



# Universal Registration Document

Including the Annual Financial Report

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Elis service agent.

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**General remarks:** In this Universal Registration Document, unless otherwise stated, the terms "Company" and "Elis" refer to Elis, a joint-stock corporation (*société anonyme*) headquartered at 5, boulevard Louis Loucheur, 92210 Saint-Cloud (France) and registered with the Nanterre Trade and Companies register under number 499 668 440. The term "Group" refers to the Company and its consolidated subsidiaries as a whole.

**Rounding:** Certain figures (including figures expressed in thousands or millions) and percentages in this Universal Registration Document have been rounded. As a result, the sum of the rounded amounts may present immaterial differences compared to the total reported amounts.

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The Universal Registration Document, including the annual financial report, is a copy of the official version of the Universal Registration Document, which was prepared in xHTML format and filed with the French Financial Markets Authority (AMF) on March 29, 2023; this version is also available on the Group's website.



This Universal Registration Document was filed on March 29, 2023 with the French Financial Markets Authority (Autorité des marchés financiers - AMF), in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval, in accordance with Article 9 of said Regulation.

The Universal Registration Document may be used for the purpose of a public offering of securities or the admission of securities to trading on a regulated market if it is supplemented by a transaction note and, where applicable, a summary and any addenda made to the Universal Registration Document. All this material must be approved by the AMF in accordance with Regulation (EU) 2017/1129.

Pursuant to Article 19 of Regulation (EU) 2017/1129, the following information is included in this Universal Registration Document by reference:

- the consolidated financial statements of the Elis Group relating to the 2021 financial year and the Statutory Auditors' report appearing in sections 6.1 and 6.2 of the 2021 Universal Registration Document, available on the Company's website: [https://fr.elis.com/sites/fr.elis.com/files/2023/02/15/Elis\\_URD\\_2021\\_EN.pdf](https://fr.elis.com/sites/fr.elis.com/files/2023/02/15/Elis_URD_2021_EN.pdf)
- the consolidated financial statements of the Elis Group relating to the 2020 financial year and the Statutory Auditors' report appearing in sections 6.1 and 6.2 of the 2020 Universal Registration Document, available on the Company's website: <https://se.elis.com/sites/se.elis.com/files/2021/05/10/Elis%20-%202020%20Universal%20Registration%20Document.pdf>

Information in the annual financial report is identified on the contents page by the symbol **AFR**







# 1

## Presentation of the Group and its activities

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## 1.1 ELIS IN 2022

In business for more than a century, the Group has unparalleled experience that has positioned it as a global multi-service leader in textile, hygiene and facility services solutions.

**Elis by the numbers** (at December 31, 2022)

**€3,820.9 million** in revenue

Approximately **400,000** customers

**54,113** employees

Operating in **29** countries

**434\*** plants and distribution centers

\* Figure aligned with chapter 3 reporting scope.

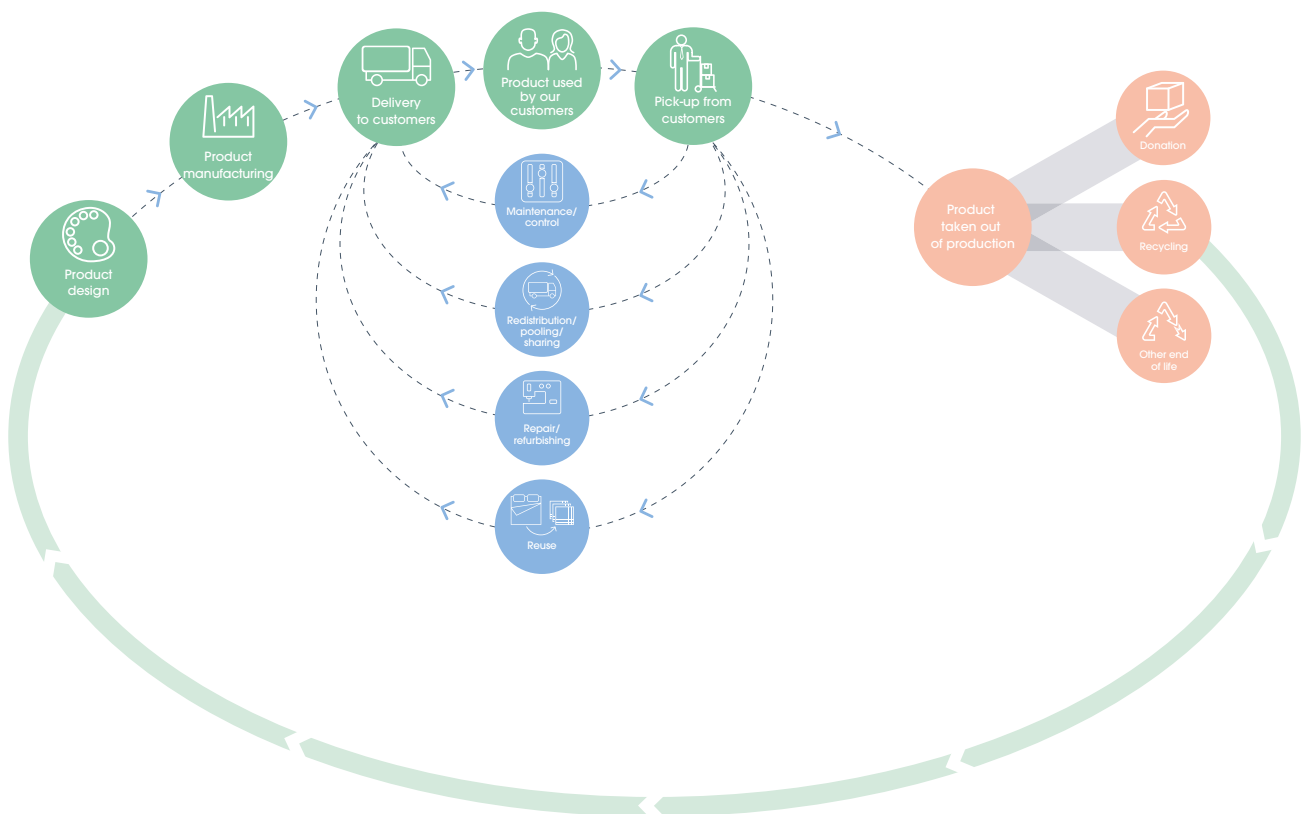
# Elis, a global leader in circular solutions for the workplace

Elis operates on a rental and maintenance business model. It sells the use of the product, rather than the product itself. This product as a service business model accounts for 88% of Elis's revenue.

As part of the rental and maintenance approach, the Group strives to optimize the lifespan of its products. Profitability is closely tied to the quality of the items rented to the customer.

Pooling is another benefit of this business model: when one customer is done with a product, another customer will be able to put it to use.

Lastly, this model puts special emphasis on customer relations by providing service and follow-up throughout life of the contract. Sustainability goes hand in hand with a focus on quality.





## Our mission

As the leader in circular services at work, Elis ensures its clients achieve optimal hygiene, well-being and protection – everywhere, every day, in a sustainable way.

Our circular services:

- > helps our customers focus on their core business;
- > reinforces our rental, maintenance and reuse business model;
- > allows our customers to reduce their environmental footprint.

Our circular services inspire our commitment.

They create a bond between us, our customers and our planet.

And they unite our people around the world.

## Our values

<p><b>Respect</b></p> <ul style="list-style-type: none"> <li>&gt; Acknowledging everyone's differences</li> <li>&gt; Valuing each contribution</li> <li>&gt; Recognizing everyone's commitment</li> </ul>	<p><b>Integrity</b></p> <ul style="list-style-type: none"> <li>&gt; Being true to our principles</li> <li>&gt; Doing what we say we'll do</li> <li>&gt; Being honest</li> </ul>
<p><b>Responsibility</b></p> <ul style="list-style-type: none"> <li>&gt; Caring for our customers, the people we work with</li> <li>&gt; Caring for the environment and being part of the community</li> <li>&gt; Being accountable for the quality of our work</li> </ul>	<p><b>Exemplarity</b></p> <ul style="list-style-type: none"> <li>&gt; Being a role model to others in and out of the company</li> <li>&gt; Embodying the company values in everything we do</li> <li>&gt; Remaining humble</li> </ul>

## The rental and maintenance process

Our customers' first contact is with our sales forces, who are all experts in their field. They assess the customer's needs and estimate the necessary quantities, delivery frequency and product type. Elis takes charge of purchasing and storing the items. It will adjust its service to changes in staffing levels and fluctuations in business. Elis works with customers to set the service schedule so they never have to worry:

textile maintenance, equipment servicing, replacement of consumables, repairs, and same-day pick-up and delivery so the truck never travels empty. A customer care team takes over the contract once its implementation has been finalized. The team ensures the customer's satisfaction and may offer additional services.



## Our solutions

Elis has diversified throughout its history by developing complementary new services that can meet a particular customer's various needs. Multi-service is at the core of Elis's strategy. Not only can a customer visit be optimized to achieve economies of scale,

but the environmental impact of the delivery is also reduced. Value is provided to the customer by offering a comprehensive service that frees it from organizational tasks so it can focus on its core business while maintaining control over its budget.

## Our services

We offer customized solutions for flat linen, workwear, washrooms, floor protection, beverages, cleanrooms, pest control and medical waste management.

 Flat linen	Table, kitchen and hotel linens	<b>over 1 billion</b> items delivered every year	
 Workwear	Workwear and PPE	<b>over 3.8 million</b> wearers worldwide	
 Washroom	Hand washing and drying, scent solutions, toilet hygiene and feminine hygiene	<b>over 2.6 million</b> washroom appliances worldwide	
 Beverages	Water fountains and coffee machines	<b>over 130,000</b> machines in Europe and Latin America	
 Floor protection	Wide range of mats	<b>over 13 million</b> mats delivered every year	
 Industrial wiping	Industrial wipes	<b>over 60 million</b> towels maintained every year	
 Pest control	Vermin control, insect control, disinfection	<b>over 40,000</b> customers	
 Cleanroom	Cleanroom garments	<b>over 1 million</b> garments for cleanrooms delivered every week	
 Medical waste management	Collection and disposal of medical waste	<b>Nearly 16,000</b> containers in France	

## Our markets

We work for public and private organizations of all sizes and in all business sectors.

### Industry, Trade and Services

**Main sectors:**  
industry, retail commerce and services

**Customers:**  
from small accounts to multinationals

**Main services:**  
workwear (uniforms, protective and high-visibility garments), washroom hygiene, beverages and mats (floor protection solutions, comfort mats, logo mats)



### Healthcare

**Main sectors:** hospitals and care homes



### Hospitality

**Main sectors:** hotels and restaurants



# Message from the chairmen



Statement from  
**Thierry Morin**

Chairman of the  
Supervisory Board

**Despite a very difficult macroeconomic context, the strength and flexibility of the Elis model enabled the Group to achieve record levels across almost all its financial indicators.**

After two years of pandemic-related disruption, 2022 was, in many ways, an extraordinary year, marked by major geopolitical instability and very high inflation. Nevertheless, just like in 2021, Elis' business model proved its value and robustness.

The Group's strategy is based on a decentralized model which attaches great importance to closeness between Elis and its customers, wherever they may be in the world. Such closeness and reliability of service means that we are able to forge long-lasting business relationships with our customers, in which Elis becomes a fully-fledged partner in their businesses.

This approach to business relationships, and the Group's reliability and quality of service, meant that we were able to establish price adjustments throughout the year to compensate for the inflation peaks seen in 2022. In addition, the numerous contracts gained in Industry and in Trade and Services, the revitalization of the Hospitality sector, and the price adjustments, have meant record revenue of over €3.8 billion, driven by +21% organic growth.

While, as expected, there was a slight downturn in EBITDA margin in connection with inflation, the other financial indicators rose sharply, and the

Group's debt reduction process accelerated significantly, with financial leverage of 2.5x as at December 31, 2022. This debt reduction will continue in 2023 and should enable the Group to benefit from more favorable financing conditions in a chaotic debt market.

In 2022, Elis also continued to pursue its acquisition strategy, establishing a presence in its 29<sup>th</sup> country (its 4<sup>th</sup> country in Latin America), by buying up the market leader in Mexico – the only player in the country with nationwide coverage. The market in Mexico is experiencing phenomenal growth, and competition within it is particularly fragmented; this acquisition will help bolster the Group's strong growth profile.

The Elis business model not only guarantees considerable financial resilience, it is also responsible toward the environment. In this respect, I wish to highlight the Group's initiatives in connection with the circular economy, which have gained widespread recognition from specialized agencies. In addition, our emissions-reduction targets, which are in line with the Paris Agreement, will be announced in the second half of 2023.

We look toward 2023 with confidence, fully aware of the potential macroeconomic dangers, but secure in the knowledge of the Group's major assets. Elis' resilience, which has been proven through our handling of the various recent crises, its operational know-how, its strengthened organic growth profile, and its model built on the principles of the circular economy will allow the Group to continue to assert its leadership in all the countries where it operates.



The Elis business model not only guarantees considerable financial resilience, it is also responsible toward the environment.





**Having weathered what has certainly been a stormy year, characterized by numerous major events, Elis has managed to generate substantially increased revenue. How do you explain that?**

Certainly, it was a turbulent year, but there were also factors which played in the Group's favor, such as the recovery of the hospitality industry. In the first quarter of 2022, the new variant of Covid-19 set Elis back €50 million in revenue. However, after that, we got back to 2019 levels fairly quickly in practically all areas, and this upturn in activity enabled us to meet the year's macroeconomic disturbances head on. Revenue, EBITDA and operating income hit record highs, and the free cash flow was close to its 2021 peak.

**How did you handle the soaring energy prices?**

Prior to this year, we had been in a situation where gas and electricity prices were relatively stable, so at the beginning of the year, we had contracts in place which only covered 50% of our demand. But in 2022, gas prices increased enormously! This expense represented 9% of revenue in 2022, whereas ordinarily, it represents only 5%. We need gas to wash and dry the linen in our laundries, but also fuel for our fleet of vehicles to deliver to our customers, though we are increasingly moving toward electric vehicles.

This being the case, we need to go and discuss things with our customers. There is always a certain

amount of delay, while we hammer out an agreement. Nevertheless, in 2022, we were not far off completely covering our cost inflation, which amounted to around €275 million, through raising our prices, generating a further €260 million. However, in terms of margin, the effect was negative, as this additional income was billed without any margin. Thankfully, we took advantage of the recovery in hospitality and made gains in productivity, with a plan of action in all 29 countries where we operate to make savings in logistics or optimize productivity in our laundries. We also worked to reduce their energy consumption, resulting in substantial savings of around 8% for equivalent volumes. Had we done nothing, the rise in energy prices would have cost us 3 points of EBITDA margin instead of 150 basis points.

**Does the energy transition lend itself to your activities?**

We have carried out comparative studies on our solutions. Compared to a model where businesses buy stocks of clothing which their employees then wash at home, Elis' rental and maintenance offerings provide a 35% saving in CO<sub>2</sub> emissions. This gain is made mainly in management of the stock of clothing, which costs a lot of energy to produce. However, from the very outset of the design of our garments, we aim to ensure they are as durable as possible, and therefore need replacing less frequently. In addition, in laundries which are as streamlined as ours, water consumption and detergent use are actually halved. Since 2010, at comparable levels of linen washed in terms of volume, we have reduced our water consumption by 43% and have plans to reduce it further.

**How far along is the Group in its deleveraging process?**

Elis' leverage (net financial liabilities/EBITDA) has evolved in quite a spectacular way. At the end of 2021, it was 3x; at the end of the 2022 financial year, it was 2.5x; and the way things are head, it will be 2.1x by year-end 2023. At these levels, and in light of the resilience of our economic model and the regularity of our cash flow, we can reasonably expect to see our financial rating improve during 2023. Such an improvement would bring a twofold benefit: having access to cash whatever the economic climate, and reducing the cost of future refinancing. Over a long period of time, the difference in rates between an issuer with a BB rating and an issuer with a BBB rating currently sits between 150 and 200 basis points.

*Interview in collaboration with the magazine*

**investir**



Questions to  
**Xavier Martiré**

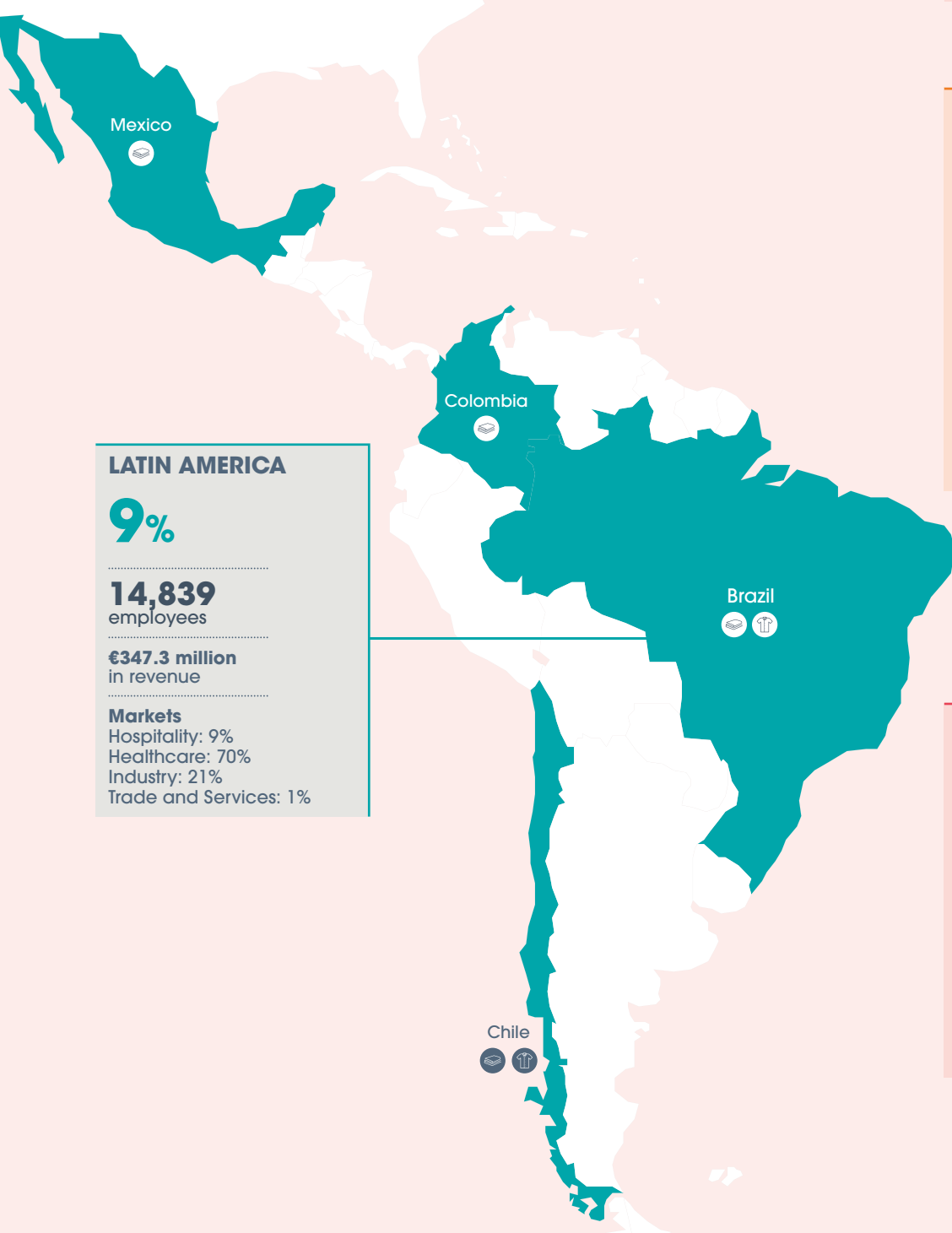
Chairman of  
the Management  
Board

“  
Revenue, EBITDA  
and operating  
income hit record  
highs, and  
the free cash flow  
was close to  
its 2021 peak.  
”



# An international presence

**69%**  
of revenue generated outside France in 2022



**UNITED KINGDOM AND IRELAND**

**13%**

**6,585** employees

**€476.5 million** in revenue

**Markets**  
Hospitality: 34%  
Healthcare: 37%  
Industry: 17%  
Trade and Services: 12%

**LATIN AMERICA**

**9%**

**14,839** employees

**€347.3 million** in revenue

**Markets**  
Hospitality: 9%  
Healthcare: 70%  
Industry: 21%  
Trade and Services: 1%

**SOUTHERN EUROPE**

**9%**

**4,824** employees

**€330.5 million** in revenue

**Markets**  
Hospitality: 49%  
Healthcare: 16%  
Industry: 19%  
Trade and Services: 17%

**Revenue:** as a percentage of consolidated revenue, excluding other sectors and miscellaneous  
**Workforce:** data as at 12/31/2022  
**Symbols:** services listed when they generated at least 10% of the country's 2022 revenue.  
 ☁ Flat linen  
 👤 Workwear (workwear and PPE, cleanroom, laundry services)  
 🧼 Hygiene and well-being (washrooms, beverages, floor protection, industrial wiping, Pest control, medical waste management).

**SCANDINAVIA AND EASTERN EUROPE**

**15%**

**4,841**  
employees

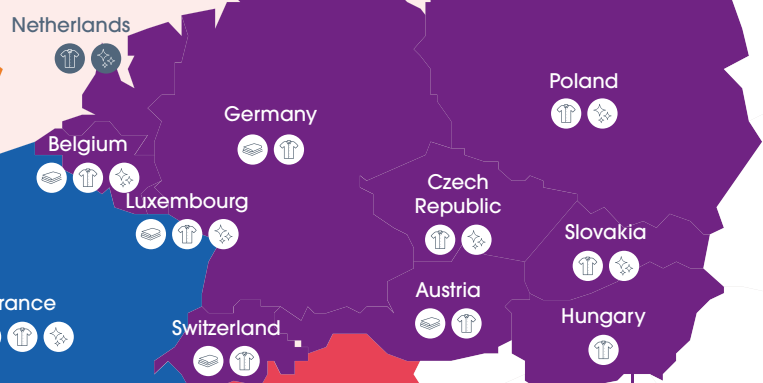
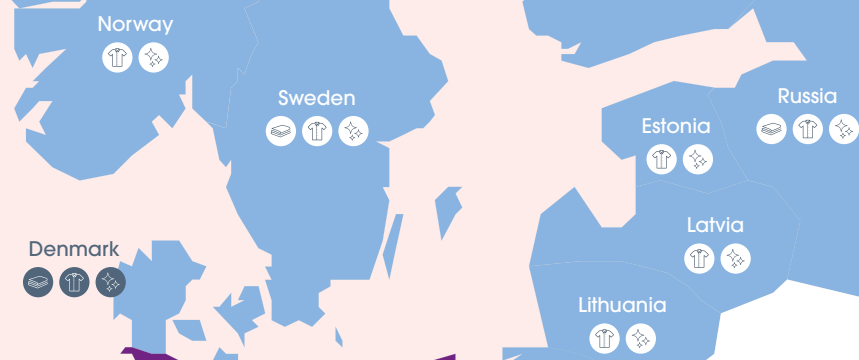
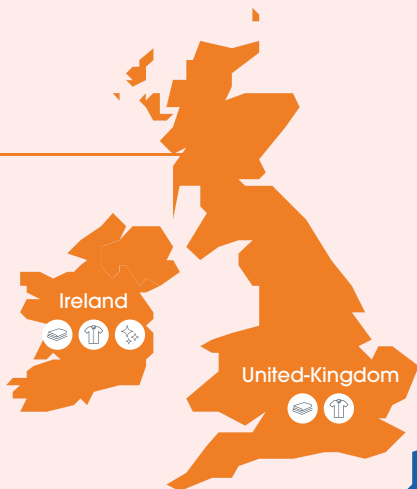
**€580.7 million**  
in revenue

**Markets**

Hospitality: 17%  
Healthcare: 14%  
Industry: 51%  
Trade and Services: 17%

Elis in 2022

1



**CENTRAL EUROPE**

**23%**

**10,030**  
employees

**€870.0 million**  
in revenue

**Markets**  
Hospitality: 13%  
Healthcare: 39%  
Industry: 33%  
Trade and Services: 16%

**FRANCE**

**31%**

**12,994**  
employees

**€1,185.0 million**  
in revenue

**Markets**  
Hospitality: 33%  
Healthcare: 16%  
Industry: 18%  
Trade and Services: 33%



# History and 2022 highlights

Ever since its inception, Elis has continuously expanded and reinvented itself to adapt to changes in how customers consume and use products and services. It is constantly innovating to meet its customers' needs and consumers' new requirements.

## 1883

Founding of Grandes Blanchisseries de Pantin: Elis launders linen for hotels, restaurants and individual customers.

## Interwar Period

Invention of the rental and maintenance model.

## Postwar Period

Development of workwear segment, as Elis was responsible for the maintenance of the US Army's linens.

## 1968

Creation of the Elis Group, an abbreviation of Europe Linge Service (ELIS).

## 2020

Covid-19 crisis: strong operational and commercial response.

## 2017

Acquisition of Berendsen, creating a pan-European leader.

## 2015

Initial public offering on the Euronext regulated market in Paris and continued growth in Latin America.

## 2014

Continued international expansion of the Group by setting up operations in Brazil.

## 1973-2001

European expansion and diversification of rental and maintenance business (washrooms, water fountains, coffee machines, residents personal laundry, facility laundry and cleanrooms).

## 2021

Business recovery: performance and mobilization of teams to achieve goals.

## 2022

Expansion in Latin America with the acquisition of the Mexican leader: Lavartex.



## Mexico

After Brazil, Chile and Colombia, Elis has entered another Latin American country with its acquisition of a leader on the Mexican market and the only operator to have national coverage.

An **established player on the Mexican market with country-wide coverage**, this family-owned business was created nearly a century ago and mainly supplies **flat linen and workwear**. It operates out of **11 plants and 12 distribution centers and had €92 million in revenue in 2022**, generated mainly from customers in the **Healthcare sector, as well as in**

**Hospitality and Industry. It brings 2,600 new employees into the Elis Group.** Mexico thus becomes the **29<sup>th</sup> country on Elis's list of locations**. The management team remains in place to continue to grow the business.

The integration process is already underway and a number of working groups have been formed to address ten topics. The goals include the pursuit of streamlining, shared best practices and economies of scale.



### Other major acquisitions during the year

GERMANY

**Jöckel**

CHILE

**Golden clean**

DENMARK

**Centralvaskeriert**



## New plants

### Länna in Sweden

Creation of a workwear plant next to the existing mat plant

Weekly capacity: **50,000 garments – 120 tons of mats**

Surface area: **2,300 m<sup>2</sup> expansion**



### Tarnow in Poland

Construction of a new workwear and mat plant

Weekly capacity: **42,000 garments – 42 tons of mats**

Surface area: **3,300 m<sup>2</sup>**



### Brétigny in France

Expansion of the flat linen plant. Renovation of the existing plant and transfer of the refurbishment activity to a new, more spacious, recently converted workshop.

Weekly capacity: **470 tons of flat linen – 70 tons of table linen**





## Ten years of Pest Control: a success story

Our business unit dedicated to vermin and insect control and disinfection celebrated its 10<sup>th</sup> anniversary in 2022.

In 2012, Elis acquired a vermin and insect control company in Italy, which, at the time, had €1 million in revenue. Over the years, Elis Pest Control has expanded into ten countries by developing its expertise in a wide range of areas, including disinfection and wasp, bedbug and pigeon control.

The business unit has, at the same time, worked to develop innovative traceability and prevention

solutions as well as more responsible alternative solutions. In some countries, the offering is also now available to individual customers.

Elis Pest Control has increased its level of professionalism with the launch of the Pest Control Academy, which helps train employees and improve their skills.

Elis Pest Control now has more than 200 technicians, 46 regional centers and more than 52 middle account managers for €47.4 million in revenue.



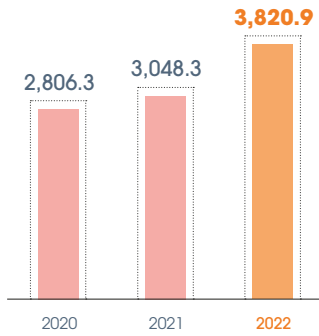


# Key figures in 2022

1

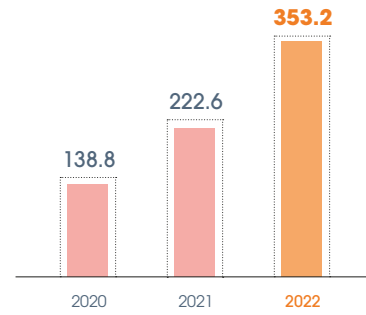
## REVENUE

In millions of euros



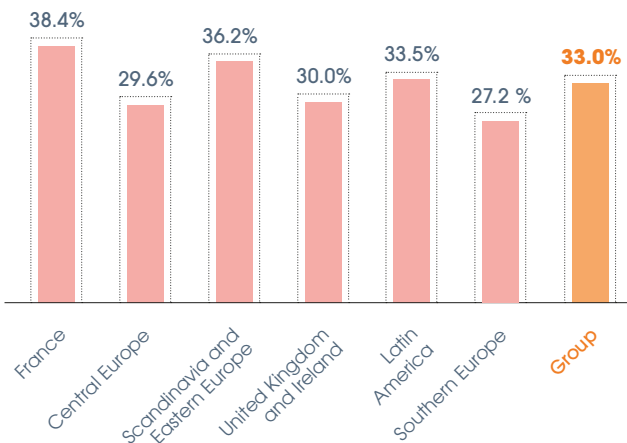
## NET INCOME FROM ORDINARY OPERATIONS

In millions of euros



## 2022 EBITDA BY REGION

As a % of revenue



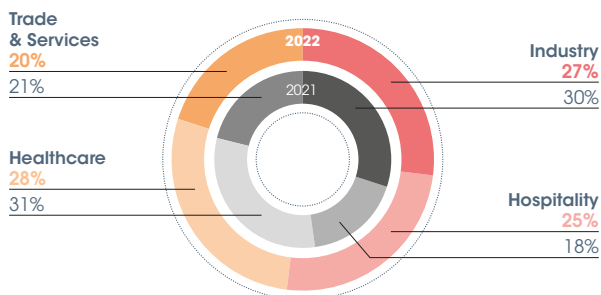
## ORGANIC REVENUE GROWTH IN 2022

As a % of revenue

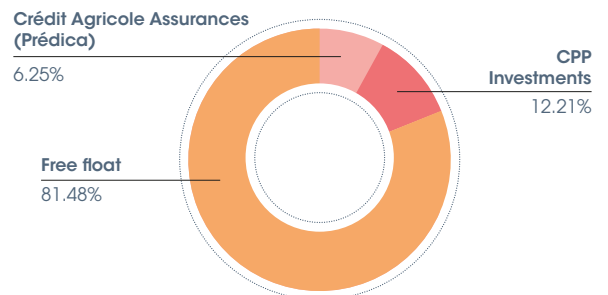


## BREAKDOWN OF REVENUE BY MARKET SEGMENT

As a % of revenue



## SHAREHOLDING STRUCTURE AT DEC. 31, 2022\*



\* More information in chapter 7.

