 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 pre-treatment 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 2019, the coverage rate was 100%.

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

(In millions of euros)

	2019
Compliance costs	7.3
Environmental provisions and guarantees	70.7
Compensation paid for environmental litigation	0.03

In 2019, the coverage rate was 100%

4.2 Sustainable use of water resources

Challenge

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.

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. Through process optimization, Elis's workwear rental and laundry service is able to substantially reduce water consumption compared to a solution based on the purchase of workwear and in-house laundering.

This approach also extends the service life of products and maximizes their use by naturally encouraging their repair, reuse and recycling.

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.

These commitments are also reflected in the Group's CSR policy, thanks to a concerted capital expenditure program and the deployment and promotion of water-saving best practices. Throughout the Elis group the water and energy consumption reduction are central topics.



Water

Water: 40.6% savings per kg of linen delivered since 2010

AREA: EUROPE*

* Laundries only. New facilities acquired in a given year are included in the ratio two years after the acquisition year.

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;
- › 43 water- and energy-related audits conducted in 2019;
- › optimization of washing equipment (fine-tuning of water flow monitoring) and related washing programs;

- › reusing water between 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 laundry products used for the industrial process (which affects water consumption).

In 2019, Elis also completed its program to replace 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.

Key performance indicator (KPI) and outcomes

Ratio of water consumed per kg of linen delivered: 8.9.

In 2019, the coverage rate was 100%.

Annual use of water for the Group's activities: water consumption (in millions of m³): 15.6

In 2019, the coverage rate was 100%.

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. Prior to being discharged into the natural environment, all industrial discharge is treated either entirely on-site or at the municipal water treatment plant with or without on-site pretreatment, depending on the case. 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. The fact that Elis may not be able to discharge its wastewater into municipal collection systems or to other locations, for regulatory reasons, for example, could have operational and financial consequences.

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. The Group has been committed to reducing its water consumption for many years and, consequently, the volume of its industrial wastewater discharges has reduced: 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 to improve it. Depending on local conditions, some of Elis's plants may have their own water treatment and pre-treatment 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. The Elis Group monitors the topic on corporate level through annual surveys filled out by the local QSE and/or site teams, to get an updated view of how the wastewater is treated.

Measures implemented

The key measures implemented in 2019 to prevent the risks of water pollution are as follows:

- › continuation of improvement plans aimed at reducing water consumption and, by extension, the volume of water discharged;
- › self-monitoring of industrial wastewater in accordance with the requirements of industrial wastewater discharge ordinances or prevailing regulations.



Key performance indicator (KPI) and outcomes

% of wastewater treated before being discharged into the natural environment*: 100%

In 2019, the coverage rate was 100%.

* Industrial discharge is treated prior to discharge either entirely at the site or at the municipal water treatment plant with or without on-site pretreatment.

4.4 Changes in costs related to energy consumption

Challenge

Committed to 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 in Europe for more than ten years, thanks to its focus on energy reduction. 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 as it has a financial and operational impact.

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 aim 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;
- › analyse 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

Thermal energy: 23.4% savings per kg of linen delivered since 2010

AREA: EUROPE*

* Laundries only. New facilities acquired in a given year are included in the ratio two years after the acquisition year.

The program is further strengthened by Elis's efforts to obtain ISO 50001 energy management system certification, which was awarded to 81 European sites in 2019 (77 sites in 2018). 54 sites in France are SGS-certified and 24 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.

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 is continuing to implement measures to reduce its energy consumption and energy costs, resulting in improvements in the following indicators:

Key performance indicator (KPI) and outcomes

Amount spent on energy (in millions of euros): 109.4.

(In 2019, the coverage rate was 100%)

Ratio of thermal energy consumption in kWh per kg of linen delivered: 1.34.

(All sites, excluding fuel for vehicles)

(In 2019, the coverage rate was 100%)

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 CO₂ 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 and to prepare for possible reduction of fossil fuel availability and rising costs which can result in an operational and financial impact.

Policy

Elis's Quality, Safety and Environment policy and the CSR 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 nationally and internationally, 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 travelled

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 (Global 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. Service agents are audited during rounds with their managers in order to assess, reiterate and raise awareness of good driving practices.