## Social

### HEADCOUNT

**54,113** employees\*  
at December 31, 2022  
**52%** of which are women

**34%** female managers  
among new hires

\* Including employees in Mexico.

### TALENT DEVELOPMENT

**21%** of new managers  
are promoted internally

## Reputation

**88%** of customers are satisfied  
or very satisfied with Elis\*

\* Data from satisfaction surveys conducted for  
Elis worldwide in 2022.

## Environment

### WATER CONSUMPTION

**43%** reduction compared to 2010\*

\* Per kg of linen delivered – Europe.

### ENERGY CONSUMPTION

**26%** reduction compared to 2010\*

\* Per kg of linen delivered – Europe.

### ISO 14001-CERTIFIED SITES

**146**

### ISO 45001-CERTIFIED SITES

**95**

More information in chapter 3.

Revenue > **€3,820.9 million**

**€1,259.8 million**

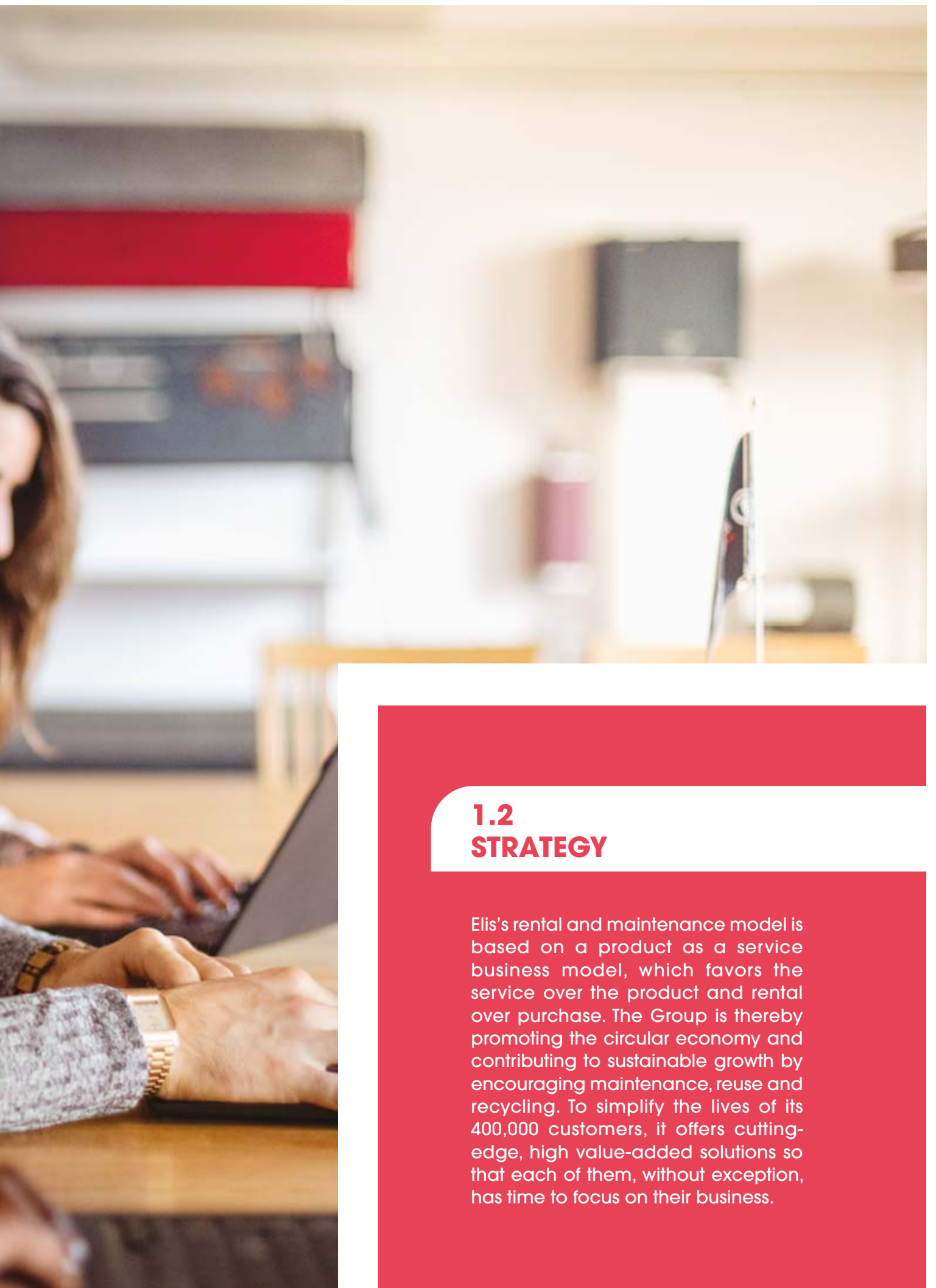
EBITDA > **33.0%**  
of revenue

Net income  
from ordinary  
operations > **€353.2 million**

Free  
cash flow > **€224.9 million**

Net capex > **€691.9  
million**





## 1.2 STRATEGY

Elis's rental and maintenance model is based on a product as a service business model, which favors the service over the product and rental over purchase. The Group is thereby promoting the circular economy and contributing to sustainable growth by encouraging maintenance, reuse and recycling. To simplify the lives of its 400,000 customers, it offers cutting-edge, high value-added solutions so that each of them, without exception, has time to focus on their business.



# 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

- › **54,113** employees
- › Operations in **29** countries

### ENVIRONMENTAL RESOURCES

- › Water consumption: **15.8\*** million m<sup>3</sup>
- › Energy consumption: **2,644\*** GWh
- › Total fuel consumption: **47.8\*** million liters

### FINANCIALS

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

### FACILITIES

- › **434\*** production and distribution centers
- › Over **6,000** vehicles
- › **146\*** ISO 14001-certified sites
- › **95\*** ISO 45001-certified sites
- › A responsible industrial model
- › Product as a service business model

### MISSION

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

\* Figures aligned with chapter 3 reporting scope.

## 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 **30** dedicated staff members
- › An in-house Customer Satisfaction program
- › Over **40,000** satisfaction surveys conducted in 2022

## The four pillars of Elis's strategy

To deliver cutting-edge solutions that reduce its carbon footprint, Elis's strategy is based on four key pillars.

### Consolidation of position

Elis is consolidating its market share and geographic coverage through both organic and external growth, which are 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
- › **88%** satisfaction rate in 20 countries

### EMPLOYEES

- › **52%** women
- › **34%** of new managers are women

*Figures aligned with chapter 3 reporting scope*

### INVESTORS

Since the IPO\*:

- › Shareholder return: **6%**, based on a share price of €16.58 at February 10, 2023

*\*Initial public offering.*

### THE PLANET

Reduction in consumption between 2010 and 2022, in line with 2025 goals:

- › Water: **-43%\***
- › Thermal energy: **-26%\***
- › Use of renewable energy: **19%**
- › CO<sub>2</sub>: **25%** reduction in our emissions intensity\*\*

*\* Per kg of linen delivered – Europe.*

*\*\* Per ton of linen delivered, Group scope all activities.*

# Focus on CSR

88% share of the Group's revenue based on the product as a service business model in 2021

## The three pillars of our CSR strategy

The Elis Group's CSR strategy is based on three key pillars:



### Pillar 1

- › Being an engaged and exemplary circular economy player:
  - › by increasingly incorporating the circular economy principles into our products, services and operations;
  - › by offering lower-impact solutions that consume fewer resources.
- › Eco-designing our products and services to support and encourage our customers in their CSR strategies
- › Being exemplary in our day-to-day operations to limit our environmental impact



### Pillar 2

- › Attracting new talent and encouraging employee development
- › Ensuring well-being at work and targeting zero accidents
- › Promoting diversity and equal opportunity



### Pillar 3

- › Providing products and services that contribute to hygiene and reduce resource consumption
- › Contributing to the development of the regions where we operate and supporting the causes we believe in
- › Working responsibly across our value chain and engaging with our stakeholders on CSR topics to meet those challenges

# Awards

The rating agencies continue to recognize the Elis Group's CSR commitment.

## Elis wins the EcoVadis Platinum Medal

After achieving Gold in the EcoVadis questionnaire for five years in a row, Elis received the Platinum Medal, the highest possible award. Its score has constantly improved to reach 75/100 (up 3 points versus 2021). This medal positions the Group in the top 1% of the approximately 90,000 companies assessed by EcoVadis.



This Platinum Medal demonstrates and underscores the Elis Group's commitment to sustainable development. The EcoVadis assessment gives us a clear picture of our CSR performance, but also demonstrates our commitment to our customers.

Supporting documents, observations and market intelligence are just some of the elements that international experts analyzed to arrive at a reliable and specific rating for Elis.

## Improvement in our non-financial ratings

In the first half of 2022, **Sustainalytics** upgraded Elis's ESG rating by almost 10 points to 14.8 ("low risk").

In 2022, the Group scored an A- on the climate questionnaire conducted by the **Carbon Disclosure Project (CDP)**, a non-



profit organization that carries out independent assessments based on information provided by companies on their strategy, management, performance, and stakeholder engagement on climate issues, among other things. The Elis Group is also on the CDP Supplier Engagement Leaderboard, which recognizes the top 8% of companies engaging with their supply chain on climate.

Lastly, in 2022, Elis maintained its excellent score from the **Gaia** rating agency (72/100), which puts the Group in the Gold category.

## Project awards

### Circular Fashion Awards

In 2021, Elis launched its pilot project to make yarns and fabric from old garments. The project continued into 2022, with the launch of the first collection of aprons and the Group's participation in the Circular Fashion Awards, where Elis took home the Espoir Trophy in the Large Company category.

Facing well-established brands on the market, Elis nevertheless won by presenting its "zero-waste" apron. This product can be manufactured without throwing away a single piece of fabric thanks to an exclusive pattern-making technique. The apron is also made out of 100% recycled fabric from the workwear to workwear project.

### Portugal: the Prudêncio prize

#### Portugal recognized for its recycling initiatives

This year Elis Portugal once again won the Prudêncio prize, awarded by the Valorfito company, for its recycling initiatives in biocides, equipment and other Pest Control consumables.





# Climate

1

## Focus on SBT

In light of current climate change issues, the Group is committed to reducing its emissions in line with the Paris Agreement, thereby helping to restrict global warming to less than 1.5°C<sup>(1)</sup> versus pre-industrial levels.

This approach was the subject of an advisory resolution adopted at the combined general shareholders' meeting of May 19, 2022, which received broad support. The Group began to define its climate plan in 2022, and these efforts will continue in 2023 to ensure that the work is as precise and accurate as possible. The Group aims to present its climate-related goals, in line with the methodology espoused by the Science Based Targets (SBT) initiative, in the second half of 2023.



*(1) Reduction in line with the 1.5°C target for direct (Scope 1) and indirect (Scope 2) emissions, and the well below 2°C target for other indirect emissions (Scope 3).*

## Focus on our logistics approach

In 2022, the Elis Group accelerated the transition of its vehicle fleet, in keeping with its CSR commitments, by increasing the number of responsible vehicles while also working to reduce fuel consumption in its combustion vehicles.

At the end of July 2022, the Group thus had about 15 electric heavy goods vehicles, out of a total of about 350 vehicles marketed by the European market leader.

Accelerating the transition of our logistics vehicle fleet toward alternative vehicles is consistent with our other 2025 goals:

- › **20%** reduction in CO<sub>2</sub> emissions in Europe (compared to 2010);
- › **35%** reduction in energy consumption in Europe (compared to 2010).

To achieve these targets, we continue to focus our efforts on improving our fleet management tools, promoting eco-driving, launching our delivery route optimization tool and maximizing the fill rates of our trucks.



## A closer look at our products

The product offering and end-of-life management are essential levers we can use.

### Workwear to workwear: where are we now?

Among our commitments for 2025: 80% of end-of-life textiles will have to be reused or recycled.

The Group aims to go even further in recycling its textiles and anticipating needs at every stage of the creation and production process. In 2022, its product offering expanded to include new collections based on more responsible textiles: recycled polyester, lyocell and organic cotton.

The workwear to workwear project has also progressed, and the first items in the collection have been produced and offered to customers as of January 2023. Alongside these efforts, we have honed our pattern-making techniques to avoid wasting the slightest scrap of fabric.

This work will continue in 2023 with the goal of developing new types of items while also seeking innovations in pattern-making to avoid waste in the clothing manufacturing process.



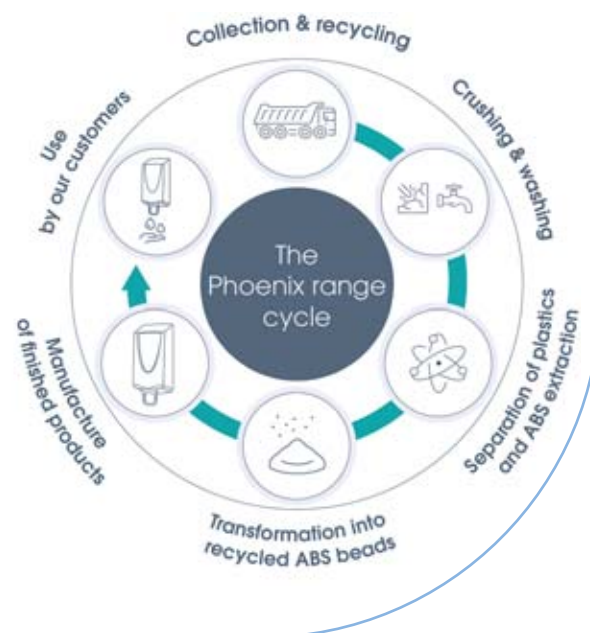
“We have worked in partnership with fiber industrialists to test the idea of recycling used garments into new garments. During this recycling process, several important steps are required to produce a new fabric that is of high enough quality to make new heavy-duty garments for the workplace.”

*(Sophie Roussel – Manager of the workwear department)*

### Eco-design: a new washroom offering

A more sustainable range was added to the washroom offering with the launch of our new line of hygiene appliances made from recycled plastic: Phoenix.

This approach is consistent with our corporate social responsibility strategy and aims to offer products with a smaller environmental footprint. It is fully aligned with our circular economy model, which seeks to use more responsible materials and limit waste. Using recycled plastic to make this range of hygiene appliances reduces their environmental impact by protecting the natural resources needed for their production and limiting greenhouse gas emissions. The recycled plastic used comes from Europe (produced in Austria and the United Kingdom). This range will be repaired and refurbished at our workshop in Brétigny-sur-Orge.



# Our employees

1

## Elis for All

This is the third year that the “Elis for All” savings plan has been offered to Group employees. It offers them a way to take part in the Group’s development by becoming shareholders under preferential terms. This year, the program was expanded to even more countries.

## Prospects for advancement: paving the way for upward mobility

At Elis, advancement and mobility are a source of professional enrichment and a key aspect of career development. They also encourage curious, motivated and enterprising employees. This is why

we have set up mechanisms to help employees build their career paths within the Group. In 2022, the share of managers promoted from within increased by 21%.

There are a number of mechanisms to support these developments:

### Jobs board

Accessing job offers internally. This is currently being developed in the Group’s countries.

### Talent Soft

Compiling all information about employees’ career development at Elis .

### Training

In addition to the catalog courses available in each country, offering specific vocational courses to help employees moving to a different position train for their new role. There are also specific programs dedicated to the different business lines.

### Management school

Acquiring the skills needed to supervise a production unit on a daily basis. This program is designed for production employees moving into middle management positions.

### The Filière d’Excellence Disco (FED)

Advancing internally. In September, interns in the FED’s 2022 cohort received their diplomas from Alain Bonin and Didier Lachaud. The FED is the in-house certification course at Elis. It enables service agents, customer service assistants and small account managers to take a nine-month training course to qualify for business development manager positions.

### The Sales Academy

Promoting moves into sales positions. The Elis Sales Academy offers a comprehensive training course and practical modules on sales techniques. The training programs have already been implemented in eight countries. They allow participants to acquire basic skills, achieve personal growth, and prepare for future advancement. This year the Sales Academy rolled out a number of modules, including a very comprehensive training on CSR.





## Employee recognition

### Chevrons

Each year, the Chevrons club rewards the most deserving production and maintenance operators in 14 countries with a congratulatory trip. This year, our Chevrons went to Barcelona.



### Club Elite

The Group's top performers visited Crete in June to celebrate their 2019 and 2021 results. For five days, 180 employees from 21 countries had fun together, enjoyed friendly discussions and met their colleagues from all horizons (from service agent to sales director).



## CSR training and awareness

### CSR training modules

Training modules have been developed and rolled out to the Group enabling everyone to develop and test their knowledge on the topic in general and on Elis's commitments more specifically. These have been posted online on Klaxoon for sales and on the internal SharePoint for all employees. Participants take a self-assessment quiz at the end of each module.

### European Sustainable Development Week

The first European Sustainable Development Week was held at the Group from October 3<sup>rd</sup> to 7<sup>th</sup>. This event raised awareness of everyday actions to reduce one's environmental footprint by providing key information on impacts and further education on CSR and the circular economy. Above all, it was an opportunity to bring all our employees together on the subject of CSR at the headquarters and sites in all Elis countries. The Group took this opportunity to engage all the teams in a fun and festive atmosphere. It did so by providing general information and facts on important topics (responsible food, digital technology, etc.) while also suggesting ideas for daily action at a personal level.





**Guidelines for effective communication on CSR**

Training was provided in April 2022 to help communications managers use the right words and images when communicating on our social and

environmental responsibility. Materials containing many examples of content and visuals were made available to employees.

**Opportunities for employee engagement**

**NQT and Foundation**

Through its Foundation, which aims to support young talent, Elis has forged a partnership with the association *Nos Quartiers ont du Talent* (NQT – “Our Neighborhoods Have Talent”). It is an opportunity for Group employees to become more involved if they wish.

The Elis Foundation provides personal and financial support to help talented young high school graduates who wish to pursue academic programs renowned for their high standards and excellence. The Foundation thus welcomed its fourth cohort of young people at a reception where they were able to meet the Elis sponsors who will support them during their studies.



**Charters**

In 2022, Elis developed two new charters that are in line with the non-discrimination, diversity and equal opportunities policy implemented by Elis, in particular via its Code of Ethics and its Diversity Charter, which serve as the Group’s shared foundation for these issues.

**Charter to improve gender parity**

Ensuring equal opportunities for employees with the same professional skills, and in particular for men and women, is a priority for the Group. This applies in all fields and at all stages of professional life: hiring, training, compensation, geographic mobility and career development.

**Diversity & Inclusion**

Elis is committed, through the creation of a diversity and inclusion charter, to taking concrete action to combat all forms of discrimination. The Group believes that its performance depends on the quality and engagement of its people and that a pleasant work environment respects individuals benefits everyone and makes the Group more efficient and productive. Respect for individuals and equal opportunities are thus fundamental values of Elis. All employees, managers, and executives must be involved for the strategy to be effective.



**Disability**

Elis currently employs people with disabilities and is seeking to improve the onboarding and retention of such employees by making commitments and ensuring that they are applied throughout Group. The goal of these commitments is to improve the integration of people with disabilities by working on a number of fronts, from combating stereotypes and discrimination to adapting the premises and work stations, making them accessible to all.

## Our societal impact

### Continuing to promote the circular economy

Promoting the circular economy requires the ability to demonstrate its impacts. Elis does this by performing life-cycle analyses (LCAs). Our LCA in the healthcare market has provided independent scientific evidence to our customers. This analysis, published in a scientific journal, compared the life cycle of single-use disposable scrubs with Elis's polyester/cotton scrubs maintained in our plants.

Promoting the circular economy also means being able to offer more responsible yet still affordable solutions. Thus, the new range of Phoenix recycled plastic hygiene appliances is sold at the same price as the existing line.

Promoting the circular economy also requires taking the time to share information with our various stakeholders. By participating in broadcasts or forums on the circular economy, sharing our experience with our model, and working with organizations in

workshops, Elis seeks to generate interest, start discussions and find ways to improve and support the economy's transition toward more circular practices.

### Participation in the Responsible Investment Forum



Presentation at the Circul'R Forum (network of circular economy entrepreneurs)



### Innovative projects in partnership with new stakeholders

Whether launched by Elis or by new brands and projects, 2022 saw innovation and support around some exciting projects aiming to give our textiles new life. It was an opportunity to form connections with new players and invest in sustainable projects.

Creativity was front and center, whether in Denmark, the Netherlands, Sweden or France.

#### Hodakova

For the first time in 2022, Elis partnered with Swedish fashion brand Hodakova.

The new collection, created from Elis textiles and workwear, was presented at Paris Fashion Week in 2022.



#### ESMOD

As part of its CSR commitment, Elis was eager to promote its circular economy approach via upcycling by challenging students at ESMOD (a French fashion school) to create a capsule collection of 16 outfits for an internal and international event, made solely from end-of-life Elis textiles. As a result, daring looks – both elegant and offbeat – were shown at our event at the Palais de Tokyo. They highlighted the students' extraordinary work, as well as Elis's growing CSR commitment and its desire to pursue its circular economy approach more than ever.



# Focus on operational excellence

## TOM: a new industrial asset management tool for plant maintenance

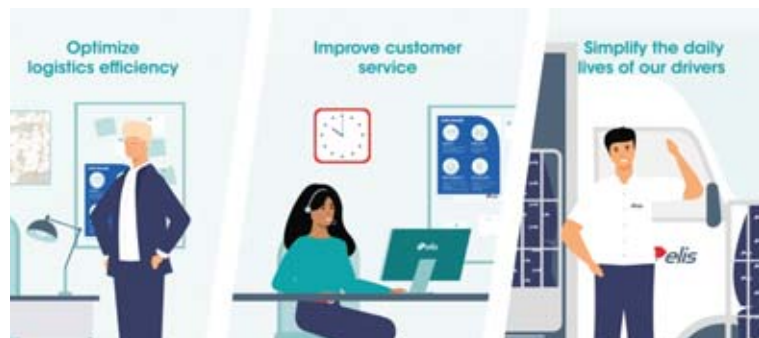
The Maintenance Methods and Process Department has been successfully rolling out its Group industrial asset management tool since 2019. Until now, two-thirds of plants did not have a system for planning and tracking their maintenance activity, while the remaining third used a wide variety of tools. This new Elis software called TOM (Tool for One Maintenance) gives all plants the means to manage their preventive maintenance plans and to easily identify recurring breakdowns. By December 2022, it had been rolled out to an additional 55 plants. The Group aims to extend use of the TOM software to the 200 largest European plants by the end of 2024.



## GLAD: 1,200 routes rolled out in 2022 at 78 sites in 5 countries!

Our logistics application is growing and has now been rolled out at 55 sites. It can be used on a PDA or on the web and is intended for all customer-facing staff in order to:

- › optimize logistics;
- › improve customer service;
- › simplify daily tasks for our service agents.



## SOL: a single LMS\* solution for the Group

ServiceOnLine is an LMS for our plants that was developed in-house. It covers a wide range of area, including customer service, production, customer web portal, warehouses, billing and much more. The Group currently uses 21 solutions and is aiming, by 2025, to move to four solutions (SOL, Galaxie, ABS, and COALA) and in the long term to move to SOL only.

The SOL roll-out continued in 2022 in a number of Group countries, and the LMS was implemented in the first plant in France.

\* Laundry Management System.



# Focus on innovation

1

In 2022, we continued to improve our traceability solutions for each of our services and to roll them out to our countries.

## Workwear

Traceability solutions that make companies' and wearers' lives easier are increasingly attractive to our customers. There are many existing systems for providing traceability and they can be adapted to companies' different configurations.

Elis offers many solutions to ensure the traceability of our customers' garments as well as their use by the wearers. These include automatic clothing dispensers and smart lockers to ensure optimal distribution, as well as tracking of deliveries and pick-ups with an email notification including an electronic delivery slip.

In 2022, our research focused on optimizing traceability solutions for workwear in order to deliver improvements that make things ever easier for our customers and agents.



## Washroom

Effective management of washroom consumables helps keep users satisfied by avoiding shortages and waste. The IoT\* makes it easier to manage hygiene appliances and drive more eco-friendly consumption by anticipating consumables shortages and customers' needs and scheduling on-site visits at the right time. Our customers enjoy a high-quality service: unparalleled onsite hygiene, a positive user experience and regular monitoring via dashboards available through their Elis Connect customer portal. In 2022, we continued to roll out our solution to new customers. We also launched our visit tracking solution in 2022. From now on, our customers\*\* will receive a notification every time we visit. This email notification includes an electronic delivery slip.

## Pest control

In 2021, Elis rolled out the Elis Connect Pest Control solution in France, which ensures traceability of the pest control and prevention service. In 2022, Elis continued to roll out its Elis Connect Pest Control solution, mainly in Portugal and Italy. This solution, which ensures the traceability of our pest control and prevention service, provides our customers with closer monitoring of our service calls with detailed service call reports and access to all information (including an action plan) through the MyElis customer portal.

Elis is also pursuing its research and development efforts on smart traps (IoT).

\* Internet of Things.

\*\* For the customers concerned.







### 1.3 OUR CUSTOMERS

Elis offers products and solutions suited to all business sectors to meet the needs of its customers. It has focused its rental and maintenance expertise on four markets: Hospitality, Industry, Healthcare, and Trade and Services.

For each of these markets, Elis offers three main solution types: flat linen, workwear, and hygiene and well-being appliances.

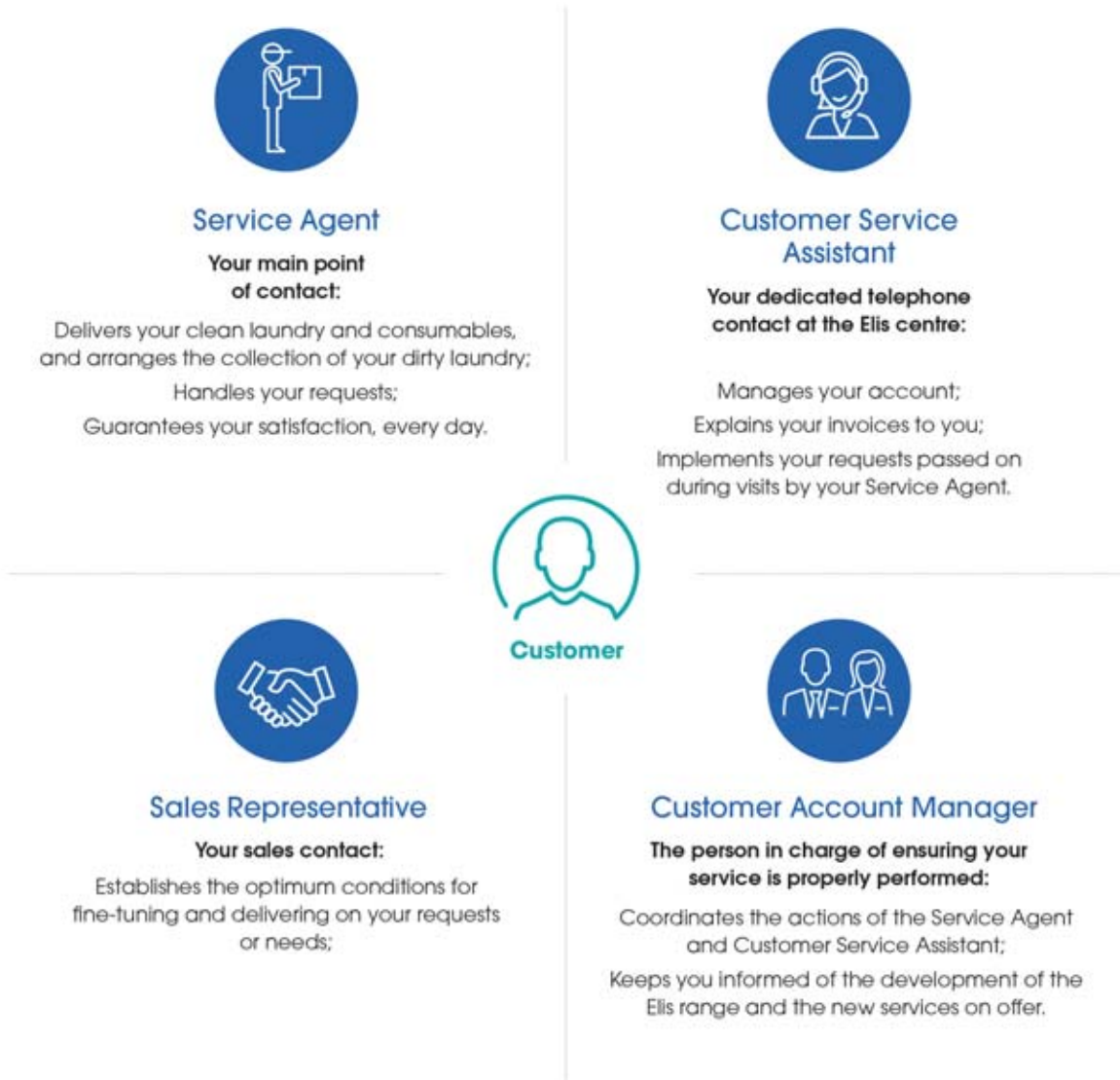
#### Solutions



\* As a percentage of consolidated revenue, excluding miscellaneous.

# Customer experience

As a pioneer of the circular economy in business services, Elis meets its customers' hygiene, well-being and protection needs while helping them achieve their environmental and social goals. There is an entire team dedicated to creating a successful customer experience, from prospecting to implementation to signing and day-to-day follow-up. We work hard every year to develop innovative tools to serve our customers.



## Building customer loyalty: HiFi program

### Acceleration in contract renewals

The goal of the HiFi (High Fidelity) project is to help on-the-ground staff to renew contracts. The scope of customers potentially affected by HiFi represents more than €700 million per year and about 160,000 customers. The project ramped up in 2022 and a number of tools were made available to the centers and their teams: training, marketing materials, and reporting tools.

The results are clear: 52% of locally managed contracts were renewed, representing a more than threefold improvement in performance versus 2021.



## Customer satisfaction: moving closer to a Group-wide customer service system

In an effort to assess the quality of the service provided to customers in a consistent manner, the Elis Group has decided to standardize its indicators and methods.

Our teams all have the same goals of growing their business and building customer loyalty. Satisfaction is measured in the same way in all the Group's countries using the satisfaction rate. Surveys are mostly conducted by phone using a customer call recording system. The conversation with the customer is made available to the centers so they can get a good sense of the customer's opinion in order to make improvements.

Our follow-up process requires that every customer be called at least once, from one to three months after we begin to service their organization.

More and more countries are switching from email to phone to be able to benefit from recordings, such as the United Kingdom. The Netherlands and Norway will soon follow suit.



## Digitalization of customer relations

### MyElis

The MyElis portal is currently being redesigned to provide a better experience for our customers. Once this project is complete, our customers will have more autonomy to manage their services and contracts.

Four objectives of the portal redesign:

- › to maximize functional coverage and reduce low value-added tasks for Elis centers;
- › to optimize navigation and make it simpler, more seamless and accessible on different devices, with the option of cell phone notifications. This will be done while maintaining a secure authentication system shared across the Group's digital tools, including Elis Connect;
- › to ensure the change is adopted through training for our sales teams (sales and DISCO);
- › to benefit from a robust technical site, linked to the country's LMS.

This year, Hospitality and Healthcare customers in countries using the Galaxie LMS saw some changes to their technical platform for flat linen orders. In the coming months, new features will be added and the existing features will continue to be optimized. The roll-out began in France at the end of the year and will continue in 2023 in the rest of the country and in Spain, Portugal and Italy. The Group is simultaneously developing a strategy to optimize the other versions.

### E-contracts

Since 2021, Elis has focused on digitalizing its customer contracts and implementing electronic signatures with DocuSign. The goal of this is to simplify the contracting process for our frontline staff and customers, with an eye to reducing our carbon footprint as well. This tool will continue to be rolled out in France in 2023.

For full-year 2022, we used this new electronic process to sign 32% of our customer contracts.

## Lead-time optimization: CLIP

The Customer Lead-Time Improvement Program (CLIP) aims to improve customer lead times by optimizing the end-to-end execution chain, from the time a contract is signed through to its implementation. The aim is to improve customer satisfaction and experience and to facilitate interactions between all stakeholders in this process. Since October 2020, the Brétigny-sur-Orge (France) and Figueira (Portugal) sites have been using

a new inventory optimization solution, which is expected to be expanded to the entire Group. The aim is to better anticipate the centers' needs and improve inventory control.

Coordination between the sales teams and DISCO improved in 2022, which increased efficiency and helped optimize the administrative management steps.

## Goals for 2023

The Group has decided to implement Salesforce in all countries starting with the Netherlands in 2023.





# Hospitality

The hospitality industry had another successful year in 2022. Now fully recovered from the Covid shock that impacted the entire world, the sector recorded more than 1,311 hotel openings (4-star and 5-star categories) and the outlook for 2023 looks even brighter than last year.

An impressive 2,470 projects are forecast to open in 2023 – of which 20% in Europe (Tophotelconstruction.com – November 2022).

There continues to be a “staycation” trend of vacationing close to home, saving on transportation costs while prioritizing quality accommodations.

On the other hand, “revenge travel,” due to the frustration of having had to cancel multiple trips during the health crisis, has reordered spending priorities for some people who are now more eager to travel than ever.



**25%\***  
of consolidated revenue

## Industry sectors

- › Hotels
- › Full table service restaurants
- › Apartment hotels
- › Catering
- › Airlines, cruise ships and ferries
- › Short-term and long-term rental

\* As a percentage of 2022 consolidated revenue, excluding other sectors and miscellaneous.

Rising energy costs had a significant impact on the cost of linen maintenance and forced Elis to adjust its rates. At the same time, the supply/demand balance has made it possible to maintain prices.

In Europe, the weak euro led to an increase in foreign visitors. The easing of the travel restrictions in China will also have an impact on Chinese tourists returning to Europe and around the world.

In France, the Rugby World Cup and the Olympic Games will keep demand strong and steady.

Against this backdrop, Elis is focused on its core business to meet this demand and provide the best possible service despite its customers' hiring challenges and inventory management issues.

## Linen streamlining

The linen streamlining project continued to move forward in 2022. As a result, the entire flat linen offering decreased from 18,000 active products listed in 2020 to 15,000 in 2022. This streamlining effort was particularly robust in Spain, Germany and France. The end goal is to consolidate the Group's linen purchases and optimize their management.



## Carlton: our customers trust us

It is time for a new beginning for the Carlton Cannes, the iconic hotel on the Croisette in Cannes. Two years ago, the hotel began an ambitious renovation and expansion project, which is expected to be completed in spring 2023. This project will preserve the hotel's Belle Epoque soul while adding contemporary design elements. For its reopening, the luxury hotel has once again placed its trust in Elis.

The teams worked for 18 months to develop a custom linen offering that combines aesthetic appeal, luxury and comfort thanks to the superior quality of the yarns and certain product innovations.



## Innovation

Elis is constantly seeking to offer its customers alternatives that allow them to reduce their impact on resources. A range of table linen containing recycled polyester is already available in several Northern European countries: the Torino range is part of the standard offering and comes in seven colors. The advantage of incorporating polyester into its composition is that it reduces energy consumption in our processes.

Tests were conducted throughout 2022 to extend this project to bed linen. The results of these tests will be confirmed in 2023 ahead of the potential roll-out of this fully fungible range.





## Reopening of the Millfield plant in Ireland

With the upturn in the hospitality business and the volume of linen to be processed, Ireland restarted one of its plants, which has been fully equipped to

process flat linen. The restart has been gradual, with capacity of 120 tons per week and a secure industrial plan.



## New Le Jacquard Français sports line

Le Jacquard Français has diversified its offering with the launch of a sports line consisting of two ranges of eco-designed accessories made from natural materials. These are practical products that are made to last and provide comfort and hygiene thanks to the Smartcel™ fiber.

With the graphic and elegant style of the Game range and the clean Zen lines of the Shala range, everyone can find the ideal workout companion!







## Industry

Although industry players faced headwinds in 2022, due to very sharp increases in all of their energy and labor costs, Elis's growth momentum in this sector has not waned.

There are a number of factors behind this performance:

- the many customers acquired between 2019 and 2021, which are now generating new business and contributing their billings. The scale of some of this new business is quite extensive, spanning eight countries for CCEP and five for Safran;
- Elis's dominant and ever-increasing share of food players. The Group benefits from its position on a market that is resilient by nature and relatively insensitive to the external environment. The health crisis and hygiene standards have increased the need for employee protections in this industry. Elis has very strong positions in countries with a long history in the food industry, such as the Netherlands, Denmark and France, but it is also seeing heightened interest in its rental and maintenance model in other regions such as Spain. This need for hygiene extends well beyond the food industry, as stricter clothing change rules and the resulting impact on billing affect many sectors;



**27%\***  
of consolidated revenue

## Industry sectors

- › Food industry
- › Chemicals and pharmaceuticals
- › Industrial services
- › Heavy industry

\* As a percentage of 2022 consolidated revenue, excluding other sectors and miscellaneous.

- in addition to sharply rising costs, industry players have faced supply difficulties and shortages. We believe that Elis's one-of-a-kind network in Europe, its logistics organization and its reassuring leadership position give our current and potential customers a real sense of confidence when it comes to securing supplies. We continue to benefit greatly from this position. This environment and the need for safety have outweighed the pricing factor alone, enabling Elis to successfully maintain its price increases;
- Elis's sizable footprint in certain exceptionally dynamic high-tech markets (aerospace, chemicals, pharmaceuticals, defense) allows it to benefit from rising order volumes; Elis's very strong position on the cleanroom market is a major contributor. National policies that promote local reindustrialization suggest strong growth potential in the short term;
- lastly, as a sign of the Group's operational excellence and ability to maintain high-quality services in a difficult environment, customer losses have been minimal, with the win/loss balance in Industry tipping very clearly in Elis's favor.

## MVTO: the new collection for the industrial trades

In 2022, Elis launched an extensive range of workwear intended for the industrial trades and for maintenance and logistics activities where personal protective equipment is not necessary.

The range is an iconic collection in Elis's catalog due to its broad target market. It offers a dynamic and

sportswear-like design with maximum practicality in a unisex, structured and comfortable style.

The collection consists of seven different garments and comes in five colors and two materials, to meet every professional need.



Jackets, coats, trousers, dungarees, coveralls, short, bodywarmer.

## PPE: the Elis expertise

The need for workwear tracks the need for safety and assurance that companies want for their employees. With the new European certifications and changes to existing standards, companies more than ever need a reliable partner that is an expert in its field to guarantee a service that complies with the regulations in force.

This growing need for standards is leading some countries to increasingly turn to rental and

maintenance with a partner capable of handling the specifics of PPE garment solutions.

Turning to Elis not only ensures the supply of garments but also the specific maintenance needed for the use of personal protective equipment. Indeed, PPE requires specific washing processes to continuously maintain its protective properties throughout its life cycle.

## A new PPE collection for the metalworking and petrochemical trades

People who work in these industries may be exposed to both heat-related risks and risks of hazardous liquid splashing.

Elis has developed the ProXimum range in particular to meet the requirements of these activities: protection against molten metal and the splashing of liquid chemicals, accessories to prevent electrical conduction, and reflective piping.

The ProXimum collection ensures optimal comfort and protection for the wearer with a modern fit, accessories that prevent electrical conduction, reflective piping, multiple pockets and premium style with subtle details.



ProXimum jacket and trousers



## Elis Cleanroom

### 2022 results

Elis Cleanroom had a highly successful year in 2022. Revenue increased by 17%, exceeding €200 million worldwide, while maintaining the targeted profitability. With our European footprint, we can help our international customers to streamline and standardize their activities.

### Elis Cleanroom by the numbers:

- › Present in **17 countries**
- › **1,586 employees**
- › **29 Cleanroom laundries** in Europe and Latin America
- › **3,945 customers**
- › **€210 million** of revenue in 2022

### CSR

Elis Cleanroom plays an active role in expanding the Elis Group’s CSR strategy. Reducing the global carbon footprint, recycling end-of-life items and reducing waste are not just a priority for Elis Cleanroom, but also for all our customers and suppliers. In 2022, the company developed its Kangaroo line of garments, both undergarments and coveralls. The garments fold up into a pouch, which reduces the need for single-use plastic to transport the garments after maintenance. Kangaroo coveralls and undergarments are delivered folded and are easy to open up without touching the main garment. In addition, the pouch is on the inside of the garment and therefore does not contaminate the outside.



### Innovation

Elis Cleanroom has a dedicated innovation center at the Bolsward plant in the Netherlands. A multitude of new product tests, refinements and qualifications are carried out there to ensure compliance with cleanroom regulations and recommendations, such as the recently published Annex 1 recommendations.



### European directive on good manufacturing practice

For our pharmaceutical partners, the most significant change in 2023 is the introduction of the new recommendations in Annex 1 of the EU GMP standards for pharmaceutical customers working in sterile production. These new recommendations have many implications for the way standard operating procedures (SOPs) in cleanrooms are performed and for the products that must be used.

The introduction of Annex 1 in August 2023 will have a significant impact for many industries that rely on cleanroom production, and Elis Cleanroom is well positioned to meet these requirements.







# Healthcare and social welfare

Healthcare is a critical market that has even greater resilience than other sectors. Many customers have renewed their contracts, which allows the segment to maintain a very high retention rate.

Synergies between the sales teams in the Group's countries have facilitated the conclusion of international master agreements.

Awareness of corporate social responsibility – particularly with respect to the environment – has created new prospects for reusable textiles versus single-use products.

The care home market is growing rapidly due to Europe's aging populations. It is particularly mature in Germany and France and generates high volumes. This market offers untapped potential in Spain and the United Kingdom.

Given that residents have high expectations in terms of comfort, the Elis model, which can handle a wide range of services, is particularly relevant in relieving the burden on employees. The still underdeveloped washroom offering in this segment thus offers potential in a universe with very strict hygiene standards.

**28%\***  
of consolidated revenue

## Industry sectors

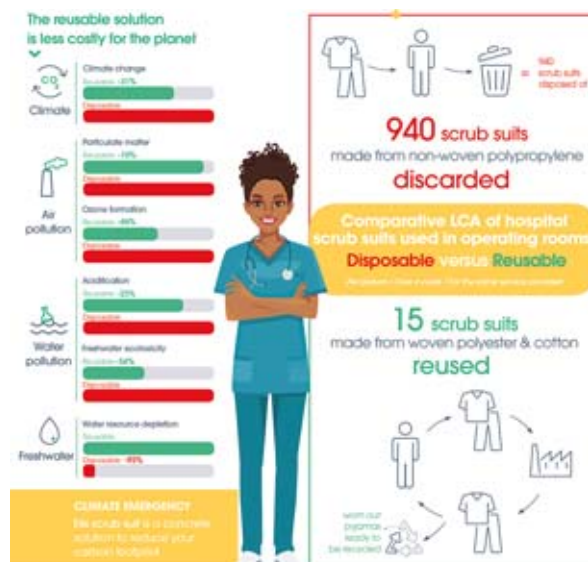
- › Hospitals and clinics
- › Elderly care homes
- › Institutions for people with disabilities
- › Primary care
- › Child daycare centers

\* As a percentage of 2022 consolidated revenue, excluding other sectors and miscellaneous.

## Healthcare LCA

Elis has conducted the first-ever study in France to compare the environmental impact of its reusable scrubs solution versus disposable scrubs for supplying French hospitals. The study was based on a life-cycle analysis (LCA), a scientific methodology that evaluates the potential environmental impacts of a product throughout its life cycle (from materials extraction to product end-of-life).

The LCA study confirmed that reusable scrubs have a lower environmental impact than disposable alternatives, thus emphasizing the advantages of circular economy models and reusable solutions. Moreover, this study was published in a scientific journal and is accessible in open source.



## The reusable incopad: textile’s added value product

An essential product for every care home, the Elis incopad has been upgraded to align its performance with the growth outlook for the care home market.

**Elis’s fabric incopad is an excellent alternative to a disposable incopads and provides similar absorption capacity, optimized comfort and a cost-effective solution.**

Upgrading the product helped extend its life span and achieve a 3% retirement rate versus 35% for the older product (study conducted at the Bvns plant in France in September 2021). The incopad is currently being tested in Germany, Mexico and Spain.

A promotional campaign for the product has also been launched with a video that compares the incopad’s absorption performance with that of a disposable product.

## Healthcare Textile Improvement Project in the United Kingdom

In the healthcare sector, lost, misused or discarded linens can result in higher rental costs and inventory depletion. This does nothing to help customers, patients or Elis and is a concern for our customers. That is why Elis United Kingdom is launching a brand-new initiative: the Healthcare Textile Improvement Project (HTIP).

The aim is to understand the reasons for linen loss and to reduce this loss by 30% by taking a new approach to textile control.

A project team was formed to drive the subject of textile management forward using a Lean Six Sigma (LSS) approach to measure, analyze, improve and monitor performance so as to optimize and stabilize business processes.

A communications campaign was rolled out in support of this project in order to demonstrate our commitment to customers. This ensures their buy-in and drives behavioral change directly among field staff and the management.

The campaign’s slogan is based on the four Rs: Rent it, Respect it, Return it, Reuse it.





## Trade and Services

The Trade and Services market has proven its ability to generate value for Elis and its customers, with an increase in the average spend this year – due in part to the increase in the product mix – and revenue that represents 25% of the Group's sales contribution.

For this reason, the Elis business model, initially developed in France and Southern Europe, was rolled out to several new countries in 2021 and 2022.

Last year, the United Kingdom launched a new sales force dedicated to Trade and Services. Brazil and Switzerland also began rolling out this new strategy. This year, Sweden has begun training a limited sales team to target smaller-than-usual customers. Poland has taken advantage of the extension of the multi-service model to diversify its portfolio by adding the washroom offering.





**20%\***

*of consolidated revenue*

## Industry sectors

- › Contract catering or take-out
- › Cleaning companies
- › Large retail
- › Food stores
- › Gas stations and car dealerships
- › Local shops (hairdressers, etc.)

\* As a percentage of 2022 consolidated revenue, excluding other sectors and miscellaneous.

To support our “multi-service” sales staff, who are able to pitch their customers on eight different services and nearly 2,300 listed products, we provide them with digital tools to present their offering: a digital portfolio, a pricing tool and, for 2023, the test launch of a digital contract.



## Checking in on the new UK sales teams

In 2021, new sales forces were rolled out in the United Kingdom to target a new category of customer on the Trade and Services market.

In 2022, this new strategy proved successful, as demonstrated by the growth of the sales team, which now includes four sales managers and 25 sales

people. The multi-service model has been fully integrated, with the teams selling an average of 1.5 services per customer – mostly mats, washroom products and workwear.

The contracts they signed in 2022 will bring in €1.6 million in 2023 out of total revenue of €70 million.

## Heka

Heka is a new collection of tunics for men and women, intended mainly for healthcare professionals working in private practice, such as dentists, physiotherapists and aestheticians. The goal is to expand the offering to this target market by proposing a range of tunics with a refined, modern design that provide a polished and professional look. Elis is focusing on quality and comfort by offering tunics with premium finishes in an innovative material: Tencel, which is a plant-based lyocell fabric. This

material has a number of advantages: it has excellent color fastness after washing, high resistance and high moisture absorption capacity, thus providing the wearer with optimal comfort. Tencel is a sustainable material made from wood pulp and a non-toxic solvent. This range of tunics is available in several colors to suit the needs of every wearer.



## Phoenix: a more responsible hygiene solution

Elis seeks to support and encourage its customers toward more responsible solutions. To offer the best service combined with the best product offering, Elis has launched a brand-new range of hygiene appliances designed using recycled ABS (acrylonitrile-butadiene-styrene) plastic whose origin is guaranteed.

This range is offered in all of Elis's countries at the same price as the existing Aqualine range. The goal is to make these appliances affordable to all, so that everyone can play a role in more responsible consumption.

ABS plastic is a material known for its resistance and durability, which makes it the ideal choice for high-quality hygiene appliances and gives them an elegant design.

Initial results from the range's sales show that these sustainable products are meeting our customers' needs. They are enthusiastic about this more responsible yet still affordable solution.

- › **85% recycled plastic** on average for the entire range
- › **4 times less CO<sub>2</sub>** emissions from the raw materials



## Triana water fountain

In 2022, Elis launched the Triana three-way water fountain on the market. This water fountain gives Elis's customers three ways to enjoy their water and is available in two versions (cold/ambient/hot water or cold/ambient/sparkling water).

This three-way water fountain has many advantages. First, it offers customers great flexibility in their water consumption as they have access to all the water temperatures they need. In addition, sparkling water is particularly popular in workplaces as a refreshing and thirst-quenching beverage. It also avoids the need for plastic bottles. Lastly, this three-way water fountain is designed to be easy to use and maintain by Elis service agents, who ensure safe and well-managed hygiene.

By choosing this three-way water fountain, customers are opting for an innovative, elegant and practical appliance, one that offers a complete solution for their water consumption and will fit seamlessly into their work environment.









## 1.4 GOVERNANCE

### **An experienced management team**

At Elis, governance is the responsibility of the Executive Committee and the Supervisory Board and ensures the company is properly managed, sustainable and operates smoothly. Governance also ensures that the Group remains stable through a profitable growth strategy.

The Supervisory Board makes sure it complies with the gender equality rules applied by the Elis Group. Of its eleven members, six are women. The Board's membership represents a wide range of complementary backgrounds and reflects the diversity policy adopted by the Group, especially in terms of nationality, international experience, and skills.

Governance is organized in such a way as to seize new opportunities, consolidate Elis's leadership position, and create strategic and financial value for shareholders.

# Supervisory Board

The Supervisory Board oversees the Company's management by the Management Board, under the conditions provided by law, the Company's bylaws and the Board's rules of procedure. It also carries out the checks and controls it considers appropriate and may request any documents it deems useful for fulfilling its responsibilities.

10 members and one non-voting member (censor)

**THIERRY MORIN** Chairman of the Supervisory Board, independent member

**FABRICE BARTHÉLEMY**  
Independent member

**PHILIPPE BEAUDOUX**  
Member representing employees

**ANTOINE BUREL**  
Independent member

**MAGALI CHESSE**  
Member

**ANNE-LAURE COMMAULT**  
Independent member

**PHILIPPE DELLEUR**  
Independent member

**AMY FLIKERSKI**  
Member

**VALÉRIE GANDRÉ**  
Member representing employees

**FLORENCE NOBLOT**  
Independent member

**PAUL-PHILIPPE BERNIER**  
Permanent representative of Bpifrance Investissement, Censor

5 women

5 men

9 meetings

55 years old on average

90% attendance rate

60% independent members

1 series of strategy days

## Audit Committee

3 members

**ANTOINE BUREL**  
Chair

**THIERRY MORIN**  
Independent member

**MAGALI CHESSE**  
Member

### Main duties

- › Monitoring the process for preparing financial information
- › Monitoring the effectiveness of internal control, internal audit and risk management systems for financial and accounting information
- › Monitoring the statutory auditing of the parent company and consolidated financial statements by the Company's Statutory Auditors
- › Selection of Statutory Auditors and monitoring their independence

87% attendance rate  
5 meetings

## Appointments, Compensation and Governance Committee

3 members

**FABRICE BARTHÉLEMY**  
Chair

**THIERRY MORIN**  
Independent member

**VALÉRIE GANDRÉ**  
Member representing employees (since December 2021)

### Main duties

- › Determining and assessing governance rules:
  - membership of the Group's leadership bodies
  - review of the Board's membership (diversity, complementarity of backgrounds, independence, gender balance, concurrent appointments, etc.)
  - succession planning
- › Determining and regularly assessing the corporate officer compensation policy
- › Annual assessment of the operating procedures of the Supervisory Board

100% attendance rate  
4 meetings

## Corporate Social Responsibility (CSR) Committee

4 members

**FLORENCE NOBLOT**  
Chair

**PHILIPPE DELLEUR**  
Independent member

**AMY FLIKERSKI**  
Member

**ANTOINE BUREL**  
Independent member

### Main duties

- › Monitoring issues related to the Company's CSR strategy
- › Examining the Group's CSR commitments and guidelines
- › Anticipating the main CSR issues, risks, and opportunities
- › Issuing recommendations on the Group's CSR policy

100% attendance rate  
3 meetings

# Executive Committee

11 members



**XAVIER MARTIRÉ**

Chairman of the Management Board



**LOUIS GUYOT**

Member of the Management Board,  
Chief Financial Officer



**MATTHIEU LECHARNY**

Member of the Management Board,  
Deputy Chief Operating Officer  
(Southern Europe, Latin America)



**ALAIN BONIN**

Deputy Chief  
Operating Officer  
(France)



**MICHEL DELBECQ**

Transformation  
and IT Director



**FRÉDÉRIC DELETOMBE**

Engineering, Purchasing  
and Supply Chain Director



**CHARLOTTA ERICSSON**

Deputy Chief  
Operating Officer  
(Northern Europe)



**DIDIER LACHAUD**

Human Resources  
and CSR Director



**YANN MICHEL**

Deputy Chief  
Operating Officer  
(France, Great Britain, Ireland,  
Eastern Europe)



**CAROLINE ROCHE**

Marketing and  
Innovation Director



**ANDREAS SCHNEIDER**

Deputy Chief  
Operating Officer  
(Central Europe, the Baltic states, Switzerland)

The Executive Committee helps define and implement the Group's strategy. It has 11 members and is chaired by the Chairman of the Management Board. The Group's organizational structure revolves around five support functions and five regional operating functions. The operating functions are headed by five regional Deputy Chief Operating Officers.

It meets at least once a month, which is considered sufficient given the pace of Elis's business.

More information in chapter 2.





# 3

## Our environmental and corporate social responsibility AFR

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Elis Toulouse





### 3.1 WHO IS ELIS?

Elis is the leader in circular services at work for hygiene, well-being and protection. Our people around the world are committed to helping our clients achieve optimal performance – everywhere, every day, in a sustainable way.

With our international scale and position as market leader comes a responsibility not only for our employees and our customers, but also for the environment and Society as a whole. 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.



Sustainability is increasingly becoming a key concern for our employees, talent, customers, investors and all our stakeholders in general.

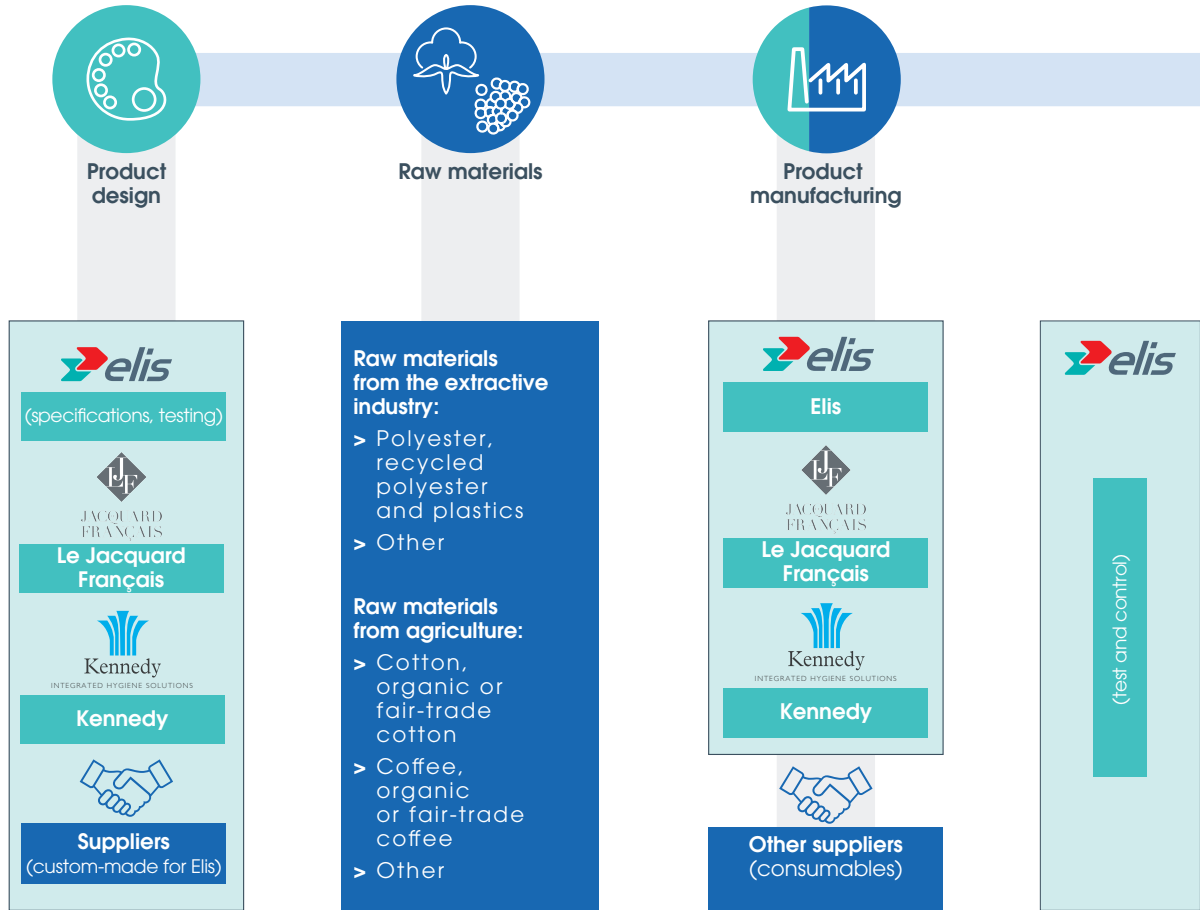
For Elis, CSR is not a distinct program that runs parallel to the rest of the company; CSR is inseparable from our daily operations and to the Group's development and strategy. This reflects the fact that our multiservice business exemplifies the notion of a "circular economy," in which the take-make-waste model of production is replaced by a system that maximizes the value of resources and significantly minimizes waste. At the same time, we engage our employees on a daily basis, ensuring a positive workplace environment in which diversity is promoted and ethics and integrity inform everything we do.

Our commitment to help to create a more sustainable world for society, the environment and our own employees was updated in 2020 through our ambitious 2025 action program. In 2023, we will expand this program to include strong climate goals aligned with the Paris Agreement (Science Based Targets initiative methodology).