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 800kg to 1,200kg. 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 ton of linen delivered: 25.0.

(All types of vehicles, owned or leased)

In 2019, the coverage rate was 100%.

In 2019, Elis purchased new alternative energy vehicles (hybrids, electric vehicles, NGVs) following tests carried out in previous years. The Elis Group now has 40 hybrid vehicles, 19 electric vehicles, and 8 vehicles powered by natural gas and 20 LPG vehicles.

5 SUSTAINABLE PURCHASING

Challenge

Unethical practices of Elis's suppliers in their business (labor, environmental) could result in a significant operational, financial and reputational impact. Therefore, 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. Standards like this Charter, other guiding documents and the measures derived from those enable us to decrease the likelihood of an unethical event to occur.

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 (health and well-being) 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.

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 (that is 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 also encourages OEKO-TEX certification for the textiles delivered, in accordance with its Supplier Code of Conduct. 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.

Elis procures its supplies from Europe, Asia and Africa. For example, Elis's coffee supplier, Malongo, and its paper and soap suppliers are based in Europe. 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. Please refer to the image "Elis countries and our 'direct' supplier countries."

Lastly, 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 hygiene and well-being products. Any new supplier of items for any Elis service or product must have a satisfactory CSR assessment in order to be listed. The Elis Supplier CSR management policy and the Elis Supplier Management Process policy describe this selection procedure. This procedure can be summarized in the following general steps:

General Elis requirements

Elis supplier requirements are formalized in its Supplier Code of Conduct, also known as the Ethical and Responsible Purchasing Charter. This document is based on the UNGC, ILO core conventions, UKBA (UK) or Sapin II law (France) and covers human rights, labor, the environment and anti-corruption regulations. Responsible suppliers are selected based on risk evaluation, risk assessment and risk mitigation approaches.

Step 1 evaluation: country risk assessment

The first step is to evaluate the risk associated with a given geographical area. Risk is defined based on data from international organizations (for example UN, ILO, World Bank, etc.) and is expressed as a global indicator, with countries classified as low, medium or high risk.

Step 2 evaluation: supplier risk validation

Suppliers operating in medium or high-risk areas must complete a questionnaire, providing detailed information on supplier positioning with respect to CSR international norms and standards. ISO 26000, SA 8000 or ISO 14001 certifications or validated Sedex/SMETA or BSCI audits are considered as positive statements. A CSR self-assessment may be considered as a positive statement, particularly if validated through a third-party audit.

Step 3 evaluation: prioritization of tasks

To leverage the controls and ensure maximum coverage, suppliers are assessed against the volume and criticality of the goods or services provided to Elis.

Step 4 mitigation: supplier control and audits

Suppliers that are not directly validated through a CSR assessment are further prioritized in terms of criticality. On the basis of this prioritization, audits are performed at suppliers by an external and independent third party. Elis subsequently monitors the implementation of action plans arising from these audits.

Measures implemented

Our Supplier Code of Conduct applies to all our suppliers, whether new or existing. Each supplier must sign the Supplier Code of Conduct when entering into or renewing a contract. During 2019 Elis started developing a software tool "Supplier On-boarding & Claim system", that will be implemented in 2020. Documents as proof of the OEKO-TEX certification, a signed Supplier Code of Conduct, REACH commitments and more are to be uploaded in this tool. The used of the system will first be required for all direct preferred suppliers and notifies them when documents are about to expire.

Elis is gradually rolling out the CSR 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. 2019 has been a year in which the focus has been on selecting suppliers that fit the new scope and size of the Elis group.

We have increased the level of communication on our suppliers' CSR management with key account end customers. The Elis management system has been validated by these customers. Requests from customers on supplier CSR information and audits happens anonymously, the details of Elis suppliers is considered to be confidential internal information.

In the specific case of Brazil, Elis's biggest suppliers follow a national program for securing a sustainable supply chain. Suppliers not covered by this program must undergo an internal CSR audit performed by Elis in accordance with our Group policy.