**Xavier Martiré,**

Chairman of the Management Board

**51% of product families with at least one collection composed of sustainable materials**  
**94% of procurement spend from direct suppliers that have undergone a CSR assessment in the last three years**



Carried out or managed by Elis

Carried out by third parties

Share of activities carried out by Elis

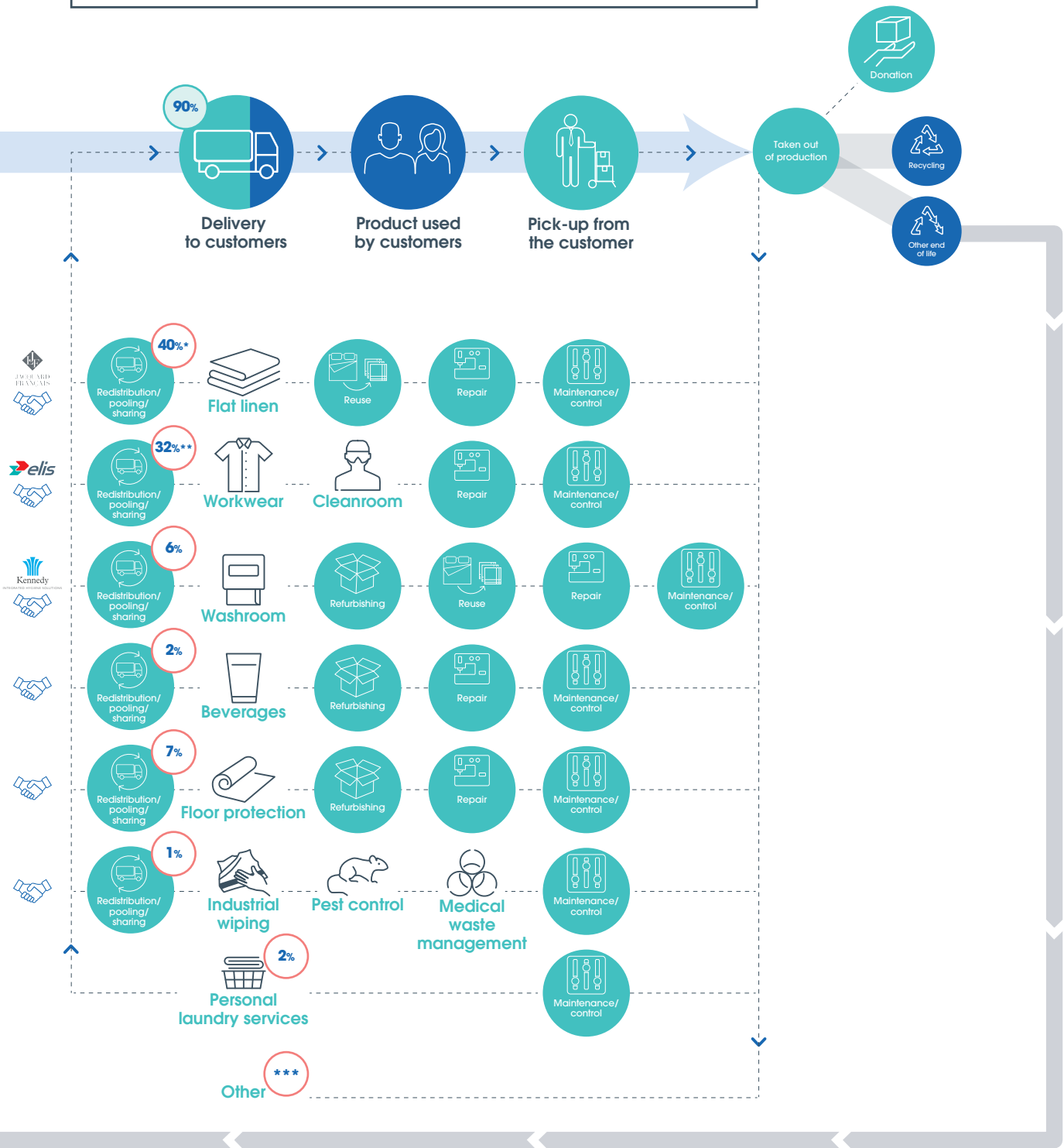
Share of the Group's revenue from the product-as-a-service business model

Revenue excluding the product-as-a-service business model: \*: 5%, \*\*: 2%, \*\*\*: 3%

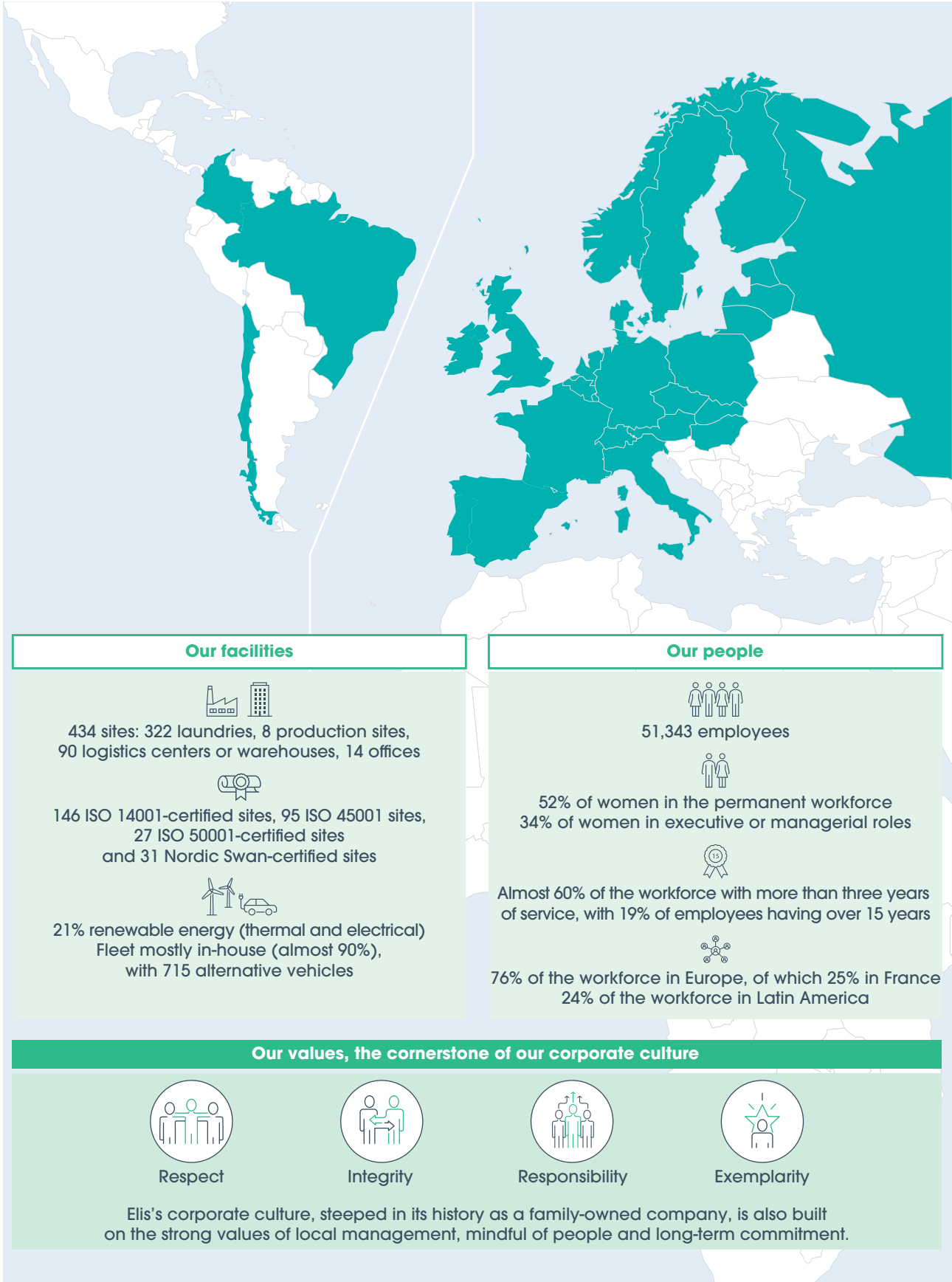


Group subsidiaries that do business directly with consumers or other customers

Share of revenue from the circular economy: 88%







The rules relating to the CSR reporting scope are described in section 3.6.5 "Methodology note".

## 3.2 OUR STRATEGY **AFR**

### 3.2.1 Integrated CSR governance and management

#### CSR governance structure in detail

Sustainability and corporate social responsibility (CSR) can be a source of both risks and opportunities; therefore, the Elis Group has designed a governance structure overseen by the Chairman of the Management Board and led by the CSR Director, who reports directly to the Chairman.

The Executive Committee regularly deals with sustainability related topics during its meetings, particularly its main aspects: climate strategy, the plants' energy performance and water consumption, diversity and inclusion, product positioning, development of the health and safety culture, and progress on the ethics action plans.

Since 2020 the Supervisory Board has a special CSR Committee that helps it monitor and anticipate CSR topics as they relate to both setting its strategy and implementing it. The CSR Committee met three times in 2022.

In addition, a report on the Sustainable development program, its goals and its performance is delivered at least once per year to the

Supervisory Board, either during specific presentations or as part of the presentation of the Group's industrial strategy or strategy planning days, and to shareholders during the general shareholders' meeting.

To coordinate the Group's Sustainable development projects – especially its ambitious 2025 program – and to ensure their progress, the CSR Director works closely with the members of the Executive Committee and their teams, who take responsibility for certain goals:

- > the Human Resources Director: goals related to human resources;
- > the Engineering, Purchasing and Supply Chain Director: goals related to health and safety, the environment, transportation and purchasing strategies;
- > the Marketing and Innovation Director: goals related to the product offering or to workwear recycling.

<b>PROGRESS AND PERFORMANCE MONITORING</b>	<b>CSR Committee</b>	<b>Executive Committee</b>
	<ul style="list-style-type: none"> <li>&gt; Assists the Supervisory Board with CSR topics</li> <li>&gt; Reviews the Group's CSR directions and performance</li> <li>&gt; Advises on the Group's CSR strategy in light of the main considerations, risks and opportunities</li> </ul> <ul style="list-style-type: none"> <li>&gt; 3 meetings of the CSR Committee in 2022</li> <li>&gt; CSR topics covered at 60% of the meetings of the Supervisory Board</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Confirms the strategic directions for Sustainable development</li> <li>&gt; Monitors progress on strategic CSR projects</li> <li>&gt; Reviews the performance and decides on action plans</li> </ul> <ul style="list-style-type: none"> <li>&gt; CSR topics covered at 5 meetings of the Executive Committee (50%)</li> </ul>
<b>DEFINITION OF THE STRATEGY AND COORDINATION</b>	<b>Sustainable Development Department</b>	
	<ul style="list-style-type: none"> <li>&gt; Defines and coordinates the Group's CSR strategy</li> <li>&gt; Communicates and interacts with stakeholders</li> <li>&gt; Engages employees</li> <li>&gt; Analyzes and shares CSR trends</li> <li>&gt; Leads cross-functional strategic projects</li> <li>&gt; Supports the development of the Elis Foundation</li> </ul>	
<b>IMPLEMENTATION</b>		
<b>Sponsors and their teams</b>	<b>Human Resources Department</b>	<b>Elis sites</b>
<ul style="list-style-type: none"> <li>&gt; Oversee and implement certain strategic CSR projects</li> <li>&gt; Monitor and report on the performance</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Defines the HR strategy and its implementation in the regions and countries</li> <li>&gt; Monitors and reports on the HR performance</li> <li>&gt; Monitors emerging issues and stakeholder expectations</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Apply the Group's standards</li> <li>&gt; Implement projects</li> <li>&gt; Communicate the Group's commitments to their customers</li> <li>&gt; Relay the expectations expressed by stakeholders (mainly customers)</li> </ul>
<b>CSR Ambassadors and Coordinators</b>	<b>QHSE Coordinators</b>	
<ul style="list-style-type: none"> <li>&gt; Roll out and coordinate the CSR strategy in the Group's regions together with the HR, QHSE and operational teams</li> <li>&gt; Coordinate the local rollout of certain strategic projects</li> <li>&gt; Serve as the local contact for CSR aspects/considerations and help the teams respond to stakeholders</li> <li>&gt; Engage and train the teams on sustainability</li> <li>&gt; Communicate the emerging issues (regulations, expectations, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Roll out and coordinate the QHSE strategy in the regions and countries</li> <li>&gt; Support the sites and report on their performance</li> <li>&gt; Ensure alignment with regulations</li> <li>&gt; Analyze emerging issues and communicate with local stakeholders</li> </ul>	

### 3.2.2 Our strategy: commit to the planet, our people and Society

#### Our primary strategic focuses

With a business model grounded in the principles of the circular economy, the Elis Group has long been committed to sustainability.

Indeed, nearly 75 years ago, the Group began operating on a product-as-a-service business model, offering its customers the use of the product, rather than the product itself. Thus, at Elis, the circular economy and its foundations are a value that shapes the Group's relationships with customers and governs its day-to-day operations.

The Group's strategy is driven by the conviction that the Elis Group, with its long-standing experience in the circular economy and associated mindset, is part of the solution in a world of finite resources and significant environmental challenges.

This CSR strategy aligns with the Group's overall strategy, which is based on customer satisfaction and the ability to capture new territories and markets and to generate continuous, profitable and sustainable growth.

The Group's CSR strategy, which was updated in 2020 as part of its ambitious Sustainable development program, endeavors to address the Group's key considerations and is built around the three pillars below.

The associated goals have been designed to ensure long-term value creation and to meet stakeholder expectations while taking advantage of lessons from benchmarks and feedback. They are detailed in section 3.2.3: "Our CSR roadmap: clear and ambitious targets".

Finally, the Group's CSR policy reaffirms the foundations of the strategy and its commitment to providing a workplace environment that respects human rights and promotes diversity while limiting the Group's environmental footprint. The Group wants to lead by example, particularly through its integrity and honesty, and to share its values with its employees and partners.



#### Mechanisms to support the transition

Showcasing the integration of CSR into the Group's strategy and operations, a range of mechanisms to support the transition have been implemented in the last few years.

##### Executive compensation

Historically, the members of the Management Board have had CSR targets that are reviewed annually and affect the variable portion of their compensation. Executive compensation for 2022, including the indicators used, is discussed in chapter 2, section 2.2.2 "Compensation allocated and paid to corporate officers" of the 2022 Universal Registration Document.

In addition, some members of the Executive Committee have specific CSR targets related to their duties or the implementation of strategic programs. This applies to the Engineering, Purchasing and Supply Chain Director, the HR Director, the Marketing and Innovation Director and the Deputy Chief Operating Officers.

Finally, under long-term profit-sharing plans, some managers and employees are receiving a share of the Company's long-term performance and financial results. A CSR performance criterion was introduced in 2022 to supplement the financial indicators.

Accordingly, the performance on water consumption per kilogram of linen delivered in European laundries affects these employees' compensation (see chapter 2, section 2.2.1 "Compensation policy").

##### Revolving credit facility

To continue incorporating CSR into all of its components, in 2021 the Company signed its first revolving credit facility indexed to CSR indicators, for €900 million.

This credit facility includes a margin adjustment mechanism tied to the achievement of annual targets for two indicators that are central to the Group's CSR strategy, namely:

- > water consumption, which the Group is committed to reducing by 30% per kilogram of linen delivered over the 2018-2030 period in its European laundries;
- > gender parity, with a commitment to increase the proportion of women in executive or managerial roles to 42% by 2030.

The Group's water target set as part of this mechanism extends the ambition of the target previously planned for 2025.



### Employee engagement and awareness

The Group uses a variety of communication methods to engage and educate employees about sustainability topics or considerations: the Group intranet, a monthly newsletter that regularly covers CSR (in 2022, close to 90% of the newsletters contained at least one CSR item), a quarterly magazine distributed to all employees, and more.

Since 2022, new initiatives have been rolled out locally and globally to further increase the awareness of Group employees: the rollout of Climate Fresk to the central and management teams in France and the Netherlands; the organization of a European Sustainable Development Week across all the Group's sites at the same time (headquarters and plants), with information campaigns on major issues and events at the sites; a contest to encourage a reduction in paper use at 93 Group sites; and the development of CSR communication and information tools, etc.

Further more, social activities were organized at some of the sites: the creation of a Christmas tree out of reused or recycled materials, a potluck lunch spotlighting culinary specialties from employees' home regions, the installation and upkeep of beehives, internal competitions to promote exercise, beach clean-ups, linen donations to charities, athletic and charity challenges, etc.

Lastly, CSR training modules were developed and shared in order to strengthen the teams' expertise. These modules explain the main concepts of CSR and describe the Group's CSR strategy. A training module is also being designed specifically for the sales forces. Lastly, a workshop was conducted for the sales forces in September (approximately 420 people trained) and is being rolled out to all the Group's regions. A video was also produced to present the Group's CSR commitment.

### Dialog with stakeholders

As a general rule, the Group engages in transparent dialog with its stakeholders, with a view to enhancing its CSR strategy and also to share news about its performance, progress and challenges. To this end, the Group uses various channels, both periodic (annual reports, newsletters, etc.) and ongoing (posting news on the website, social media, emails, meetings, etc.).

### EXAMPLES OF DIALOG CHANNELS USED WITH STAKEHOLDERS

	Employees	Customers	Investors	Direct suppliers	Authorities and civil society
Documents and materials (annual reports, website or intranet, social media, press releases, etc.) and meetings and individual conversations (sales meetings, performance reviews, roadshows, events, conferences, visits, audits, consultations, etc.)	✓	✓	✓	✓	✓
Charters and policies (CSR, QHSE, ethics, responsible purchasing, etc.)	✓	✓		✓	✓
Newsletters/emails/magazines	✓	✓			
Questionnaires (employee engagement survey, employee survey, Satisfelis, ESG questionnaire, etc.)	✓	✓	✓		✓
Collaborative initiatives	✓	✓		✓	✓

### Mergers and acquisitions (M&A) process

















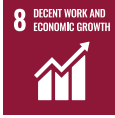
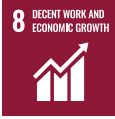



The Elis Group pursues an active acquisition strategy. Each new entity is integrated through processes that are tailored to the size of the company and its business sector. CSR is increasingly taken into consideration when identifying, signing agreements with, and integrating acquisition targets. For example:

- › whenever it acquires a new company, the Group performs environmental and social due diligence and systematically checks that the operator is compliant with local regulatory requirements and has the necessary permits. Environmental audits are conducted when laundry sites are acquired.
- › in keeping with its ethics rules, as a matter of principle the Group avoids acquisitions in places that are considered tax havens or Non-Cooperative Countries and Territories ("NCCT") under French law or by the OECD.

In addition, Elis develops an integration program for each acquisition coordinated by the acquisitions team and under the responsibility of the local operational departments. This integration program provides the Group with an opportunity to impart and implement its business model and values. Additional information is available in section 4.1.1 "Strategic risks" in chapter 4 of this Universal Registration Document.

For the purposes of this Universal Registration Document and in accordance with the Group's reporting protocol, the entities acquired during the year are excluded from the annual reporting. They will be integrated within two years at the most in order to ensure that the reporting is correctly implemented and reliable (see section 3.6.5 "Methodology note").

### 3.2.3 Our CSR roadmap: clear and ambitious targets

The pillars of our strategy	Our key concerns, a source of risks and opportunities	Our 2025 commitments and goals	Progress as of 2022	Section	Contribution to the Sustainable Development Goals (SDGs)
 <p><b>Circularity and exemplarity to reduce our impact on the planet</b></p>	Fighting and adapting to climate change	Reducing by 20% CO <sub>2</sub> e intensity (Scopes 1 and 2 location-based) in the operations between 2010 and 2025	-25%	3.3.6	 
	Minimizing our energy consumption	Improving the thermal efficiency of European laundries by 35% between 2010 and 2025	-26%	3.3.5	  
	Minimizing our energy consumption	Accelerating the transition of the logistics fleet toward alternative vehicles	A fleet of 232 alternative logistic vehicles (compared with 134 in 2020)	3.3.5	  
	Optimizing our use of resources and minimizing our impact on ecosystems	Reducing water consumption per kg of linen delivered by 50% between 2010 and 2025 in European laundries	-43%	3.3.3	 
	Further developing circularity & Reducing and properly managing our waste	Reusing or recycling 80% of our end-of-life textiles by 2025	70%	3.3.1 and 3.3.4	 
	Eco-designing our products and services	Offering at least one collection composed of sustainable materials for each product family	51%	3.3.2	
	 <p><b>Empowering our employees and supporting their development</b></p>	Protecting our employees	Reducing the frequency of Group employees' accidents by 50% between 2019 and 2025	+0.7%	3.4.2
Ensuring non-discrimination and equal opportunities		Achieving a rate of 40% of women in executive or managerial roles by 2025 (42% by 2030)	34%	3.4.4	 
Listening to, valuing our employees and ensuring their well-being at work		Expanding the Group's Chevrons program	310 Chevrons (34% compared with 2018)	3.4.1	
 <p><b>Making a positive contribution to Society</b></p>	Contributing to our local communities and supporting the causes that we value	Tripling the impact of the Elis Foundation by 2025	Fourth cohort welcomed in September	3.5.5	
	Working responsibly with third parties	Achieving 95% of procurement spend from direct suppliers that have undergone a CSR assessment in the last three years	94%	3.5.3	 

In Sweden and Denmark the Group has earned a certification recognizing its incorporation of the SDGs into the Company's processes: setting the strategy, contributing to the SDGs, implementing programs and tracking performance. These certifications were renewed in 2022.



Beyond its action plan, and given its circular business model and its operations, the Group believes it can make a significant contribution to UN Sustainable Development Goal (SDG) 12, "Ensure sustainable consumption and production patterns."

Accordingly, **88%** of its revenue generated, from the product-as-a-service model, contributes to SDG 12.

Based on its long-standing commitment and long-term vision, the Group has also set targets for 2030. These indicators are being used, or could be used in the future, in the Group's various funding instruments.

The pillars of our strategy	Our key concerns, a source of risks and opportunities	Our 2030 commitments and goals	Progress as of 2022	Section	Contribution to the Sustainable Development Goals (SDGs)
 <b>Circularity and exemplarity to reduce our impact on the planet</b>	Optimizing our use of resources and minimizing our impact on ecosystems	Reducing water consumption per kg of linen delivered by 30% between 2018 and 2030 in European laundries	-19%	3.3.3	 
 <b>Empowering our employees and supporting their development</b>	Ensuring non-discrimination and equal opportunities	Achieving a rate of 42% of women in executive or managerial roles by 2030	34%	3.4.4	 

The Group is also working to define longer-term goals aligned with the Science Based Targets (SBT) methodology: 1.5°C for direct and indirect emissions (market-based Scopes 1 and 2) and well below 2°C for other indirect emissions (Scope 3).



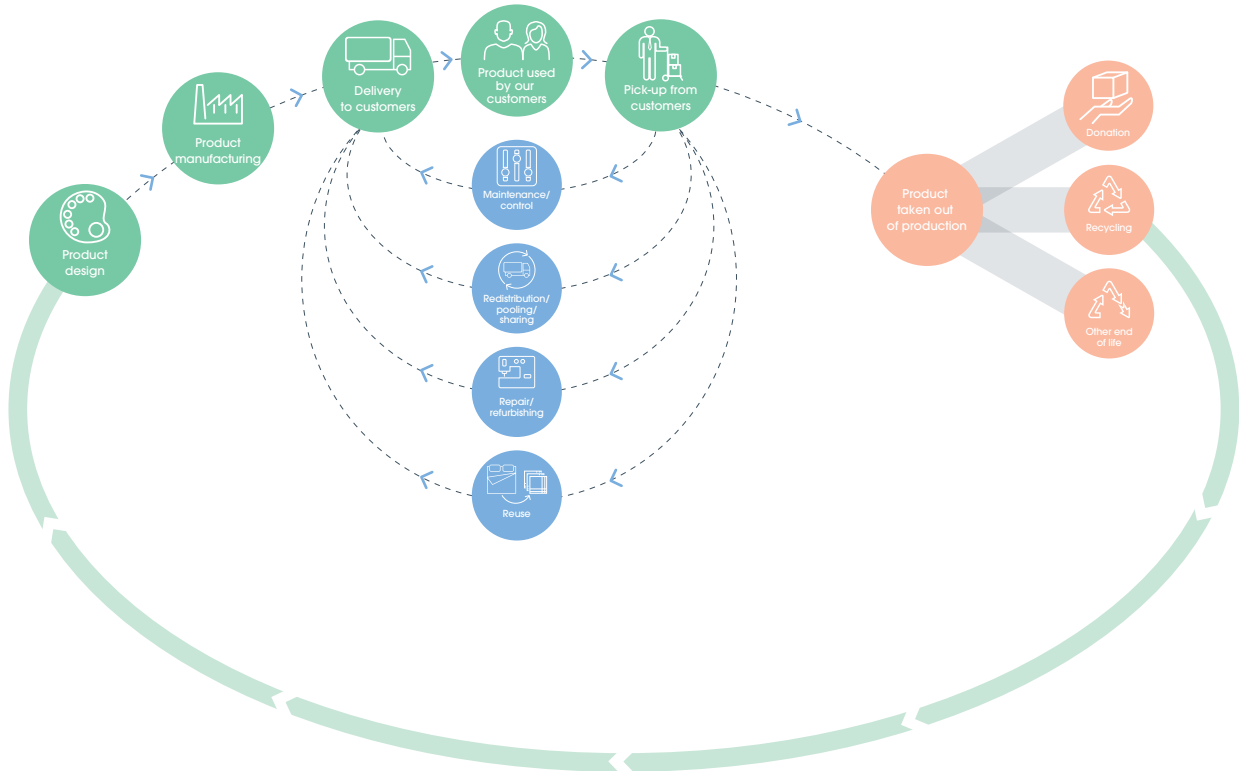
### 3.3 PLANET AND PRODUCTS

#### 3.3.1 Being a circular economy player

##### Context

The Elis Group has been involved in the circular economy for more than 75 years, primarily through its business model, which is based on selling the use of a product rather than selling the product itself (product as a service<sup>(1)</sup>). In addition to this business model, the Group works in other areas of the circular economy such as

repairing, reusing, refurbishing or recycling products in order to extend their life and thus keep the materials in use as long as possible.



The Elis Group believes that the circular economy business model is a sustainable solution to address current environmental challenges and our planet's finite boundaries, primarily through reducing the consumption of natural resources and keeping products in use. The Group therefore works every day to push the limits of each of the different loops of the circular economy, in partnership with its customers, suppliers and ecosystem.



The Ellen MacArthur Foundation stresses that "the circular economy is needed to get to net-zero emissions" and that "moving our business models toward a circular economy could reduce CO<sub>2</sub>e emissions by nearly 10 billion tons (or 20% of global emissions)."<sup>(2)</sup>

The services offered by Elis are positioned as a sustainable alternative to:

- › the simple purchase or use of products: by maximizing their use through pooling, optimizing industrial maintenance processes (water and energy consumption, etc.), and repairing and reusing products throughout their life cycles. The product-as-a-service business model offers a solution to common events at companies such as changes in wearers' size, employee arrivals and departures, and new collections. For example, the use of workwear maintained by Elis allows a reduction in emissions of up to 37% compared to a purchase solution and up to 48% reduction in water consumption;

- › single-use or disposable products: by offering reusable solutions, often maintained locally, hence supporting local employment and economic development within the regions. For example, the use of reusable scrubs in healthcare facilities reduces emissions by 31% to 62% compared to disposable scrubs, depending on actual consumption.

These alternatives to linear consumption models also help to prevent emissions being generated and lower customers' emissions.

- › The use of reusable scrubs in healthcare facilities **reduces CO<sub>2</sub>e emissions by 31% to 62%** compared to disposable scrubs, depending on actual consumption (Source: Cleaner Environmental Systems). 
- › The use of cloth roller hand towels **reduces CO<sub>2</sub>e emissions by 29%** compared to disposable paper towels (Source: ETSA). 

(1) The product-as-a-service model is characterized by selling the use of the product rather than selling the product itself.  
(2) <https://climate.ellenmacarthurfoundation.org/>

The Group continuously develops new projects and innovations to consistently promote the principles of a circular economy in its services and operations. For example:

- › by eco-designing its products: it selects materials and carries out durability tests, analyzes the impacts of materials starting from the design phase, optimizes product designs to make products easier to repair and recycle, and takes their performance in maintenance phases into account;
- › by innovating in linen maintenance and logistics processes: to better reduce, reuse or recycle water; sharing flows among multiple customers and products;
- › by minimizing single-use consumables at the plants, such as with the Kangaroo® (cleanroom) product line, which helps reduce plastic consumption by almost 4 kg per operator;
- › by working to keep products in use for as long as possible through optimized maintenance processes tailored to each product, through increased pooling of inventories between different geographic areas, through product repair – or even refurbishing in certain cases – or through reuse (for example, turning a white roller into a blue roller);
- › by working on product end-of-life, especially for textiles, by forging partnerships to increase knowledge and help build long-lasting solutions and industrial networks that will help make textiles from textiles.

## Governance

The circular economy is an inherent part of Elis's business model and is firmly anchored in the Company's identity, as can be seen in its approach to creating economic value and in the way it operates on a daily basis.

In particular, as part of its ambitious program running until 2025, the Group has set a target to:

### Reuse or recycle 80% of the Group's end-of-life textiles

Key performance indicators		2020	2021	2022
<b>Embedding product-as-a service business model and promoting its benefits among customers and product users (patients, employees, visitors, etc.)</b>	Product-as-a-service share of the Group's revenue	88%	89%	88%
<b>Keep our products in use</b>	Share of washroom and beverage products refurbished and put back on the market (in France)	48%	29%	58%
<b>Recycle and reuse end-of-life textiles</b>	Share of end-of-life textiles reused or recycled <b>(2025 target: 80%)</b>	65%	72%	70%

As in previous years, in 2022 the Group continued its initiatives related to the different pillars of the circular economy.

## Being a product-as-a-service company

### Measures implemented

#### Rental offerings

Based on the product-as-a-service system, Elis's model prioritizes services over products and rental over purchase for nearly all of its service offerings. More than 88% of the Group's revenue relies on these principles of the product-as-a-service business model through its product rental & maintenance service offering. In addition, as the Group is convinced of the benefits of this model, it provides support to its acquisitions in their transition from a simple maintenance model to the product-as-a-service model. For example, since acquiring its subsidiary in Brazil, the Group has gradually transferred its maintenance solution customer portfolio (about 50% of its revenue in 2014) to rental & maintenance solutions (almost 85% of its revenue).

Elis's intrinsically sustainable model guarantees the durability of its products for the customer. Elis has every interest in prolonging their

As such, all the Group's teams are involved in topics related to the circular economy:

- › the product development and procurement teams work together to identify materials that are as durable as possible and that have a lower environmental impact;
- › the operations teams are involved in day-to-day linen management, procurement, qualification, maintenance and repair;
- › the teams in charge of the operational management of textiles track the textile reuse or retirement rate;
- › the CSR, environment and offering teams identify new ways to reuse, recover or recycle products at the end of their life.

## Policy: goals and performance

Given that its business model is grounded in the product-as-a-service model (rental & maintenance), it is in the Elis Group's interest to extend the life of its products by selecting high-quality items that meet expectations in terms of use, comfort and esthetics, and to work continually to extend their useful life.

Aware of the benefits of this model in terms of both resource consumption and environmental impact, the Elis Group aims to:

1. be a product as a service company and promote its benefits among its customers and users of its products (patients, employees, visitors, etc.);
2. extend the useful life of its products;
3. work with the entire ecosystem to create solutions that respond to today's challenges around recycling and reusing textiles;
4. develop even further the circular economy approach into its operations and strive to be exemplary.

lifespan by selecting quality products that meet expectations in terms of use, comfort and esthetics.

Elis mostly provides interchangeable rental products. In other words, a product is not allocated or specific to a particular customer. As a result, product use is maximized and the risk of obsolescence is lower than for products that are meant only for a given customer.

The use of flat linen products that are classified as group or country, which make up Elis's interchangeable standard offering, is monitored monthly in eight countries. The standard offering represents 71% of invoicing for these eight countries for flat linen.

For workwear, Elis tracks a "reuse" rate in 13 countries. This indicator tracks the number of workwear items that will be depersonalized and then re-personalized and allocated to another wearer (in accordance with the legislation in force). Elis seeks to continually enhance and maximize this expertise on reusing workwear. By end of 2022, the reuse rate was more than 40%.

## Our environmental and corporate social responsibility

### Planet and products

In addition, the Group has set up linen markets in three countries. Plants can use them to trade linen that has had low rotation. For example, if a collection is not being used in one plant, it can be used in another. Each plant lists its available items in a collaborative document. New ads are featured every month. Since 2021, Elis has had a data visualization tool that shows each plant's data and is accessible to all the plants, thus helping them connect with one another. The linen market maximizes country-wide use of the linen resource by fostering exchanges and it seeks to reduce new linen needs.

More than 335,000 items were shared between plants through the linen market in 2022 in France, Spain and the United Kingdom, which helped to extend the use of this linen and reduce the need for new linen.

Elis promotes the product-as-a-service business model among its customers by encouraging them in this transition.

#### Resource scarcity, an opportunity for more sustainable solutions

In the healthcare sector, Elis has deployed textile solutions in several countries as an alternative to single-use solutions to respond to risks of shortages, particularly during the Covid-19 crisis, and to guide its customers toward a return to reusable textile solutions with a lower impact:

- › patient gowns and scrub suits in France;
- › isolation gowns in the United Kingdom, Spain and Brazil.

The life cycle assessment conducted on reusable scrubs compared to disposable scrubs found that CO<sub>2</sub>eq emissions fell by 31% to as much as 62%, depending on actual consumption.

#### Partnerships and co-innovation with customers

The Group regularly enters into partnerships with its customers to develop new products that meet their needs.

In 2013, Elis teamed up with its largest national healthcare customer to respond to issues relating to the quality and life of duvets. In an environment where hygiene is the top priority, industrial maintenance greatly damages quilted duvets. Two years of research and tests conducted by laboratories such as the Institut Français du Textile et de l'Habillement (IFTH) and Institut Pasteur led to the creation of a general concept of disinfectable duvets that are waterproof and resistant to cleaning products (NF EN 1040 and EN 20811 standards).

The concept is based on the replacement of quilted duvets initially treated between each patient by a specially coated duvet wrapped in a duvet cover that is treated industrially in an Elis laundry.

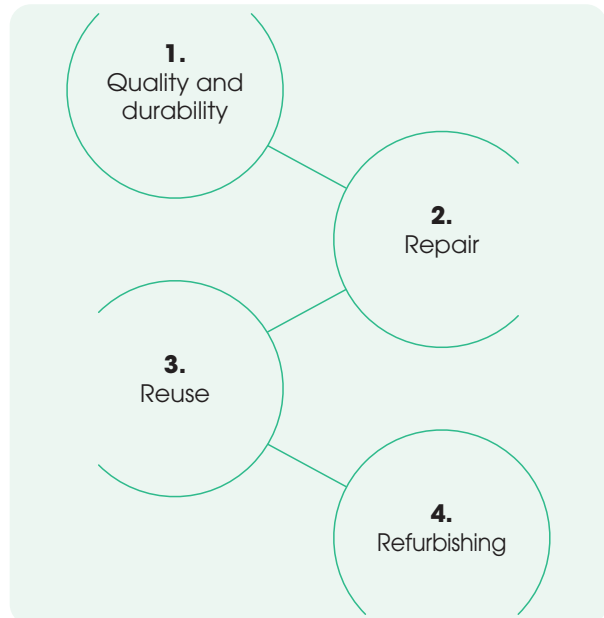
Over the last four years, the availability in Europe of nearly 19,500 disinfectable duvets in healthcare institutions has made it possible to replace the production, transportation, maintenance and logistics of nearly 50,000 quilted duvets.

Similarly, the Group has developed new healthcare products to meet certain needs when it comes to caring for patients receiving outpatient treatment. A semi-fitted sheet, a blanket and a reusable bag to hold patients' personal items were developed in partnership with customers to provide comfortable, sustainable solutions for patients that are tailored to outpatient care.

## Keeping our products in use: repair, reuse, refurbish

### Measures implemented

The Group works constantly to keep its products in use. The main levers it uses are:



#### Quality and durability

Elis is meticulous when it comes to the materials that are used in its product offering. It is common for items to go through more than 50 wash cycles or rotations in the course of their lives (barring specific regulations). Therefore, the quality of the items and how they hold up to washing and maintenance are vital for ensuring that the products are durable and that a high quality service is provided throughout their life.

For example, polyester fiber helps extend the life of textiles, and consumes less water in the cleaning process than 100% cotton products. Polyester is sturdier, dries faster and stands up better to repeated washing. It also holds its color and original properties better. The Group is therefore adjusting the composition of its textile items with the aim of finding the best balance between comfort and durability.

Elis's quality lab also tests products' resistance under industrial maintenance conditions before introducing them, to ensure they meet customers' performance and durability needs, in accordance with applicable standards. By selecting products that are built to last, the Group is helping to limit resource consumption and reduce the environmental impact of its products and services and that of its customers.

For example, this product approach allowed to extend the life of some cleanroom products in Denmark by almost two years.

#### Repair

The products the Group provides to its customers may be used under challenging conditions. Elis repairs its customers' workwear on a daily basis in each of its plants that is dedicated to clothing. For example, if a pocket comes loose it is sewn back on. This daily work is a way to extend the life of clothing. Moreover, to guarantee a supply of accessories to repair items (in accordance with regulations), the Group has a catalog of accessories used for its workwear. Common repairs include replacing the elastic in waistbands on pants when it stretches out, replacing a defective snap fastener or replacing a logo that has started to come off.

In 2022, in the Netherlands, nearly 1,200,000 repairs were made to workwear, out of nearly 2,500,000 items in use. This means that nearly one in two garments were repaired in 2022.

The Group also makes ad hoc repairs to flat linen, textile rollers or mats. This service is also offered for resident linen in nursing home.

### Reuse

In some countries, the Group works to identify solutions for reusing its products either in the same applications (see "Being a product-as-a-service company" above) or in others. For instance, when the cotton rollers for hand towels show too many imperfections, they are dyed blue and offered to customers with heavier soiling activities (heavy industry, garages).

Likewise, in Brazil, hand towels used in the Healthcare and Hospitality sectors can be dyed black and provided to beauty or hair salons. As a result of this initiative, 1,000 kg of towels are reused each month.

Similarly, some cotton towels and sheets are cut into pieces and offered to customers on a rental basis as cloth wipes.

### Refurbishing and reassembly

Elis also strives to refurbish some of its products. In France, Elis has a workshop that specializes in refurbishing its water fountains and hygiene appliances (dispensers, etc.).

This workshop collects end-of-life water fountains placed on the French market and certain washroom equipment for the French, Belgian, German, Dutch and Luxembourg markets. A total of nearly 30,000 end-of-life appliances are collected every year to be taken apart and refurbished whenever possible. In 2022, nearly 17,000 appliances were refurbished, and as a result Elis notably lowered the number of water fountains purchased on the French market by around 21%. Overall, more than 58% of products collected were repaired and put back on the market. The remainder were recycled.

The Group has undertaken other refurbishing initiatives, for example, for mats. One of the Group's units located in Latvia has specialized in mat repairs since 2001. This unit repairs more than 3,000 mats per month, on average, from 13 of the Group's countries. The types of repairs can vary and include repairing holes or damaged sections of the textiles, replacing the edges of the mats, adjusting the size of the mat based on damage and quality, changing the logo, etc. Nearly 98% of mats collected are repaired or resized.

### Outlook

The Group is exploring the possibility of replicating these models for other products and services. In particular, in 2022, a cross-functional working group was launched in the washroom sector to ensure a shared vision of the circularity of these products. The first step was to inventory the repair and refurbishing practices in the Group's different regions. This working group brings together stakeholders from across the entire product life cycle: design and production (supplier), purchasing, operations, offering, CSR. Pilot projects are underway in the Netherlands to refurbish washroom equipment.

### Recycle and reuse end-of-life products

Recycling and reusing end-of-life products is a priority for the Group. It has set a target to recycle or reuse 80% of its end-of-life textiles by 2025. Current initiatives are described in section 3.3.3 "Optimizing our use of resources and minimizing our impact on ecosystems."

## Incorporating the circular economy into our operations and striving to be exemplary

### Measures implemented

Beyond its business model, the Group incorporates the circular economy into its operations. For example, to deliver its textile items, Elis uses little packaging, and the packaging it does use is mainly reusable: clean items are distributed and then sent back to laundries in cloth bags, cloth cage covers and metal cages or hangers, which are taken back, maintained, repaired and reused by Elis many times. When these items reach the end of their lives, the Group works on ways to recycle them. For example, Le Jacquard Français makes small bags and bag covers from these textile scraps.

The Group uses limited quantities of consumables, and is continually looking to reduce them or find reusable alternatives. In this vein, Elis is taking steps aimed at reducing the quantity of plastic used to package certain workwear items – it is substituting plastic with cloth packaging and reducing the thickness of the plastic wrap purchased. In particular, testing is underway in France to evaluate opportunities to eliminate this packaging, which is required for certain customers.

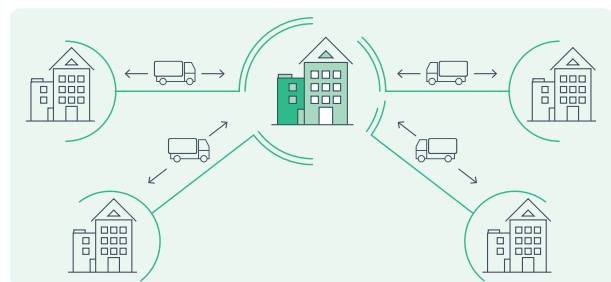
Water fountain bottles are also picked up during delivery trips and then returned to water suppliers, who clean them and then reuse them for subsequent deliveries.

In addition, in 2021, the Group launched a new cleanroom product line, Kangaroo®, which helps reduce plastic consumption in this business. A cloth pocket sewn into the inside of a decontaminated garment allows the garment to be folded and delivered to customers without any additional packaging, reducing plastic consumption by nearly 4 kg per operator. To meet the requirements in this sector (unparalleled hygiene, etc.), products are packaged after a special decontamination process with or without additional sterilization. This new design could thus help reduce CO<sub>2</sub>eq emissions by up to 2.5 tons per year for a customer with 100 operators and 1,000 tunics and pants.



### An innovative service for sharing equipment to maintain the personal linen of care home residents

The Group is also identifying pooling and sharing opportunities across all its operations. For instance, its subsidiary AD3 in France (nursing home resident linen business) offers a solution where one customer's laundry room can be shared with other nearby homes. This solution reduces the amount of equipment needed to wash residents' linen and maximizes use.





## Contribute to promote the circular economy among our stakeholders

### Measures implemented

As a strong supporter of the circular economy, the Group is increasingly positioning itself to promote the subject among its stakeholders:

- › directly, by participating in forums and events on these topics in the different regions where it operates and, more specifically, in France, the Netherlands and Sweden. In Sweden, in 2021 the CSR Coordinator led the "From Linear to Circular" working group on behalf of the Delegationen för Cirkulär Ekonomi (circular economy delegation), which was created by the Swedish government. In France, the Group regularly participates in events and webinars to promote circular models. In the Netherlands, in 2022 the Group organized a seminar that brought together public and private players to discuss this topic and share information;
- › indirectly:
  - through its customers and users of its services, who are educated as part of their operations and jobs about sharing and reuse, which are fundamental values of the circular economy. This approach contributing to remove certain psychological barriers that are found today in the FMCG sector,
  - through its networks and professional associations, by helping them promote the circular economy and its benefits. In particular, the Group shares its commitment and positions within the professional associations it belongs to, such as the French private business association (Association française des entreprises privées - AFEP), the French industrial textile

services business association (Groupement des entreprises industrielles de services textiles - GEIST), and the French water fountain industry association (Association française de l'industrie des fontaines à eau - AFIFAE) in France, and the European Textile Services Association (ETSA) across Europe. In Sweden, the Group is also a member of the Textile Exchange. In addition, the Group contributes to the AFEP's Ambition4Circularity platform. Participation in this initiative demonstrates companies' commitment to this topic,

- through publications, including that of the sustainable investment forum (Forum pour l'investissement responsable - FIR), on the analysis of the SBF 120's circular economy practices, and of the International Center for Research and Innovation for Sustainable Development (Centre International de ressources et d'innovation pour le développement durable - CIRIDD), in partnership with GrandLyon, on "The sustainable transformation of companies and regions - 50 circular economy solutions."

Within its associations and networks, the Group also engages in discussions on other CSR topics, such as climate change. The Group helps to shape the positions of these associations, which may be consulted on future regulations, and to support the dissemination of best practices (for example, ETSA was appointed Climate Pact Ambassador).

### Outlook

The Group is aware of the aspects and opportunities related to the circular economy and would like to do even more to promote these models to all its stakeholders. In the coming years, the Group will continue to discuss, share and collaborate on these topics in order to increase everyone's knowledge and continue its own internal transformation.

## 3.3.2 Eco-designing our products and services

### Context

In selling the use of a good rather than the good itself, the Group is helping to alleviate pressure on natural resources and to shrink the environmental footprint of its business and that of its customers. However, in addition to implementing the virtuous model of the product as a service, the Elis Group strives to reduce the social and environmental impacts of its products through its eco-design strategy and its sustainable purchasing policy (see section 3.5.3 "Working responsibly with third parties" of this chapter 3). All the stages of a product's life (production, use, end of life) must therefore be considered right from the design and purchasing phases.

### Governance

The Marketing and Innovation Department is responsible for the eco-design of the Group's products and services. Once or twice a year, the eco-design strategy for products and services is shared with all countries.

Major launches may be validated by the Executive Committee or during a presentation to the Operational Committee, bringing together the countries.

As part of its ambitious program running until 2025, the Group has set itself the goal of:

**Offering at least one collection composed of sustainable materials for each product family**

Key performance indicator	2020	2021	2022	
<b>Developing products with lower environmental impact thanks to eco-design</b>	Share of product families with at least one collection composed of sustainable materials <b>(2025 target: 100%)</b>	33%	46%	51%

In 2022, the number of product families with at least one collection composed of sustainable materials increased due to the new offerings launched during the year, including the Phoenix washroom range, ranges of garment made out of polyester and lyocell, and EU Ecolabel-certified tea towels.

## Developing products with lower environmental impact thanks to eco-design

### Measures implemented

#### Ensuring the quality and durability of our products

The Group's business model is based on the product-as-a-service concept and relies on an offering of high-quality, high-durability services and products, unlike traditional consumption models that may encourage disposable products or planned obsolescence. Some products can therefore be washed more than 100 times before they are removed from circulation, in particular white garments and a number of flat linen items.

See section 3.3.1 "Being a circular economy player" of this Universal Registration Document.

#### Eco-design approach

To continually do its part to ease pressure on natural resources and to reduce the environmental footprint of its business, the Group conducts life cycle assessments (LCAs) on its products and services. These LCAs help to underscore the benefits of Elis's model compared to other solutions (purchase or single use), and contribute to discussions on eco-design (design, choice of materials, origin and production method, recyclability, etc.).

**Workwear offering: the sustainability of Elis's hospital scrubs rental & maintenance solution**

In 2020, Elis finalized an LCA in partnership with strategic customers to compare the environmental impact of the Elis hospital scrubs offering with competing single-use polypropylene products for France. This LCA was critically reviewed by a panel of experts and published in the Cleaner Environmental Systems scientific journal in late 2021. An educational and instructional approach was taken when disseminating the study and its results to a wide audience in 2022.

The disposable scrubs were 100% polypropylene, versus the reusable scrubs at 35% cotton and 65% polyester. A few key takeaways from the study are as follows:

- fewer raw materials are needed to produce reusable scrubs than disposable scrubs because, on average, over four years a physician uses 15 reusable scrubs versus 940 disposable scrubs;
- it takes more water resources to produce cotton than to produce disposable scrubs;
- disposable scrubs have more impact at their end of life, mainly because they create more waste;
- over the course of their life cycle, reusable scrubs travel approximately 25,000 km and are used 64 times. This is similar to the shipping distance from China to France for disposable scrubs that will only be used once;
- using reusable hospital scrubs results in a 31% reduction in climate change impact compared with disposable hospital scrubs. This impact reduction can be as much as 62% depending on the level of over-consumption of disposable hospital scrubs in a healthcare facility.

Recent resource scarcities have also shown the benefits of reuse-based services solutions, which can ensure continuity of service while offering a more sustainable and local services solution. The relevance of this offering enabled the Group to gain significant market share in this segment in France during the Covid-19 crisis.

**What is Life-Cycle Assessment?**  
LCA makes it possible to quantify the environmental impacts of a product throughout its life cycle, from the extraction of raw materials to the end of its life.  
It is a rigorous methodology, standardized (ISO 14040/14044) and recognised worldwide by the scientific community.

**The reusable solution is less costly for the planet**

Category	Reusable	Disposable
Climate change	-31%	
Particulate matter	-10%	
Air pollution (Ozone formation)	-48%	
Acidification	-23%	
Water pollution (Freshwater ecotoxicity)	-64%	
Water resource depletion	-95%	

**940 scrub suits** made from non-woven polypropylene discarded  
**15 scrub suits** made from woven polyester & cotton reused

**CLIMATE EMERGENCY**  
Elis scrub suit is a concrete solution to reduce your carbon footprint.

**Hand drying offering: the cotton solution that respects the environment**

Drying your hands with cotton is an environmentally responsible action. Indeed, a cotton roller can be washed up to 80 times before being recycled into cloths. The production and use of cotton rollers therefore have a limited impact on the environment compared to paper hand towels<sup>(1)</sup>:

- up to 29% fewer greenhouse gas emissions;
- up to 48% less energy;
- up to 95% less waste generated.

Both the LCAs conducted by the Group and some external studies show the high percentage (about 75% according to UNEP) of impacts related to product manufacturing. The key to reducing the impact of products and services is therefore to work on upstream solutions (materials, design, production) as well as on the products' use in order to extend their lifespan. The Group is working with the following main levers of eco-design:

- choice of materials and their durability. The Group is especially committed to offering at least one collection composed of sustainable materials for each product family by 2025. For example, the Group currently offers the Bio's Fair collection made of organic, fair-trade cotton for bath linen. Regarding the sustainability of materials, see section 3.3.1 "Being a circular economy player" of this Universal Registration Document;

- the origin and production methods of materials (see section 3.5.3 "Working responsibly with third parties" of this Universal Registration Document);
- extension of the products' lifespan and end-of-life recycling, by anticipating the repair and recycling phases when designing new collections. For garments, for example, this means avoiding, when possible, hard components that cannot be recycled easily.

The Group is increasingly incorporating these criteria when establishing its product specifications.

In 2022, the design teams were trained on eco-design principles for textiles and garments. Training will continue in the coming years, mainly for product designers and managers.

(1) Source: ETSA, from a sample of 10,000 hand dryings.

### Offering products to foster more sustainable consumption

The Group strives to offer services that help reduce environmental impact during use and particularly to support sustainable consumption by users. In this vein, the Group offers emulsion soap dispensers to reduce the amount of product used and make the rinsing stage easier, thereby also slashing water consumption.

The Group's smart solutions based on the IOT (Internet of Things) also help to improve customers' consumption. For instance, Elis Connect IOT, in the washroom segment, means that customers only change their consumables (such as soap and toilet paper) when necessary. Using sensors built into the distributors and connected to the Elis Connect platform, the predictive warning system prevents shortages and thus optimizes the use of the various consumables.

Since 2021, the Group has offered a coffee bean offering, with no individual packaging and with less industrial processing, and an organic, fair-trade coffee offering.

The Group also encourages its customers to use reusable cup or bottle solutions. Home Compost cardboard cups are otherwise provided.

In the Group's cleanroom business, customers are offered "visitor" kits instead of the traditional disposable solutions (gown, shoe covers, hairnet, etc.) that they are usually provided when visiting production workshops.

#### Our Pest Control business

Within the Pest Control business, the Elis Group seeks to take environmental aspects into account upstream. To this end, the Group prioritizes a prevention-based approach that aims to protect customers' facilities and reduce the risk of infestations. In the event of an infestation, pest management experts develop and promote alternative extermination methods and the use of biodegradable products in order to minimize the impact on the environment.

During the preliminary assessment, the Group's experts work to maximize protection of the customer's site and rely on exclusion systems (door thresholds, steel wool, etc.) to better seal structures. Group experts also suggest more sustainable alternatives to customers, such as a line of plant-based insecticides (Origin Captiv, Origin Mosquillock, diatomaceous earth, etc.), or natural systems such as chickadee birdhouses for protection against processional caterpillars.

Moreover, ever dedicated to its circular business model, the Group provides maintenance, upkeep and end-of-life services for its equipment and applies eco-design principles when developing its product lines around three key pillars:

- › waste reduction at source;
- › product maintenance;
- › recyclability of materials used.

### Outlook

In accordance with its product strategy and the Group's goal of guiding its customers toward more sustainable choices, Elis will continue to pursue its initiatives in 2023. The Group also expects to launch new products that use alternative materials, made mainly from recycled materials. In addition, new materials will be tested in the Group's laboratory to determine whether they are suitable for industrial processes.

At the end of 2022, the Group bought an eco-design tool in order to continue to develop its knowledge and expertise in terms of LCA.

### Purchasing more sustainable materials and products

#### Measures implemented

Concerned about its environmental and social impact and keen to engage its customers in more sustainable initiatives, the Group is striving to add more and more certified materials and items to its catalog of products and services.

As part of this effort, Elis is teaming up with suppliers to identify the best certifications for each product type. Based on international standards, these certifications ensure the credibility of the initiative to reduce environmental and social impacts.

Some examples below:

#### Raw materials: textile

Elis encourages Oeko-Tex certification for the textiles delivered, in accordance with its Supplier Code of Conduct. This label represents a worldwide uniform testing and certification system that tests for harmful substances including prohibited and regulated substances, chemicals that are known to pose health risks, and precautionary parameters relating to health.

Lastly, the Group uses recycled polyester for some of its mats and workwear.

#### Raw materials: paper and wood

##### Washroom offering

- › **GOOD: high-quality recycled paper.** Elis offers its customers in Northern Europe a specific range of recycled paper hand towels and toilet paper. This GOOD range of paper is made from recycled cellulose fibers found in cardboard food packaging. These fibers are of equivalent quality to pure cellulose lining. Over 5.6 million rolls of GOOD paper towels were ordered by Elis sites in 2022;
- › **FSC-labeled paper for Southern Europe:** the Forest Stewardship Council is an environmental label whose purpose is to confirm that the production of wood or wood-based products complies with procedures that ensure sustainable forest management. Over 14 million FSC-labeled paper hand towels were ordered by Elis sites in 2022.

##### Workwear

- › **Lyocell fiber:** the TENCEL™ brand's lyocell fiber made its appearance in 2020 in two workwear collections: TRENDY and REGENCIA (50% lyocell/50% polyester blend). Made from wood grown in sustainably managed and FSC- or PEFC-certified forests, this fiber is recognized for its environmental performance. It also provides a very good level of comfort and softness for wearers. In 2022, the Group launched new personal protective equipment (PPE) products using a multirisk fabric that is made largely of lyocell. In 2022, the Group used 123,000 meters of this fabric.

Drawing on this experience, in 2021 Elis helped one of its healthcare customers in Sweden develop a bespoke workwear collection with fabric that was a 50% lyocell/50% polyester blend. In 2022, the Group also launched collections in Sweden that use bio-based materials and recycled polyester. The environmental impacts of these collections were compared with those of traditional solutions, and the results showed a significant reduction in water consumption and CO<sub>2</sub>eq emissions.

### Raw materials: fair-trade or organic coffee and cotton

For 12 years, Elis has been a partner of the Fairtrade/Max Havelaar label and supports fair trade. The collaboration between Elis and the Fairtrade/Max Havelaar label started in 2009 through a partnership with the coffee supplier Malongo. Malongo's 100% arabica fair trade Ethiopian Moka coffee is now part of the Group's offering. Currently, in addition to coffee, Elis uses fair-trade organic cotton in 23 of its products (Bio's Fair collection: bath linen and workwear), and is committed, via the Fairtrade/Max Havelaar label, to paying development premiums to small cotton and coffee producers (an aggregate total of over €200,000 in development premiums paid to small producers between 2009 and 2020).

As of 2022, 78,700 Fairtrade/Max Havelaar-labeled garments were in circulation in the Elis network, and almost 500 hospitality customers had chosen organic and fair-trade cotton for their bath linen.

Lastly, the Elis Group is one of the largest buyers of organic cotton in the world (8<sup>th</sup> in 2017).

### Raw materials: plastic

The Group launched its Phoenix washroom range in 2022. This is the first full washroom line to use more than 80% recycled plastic. Using recycled materials instead of virgin materials results in a fourfold reduction of the material impact.

Moreover, this material is produced in Europe (Austria and the United Kingdom).



### Products: EU Ecolabel, a label chosen for various product families

#### Flat linen offering

Elis makes EU Ecolabel-certified textile products available to some of its domestic customers. This European label was created in 1992 by the European Commission to enable consumers to identify the most responsible products in terms of the environment and health throughout their life cycle. It meets stringent requirements in terms of limiting impacts (such as limitation of hazardous substances, reduction of air and water pollution during fiber production, etc.).

#### Washroom offering

- › **Paper products:** Elis provides its customers with Ecolabel-certified paper products for hand towel dispensers, as well as for toilet paper dispensers for the Aqualine and Fusion collections. In 2022, the Elis Group ordered 26 million Ecolabel-certified products (14 million for paper hand towels and 12 million for toilet paper).
- › Elis also provides its customers with Ecolabel liquid and foam hand soaps. In 2022, 95,000 consumables were delivered.

### Products: Cradle to Cradle certification, Fusion Collection

Fusion is a line of Cradle to Cradle-certified washroom equipment. The Cradle to Cradle certification promotes the design of products with a smaller environmental impact. It guarantees that the products are circular and manufactured responsibly. Since 2019, Elis has installed more than 97,000 Cradle to Cradle-certified appliances from the Fusion range.

## 3.3.3 Optimizing our use of resources and minimizing our impact on ecosystems

### Context

The Elis Group consumes a number of resources, principally water and cleaning products, in the course of its operations. Beyond the beneficial impact of its circular business model, the Group has a long history of limiting its impact on ecosystems and works in this area on a daily basis. In order to manage and reduce this impact, the Group provides its services directly. Accordingly, only 1% of the Group's services were subcontracted in 2022.

### Governance

The Group's Engineering and Quality, Health, Safety and Environment (QHSE) Director reports to the Group Engineering, Purchasing and Supply Chain Director, who is a member of the Executive Committee. The Engineering and QHSE Director is responsible for defining the Group's environmental policy and environmental risk prevention policy.

In the countries where Elis operates, the QHSE teams, in support of the operations departments, set the Group's standards and assist sites in managing environmental matters or carrying out specific actions (energy efficiency, textile recycling, etc.). These teams are also responsible for helping sites monitor environmental performance and share best practices. A network of environmental officers ensures the operational deployment of measures at production centers.

For this purpose, quarterly coordination meetings are held with the QHSE coordinators to share best practices among the Group's different regions.

In addition, the Group has a team of 10 Water, Energy and Chemical (WECO) engineers dedicated to analyzing each Group site's performance on these matters, managing industrial projects for reducing consumption, sharing best practices and rolling out Group programs. This team also monitors new available technologies and cross-sector approaches. In addition, it works increasingly closely with partners who have approximately 20 technicians specializing in the integration and optimization of washing processes. An industrial projects team of around 15 engineers also supports the rollout of site investment projects.

Water, energy and chemical performance is reviewed and analyzed for each site on a monthly basis. These analyses are shared with the different levels of the organization, from the members of the Executive Committee to Plant Directors.

Sessions are regularly organized by the WECO teams to train the on-site teams on best practices for water and energy consumption. Self-assessment tools have been developed. In some geographic areas, additional training may also be provided as part of the annual reporting and ISO 14001 or Nordic Swan certification processes, or for new hires (for example, heads of maintenance in France).



### Policy: goals and performance

In accordance with its Quality, Health, Safety and Environment (QHSE) Policy, Elis’s environmental commitments aim in particular to:

- › promote its circular business model and adapt it for its operations;
- › optimize its use of resources, in particular its consumption of water and cleaning products;
- › limit its impact on ecosystems, in particular by properly managing its centers, treating potential pollutions and carrying out actions that promote biodiversity.

These commitments are also reflected in the Group’s CSR policy. As part of its ambitious program running until 2025, the Group has set itself the goal of:

### Reducing water consumption per kg of linen delivered by 50% between 2010 and 2025 in European laundries

This ambition has been retained and incorporated into the Group’s financing policy. Under its new revolving credit facility signed in November 2021, the Group is committed to reducing its water consumption per kg of linen delivered (European laundries) by 30% between 2018 and 2030.

Key performance indicators		2020	2021	2022
<b>Reducing the pressure on water resources</b>	% reduction in water consumption per kg of linen delivered between 2010 and 2025 (European laundries) <b>(2025 target vs 2010: -50%)</b>	-36%	-40%	-43%
	% reduction in water consumption per kg of linen delivered between 2018 and 2030 (European laundries) <b>(2030 target vs 2018: -30%)</b>	-9%	-14%	-19%
<b>Ensuring the quality of wastewater discharge</b>	% of wastewater treated before being discharged into the natural environment	100%	100%	99.87%

In 2022, the Group continued to improve its performance in terms of water consumption per kilogram of linen delivered thanks to the programs that were implemented during the year, which are described in detail below.

### Reducing the pressure on water resources

#### Measures implemented

Water is a strategic global resource and a real sustainability consideration for communities, companies, and in particular for Elis in relation to its activity. The water is drawn either from the natural environment (groundwater or surface water) or via connections to municipal water networks. The Group has been committed for many years to reducing its water consumption per kg of linen delivered. As such, water consumption per kg of linen delivered decreased by 49% in laundries in France (the Group’s birthplace) between 2007 and 2022 and fell by 43% in Europe between 2010 and 2022. Moreover, the Group has set itself a target: to reduce its water consumption per kg of linen delivered by 50% between 2010 and 2025.

This approach is based on the 3Rs: Reduce, Reuse and Recycle. This helps to reduce water use and pressure on the natural environment.

In addition, the Group only consumes small amounts, as the amount of water returned is close to that withdrawn (with evaporation losses limited to around 15%).

In 2022, the Group reviewed its portfolio of technologies (type, maturity, etc.) and approaches with the aim of reducing water consumption and clarifying the associated action plan. The Executive Committee regularly reviews the progress made on this action plan.

Finally, through process optimization and its circular business model, the Group is able to reduce water consumption by nearly 73% compared to a solution based on purchasing and in-house laundering.

### Reducing water consumption

In order to reduce the water required in its washing processes, the Group identifies and implements:

- › best practices (for example, optimizing the amount of cleaning product used according to the actual weight of the textiles);
- › new technologies (for example, types of cleaning product and active formulas, replacing machines with higher-performance ones);
- › changes to its washing processes (for example, lower temperatures where possible, mixing of reagents under new conditions to increase their efficiency).

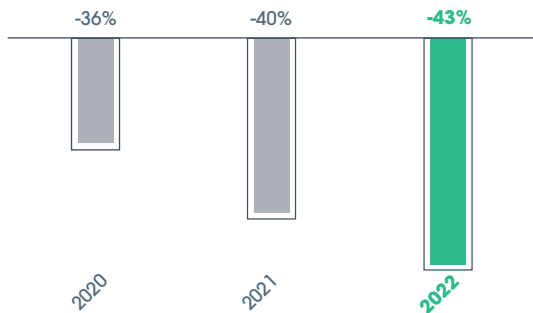
The Group also prefers to use tunnel washers where possible. Equipped with separate compartments, these washers allow linen to progress through the different stages of the process by moving from one compartment to another, and to optimize water consumption.

In 2022, the Group continued the rollout of programs to optimize its washing processes by changing products or dosages, especially with an emulsion cleaning product technology that ensures optimum dosages are used. Elis also continued to deploy its program to replace powdered cleaning products with liquid cleaning products, which are easier to rinse and therefore consume less new water.

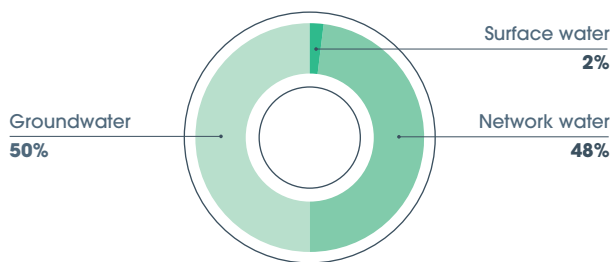
Finally, the Group’s teams of water, energy and chemical engineers are training the sites’ production and maintenance teams in the optimum washing methods (the “essentials” of washing, how to best use washing equipment, etc.). A tool to self-assess application of best practices in water consumption was rolled out in 2022 to allow each site to evaluate itself and implement an appropriate action plan.

The Group is also considering alternatives to centralized heat or steam production, which could reduce water consumption significantly.

**PERCENTAGE REDUCTION IN WATER CONSUMPTION PER KG OF LINEN DELIVERED IN EUROPEAN LAUNDRIES COMPARED TO 2010**



**WATER CONSUMPTION BY SOURCE (AS A %)**



**Water reuse and recycling**

In parallel with its actions to reduce its water requirements, the Group is undertaking initiatives to maximize the reuse of water (between its different processes) and to recycle it (at the end of the process).

To this end, as an example, the Group is working toward ensuring that, at all its sites and for all its products (flat linen, workwear, mats, etc.), rinsing water is reused in the laundry soaking stages or that water is reused by the different washing appliances in the prewash and wash phases.