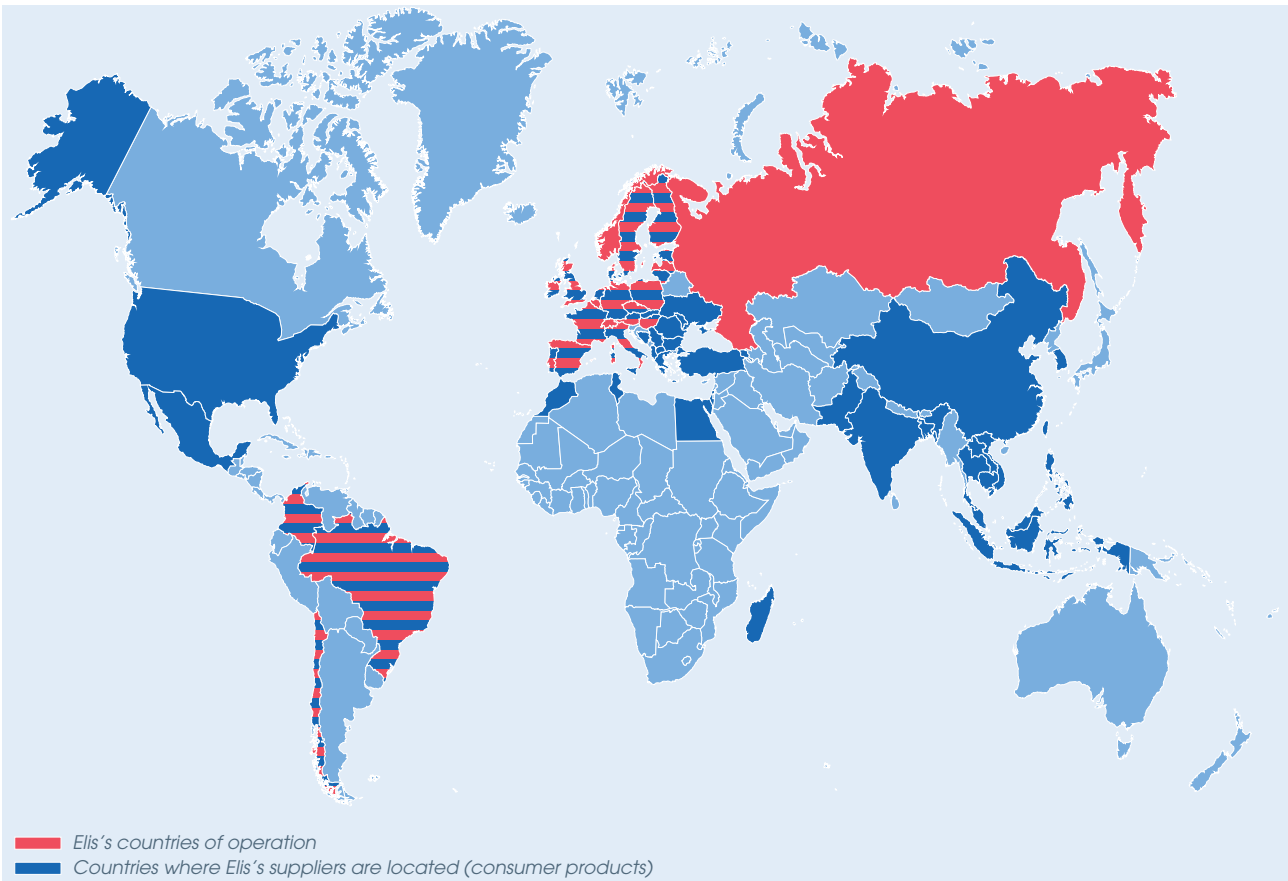
Key performance indicator (KPI) and outcomes

The percentage of direct purchases covered by a supplier CSR assessment is now calculated based on current-year revenue instead of revenue from the previous year.

Percentage of direct purchases* covered by a supplier's CSR assessment: 94%

In 2019, Elis commissioned 16 CSR audits (in 2018 it was 19).

ELIS COUNTRIES AND OUR 'DIRECT' SUPPLIER COUNTRIES



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 2019 financial year, based on the eight measures required under the Sapin II law, the Group continued rolling out the following initiatives:

- › updating of the Group's corruption risk map and its breakdown by country;
- › the continued overhaul of its ethical charter to create a Group Code of Ethics that 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 continued implementation of a single Group-wide whistleblowing mechanism and a procedure for handling alerts, as well as the regular monitoring of alerts and a biannual presentation to the Group Audit Committee;
- › the continuation of training for at-risk managers and staff, giving priority to the most susceptible regions;
- › the reinforcement of its procedures, including the distribution of a guide on gifts, invitations, donations and sponsoring;
- › the sharing of updated accounting control procedures via a dedicated intranet;
- › the development of a system for classifying third parties according to their risk level to introduce different levels of investigation.

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

This program complements the programs that had already been implemented in some Group countries, especially Brazil, as well as the existing programs at Elis's northern European countries and its subsidiaries under UK anti-corruption regulations. The Company has incorporated these programs to prevent and combat corruption risks into its own program.

7 SUMMARY OF ENVIRONMENTAL AND SOCIAL INFORMATION

7.1 Summary of environmental information

	Unit	Group 2019	Group 2018
Scope			
Gross revenue of sites within the scope	Millions of euros	3,200.7	3,105.0
Number of sites included in the scope	Number of sites	419	444
General environmental policy			
ISO 14001 certified sites	Number of sites	139	128
ISO 50001 certified sites	Number of sites	81	77
Amount of compliance costs	Millions of euros	7.5	5.4
Amount of environmental provisions and guarantees	Millions of euros	70.7	69.4
Amount of compensation paid for environmental litigation	Millions of euros	0.03	0.0
Pollution prevention and waste management			
Total amount of waste generated	Tons	34,794	36,111
Amount of hazardous waste generated	Tons	6,367	6,308
Proportion of hazardous waste recovered	%	67	27
Amount of non-hazardous waste generated	Tons	28,428	29,803
Proportion of non-hazardous waste recovered	%	65	58
Amount spent on waste treatment	Millions of euros	6.6	6.1
Amount generated through waste recovery	Millions of euros	1.20	0.6
Sustainable use of resources			
Total volume of water consumed	Millions of m ³	15.6	16.3
Proportion of public water	%	46	N/A
Proportion of groundwater	%	52	N/A
Proportion of surface water	%	2	N/A
Amount spent on water consumption	Millions of euros	12.2	12.8
Volume of industrial wastewater discharged	Millions of m ³	13.7	13.9
Volume of industrial wastewater treated	Millions of m ³	13.7	13.9
Proportion of industrial wastewater treated in municipal wastewater treatment facilities	%	90	N/A
Proportion of industrial wastewater treated in-house before discharge into natural environment	%	10	N/A
Total energy consumption (excl. vehicles)	MWh (HHV)	2,696,704	2,721,191
Electricity consumption	MWh	324,787	348,651 ^(a)
Consumption of renewable energy	MWh (HHV)	454,655	430,612
Consumption of natural gas/propane/butane	MWh (HHV)	1,810,510	1,738,267
Consumption of fuel oil (excluding fuel for vehicles)	MWh (HHV)	64,276	61,459
Consumption of other energy sources	MWh (HHV)	42,477	78,985
Amount spent on energy consumption	Millions of euros	109.4	120.6
Total fuel consumption for vehicles	Thousands of liters	43,992.4 ^(b)	41,405.3
Gasoline consumption	Thousands of liters	773.6	617.8
Diesel consumption	Thousands of liters	43,068.1	40,787.5
Amount spent on fuel consumption	Millions of euros	50.6	47.1
Fight against climate change			
Direct GHG emissions – Scope 1	Kt CO ₂ eq.	474.8	450.3
Direct GHG emissions – Scope 2	Kt CO ₂ eq.	71.1	101.5
Total GHG emissions	Kt CO ₂ eq.	545.9	551.8

(a) Correction made to consumption declared in the 2018 Registration Document.

(b) All types of liquid fuels.