With regard to the recycling of water at the end of the process, the Group is continuing its research and carrying out pilot projects. As a result, some of the Group's plants are now operating in a closed loop circuit. This is the case in particular with one site in the Netherlands, where all water is recycled and reused. In addition, in Brazil, the Group has two plants recycling 70% to 90% of their wastewater (workwear laundry). Other partial recycling projects are underway in Sweden and France.

In addition, the Group has a continuous monitoring program to identify new technologies, their maturity and whether they can be adapted for industrial laundry processes.

**Climate change and water scarcity analysis**

In 2021, the Group conducted an analysis to identify sites that are currently experiencing the effects of water scarcity or that could face such a situation in the medium to long term, given the effects of climate change. This study identified about 30 sites (out of 322 laundries) located in areas that could be at risk of water stress in the long term. France and Spain are the two main countries affected. Because these sites are in different geographic areas, a disruption in the water supply to all 30 sites is very unlikely to occur. Seasonal droughts could result in usage restrictions. To date, the Group has only very occasionally been subject to water consumption restrictions. In 2022, after a summer of drought in Europe, the Group did not experience any disruption of its activities with respect to its water consumption performance. The Group is also taking action to reduce its water consumption in order to limit the pressure on this natural resource and thus also its risk of exposure.

Finally, in the context of setting up new production units, Elis is undertaking a hydrogeological study to determine whether the water supply can come from groundwater, based on local availability, or if it should be coming from other supply sources (recycled water, the municipal water supply, etc.).

**Outlook**

The Group will continue to take action to optimize its water consumption in line with its 3R approach (Reduce, Reuse and Recycle) and by rolling out existing best practices, identifying new technologies and better processes, making dedicated investments, and training its teams.

The Group also continues to test its water recycling initiatives. For example, a healthcare linen plant is currently starting up in Brazil.

**Ensuring the quality of wastewater discharge**

**Measures implemented**

Since the nature of wastewater from laundries is the same as household wastewater, the vast majority of the Elis Group's laundry facilities are connected to the municipal wastewater networks. The Group monitors its wastewater itself in line with applicable regulations through regular analysis programs. The industrial water, pre-treated if necessary, is then either treated at a collective treatment plant or at an on-site treatment plant.

Based on these wastewater analysis programs, the Elis Group has acquired in-depth knowledge of the quality of its water and is continually working to improve it.

As such, in Brazil, Elis has about 20 laundries that treat wastewater (biologically and/or physically and chemically) before it is discharged into the natural environment.

**BREAKDOWN OF GROUP WASTEWATER BY DESTINATION (MILLIONS OF M<sup>3</sup>)**



**Linen maintenance and use of cleaning products**

The Group almost exclusively launders linen using water-based processes. In 2022, only 0.06% of the textiles delivered by Elis to its customers were laundered using a dry-cleaning process.

To clean linen, the Group mainly uses cleaning products for removing dirt, bleaching agents, neutralizers and finishing products, which vary depending on the type of textile (fabric softeners, starch, bacteriostats and waterproofing products). These products are stored in a dedicated room either in tanks or in their original packaging within adapted containment basins of sufficient volume. The amounts stored are limited, ensuring a balance between having sufficient stock and reducing delivery frequency, all while minimizing risk. The storage of these products is regulated. The Elis Group uses only phosphate-free detergents. In addition, the Group is working to limit its consumption of cleaning products, mainly by using the right product, in the right amount, at the right time and in the right place.

## Limiting our impact on biodiversity

### Measures implemented

#### Eco-design, organic ranges and certification

With its experience in the circular economy, the Group has a set of eco-design principles it applies to its products. This approach is described in more detail in section 3.3.2 "Eco-designing our products and services". Consequently, certain labels or certifications that have less impact on biodiversity may be preferred. For example:

- › Elis encourages Oeko-Tex certification for all textiles. This standard is a worldwide testing and certification system involving tests for harmful substances that helps to limit the use of materials and substances that are harmful or pose health risks;
- › Elis offers its customers textile product ranges made from organic cotton whose production has a reduced impact on ecosystems. The group is therefore one of the largest buyers of organic cotton in the world (8<sup>th</sup> in 2017);
- › Elis has joined forces with Max Havelaar and Malongo on an environmental initiative that protects biodiversity by offering organic, fair trade coffee ranges;
- › Elis supplies EU Ecolabel-certified textile products to some of its customers. This European label enables consumers to identify the most responsible products regarding environmental and health aspects throughout their life cycle. It meets stringent requirements in terms of limiting impacts (such as limitation of hazardous substances, reduction of air and water pollution during fiber production, etc.).

In addition, some of the Group's plants have ISO 14001 or Nordic Swan certification. These certifications take into account the aspect of limiting impacts on the environment and biodiversity. They are presented in greater detail in the section "Compliance with regulations and other environmental impacts" below.

#### Site engagement

Some Group sites also carry out initiatives to promote or raise employee awareness of biodiversity, for example by keeping beehives, using eco-grazing to maintain green spaces, or reintroducing and cultivating local plant species. Coffee grounds can be recycled as of October at the Group's headquarters. They are used to grow oyster mushrooms and for soil remediation, while also supporting the work of people rejoining the workforce or with disabilities.

In Portugal, Elis participated in the reforestation of the Leiria pine forest in 2019, coordinated by the Portuguese Institute for Nature and Forest Conservation, with Elis 700 employees replanting 35,660 trees on a 30-hectare plot.

In addition, during site construction or expansion projects, flora and fauna studies may be carried out to check for potential environmental impacts and identify any need for protection measures.

## Controlling our other emissions, local pollution and environmental impacts

### Measures implemented

#### Compliance with regulations and other environmental impacts

In France, production site operations are governed by a prefectural order that sets, among other things, limits for water withdrawal, wastewater discharge, air emissions and waste management. In the other countries where the Group operates, operating permits or licenses are required, depending on local regulations.

Changes in regulations are considered by local technical teams and monitored by centralized specialist teams. Annual investment takes into account potential changes in sites' technical requirements.

For example, boilers are subject to regulatory checks to verify that combustion is taking place within the specified parameters. Emission levels, in particular nitrogen oxide (NOx) levels, are reduced through the use of efficient burners and the correct combustion settings. Sites that use biomass as their main energy source are equipped with filters to limit dust and particle emissions.

The Group is also working to reduce its consumption of other natural resources. In 2022, the Group thus worked to reduce its paper consumption, by digitizing a number of its operating processes (electronic signatures on contracts, paperless deliveries, etc.) and by holding a competition at 93 French, Spanish, Portuguese and Italian sites to encourage them to reduce their printing volumes. After taking these actions, some of the sites were able to reduce their printing by as much as 70%.

In addition, some Group sites are engaged in certification process to better communicate their engagement. To this end, in 2022, the Group had ISO 14001 environmental management certification for 146 of its sites (39% of its industrial sites), ISO 50001 energy management systems certification for 27 European sites and Nordic Swan certification for 31 sites.

#### Soil pollution

When acquiring new sites, Elis conducts due diligence audits to determine the regulatory compliance of site operations and any impacts they have had on the environment in the past. Depending on the assessed level of risk and the terms of the acquisition, provisions for cleaning up the pollution may be established so that Elis can carry out investigations and treatment actions that may be necessary.

Most of the Group environmental provisions relate to operations acquired by Elis. These accounting provisions most often relate to dry-cleaning activities prior to their acquisition by the Group. Across the Group as a whole, 99.94% of linen by weight is washed with water, and only 0.06% is dry cleaned. The Group is working to identify and implement, where possible, water-based washing alternatives when it acquires or is already operating this type of activity.

In 2022, the costs of making these operations compliant totaled around €8.7 million, and environmental provisions and guarantees were €73.4 million. No fines were paid for environmental litigation in 2022.

## Limiting our industrial risks

### Measures implemented

#### Preventing and protecting against industrial risks

Fire risk is one of the main risks linked to the Group's activities. The main causes of fires are related to the presence of cotton lint and processes that use heat (ironing, drying, etc.).

The Group has long taken an active approach to prevention and protection when it comes to this risk, and it is continually improving its strategy, in particular by:

- › setting up fire protection sprinkler systems at new sites;
- › setting out an annual investment plan for sprinkler protection systems and/or automatic fire detection systems at existing sites that do not have them;
- › carrying out fire prevention visits with its insurance company on a representative sample of its sites. As such, since July 2021, 70 sites have been visited per year;
- › introducing and implementing organizational standards specific to laundry risks.

### Checks and monitoring to prevent pollution risks

In order to prevent pollution risks, the Group implements control measures to monitor and/or prevent contamination of groundwater and soil. The main measures implemented are:

- › installing network shuttering systems;
- › protection of groundwater abstraction works on sites using groundwater;
- › training operators with regard to chemical hazards;
- › specific authorizations for certain types of operation;
- › training Maintenance Managers in risks and pollution (conducted by the QHSE Department);
- › displaying and implementing safety procedures (fire hazards, chemical hazards, etc.);
- › conducting regular checks on plants covered by the regulations.

## 3.3.4 Reducing and properly managing our waste

### Context

The operations of industrial laundries generate little waste compared to other industries, thanks to their circular business model. In 2022, the waste produced by the Group's sites, for all waste types combined, represented 2.2% of the textiles delivered to its customers (by weight) and amounted to around 41,400 tons.

The Group's waste can be divided into two main categories: waste related to the Group's products and services and waste from its operations. Most of the waste from products and services sorted at source is related to textiles (around 70% of products and services by weight) whose reuse or recycling is a key consideration today.

The Group's waste is thus mainly non-hazardous (more than 80% of the waste produced).

### Governance

The QHSE teams play a major role in managing waste. The structure of these teams is described in more detail in section 3.3.3 "Optimizing our use of resources and minimizing our impact on ecosystems" of this chapter.

In addition, in some countries, a specific organizational structure has emerged for the management of end-of-life products.

### Policy: goals and performance

In accordance with its QHSE policy, Elis's environmental commitments are primarily aimed at furthering the circular economy aspect of its business model and adapting it to its operations. Reducing and recovering waste are therefore a core part of the Group's policy on this matter.

With regard to textiles, the Group is aiming in particular to:

- › recycle or reuse 80% of its textiles by 2025;
- › identify the best recycling or recovery routes according to each geographical area and the technologies available, preferring textile-to-textile recycling and reuse;
- › develop innovative partnerships to set up recycling channels for its textiles in each country.

The Group also intends to continue sorting other waste categories at source to optimize recovery.

As part of its ambitious program running until 2025, the Group has set itself the goal of:

### Reuse or recycle 80% of the Group's end-of-life textiles

Key performance indicators	2020	2021	2022	
<b>Recovering end-of-life textiles</b>	Share of end-of-life textile waste reused or recycled <b>(2025 target: 80%)</b>	65%	72%	70%
	Share of end-of-life textiles recovered	87%	81%	91%
	Amount of textile waste sorted at source (tons)	5,217	6,370	8,461
<b>Managing our waste</b>	Total amount of waste generated (tons)	35,733	37,925	41,390
	Share of non-hazardous waste	81%	82%	83%
	Share of hazardous waste (excluding medical waste management)	11%	10%	11%
	Share of waste recovered	61%	60%	63%
	Proportion of non-hazardous waste recovered	63%	64%	62%
	Proportion of hazardous waste recovered	56%	42%	71%

In 2022, the share of non-hazardous waste remained stable and accounted for more than 80% of the Group's total waste. Hazardous waste (excluding medical waste management) remained low, at about 10%.

At end-2022, the Group was recycling 70% of its end-of-life textiles, mostly into industrial wipes. In 2022, the Group continued its efforts to collect and sort waste at source allowing to better capture its textile flows. Workwear recycling projects were further developed with the aim of increasing the Group's overall recycling performance.

The overall recovery of textiles continued to improve, reaching 91% at end-2022.

The share of the Group's waste that is recovered remained relatively stable compared to 2021, amounting to 63%. In 2022, Elis recovered 62% of its non-hazardous waste and 71% of its hazardous waste. The proportion of hazardous waste recovered returned to its 2019 level (67%).



## Recovering end-of-life textiles

### Measures implemented

#### Recycling of end-of-life textiles

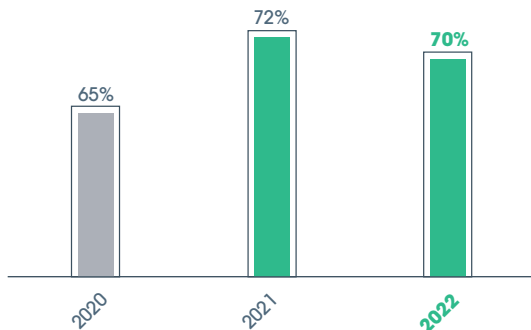
It can be challenging to recycle textiles, particularly post-consumer garments, as there are very few existing and mature channels and technologies. The Group is therefore working in its different countries to identify the best recycling pathways, and to innovate so it can develop satisfactory solutions. The Group is therefore developing partnerships with textile players in several of its markets in order to carry out pilot projects and explore different approaches, recycling technologies (including mechanical and chemical technologies) and opportunities (insulating materials, textile-to-textile, new innovative fibers). These pilots help provide a better understanding of technical and economic feasibility and of the difficulties to be overcome, and inform the design phases for products so they can be recycled more easily. In 2022, the Group reviewed all the initiatives in place, their maturity and their potential scale effect to make sure it is supporting the most promising and sustainable industrial solutions.

In the absence of local recycling or reuse channels, the Group is striving to identify the best alternatives, primarily in the form of solid recovered fuels (SRFs) or incineration with energy recovery.

At the same time, the Group is working to improve the collection and consolidation of its end-of-life textiles so that they can be directed toward the channels offering the best recovery solutions.

As a result, at the end of 2021 the Group reorganized the collection of textile waste sorted at source for all its laundry facilities (flat linen, workwear, personal protective equipment, mats) in France (2,666 tons of textile waste) in order to simplify the collection process, centralize flows, and increase the proportion of textile items sorted at source and the amount recovered (recycling, reuse and recovery in the form of solid recovered fuel). Almost all flat linen is thus recycled as industrial cloths and the other products sorted at source are now recovered as fuel, until the Group's recycling projects can accommodate the necessary volumes. The collection and sorting of textiles at site level has also been reorganized in Switzerland and Portugal.

#### SHARE OF TEXTILES REUSED OR RECYCLED (%)



#### END-OF-LIFE TEXTILES SORTED AT SOURCE



### Examples of recycling initiatives

#### Flat linen

More than 90% of the Group's used flat linen is recycled as textile wipes. This method of recycling eliminates the use of virgin resources to make wipes. The Group's recycling partners are local, regional or national depending on the country.

With other industrial solutions being developed, the Group is directing some of its used flat linen to the processing industries, where the fabric is defibered and the cotton fibers are recycled. In Northern Europe, cotton fibers are mixed with wood fibers and then used to make viscose and produce textile items. In Brazil, used sheets are industrially defibered and then recycled as cushion filling.

Other solutions have been implemented, on a small scale for now, in Sweden and the Netherlands. For example, sheets, textile rollers, hand towels and duvet covers are repurposed as reusable cloth bags or makeup remover pads. In Colombia, cotton items are also transformed into face cloths.

Lastly, the Group is developing partnerships with clothing manufacturers who recycle flat linen into clothing lines without defibering the fabric.

In France, in 2021 Le Jacquard Français took part in a project that creates works of art from waste and in which thread scraps from the sizing stage feature prominently. In addition, a sale by weight of products of a lower quality grade is held every year to improve product recovery, reduce waste and allow more people to enjoy Le Jacquard Français products. A total of 860 kg of products were sold, giving them a second life and making them accessible to more people.

#### Workwear

Recycling post-consumer garments is a challenge and the Group is already working in some cases with recycling companies that specialize in defibering fabric in order to make insulation materials for the industry and construction sectors. The Group is also making progress in its search for solutions to remanufacture yarns from textile fibers derived from used workwear waste.

In terms of workwear in France (2,666 tons of textile waste), the Group is testing solutions with the aim of developing textile-to-textile recycling channels. In France, the first items designed and woven from recycled Elis workwear yarns have been made. The durability of these garments in particular will be assessed in the coming months.

In the Netherlands (which represents 4% of the Group's textile waste by weight), since March 2021, all end-of-life workwear has been automatically recycled into insulation material for the automotive or Industry sector. Chemical recycling projects are also under way. As such, all garments managed by the Group are recycled in this market.

In Denmark, the Group is part of the European Union-funded RESuit program, together with other players in clothing and textiles, raw materials production, consumer behavior analysis and new recycling technologies (Aarhus University, Fraunhofer and the Danish Technological Institute). This program primarily aims to identify areas for improvement for the Textile sector in terms of eco-design and technologies for recycling textile waste. Other initiatives are also under way to recycle cleanroom garments as acoustic panels or to turn them into new garments specifically designed for this business.

Furthermore, *haute couture* collections and shows have also been organized in Sweden, France and Denmark using end-of-life workwear, which is helping to promote the circular economy and the recycling of woven materials without industrial processing. One show notably took place at Paris Fashion Week.

**Making textiles from textiles: the “Workwear to Workwear” project**

For the past years, the Group has been running a recycling project in France aimed at recycling the Group’s used workwear into new workwear as a way to close the loop.

To do so, the Group has identified a number of partners to manage the various stages of the recycling and production chain. This pilot project currently uses only the know-how and skills of French players to produce the fabric. The Group is thus working with a sheltered sector company located in the Auvergne-Rhône-Alpes region to shred the garments (the first step in the garment recycling process) and another company that specializes in defibering and spinning. Le Jacquard Français, a Group subsidiary, does the weaving. To reduce the product’s environmental impact, the Group has decided not to bleach the fabric.

The first aprons made by the Group at its plants from recycled workwear will be sold in France in 2023 as a limited edition line. The aprons will be made of 100% recycled fibers, of which 85% will be from end-of-life textiles. The Group is working to develop this project on a larger scale.

Lastly, this Workwear to Workwear project won the Espoir Trophy at the 2022 European Circular Fashion Awards in the Large Company category. It was selected from among 15 finalists out of more than 200 applications received. In addition to that honor, the Group will receive support in analyzing the impact of its products based on four criteria: traceability, social, environmental (LCA) and recyclability.



**Outlook**

The various projects under way with regard to textile recycling will continue in the coming years. Optimization activities (logistics, sorting, etc.) will also be studied in order to increase the flow of products for recycling.

Moreover, in some regions, the Group is starting studies aimed at improving recovery of other types of end-of-life products.

**Managing our waste**

**Measures implemented**

Elis sites sort waste at source and store it by category in restricted areas before shipping it to dedicated recycling or recovery channels. A number of initiatives are aimed in particular at recovering waste generated from the Group’s products.

For example, in France, waste is stored as follows:

- › for non-hazardous waste: in containers or in dedicated areas – for example:
  - cardboard boxes,
  - scrap metal,
  - plastic film,
  - consignment pallets,
  - domestic waste,
  - textiles;
- › for hazardous waste: in dedicated containers:
  - empty soiled packaging in containers and cans,
  - used oils stored in dedicated containment areas or in aboveground double-skin tanks protected from the rain,
  - batteries in washroom stores or in metal drums with lids.

Most of the Group’s waste is non-hazardous. This consists of waste from packaging, textiles, operations (metal, wood, cardboard, etc.) and employee activities. Hazardous waste is mainly composed of electrical and electronic waste (especially used in certain hygiene and well-being products), medical waste (notably relating to our medical waste management business unit) and waste from operations (contaminated packaging, used oils, etc.).

In 2022, 63% of the Group’s waste was recovered.

### 3.3.5 Minimizing our energy consumption

#### Context

The Group mainly uses thermal energy and electricity at its industrial sites, and fuel to power its vehicle fleet. The energy consumption of depots and other non-industrial sites represents less than 0.5% of the total energy consumption, excluding fuel.

#### BREAKDOWN OF THE GROUP'S ENERGY CONSUMPTION (GWH AND %)



Laundries mainly use thermal energy and electricity to heat the water used for washing and to dry and iron linen. Although Elis's sites do not consume huge amounts of energy compared to traditional industrial activities, the number of sites (322 laundries in 2022) does make the Group's energy consumption significant.

Regarding its vehicle fleet, the Group has nearly 9,600 vehicles (65% for deliveries and 35% for commercial use). The strategy of bringing logistics in-house continues to generate efficiency and productivity gains. The actions carried out in 2022 have thus ensured that the vast majority of distribution routes are now served in-house (90% of logistics vehicles). In addition to the obvious impact on logistics, this strategy has made it easier to define vehicle fleet replacement criteria while significantly improving customer relationships and the associated service quality.

Aware of its energy consumption, the Group is committed to an ambitious approach to reducing energy consumption and to a transition towards supply methods that emit less greenhouse gas in order to contribute to the fight against climate change.

#### Governance

The QHSE and Water, Energy and Chemical teams play a major role with regard to energy consumption in the centers. The structure of these teams is described in more detail in section 3.3.3 "Optimizing our use of resources and minimizing our impact on ecosystems" of this chapter.

The Group's Logistics Director reports directly to the Group Engineering, Purchasing and Supply Chain Director who is a member of the Executive Committee. This Logistics Director provides operational support to centers with an approach that optimizes logistics performance by reducing energy consumption and distances traveled. They also ensure that the development and deployment of steering tools (guidance for service agents, monitoring of routes in real time, logistics KPIs, etc.) are rolled out at Group level as part of an approach that standardizes the tools used and defines logistics essentials. They also define and support the energy transition by bringing into service alternative vehicles. The logistics teams are based in the different countries of the Group and are supported by teams in each center.

Finally, some of these projects are managed at the highest level by governance committees that include several members of the executive committee. In 2021, this governance method enabled different logistics KPIs to be rolled out to each Group center and the Global Logistics Assistant for Deliveries (GLAD) tool for logistics teams to be rolled out, facilitating distribution route optimization and guidance.

#### Policy: goals and performance

In accordance with its QHSE Policy, Elis's environmental commitments primarily aimed at reducing the Group's energy consumption in all its operations. Based on its long-term commitment, the Group has also set itself the target of improving the thermal efficiency of European laundries by 35% by 2025 and accelerating the transition of its logistics fleet toward alternative vehicles.

The Group favors an approach based on reducing its energy consumption and optimizing its processes before transitioning to alternative energy solutions in order to maximize the benefits of such a transition.

As part of its ambitious program running until 2025, the Group has set itself the goal of:

**Improving the thermal efficiency of European laundries by 35% between 2010 and 2025**

**Accelerating the transition of the logistics fleet toward alternative vehicles**

Key performance indicators	2020	2021	2022	
<b>Reducing energy consumption and achieving the energy transition of our operations</b>	% reduction in thermal energy per kg of linen delivered since 2010 (European laundries) <b>(2025 target: -35%)</b>	-18%	-22%	-26%
	Share of renewable energy in total energy consumption	21%	21%	19%
	Share of renewable thermal energy (biomass, biogas, etc.)	23%	23%	21%
	Share of renewable electricity	9%	8%	9%
<b>Reducing energy consumption and achieving the energy transition of our vehicles</b>	Share of alternative vehicles – logistics fleet <b>(2025 target: Accelerate the transition of the logistics fleet toward alternative vehicles)</b>	2.3%	3.7%	3.7%
	Number of alternative vehicles <sup>(a)</sup> – whole fleet	258	488	715
	– of which logistics	134	224	232
	– of which commercial	124	264	483
	Kg of products delivered per liter of fuel <sup>(b)</sup>	37.1	42.7	48.7

(a) Alternative vehicles includes electric, biogas, biofuel and hybrid vehicles. In 2020, LPG and NGV vehicles were also included.

(b) Kg delivered, all items: textiles, hygiene and well-being and all types of vehicles.

In 2022, the Group significantly improved its performance in terms of thermal energy consumption per kilogram of linen delivered, reaching -26% compared to 2010. This substantial improvement was due in particular to the existing energy efficiency programs, which were strengthened in 2022 at a time of rising energy costs, as well as to an increase in production volumes, which enabled the plants to run more efficiently.

The share of renewable energies decreased in 2022 due to the relative decline in Brazil's thermal energy consumption in the Group's total mix due to the pick-up in business in Europe following the health crisis.

The Group also continued to acquire alternative vehicles, with 232 alternative logistics vehicles in 2022. In particular, the Group received over the summer 11 electric heavy trucks, making it one of the pioneers in the use of this technology. Overall, the number of alternative vehicles (commercial and logistics fleets) more than doubled between 2020 and 2022 to 715. Delivery efficiency has also markedly improved, reaching 48.7kg of products delivered per liter of fuel in 2022.

## Reducing consumption and achieving the energy transition of our operations

### Measures implemented

#### Energy efficiency

The Elis Group continuously works to improve its energy performance by involving all stakeholders, from the design and purchase of equipment to the daily operation of its plants. This approach is fully in line with the Elis Group's drive for operational excellence. It also helps to ensure that the Group is resilient to fluctuations in the prices of the thermal energy and electricity needed for the operation of the Group's laundry facilities and production centers. In addition, 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 therefore actively monitors changes in energy costs and contracts with preferred suppliers.

The Group's strategy for reducing energy consumption is based in particular on the actions below:

- › optimizing the energy consumption of laundries: in-depth studies of possible angles for improvement, optimization of equipment settings (calenders, finishing tunnels, dryers, boilers), sharing of

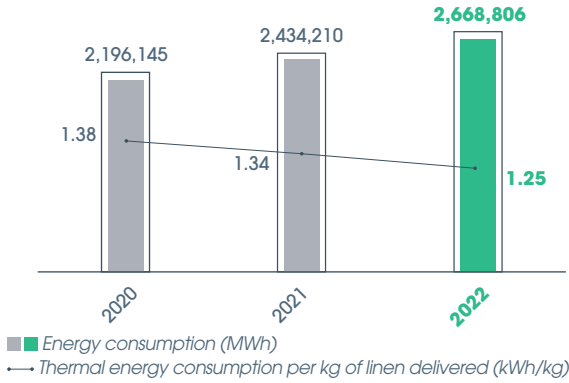
best practices, process adaptations (low-temperature washing), implementation of new technologies, integration of energy efficiency criteria into the design of facilities, etc.;

- › installing new equipment that meets energy performance conditions as part of the investment plan (replacement of spin-drying presses, drying/ironing equipment, new boiler burners, installation of LEDs, reduction in energy consumption by the heating, ventilation and air-conditioning systems, etc.);
- › monitoring improvements in energy performance through appropriate indicators and communicating them to all relevant levels of the organization to help achieve the objectives and targets set. In particular, the "thermal energy per kg of linen delivered" indicator is reviewed monthly for each site. Possible variances are analyzed and shared with the different levels of the organization;
- › trialing new steam-free laundries with hot water tanks for washing (three new plants since 2019);
- › monitoring new technologies and processes.

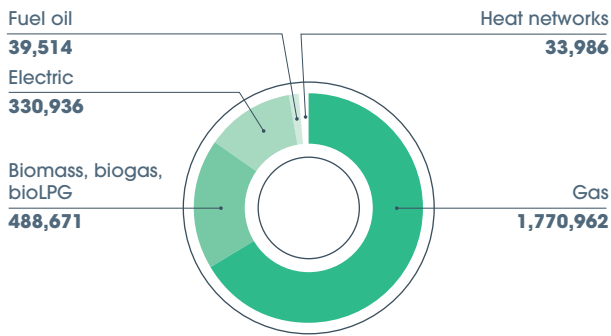
As part of its Climate strategy, in 2022 the Group also conducted an in-depth analysis of energy efficiency opportunities, taking into account existing technologies and best practices as well as new technologies to be tested. A detailed action and implementation plan will be developed for these initiatives in 2023.



**ENERGY CONSUMPTION AND ENERGY EFFICIENCY IN OPERATIONS (GROUP)**



**ENERGY CONSUMPTION BY TYPE OF ENERGY<sup>(1)</sup>(MWH)**



**Green IT**

At the end of 2022, the Group launched a green IT study to review its practices and develop an action plan.

The Group also launched a digitization strategy for certain processes, such as contract signatures. This method was used to sign more than 5,500 customer contracts in France. The approach was also implemented in the United Kingdom for certain HR processes covering more than 16,000 signatures in all.

In addition, the Group has a strategy for transferring some of its data center applications to cloud solutions, which will help it pool infrastructure and optimize resource consumption.

To raise the IT teams' awareness of CSR considerations, a conference was organized in partnership with a Green IT player to give an overview of the state of the art, highlighting best practices and sector considerations. This conference was widely broadcast to the teams.

**Energy transition**

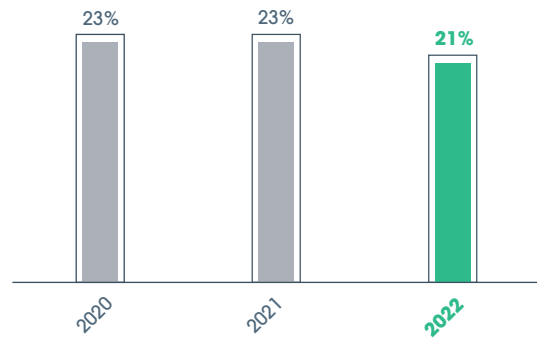
At the same time, the Group is working to transition its operations toward energies that generate fewer emissions. Consequently, the Group continues to study and roll out the use of alternative energies:

- › use of electricity from renewable sources: 9% of the Group's electricity consumption in 2022: 100% of the electricity in Sweden (hydropower) and Denmark;
- › use of lower-carbon thermal energy: 21% of the Group's thermal energy consumption:
  - in Sweden, six sites used biopropane in 2021. As a result, a total of 12 Swedish sites use low-carbon energy: biogas, biofuels (82% of tonnage delivered in Sweden, 60% of Swedish sites),
  - in Brazil, a total of 30 sites use biomass energy (98% of tonnage delivered in Brazil, 92% of the sites in Brazil).

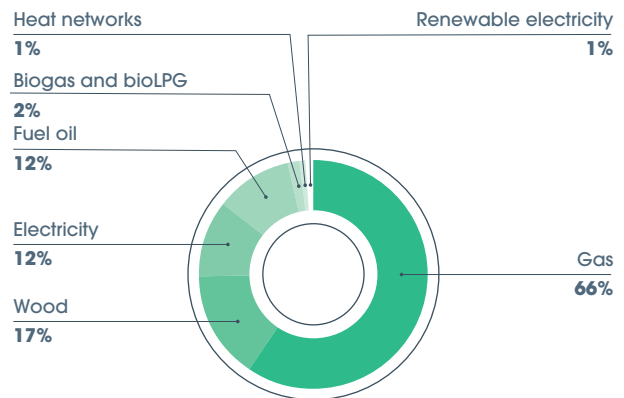
Some sites are also equipped with photovoltaic or thermal solar panels. In Europe, 11 sites are now equipped in this way (including four in 2022) and more will be soon.

The Barcelona site is thus equipped with photovoltaic and thermal solar panels, which reduces the energy needed to heat the water and wash the linen by 20%. This represents nearly 50 t/year of CO<sub>2</sub>eq avoided, i.e. 4% of the site's emissions. In 2021, the total energy produced by the photovoltaic and thermal panels represented 3.5% of the site's total energy consumption.

**SHARE OF RENEWABLE THERMAL ENERGY IN THE GROUP (AS A %)**



**BREAKDOWN OF ENERGY CONSUMPTION (AS A %)**



(1) Excluding fuel for vehicle fleets.