7.2 Summary of social information

	Unit	Group, 2019	Group, 2018
Total workforce	Number of employees	48,173	47,291
Permanent workforce		41,701	41,062
Permanent female workforce		22,073	21,712
Permanent male workforce		19,628	19,350
Permanent managers		3,147	2,994
Permanent female managers		1,027	931
Non-permanent workforce		6,472	6,229
Total workforce – France		13,235	13,049
Total workforce – Europe (excluding France)		23,652	23,153
Total workforce – Latin America		11,286	11,092
Permanent workforce aged 17 or under as at December 31		4	24
Permanent workforce aged 18-26 as at December 31		4,502	4,409
Permanent workforce aged 27-49 as at December 31		23,949	23,974
Permanent workforce aged 50 and over as at December 31		13,246	12,655
<i>Based on the social reporting scope</i>			
Number of new permanent hires		9,969	9,114
Hiring rate in the permanent workforce <i>New permanent hires as a proportion of permanent workforce as at December 31</i>	%	20.6	N/A
New permanent female hires	Number of employees	4,410	N/A
New permanent male hires	Number of employees	5,559	N/A
New permanent hires aged 17 or under as at December 31	Number of employees	28	N/A
New permanent hires aged 18-26 as at December 31	Number of employees	2,915	N/A
New permanent hires aged 27-49 as at December 31	Number of employees	5,747	N/A
New permanent hires aged 50 and over as at December 31	Number of employees	1,279	N/A
New permanent hires in France	Number of employees	1,494	N/A
New permanent hires in Europe (excl. France)	Number of employees	4,230	N/A
New permanent hires in Latin America	Number of employees	4,245	N/A
Number of departures in the permanent workforce <i>Permanent workforce who leave the organization voluntarily or due to dismissal, retirement, or death in service, other</i>	Number of employees	4,765	N/A
Turnover rate in the permanent workforce in France <i>Departures in the permanent workforce as a proportion of the permanent workforce as at December 31</i>	%	8.8	N/A
Turnover rate in the permanent workforce in Europe (excluding France) <i>Departures in the permanent workforce as a proportion of the permanent workforce as at December 31</i>	%	14	N/A
Turnover rate in the permanent workforce in Latin America <i>Departures in the permanent workforce as a proportion of the permanent workforce as at December 31</i>	%	25.6	N/A
Departures in the permanent workforce in France	Number of employees	838	N/A
Departures in the permanent workforce in Europe	Number of employees	2,395	N/A
Departures in the permanent workforce in Latin America	Number of employees	1,532	N/A
Compensation	Euros		
Fixed and variable compensation, collective and individual		978,436,212.69	907,559,908
Of which bonuses, collective compensation and discretionary profit sharing		17,343,534.86	17,820,254
Organization of work	%		
Proportion of full-time permanent workforce		93.8	93.6
Proportion of part-time permanent workforce		6.2	6.40
Absenteeism rate		6.37	6.13
Number of absences shorter than seven days (paid or unpaid)	Number	48,246	N/A

	Unit	Group, 2019	Group, 2018
Average number of training hours per employee <i>Number of training hours in proportion to the permanent and non-permanent workforce</i>	Number	5.8	N/A
Workplace accidents			
Permanent and non-permanent workforce	Number		
Number of fatal accidents		0	0
Number of accidents with lost time		1,529	1,658
Frequency rate <i>(Number of lost time accidents (excluding commuting accidents) relative to the number of worked hours during the year) x 1,000,000</i>		16.90	19.15
Frequency rate in Europe		18.66	20.55
Frequency rate in Latin America		11.15	14.5
Severity rate <i>(Number of calendar days off related to lost time accidents with more than 1 day off (excluding commuting accidents) relative to the number of worked hours during the year) x 1,000</i>		0.66	0.71
Severity rate in Europe		0.77	0.82
Severity rate in Latin America		0.29	0.33

8 CROSS-REFERENCE WITH THE UNITED NATIONS GLOBAL COMPACT

Category	Principles of the United Nation Global Compact	Sections
Human Rights	1 Business 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
Labor rights	3 Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	2 5
	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 Business 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 Business 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



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