## Reducing energy consumption and achieving the energy transition of our vehicles

### Measures implemented

#### Transportation energy efficiency

Improving transportation energy efficiency is fully in line with the Group's drive for operational excellence. This is focused around several considerations:

- › proximity and consolidation: the Group favors sites close to its customers (generally within 30 to 100km) so that it can harmonize and consolidate its routes and loads;
- › maximization of the use and fill rates of delivery vehicles;
- › the use of tools to reduce distances traveled;
- › eco-driving;
- › improvements to the performance of the vehicle fleet;
- › reviews of fuel performance.

With regard to **maximization of the use and fill rates of delivery vehicles** the Group's service agents have one objective: "full vehicles in both directions". A delivery vehicle thus never returns empty, as the return journey to the processing center is an opportunity to transport soiled linen/workwear and mats, empty water fountain bottles, etc.

The Elis Group also works regularly with its vehicle designers and manufacturers to reduce vehicle weight, thereby enabling an increased payload for its 3.5T vehicles and longer body lengths for its heavy trucks. To this end, advances in technology with regard to the payloads of electric 3.5T vans offer new opportunities for fleet replacement without negatively impacting the load rate on delivery routes. In order to ensure the success of this strategy, all vehicle replacements are considered in terms of the range/maximization of the loading rate before being confirmed.

With regard to the **use of tools to reduce distances traveled** three main tools are used to assist the centers in optimizing their routes:

1. **a third-party route-planning tool:** used for nearly seven years to help centers plan their routes. After route optimization opportunities have been identified, this tool enables each center's vehicle flows to be configured so as to optimize delivery distances and journey times.
2. **GLAD (Global Logistics Assistant for Deliveries):** following a number of pilot projects, Elis is rapidly rolling out its internal GLAD solution, which is a route-assistance tool that gives service agents who use a PDA the best route in real time. It helps reduce "unproductive" kilometers and allows the logistics teams to focus on higher value-added corrective actions. This tool has already been used on more than 1,200 daily routes in France in 2022.
3. **a delivery load estimation tool** allows operations staff to better estimate their requirements several weeks ahead and organize their logistics in good time so that they can plan their route requirements and seasonal variations in as much detail as possible.

In relation to **eco-driving**, the Group is putting in place various initiatives to support these practices:

- › GLAD eco-driving: GLAD informs service agents when they are driving too fast and when it records a sharp braking and accelerating. At the end of the route, the service agents receive a summary of these two driving behaviors;
- › training of new logistics managers: during the onboarding program, they are taught about eco-driving;
- › training for driving electric vehicles: when an electric vehicle is handed over, every driver is trained on this new way of driving;

- › fuel performance indicator monitoring: each Elis center monitors the L/100km indicator by delivery to raise awareness among service agents of their fuel consumption.

Regarding the **performance of the vehicle fleet** the Group has a fleet replacement strategy that includes energy transition and city center access considerations.

The Elis Group also actively monitors technological developments in respect of alternative energy heavy trucks.

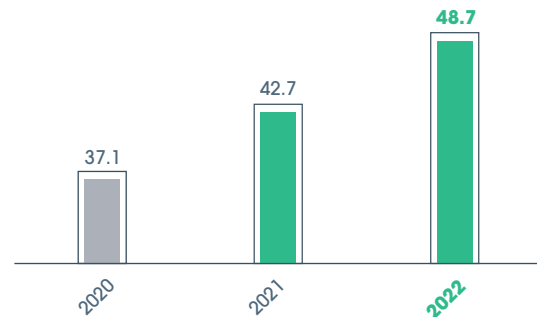
With regard to **fuel performance**, in order to better manage energy performance related to fuel consumption, the Group revised and optimized its logistics KPIs in 2021 for closer monitoring of its performance and also reviewed its fleet management tool. Fuel performance improved markedly compared to 2020 and 2021, reaching 48.7kg of products delivered per liter of fuel.

At the end of 2022, the Group conducted a review of all possible energy efficiency levers and immediately launched certain actions. For example:

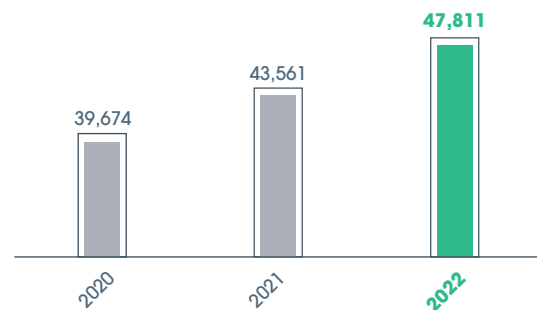
- › entering into a master agreement for tire maintenance to maintain the right tire pressure and reduce fuel consumption;
- › limiting all the Group's 3.5 T vehicles to 110 km/h, with the aim of curbing their consumption.

The fuel performance indicators, communicated alongside centers' financial results, provide center managers with an additional tool for analyzing their activity. At the same time, summaries and benchmarks are regularly shared with the regions and countries in order for more in-depth analyses to be conducted.

### FUEL PERFORMANCE OF THE LOGISTICS FLEET - QUANTITY OF PRODUCTS DELIVERED PER LITER OF FUEL (KG/LITER) - LOGISTICS FLEET



### FUEL CONSUMPTION (THOUSANDS OF LITERS) - COMMERCIAL AND LOGISTICS FLEETS



### Energy transition

Aware of the stakes related to climate change and in order to anticipate the growing demand of customers and access aspects in some city centers, the Group has an active policy for transitioning to a new vehicle fleet. This strategy is structured around four main areas:

- › employee engagement, to support changes in behavior and facilitate the adoption of these new technologies (for example, the improved range of electric vehicles and the reliability of canola oil biodiesel);
- › migration of the commercial vehicle fleet (for example, no new diesel vehicles, focus on electric vehicles);
- › step-by-step migration of the customer distribution fleet (for example, a trial in France of the new electric vehicles available in connection with the fleet replacement);
- › exploration of new technologies with regard to the heavy trucks fleet (for example, trialing of the first biogas, electric and canola oil biodiesel heavy trucks).

This energy transition decision was made in consultation with employees in order to ensure the commitment of everyone. This step involves employees in advance through evaluation questionnaires (in which potential users describe how they would use the electric vehicles in question) and through long-term trials where employees can give feedback and discuss their experiences regularly.

For example, the growth in the electric commercial fleet began with trialing 6 vehicles over 18 months before putting nearly 70 additional vehicles into service in 2021 and 135 in 2022.

An identical approach was taken with 3.5T light utility vehicles, with a two-stage trial taking place over two years and involving a total of 16 vehicles. This trial provided insights into the technological developments in payload and range before a wider rollout begins.

With regard to the **migration of the commercial and light utility vehicle fleet** the Group continues to increase the extent of the migration following the trials, subject to operational feasibility (vehicle range) and fleet replacement considerations. The Group thus supports technological development and is actively replacing old diesel vehicles with electric vehicles for the sales teams that make short journeys. To this end, in France, diesel vehicles are no longer offered as a replacement, and all replacements have shifted to electric vehicles if their use so allows. To make this transition possible, a plan to install electric charging stations at Elis's sites was launched in early 2022. At the end of 2022, more than 120 charging stations were or are being installed.

Finally, with regard to the heavy trucks fleet, the alternative vehicles available today are not mature or competitively priced, and remain challenged on issues such as range and payload. The Group has an active monitoring and trial strategy in place in its various regions in order to identify the best possible technologies. As such:

- › in France: The Group is trialing a biofuel solution with the commissioning of an Oleo100 tank and the modification of about a dozen heavy trucks to run on rapeseed, as well as a trial of two biogas-powered heavy trucks. These trials enabled insight to be gained into biodiesel fueling stations and how they are operated. The Group also took delivery of 11 electric heavy trucks. They were put to use at four sites over the summer and their performance was thus confirmed;
- › in Sweden: The Group is trialing three 100% electric heavy trucks, allowing it to test this technology under specific climatic conditions.

In total, at the end of 2022, the Group had 715 alternative vehicles (314 electric, 103 biofuel, and 298 hybrids), a 47% increase between 2021 and 2022.

#### Trialing electric heavy trucks

Over the summer, the Elis Group acquired 11 all-electric heavy trucks. Intended mainly for Hospitality customers, these heavy trucks serve Paris and its metropolitan low-emission zones, as well as Clermont-Ferrand. These vehicles will travel more than 100 km every day to deliver and pick up linen. Nearly 700 customers are served each week, seven days a week, at night, with no direct emissions or noise pollution. Elis is thus positioned as one of the leaders in electric heavy truck deliveries in Paris.

In total, the Group has about 15 electric heavy trucks. For the sake of comparison, the European leader in electric heavy trucks had sold nearly 350 as of July 2022.



#### Sub-contracted fleet

The Group's strategy seeks to bring its fleet in-house in order to better manage the associated aspects and the quality of customer service. In 2021, the number of vehicles subcontracted is estimated to have been 10%.

#### Outlook

The energy efficiency actions started in 2022 will continue in 2023. The GLAD tool, which was implemented primarily in France, Belgium and Portugal in 2022, will be rolled out to other European countries in 2023. Implementation is also being considered in Brazil at a later date. Action sheets aiming to raise sites' and users' awareness of practical steps they can take to lower consumption will also be distributed. They will cover, for example, the installation of deflectors on vehicles that travel on highways and freeways, as well as the use of oils that have the right viscosity to make combustion engines run more smoothly.

As for the transition of its fleet, the Group will continue to replace it with alternative vehicles. As such, a specific investment plan is currently being implemented to increase the number of charging points and to accelerate the replacement of commercial vehicles. In terms of heavy trucks, nearly 50 additional new electric vehicles were ordered in 2023.

Trials for vehicles running on canola oil will also continue in 2023. At the same time, eco-driving training for electric vehicles will be provided to facilitate the transition.

### 3.3.6 Fighting and adapting to climate change

#### Context

Climate change and its consequences are a major challenge for our times. The Paris Climate Agreements of December 2015 and the greenhouse gas reduction targets adopted by the European Union define a framework for the reduction of greenhouse gases by 2030 and 2050.

For a long time, Elis has worked to reduce its energy consumption and CO<sub>2</sub>eq. emissions. The Group thereby reduced the intensity of its thermal energy consumption by 26% in its European laundries between 2010 and 2022 and is committed to transitioning its vehicle fleet. In 2022, the Group achieved and exceeded its CO<sub>2</sub>eq goal by reducing its CO<sub>2</sub>eq emissions (Scopes 1 and 2) per kilogram of linen delivered by 25% since 2010 and reducing its CO<sub>2</sub> emissions in absolute terms by 17.5% between 2019<sup>(1)</sup> and 2022 (Scopes 1 and 2). This showcases the efforts made over the years by the Group. Conscious of the environmental challenges with regards to climate change, Elis is committed to an approach to reduce its emissions that is in line with the Paris Climate Agreements to contribute to keeping the temperature increase below 1.5°C compared to pre-industrial levels<sup>(2)</sup>. This approach was the subject of an advisory resolution adopted at the combined general shareholders' meeting of May 19, 2022, which received broad support. The setup of Elis' Climate plan that started in 2022 will continue in 2023 in order to be as accurate and fair as possible. The Group aims at presenting its climate objectives, aligned with the methodology of the Science Based Targets initiative in the second half of 2023. The Group currently plans to submit its climate objectives to the advisory vote of its shareholders at the 2024 General Shareholders Meeting.

In 2022, Group climate reporting is integrated within its non-financial performance statement and applying some TCFD guidelines.

Unless otherwise stated, emissions reported in this section are market-based.

#### Elis Carbon footprint

The Group's emissions are set out below and detail:

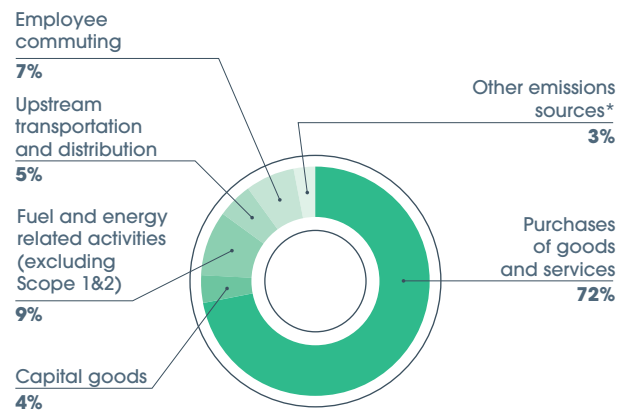
- › direct emissions (Scope 1): mainly associated with consumption of gas, fuel, etc.;
- › indirect emissions (Scope 2): associated with consumption of electrical energy or steam;
- › other indirect emissions (Scope 3): associated with other emission areas: purchased goods and services, upstream transportation and distribution, employee commuting, etc. In 2022, the Group carried out significant work to obtain a more detailed measurement of its 2022 carbon footprint and to establish its 2019 baseline emissions. The Group has historically published an estimate based on its carbon footprint in France. The Group's emissions are driven mainly by purchases of goods and services (72%) and, in particular, purchases of products (52% of total emissions), upstream fuel and energy (excluding Scopes 1 and 2) (9%) and transport (employee commuting, transport of goods and logistics) (12%).

The Group's direct (Scope 1) and indirect emissions (Scope 2) represent 518,263 tons of CO<sub>2</sub>eq, that is 28% of the Group's total emissions (Scope 1, 2 and 3).

#### BREAKDOWN OF THE GROUP'S GHG EMISSIONS



#### BREAKDOWN OF SCOPE 3 EMISSIONS



\* "Other emissions" includes emissions in connection with waste generated in operations, business travels, downstream leased assets, use of sold products and end-of-life of sold products.

It should be noted that some activities were not considered to be significant in relation to the Group's business: upstream leased assets, downstream transportation and distribution, processing of sold products, franchises and investments.

#### Governance

Climate protection is a core part of the Group's CSR policy with dedicated objectives in its 2025 program and the ambition of setting targets aligned with the Paris Climate Agreements.

The governance implemented by the Group on climate matters is fully integrated into the CSR governance described in section 3.2.1 "Integrated CSR governance and management." In particular:

- › at the Supervisory Board level: the CSR Committee reviews the Group's policies and performance on all CSR topics. Climate was one of the themes covered at each of the meetings. Progress on CSR is also regularly shared with the Supervisory Board at least once a year. The climate strategy was especially discussed;
- › at the Management Board and Executive Committee level: the Chairman of the Management Board, with the endorsement of the members of the Executive Committee, confirms the strategic direction for Sustainable development and, in particular, for the climate strategy;

(1) Emissions for 2019 have been recalculated to account for some recent acquisitions.

(2) Reduction in line with the 1.5°C target for direct (Scope 1) and indirect (Scope 2) emissions, and the well below 2°C target for other indirect emissions (Scope 3).



› the CSR Director, who reports to the Chairman of the Management Board, works closely with the other Group departments (Industrial Projects, QHSE, Product Offerings, etc.) and is also responsible for: leading and coordinating the Group's climate change strategy, reviewing risks and opportunities, continuously monitoring trends (communication, reporting, standards, stakeholder expectations, etc.), conducting internal and external communication, stakeholder engagement, and supporting the operational teams in the implementation of the action plans.

Furthermore, the members of the Management Board have also CSR goals that are reviewed annually and affect the variable portion of their compensation. In particular, in 2022, 15% of the variable compensation of the Chairman of the Management Board was linked to CSR criteria, of which 7.5% to the Group's climate strategy (see chapter 2, section 2.2.2 "Compensation allocated and paid to corporate officers" of the 2022 Universal Registration Document). In addition, some members of the Executive Committee have specific CSR goals related to their duties or the implementation of strategic programs, in particular those that are focused on energy or climate (e.g. reducing energy consumption in operations).

Lastly, since 2022, the Group's long-term incentive plan has included a CSR indicator in addition to financial indicators. This plan enables some managers and employees to receive a share of the Company's long-term performance and financial results.

To oversee the definition of the Climate strategy, its action plan and its related projects, a cross-functional steering committee (Finance, Product Offerings and Communications, Industrial Operations, Purchasing, Logistics, Supply Chain and CSR) was established in 2022. This steering committee reviewed the progress made on efforts to assess the carbon footprint (Scope 3), define the 2019 baseline emissions, understand the Science Based Targets framework and the related methodologies, and identify action levers. A number of internal and external experts were involved. Progress is also regularly reported to the Executive Committee and to the Supervisory Board's CSR Committee.

Lastly, at the combined general shareholders' meeting of May 19, 2022, the Group asked its shareholders, via an advisory resolution, to support its plan to reduce its CO<sub>2</sub>e emissions in line with the Paris Climate Agreements. This resolution was approved with 95% of the vote.

**Risks and opportunities**

The Elis Group regularly reviews its CSR topics, risks and opportunities. Climate change risks are a key part of this assessment, which is set out in section 3.6.1 "Non-financial performance statement" and in chapter 4 of this Universal Registration Document. All climate risks (transition, adaptation, physical, etc.) are thus reviewed and assessed in order to contribute to the reduction of the Company's impact on climate, its adaptation to climate change, and its long-term resilience. In addition, in 2022, the Group's industrial, supply chain, finance and CSR teams worked together to produce a better mapping of these risks and opportunities, in particular in relation to the 2030-2040 climate scenarios (Aqueduct tool for water scarcity, aligned with the 2.1°C-3°C scenarios, and qualitative analysis based on the Shared Socioeconomic Pathway (SSP) approach). The entire supply chain was taken into account in this risk analysis. As such, the main risks and opportunities related to climate change to date for the Group are as follows:

Category of risks and opportunities	Description	Materialization horizon	Significance of the potential financial impact
<b>Transition risk</b>	› Risks related to the (direct or indirect) costs of energy resources due, for example, to changes in carbon regulations;	Medium term	Low to moderate
	› Risk of increased stakeholder expectations in terms of contribution to climate change mitigation: employees, customers, shareholders and lenders;	Medium term	Low
<b>Physical risk</b>	› Risk related to business disruption due to pressure on water resources (drought or lack of water availability in areas with high water stress) and adaptation to climate change. Elis estimates that about 30 sites (out of a total of 322 laundries) are located in areas expected to be at risk of water stress in the long term;	Medium to long term	Low to moderate
<b>Opportunities</b>	› Increased demand for critical products and services with a smaller carbon footprint. Through its economic model, the Group enables its customers to reduce their emissions compared to traditional business models (purchase or single use for scrubs, for example). In addition, the Group is carrying out many activities (materials, optimization of industrial processes, logistics fleet, etc.) to limit the footprint of its products and services over their entire life cycle. Customers increasingly taking into account issues related to climate change could thus create new opportunities for the Group;	Short term	Low to moderate
	› Increased demand for products and services based on the principles of the circular economy, enabling reduced consumption of resources (textiles, water, energy, etc.) and a reduction in the carbon footprint. The Group could therefore benefit from existing or future regulations concerning product reuse and repair, and the fight against single-use products, etc. For example, cotton reels for hand towels as opposed to paper;	Medium term	Low to moderate
	› The development of new transportation technologies with zero or reduced emissions (in use). These new technologies could, in fact, enable easier access to downtown areas and meet growing customer demand.	Short to medium term	Low

As part of its response to the Carbon Disclosure Project (CDP), every year the Group also publishes a specific assessment of its risks and opportunities (time scale, impact, risk management, etc.).

These risks and their management are incorporated into the Group's strategy, presented below, in order to contribute to its footprint mitigation, the adaptation of its operations, and its resilience. They are also incorporated into the Group's financial planning, for example, its plans to invest in energy efficiency or replace the vehicle fleets with lower-emission vehicles.

In 2022, the Group thus reported, in accordance with the EU taxonomy and its requirements:

- › €5.7 million in taxonomy-eligible capex for activity 4.25 "Production of heat/cool using waste heat" 7.3 "Installation, maintenance and repair of energy efficiency equipment";
- › €2.2 million in taxonomy-aligned capex for activity 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles";
- › €3.5 million in taxonomy-aligned capex for activity 6.6 "Freight transport services by road." Note that vehicles that use biofuels were not considered taxonomy-aligned;

- › €0.8 million in taxonomy-aligned capex for activity 7.4 "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)."

These capex amounts are consistent with the EU taxonomy and might not cover all of the investments the Group might make in these areas.

These climate risks and opportunities also affect the Group's strategy, in terms of products and services (with the development of more responsible products, commitments integrated into the Group's 2025 goals), in its operations (reduction in water and energy consumption, for example), in its relationships with its business partners (efforts to reduce linen loss with customers, partnership with cleaning product suppliers to optimize energy consumption or with electric vehicle makers to analyze needs and implementation).

## Policy: goals and performance: Climate Plan

### An enduring commitment

Because it operates on a circular economy-based business model, the Elis Group offers alternatives to purchase/acquisition and single-use solutions. By optimizing resource consumption from upstream to downstream (product, operations, etc.) and pursuing the best end of life for its products, the Group can offer its customers solutions that have a lower impact and generate fewer emissions.

The Ellen MacArthur Foundation stresses that "the circular economy is needed to get to net-zero emissions" and that "moving business models toward a circular economy could reduce CO<sub>2</sub>eq emissions by nearly 10 billion tons (or 20% of global emissions)."

The Group has historically set climate goals as part of its 2025 CSR program:

Reducing by 20% CO<sub>2</sub>eq intensity (Scopes 1 and 2 location-based) in the operations between 2010 and 2025

Improving the thermal efficiency of European laundries by 35% between 2010 and 2025

Accelerating the transition of the logistics fleet toward alternative vehicles

Reducing water consumption per kg of linen delivered by 50% between 2010 and 2025 in European laundries

Reuse or recycle 80% of our end-of-life textiles by 2025

Offer at least one collection composed of sustainable materials for each product family

This positioning and commitment were highlighted by the CDP, which gave the Elis Group a score of A- in 2022 for its climate change commitment, actions and performance, and a score of A for its supply chain engagement.

### A renewed ambition

In 2022, the Group announced its ambition policy to reduce its emissions that is in line with the Paris Agreement to contribute to keeping the increase in temperature below 1.5°C<sup>(1)</sup> compared to preindustrial levels.

The setup of Elis' Climate plan that started in 2022 will continue in 2023 in order to be as accurate and fair as possible. The Group aims at presenting its climate objectives, aligned with the methodology of the Science Based Targets initiative in the second half of 2023. The Group currently plans to submit its climate

objectives to the advisory vote of its shareholders at the 2024 General Shareholders Meeting.

These goals reflect the Group's belief about current climate change considerations and the opportunity that circular services represent for its customers. The Group will thus work even more closely with its supply chain, its customers and its suppliers, in particular, to identify and implement the solutions of the future.

Finally, two Group subsidiaries have a net zero emissions ambition: the United Kingdom (by 2045) and Sweden (by 2035) for their Scope 1, 2 and 3 emissions. Elis Sweden plans to use the SBTi framework.

(1) Reduction in line with the 1.5°C target for direct (Scope 1) and indirect (Scope 2) emissions, and the well below 2°C target for other indirect emissions (Scope 3). CO<sub>2</sub>eq emissions are accounted for using the market-based method.

Performance

Key performance indicators		2020	2021	2022	
<b>Reducing our emissions globally</b>	Direct CO <sub>2</sub> eq emissions (Scope 1) (Kt CO <sub>2</sub> eq)	381.2	413.8	450.3	
	Indirect CO <sub>2</sub> eq emissions (Scope 2) (Kt CO <sub>2</sub> eq) – location-based	58.6	54.3	53.8	
	Indirect CO <sub>2</sub> eq emissions (Scope 2) (Kt CO <sub>2</sub> eq) – market-based		76.4	68.0	
	Other indirect CO <sub>2</sub> eq emissions (Scope 3) (Kt CO <sub>2</sub> eq)		1,500 <sup>(a)</sup>	1,340.9	
	Total CO <sub>2</sub> eq emissions (Scopes 1, 2 and 3)			1,859	
<b>Reducing our Scope 1 and 2 emissions</b>	% reduction in CO <sub>2</sub> eq emissions intensity (Scopes 1 and 2) since 2010 <b>(2025 goal: -20%)</b> – location-based	-12%	-19%	-25%	
	Continually improving the energy efficiency of our industrial laundries				
	CO <sub>2</sub> eq emissions per ton of linen delivered (Scopes 1 and 2 – kg CO <sub>2</sub> eq per ton of linen delivered) – location-based	319	294	270	
	% reduction in thermal energy per kg of linen delivered since 2010 (European laundries) <b>(2025 target: -35%)</b>	-18%	-22%	-26%	
	Decarbonizing our energy mix				
	Share of renewable thermal energy (biomass, biogas, etc.)	23%	23%	21%	
	Share of renewable electricity	9%	8%	9%	
	Striving for exemplarity on a daily basis in our logistics	Share of alternative vehicles <sup>(b)</sup> – logistics fleet <b>(2025 target: Accelerate the transition of the logistics fleet toward alternative vehicles)</b>	2.3%	3.7%	3.7%
		Number of alternative vehicles	258	488	715
		› of which logistics	134	224	232
	› of which commercial	124	264	483	
<b>Reducing our Scope 3 emissions</b>	Share of product families with at least one collection composed of sustainable materials <b>(2025 target: 100%)</b>	33%	46%	51%	
	Share of end-of-life textiles reused or recycled <b>(2025 target: 80%)</b>	65%	72%	70%	
<b>Reducing our use of water resources to increase our operational resilience in the face of climate change</b>	% reduction in water consumption per kg of linen delivered between 2010 and 2025 (European laundries) <b>(2025 target: -50%)</b>	-36%	-40%	-43%	

(a) In 2021, the Group's Scope 3 emissions were estimated based on the carbon footprint calculated for France in 2019.

(b) Alternative vehicles includes electric, biogas, biofuel and hybrid vehicles. In 2020, LPG and NGV vehicles were also included.

In 2022, the Group exceeded its goal of reducing its CO<sub>2</sub>eq emissions per ton of linen delivered<sup>(1)</sup> by 20% due mainly to a significant improvement in energy efficiency (thermal, electrical and logistics) and the impact of more favorable emissions factors. The Group also reduced its Scope 1 and 2 emissions in absolute terms by nearly 17.5% between 2019<sup>(2)</sup> and 2022, driven mainly by its enhanced energy efficiency programs and the energy transitions carried out at certain sites.

The Elis Group also publishes indicators relating to the European taxonomy for the two goals of climate change mitigation and adaptation. The delegated regulation on the climate focuses primarily on the economic sectors and activities that have the greatest potential to contribute to the goal of mitigating climate change: prevent the production of greenhouse gas emissions, reduce these emissions and increase carbon capture and storage in the long term. The sectors covered thus relate mainly to energy, certain manufacturing activities, transport and buildings. As a result, these two objectives do not significantly concern the Group; the Group has reported on individually eligible capital expenditure that represents 15% of its total capital expenditure (see section 3.6.2 "Taxonomy").

Finally, the Group signed the French Business Climate Pledge, through which it is committed, alongside hundreds of French companies, to fighting climate change, and participated in the Ambition4Climate initiative, through which the Group shared practical projects that contribute to the fight against climate change.

(1) Scopes 1 and 2 location-based.

(2) Emissions for 2019 have been recalculated to account for some recent acquisitions.

## Reducing our emissions globally

In order to reduce its carbon footprint, the Group is continually working with its stakeholders (internal and external) to identify and implement new solutions.

### Supplier involvement

The Group works with its suppliers on climate change matters in several ways:

- › through its Supplier Code of Conduct, which includes energy and environmental requirements (see section 3.5.3 "Working responsibly with third parties");
- › through CSR assessments of its direct suppliers, which may lead to on-site audits. These on-site audits directly or indirectly cover issues related to climate change (for example, compliance with regulations, waste management and recycling, etc.) (see section 3.5.3 "Working responsibly with third parties");
- › through the creation of partnerships to identify, develop and implement new technologies to improve the Group's energy performance (for example, the use of emulsion cleaning products, the adaptation of linen care processes and the identification of the best transport technologies for the Group's needs (see section 3.3.5 "Minimizing our energy consumption" and section 3.5.3 "Working responsibly with third parties"))).

### Customer involvement

The dialogue that the Group has with its customers about climate change can take various forms depending on the market in question, the products and services concerned, local aspects and the level of customer knowledge and awareness. The main ways of engaging with customers are:

- › presentation of the Group's commitments in terms of CSR and climate more specifically;
- › the promotion of circular business models and their benefits in terms of resource consumption and reduced emissions compared to the alternatives of purchase or use without pooling or single use;
- › discussions with customers about Life Cycle Analysis (LCA) results or while undertaking the study, in order to produce results that have meaning and are conclusive, and to help increase everyone's understanding in a scientific and objective manner;
- › more sustainable product offerings and the development of specific ranges where appropriate. As such, the Group aims to offer at least one collection composed of sustainable materials for each product family by 2025.

In particular, the services offered by Elis are positioned as a sustainable alternative:

- › to the purchase or use of products: by maximizing their use through sharing resources and optimizing their maintenance. The product-as-a-service business model offers a solution to common events at companies such as changes in wearers' size, employee arrivals and departures, and new collections. For example, the use of workwear maintained by Elis allows a reduction in emissions of up to 37% compared to a purchase solution;
- › to single-use or disposable products: by offering reusable solutions, often maintained locally, hence supporting local employment and local economic development. For example, the use of reusable scrubs in healthcare facilities reduces emissions by 31% to 62% compared to disposable scrubs, depending on actual consumption.

More information is set out in section 3.3.1 "Being a circular economy player" of this chapter on the Group's economic model and in section 3.5.2 "Satisfying and engaging our customers". In 2022, the Group also created training materials on CSR and Climate topics. These were made available to the sales teams and employees to help them understand and strengthen their expertise in all these areas.

In 2021, the Group took part in the "NHS Net Zero International Leadership Group", supporting NHS England and the broader healthcare sector in their carbon neutrality journey.

### Employee involvement

The involvement of employees in supporting change and transition is a major stake. Various ways of involving employees are used by the Group: team activities, presentations, aspirational or quantitative objectives. These options are set out in more detail in section 3.2.2 "Our strategy: commit to the planet, our people and Society." For European Sustainable Development Week in 2022, the Group selected themes relating to the impact individuals have on climate and provided key information on ways to reduce it. In the Netherlands, an external consultant was brought in to suggest simple and effective ways employees can reduce their individual energy consumption.

The Group is also rolling out *Climate Fresk* at the Group's headquarters in France, as well as in the Netherlands.



### Reducing our Scope 1 and 2 emissions

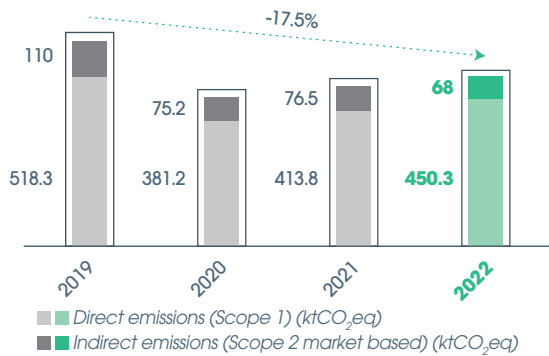
The Group's emissions (Scopes 1 and 2) can largely be attributed to the consumption of thermal energy and in particular to the consumption of natural gas at the Group's industrial sites. These emissions are:

Tons of CO <sub>2</sub> eq	TOTAL	Europe		LATAM		Sites		Logistics	
<b>Direct emissions (Scope 1)</b>	450,264	413,226	87%	37,038	85%	333,120	83%	117,144	>99%
<b>Indirect emissions (Scope 2 location-based)</b>	53,836	47,440		6,397		53,793		43	
<b>Indirect emissions (Scope 2 market-based)</b>	67,999	61,602	13%	6,397	15%	67,874	17%	125	<1%
<b>Total emissions (Scopes 1 and 2 market-based)</b>	<b>518,263</b>	<b>474,828</b>	<b>92%</b>	<b>43,435</b>	<b>8%</b>	<b>400,994</b>	<b>77%</b>	<b>117,269</b>	<b>23%</b>

The Group's CO<sub>2</sub>eq emissions fell by 17.5% between 2019 and 2022, driven mainly by the enhanced energy efficiency program and the energy transition initiated at certain sites and in logistics.

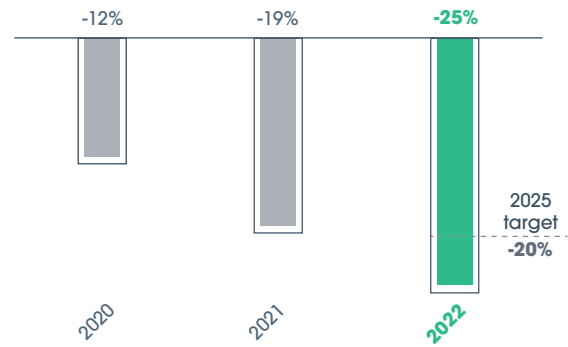
In 2022, CO<sub>2</sub>eq. emissions (Scopes 1 and 2 location-based) per ton of linen delivered improved significantly and allowed the Group to exceed the goal set for 2025.

#### CO<sub>2</sub>EQ EMISSIONS AND GROUP PERFORMANCE



\*Emissions for 2020 and 2021 correspond to published emissions. Scope 2 emissions are presented as market-based. Emissions for 2019 have been recalculated to account for some recent acquisitions. 2020 Scope 2 emissions have been recalculated using the market-based method.

#### % REDUCTION IN CO<sub>2</sub>EQ EMISSIONS INTENSITY SINCE 2010



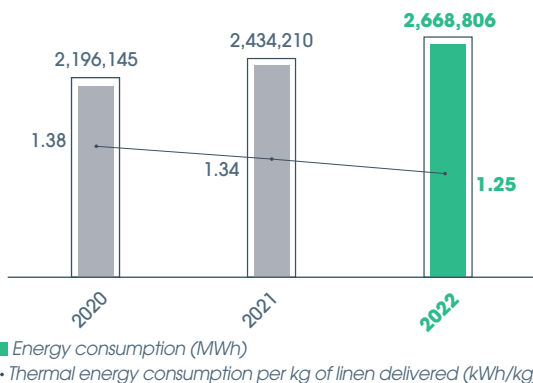
### Continually improving the energy efficiency of our industrial laundries and decarbonizing our energy mix

The Group's approach hinges on two main axes:

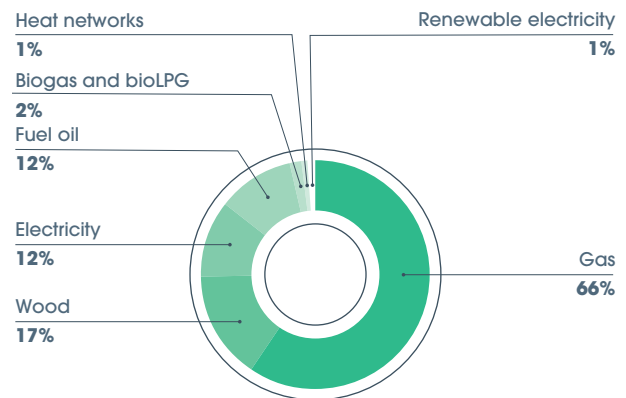
- › continually improving the energy efficiency of its sites: implementation of new technologies and best practices, monitoring, performance reviews, etc.;
- › transitioning the business toward renewable or lower-emissions energies.

Details of the Group's actions and initiatives in this regard are set out in section 3.3.5 "Minimizing our energy consumption."

#### ENERGY CONSUMPTION AND ENERGY EFFICIENCY IN OPERATIONS (GROUP)



#### BREAKDOWN OF ENERGY CONSUMPTION (AS A %)



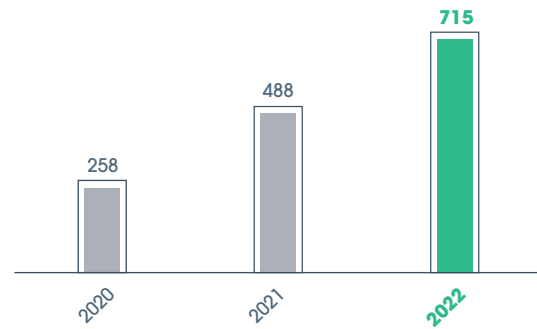
### Striving for exemplarity on a daily basis in our logistics

The Group's approach hinges on two main axes:

- › continually improving the energy efficiency of its deliveries: network density, route optimization, improvements in driving style, etc.;
- › converting its vehicles to alternative vehicles.

Details of the Group's actions and initiatives in this regard are set out in section 3.3.5 "Minimizing our energy consumption." In 2022, the number of alternative vehicles increased significantly to stand at 715. Delivery efficiency has also markedly improved, reaching 48.7kg of products delivered per liter of fuel in 2022.

### NUMBER OF ALTERNATIVE VEHICLES<sup>(1)</sup>– WHOLE FLEET



### Reducing our Scope 3 emissions

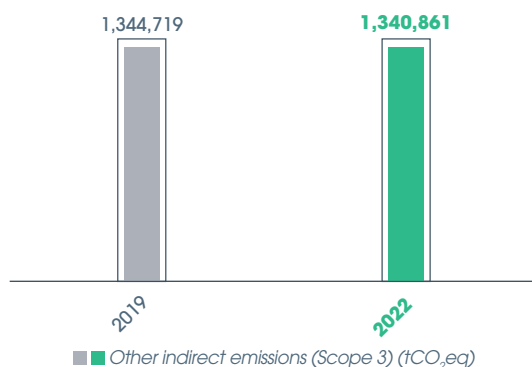
Given its economic model, which is based on the circular economy, the Group keeps many of the impacts normally borne by other stakeholders in-house, enabling the development of effective optimization and emission reduction strategies. This is particularly the case with the laundering phase or the delivery of the products, presented above. Scope 3 emissions were estimated in 2021 based on the carbon footprint for France. In 2022, significant work was done on all sources and across the entire scope of the Group to

create a more accurate assessment of these emissions for the 2019 baseline year. A calculation tool was developed to measure these emissions and monitor them over time, at both the Group level and in the countries that might wish to do so. That is the basis on which the 2022 emissions were measured and reported. In the coming years, the Group will continue to improve its data collection and reporting tools in an effort to determine the footprint of its other emissions with even greater accuracy.

### OTHER CO<sub>2</sub>EQ EMISSIONS (SCOPE 3)

Source of emissions/Emissions (tCO <sub>2</sub> eq)	2019	2022
Purchased goods and services	912,080	960,355
Fuel and energy related activities (not including Scope 1&2)	129,080	120,700
Employee commuting	96,958	99,644
Upstream transportation and distribution	56,525	60,222
Capital goods	88,730	52,595
End-of-life treatment of sold products	22,787	19,944
Waste generated in operations	17,195	17,047
Business travels	18,559	7,265
Downstream leased assets	2,330	2,250
Use of sold products	475	839
<b>Total Scope 3 emissions</b>	<b>1,344,719</b>	<b>1,340,861</b>

### CHANGE IN OTHER INDIRECT CO<sub>2</sub>EQ. EMISSIONS (SCOPE 3)



\* Emissions for 2019 have been recalculated to account for some recent acquisitions.

The major activities for other indirect emissions (Scope 3) are:

- › purchased goods and services: 72%;
- › fuel and energy related activities (not including Scope 1&2): 9%;
- › employee commuting: 7.5%;
- › upstream transportation and distribution: 4.5%;
- › capital goods: 4%;
- › other Scope 3 activities: 3%.

(1) Alternative vehicles includes electric, biogas, biofuel and hybrid vehicles. In 2020, LPG and NGV vehicles were also included.

The Group is working to reduce its emissions by:

- › developing increasingly responsible and lower-impact products. The Group's initiatives are further detailed in chapter 3.3.2 "Eco-designing our products and services" and chapter 3.3.1 "Being a circular economy player." For example, in 2022 the Group launched the "Phoenix" washroom line, made from more than 80% recycled plastic. The Group also continued or launched pilot projects in France and the United Kingdom to reduce linen loss in partnership with customers. The Group is testing reward and awareness-raising systems (see section 3.5.2 "Satisfying and engaging our customers");
- › prioritizing energy efficiency in its operations and logistics (see section 3.3.5 "Minimizing our energy consumption");
- › encouraging employees to use more responsible means of transport. Some of the French and Brazilian sites are making shuttles available to employees to facilitate and combine their trips. Initiatives to promote carpooling were implemented at some sites in 2022 (internal competition on the topic, promotion of tools, etc.);
- › engaging and forming partnerships with its suppliers. In particular, in 2022 the Group formed a partnership with carmakers and energy suppliers to analyze in greater detail the options for transitioning its fleet to electric vehicles (see section 3.5.3 "Working responsibly with third parties" of this chapter 3);
- › reducing emissions related to product end-of-life, mainly through recycling or reuse. The Group's projects are described in more detail in section 3.3.4 "Reducing and properly managing our waste."

In 2022, the Elis Group was on the CDP Supplier Engagement Leaderboard (score A), which recognizes the top 8% of companies engaging with their supply chain on climate.

#### The carbon impact of linen loss or misuse

Linen loss occurs every year, particularly in hospitals. For every item lost or damaged, a replacement item must be purchased. This results in additional emissions. A study conducted in the United Kingdom in 2022 assessed linen loss at about 70 items per month, representing 7.8 tCO<sub>2</sub>eq in one year.

### Reducing our use of water resources to increase our operational resilience in the face of climate change

The findings of the study on sites that are experiencing the effects of water scarcity or that could face it in the years to come, given the effects of climate change, as well as initiatives to reduce this exposure, are set out in section 3.3.3 "Optimizing our use of resources and minimizing our impact on ecosystems" of this chapter.

## 3.4 OUR PEOPLE

### Governance

Human Resources is tasked with supporting the growth and transformation of the Group. The Group has always been committed to being a vehicle for the development and well-being of its employees.

The Human Resources (HR) Director is a member of the Executive Committee and reports directly to the Chairman of the Management Board, with whom he has regular discussions. He oversees the Group HR policy with the support of the country-based operational HR Directors and the central support services (HR Development, Compensation and Benefits, HR Information System, and Legal). He also works closely with management to ensure the implementation and consistency of the Group's HR policy across all Group countries, and to anticipate and meet the teams' needs.

The operational HR teams in each country are responsible for supporting operational activities:

- › overseeing workforce planning;
- › ensuring well-being at work and a high-quality working environment;
- › managing the annual performance cycle;
- › providing for employee development and career management initiatives;
- › cultivating an increasingly inclusive work environment that fosters equal opportunities and non-discrimination.

The goals of the HR support teams are to assist the operational HR teams by supplying them with tools intended to attract and develop talent, and to harness this talent to form a diverse and inclusive leadership team both now and for the future. The HR support teams facilitate talent pools, succession planning, performance management, and skills and leadership development. They help to define and implement motivating, compliant, fair and effective HR policies, processes, tools and practices, as well as to provide relevant data to support the development of Elis' businesses.

Meetings are regularly held at different levels to discuss specific topics, and an international HR committee, made up of HR departments from the Group's major countries, has been set up to work on common issues (for example, recruitment, retention, diversity and inclusion). The Group's performance on diversity, and on gender balance in particular, is regularly presented to the members of the Executive Committee and to certain Supervisory Board committees.

In addition, in 2022 the Group put in place a dedicated disability organisation with an ambassador in each country whose role will be to implement the Group's Disability Charter locally and develop initiatives starting in 2023.

The QHSE teams play a major role in protecting employees. The structure of these teams is described in more detail in section 3.3.3 "Optimizing our use of resources and minimizing our impact on ecosystems" of this chapter.

### 3.4.1 Listening to, valuing our employees and ensuring their well-being at work

#### Context

Elis believes that the well-being of its employees is one of the company's key responsibilities. In parallel with its policies and training programs, which aim to develop the skills and protect the health and safety of its employees, Elis ensures constant improvements in the working environment and conditions so as to maintain employee engagement and satisfaction, in order to support talent retention and the performance of the company more generally.

As a result, Elis makes every effort to ensure close daily proximity between management and employees at every level. This is one of the main reasons why the Group favors human-size sites - ensuring that it can listen effectively to its employees. This continuous dialog helps to avert any social conflict that could arise due to failure to monitor and prevent social tensions. No major event has occurred in over 10 years.

#### Policy: goals and performance

Elis aims to ensure a good quality of life at work, to listen to employees and to value them. The Group bases its actions around five major areas:

1. listening to its employees;
2. valuing employees;
3. ensuring fair and attractive compensation and benefits;
4. reducing stress at work;
5. preventing absenteeism.

The Group also favors the use of permanent contracts in order to increase the loyalty and commitment of its employees.



As part of its engagement program, the Group has set a target to:

### Expanding the Group's Chevrons program

Key performance indicators		2020	2021	2022
<b>Listening to our employees</b>	Rate of participation in the internal survey		71.9%*	93%**
<b>Valuing our employees</b>	Number of Chevrons in the Group	290	300	310
<b>Ensuring fair and attractive compensation and benefits</b>	Share of employees eligible for the employee share ownership scheme		87%	89%
	Share of managers who have been awarded performance shares	17%	15%	20%
	Share of employees with a variable performance-based pay component			52%
<b>Preventing absenteeism and reducing stress at work</b>	Number of employees with perfect attendance (%)	46%	35%	31%
	Breakdown of absences (% of absences <7 days)	67%	83%	83%

(\*) Average rate of participation in the employee surveys conducted in 2021 in the Group (except in France and South America).

(\*\*) Average rate of participation in the employee surveys conducted in France in 2022.

The performance since 2020 has been impacted by the public health crisis. As such, at the beginning and end of 2022, many employees stayed off work to isolate, for example, or to look after children at home due to the coronavirus and the return of outbreaks of winter illnesses.

The Group also achieved its goal of expanding the Chevrons program to new regions. Since 2018, Chevron numbers have grown by nearly 34%. To date, the program has been rolled out to most of Europe and Brazil.

## Listening to our employees

### Measures implemented

#### Engaging our employees

Well-being at work and the engagement of every employee are essential to the Group's success, contribute to employee retention, and ultimately to operational excellence. It is particularly key given the characteristics of the Group's model.

Employee engagement and well-being at work are measured periodically through a survey sent to all employees, who respond individually and anonymously. Employees can thus give their opinions on a variety of topics such as working conditions, training, career development, working time and safety via anonymous individual questionnaires. These surveys demonstrate the importance attached to the corporate climate and working environment at all levels.

These surveys were historically undertaken by each country on its own terms. In 2021, these surveys were undertaken with the aim of standardizing practices. As such:

- › for France, surveys are conducted site by site, in turn, every two years. For 2022, participation at the 32 sites where surveys were conducted was high at 91%. The overall score for these sites was 14.38/20;
- › for all other countries (excluding Latin America), the process was standardized for the first time at the end of 2021: the survey was carried out simultaneously via a single questionnaire sent to all permanent employees. Participation in the survey, which was conducted in all countries (excluding France and Latin America), was high in 2021, with 71.9% of the employees interviewed taking part and able to share their views. The overall satisfaction rate is 61/100;
- › in Brazil, the employee survey is planned to be carried out during 2023.

The results of each employee survey are eagerly awaited and allow Elis to determine areas of improvement specific to each site. The results are shared with each country and each manager. The management team also shares the results with employees along with the action plans drawn up in response to the survey. The

action plan is monitored locally. As such, in the United Kingdom, a specific "Employee Voice" system was put in place to tie the results of the survey to concrete actions. More than 500 actions have been identified as a result. At the end of 2022, more than 77% had been finalized, with the remainder planned for 2023.

This periodic measurement of employee engagement 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 management policy.

The Group aims to repeat the survey every two years, and thus to be able to monitor improvements in satisfaction following the rollout of the action plans. This survey will therefore be carried out again in 2023 in those countries and will be launched among employees in Brazil.

#### Ensuring ongoing social dialog with employees via their representatives

At the Group level in Europe, the social dialog with employees takes place within the European Works Council, which has 28 members and represents 32,824 employees from 22 countries. In 2022, discussions within this body focused on Elis's economic and financial situation, which improved significantly in 2021, the continued recovery in business activity, and the success of Elis's new commercial offerings, as well as the impact of the pandemic on customers' needs and the Group's CSR policy and goals.

Since employee representation regulations are specific to each country, employee representative bodies are created accordingly. Employee representative bodies thus cover 74% of the Group's employees.

In France, Elis has set up representation at various levels: Group, business and site. This representation covers 96% of employees.

Specific bodies are responsible for health and safety aspects. These types of bodies represent 96% of employees in France.

In addition, the Code of Ethics commits the Group on this matter and reiterates its support for freedom of association. Management teams are responsible for the quality of the employee dialog in their respective areas and are assessed on its quality. The Group has not had any significant social event for more than 10 years.

### Improving employee conditions through agreements and collective agreements

Local agreements are in effect in the different Group subsidiaries. Collective agreements thus cover 67% of Elis's employees. These agreements, which mainly govern the organization of working time, compensation, working conditions and work life quality, gender equality, employee management, the sharing of added value, and the prevention of psychosocial risks, are the result of ongoing dialog with employee representatives and help to maintain the smooth operation of the business.

In France, Elis pursues this active negotiation policy at the Group, company and site levels to best address these topics.

### Outlook

By the end of 2023, all employees will have participated in a Group engagement survey as part of a global approach to the subject.

The results of the survey will have been or will be shared with employees and action plans implemented to meet their expectations.

## Valuing our employees

### Measures implemented

#### Rewarding our employees' work: The Chevrons Club

The effectiveness of the Elis model is strengthened by a strong culture of conviviality and recognition, acknowledged as a key factor for employee engagement. The best example is Elis's Chevrons Club which has been rewarding the most deserving production and maintenance operators every year for more than 30 years. These employees are particularly valued at the sites where they work and in their countries, and they take part in an international event lasting several days. In 2019, this club brought together employees from the entities of the former Berendsen Group for the first time, and a similar program has been set up for Brazil. In 2022, the Chevrons Club for the European countries met in Barcelona. Since 2018, Chevron numbers have grown by nearly 34%.

In addition, in most countries, ceremonies are held in recognition of the longest-serving employees: this is the case in France, where long-service medals are awarded, as well as in Denmark and the United Kingdom. In the United Kingdom, nearly 200 employees with 10 to 50 years of service were recognized in 2022.

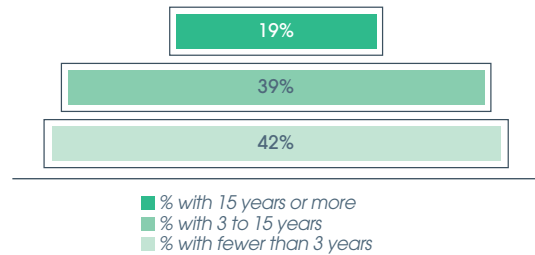
#### Recognizing the skills of our employees and supporting their development

Valuing employees with regard to their skills, contributions and performance, providing them with the appropriate training and supporting their development are pillars of the Group's HR strategy. Section 3.4.3, "Attracting and developing our employees," describes these points in more detail.

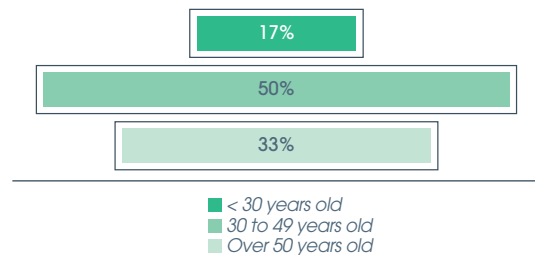
#### Long-serving employees

The Group's business culture, values and HR strategy contribute to the long-term retention of employees. As such, since 2018, the distribution of staff by length of service has remained stable. Almost 60% of the workforce has more than three years of service, with 19% of employees having more than 15 years.

### BREAKDOWN OF STAFF BY LENGTH OF SERVICE



### BREAKDOWN OF STAFF BY AGE IN 2022



## Ensuring fair and attractive compensation and benefits

### Measures implemented

The Group's policy is to offer all employees fair and market-competitive compensation that reflects their performance and level of responsibility. To that end, the Group seeks to follow the best practice of comparable sectors. This policy takes into account the local laws and business practices of each region and can include different types of non-statutory non-pay benefits (language classes, box lunches, access to bicycles, etc.).

Thus, employees' skills and level of responsibility are compensated with a fixed salary matching their experience and general market practice for their business line. Depending on the level of responsibility and the country, variable compensation schemes to reward collective and individual performance may be put in place:

- › for the majority of operational managers, variable compensation schemes are defined in the same way in each country, with both collective and individual goals;
- › for all the sales teams, including employees in operations. Service agents are responsible for sales in a number of geographic areas, including France, Spain, Portugal and Italy. In some markets, these bonuses can represent significant additional compensation;
- › for about 750 employees in 2022 (senior managers, talent and expert employees): the Group awarded performance shares to give them a share of the long-term financial performance and results of the Company, principally through long-term incentive plans. The vesting of shares is subject to performance conditions and continuous service. A CSR criterion was introduced in 2022, based on performance on water consumption per kilogram of linen delivered. In addition, in 2022, the Group set up an exceptional bonus share award plan for non-senior executive employees;

- › for all employees: compensation schemes based on collective performance may exist in some countries, whether they are compulsory legal arrangements (for example, mandatory profit-sharing in France) or are voluntarily set up by the Group according to local practices, such as in Portugal or the optional profit-sharing plan in France. Where these plans exist, they are accessible to all employees;
- › in addition, the Group has an employee share ownership plan accessible to 89% of its employees (see below).

In all, components of compensation are tied to performance for more than 50% of the Group's workforce.

If necessary, the Group uses external information provided by specialist advisers in order to be certain of its positioning relative to the local reference market. Moreover, it ensures that the minimum salaries applicable in the different countries in which it operates are respected.

In 2022, the Group raised its wages significantly, mainly to increase its attractiveness on a particularly tight job market.

### Employee share ownership

In an effort to strengthen employee engagement and a sense of belonging in the Group in its various countries, and to help share the value created, in 2019 Elis launched its first ESOP (employee stock ownership plan), Elis for all, in 16 countries. Employees can subscribe to Elis shares under preferential conditions via capital increases reserved for employees who are members of the Group savings plan.

There was a second launch in 2021 in 17 countries (covering 87% of the Group's employees) and the number of subscribers increased by 35%.

The Group launched its third plan in 2022, covering 17 countries and 89% of the Group's total workforce. All employees in these countries, regardless of whether they are permanent or temporary, are eligible for this program.

Elis also seeks to connect employees more closely to the Group's financial performance and retain a variety of talent by awarding bonus shares of the Company. Vesting is contingent on the fulfillment of performance conditions over a vesting period of at least two years.

As of December 31, 2022, the Group's employees held 2.54% of the share capital either directly (including performance shares) or through a mutual fund (FCP).

### Savings plans and other non-statutory non-pay benefits

In France, employees can access a voluntary Group savings plan, which holds the employee share ownership funds as well as a wide range of dedicated diversified savings vehicles. In addition, as of 2021, every employee can build their pension savings at their own pace by making payments to the Group pension savings plan (PERCOL).

In other countries, some regions have also developed schemes that allow employees to save with terms adapted to local legislation or to supplement their pension through voluntary contributions with favorable terms.

Childcare programs (daycare, for example) may also be offered in certain regions.

In 2022, the Group estimates that at least 35% of its workforce had access to at least one non-statutory non-pay benefit related, for example, to pensions or healthcare. The Group will fine-tune its reporting for this indicator in the coming years.

### Favoring permanent contracts and adjusting working time

Elis favors permanent contracts, which offer stability and security to employees and allow Elis to build stable teams involved in the life and development of the company.

As at December 31, 2022, 12% of Elis Group employees were temporary, due in particular to the seasonal nature of part of the Hospitality business.

Although the Group does favor full-time contracts, part-time contracts are also used, when appropriate, to encourage more diversity and inclusion. The share of part-time employees remains stable at close to 6% of the permanent workforce. Part-time contracts requested by employees are considered and agreed.

### A practice of remote working

In the context of the public health crisis, Elis set up adapted ways of working to allow business continuity while guaranteeing employee safety. These ways of working included homeworking for the teams able to work remotely, thus allowing them to continue to operate. Since then, remote working has been made permanent for eligible employees.

### Reducing stress at work

#### Measures implemented

As part of its general risk prevention policy, Elis is committed to promoting a healthy work environment for its employees, reducing, in particular, psychosocial risks. Through the surveys it undertakes with all its employees (see section 3.4.1 "Listening to, valuing our employees, and ensuring their well-being at work"), Elis can measure how they rate their working conditions and thus identify situations that create stress.

In France, training is given to employees, particularly management staff, as part of this preventive action. It is one way of raising awareness and understanding of psychosocial risks, their possible causes and how to prevent and overcome them. Support is also offered in some countries. In France, two social workers who are subject to professional confidentiality are available to help employees with their concerns. The main areas of concern are housing, retirement and life changes.

In the United Kingdom, the Group has created a dedicated helpline available to all employees 24 hours a day, 365 days a year. Mandatory training has also been rolled out to all managers to raise their awareness of mental health conditions. Actions were also taken on national mental health awareness day.

In addition, a whistleblowing procedure has been established which takes account of cyberbullying. The whistleblowing procedure is described in more detail in section 3.5.4 "Continuing to integrate ethics into our business practices."

## Preventing absenteeism

### Measures implemented

Absenteeism is a reality that affects all companies and that can have operational and financial consequences. Preventing short-term unforeseen absences is therefore key. This type of absence is indeed the most damaging in terms of productivity, the organization of work teams and the redistribution of work to other personnel or temporary employees.

This year, as in the previous two years and in particular at the beginning and end of the year, Elis was also confronted with absences related to Covid-19 (sick and vulnerable people, contact cases, childcare issues, etc.).

Each absence has its own particular characteristics and employers are not permitted to ask employees about the medical reasons for their absence. The Group is thus implementing a series of collective measures to try to prevent absences and limit their impact on its business.

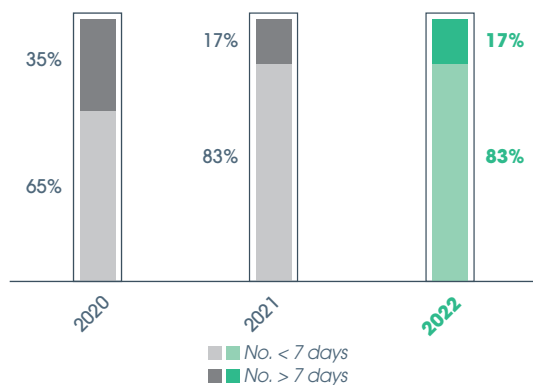
There is no international absenteeism policy as this issue is very much linked to the local context (for example, influenza is not a major concern in Brazil, Chile or Colombia, unlike in European countries). Policies are decided at the national level, based on each country's legislation and regulations, and sometimes by collective agreements for each sector.

The number of employees with perfect attendance in 2022 continued to be affected by absences due to the health crisis and the winter outbreaks that re-emerged at the end of the 2022. A large number of employees were thus forced to stay off work due to illness and/or isolation rules.

### SHARE OF EMPLOYEES WITH PERFECT ATTENDANCE IN 2022



### BREAKDOWN OF DAYS ABSENT



### Preventative measures

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

- › vaccinations against influenza (or other diseases) are offered every year at certain sites;
- › some sites pay a bonus to employees who have perfect or near-perfect attendance;
- › committees review working conditions and possible accommodations;
- › in 2012, French entities introduced the Gest'Elis program to prevent occupational diseases, primarily musculoskeletal disorders (see below), which will be rolled out at various Elis sites outside France;
- › training sessions on job-specific body movements and postures are provided to production and customer distribution staff;
- › initiatives are implemented to encourage employees to take care of their health;
- › tools for monitoring absences are made available to managers and training is offered to provide them with the skills and knowledge to manage absenteeism.

Some countries link a portion of managers' variable compensation to the absenteeism performance of their teams.

#### Gest'Elis

In 2011, Elis launched an ergonomic measure called Gest'Elis. This measure is based on analysis of production work stations. For each of these work stations, information sheets offer solutions to improve the work station and its layout, equipment and tools used. Information sheets also describe how to perform the task correctly and highlight tips on comfort and safety for these work stations. Certain work stations are accompanied by a video promoting awareness of best practices, which is offered in order to train and improve the awareness of employees and their managers. The Methods Department supports the implementation of the relevant action sheets at the Group's production sites and the project teams take these sheets into account for new installations.

In 2015, Elis launched a similar measure in its Customer Distribution activity with an ergonomic analysis of the journeys made by service agents in vans. Best practice information sheets offer solutions for fitting out these vehicles and illustrate how to use them correctly.

In France, job-specific movement and posture training is given to production operators, service agents and warehouse operators and repeated every three years. A specific booklet for production operators has been created in collaboration with a dedicated partner. This booklet, entitled "Preventing risks related to repetitive work movements," introduces the principles of economy of effort and illustrates them in various work situations. Following the same principle, a specific booklet entitled "Preventing risks related to manual handling of loads" was created for service agents.

Ad hoc ergonomic studies of work stations have been carried out to improve the working conditions of employees with medical restrictions.

Suitable initiatives are taken in different countries, such as versatility (changing work station regularly), the compulsory breaks for exercise (10 minutes of exercise for every four hours of work) or warm-up sessions before starting work.



**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 Group to demonstrate to employees not only its concern for them, but also the significance of each absence. These interviews are conducted in full compliance with medical confidentiality obligations. The interviews update employees about the site and how business is going and gauge how employees feel about their work and their quality of life in the workplace. Appropriate measures may be taken following these interviews.

**Versatility**

The Group encourages employee versatility, so they can step into a variety of positions at production workshops 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.

**3.4.2 Protecting our employees**

**Context**

The health and safety of employees and everyone else at Elis's sites is paramount for the Group. To this end, the Group strives to offer a safe and healthy working environment. The analysis of the health and safety risks of workstations also makes it possible to identify the level of risk and define actions to eliminate or reduce it and avoid the occurrence of accidents, injuries and occupational diseases. Strengthened by its expansion into new territories and markets, the Elis Group aims to become a leader in health and safety.

**Policy: goals and performance**

The Elis Group's health and safety policy, developed as part of its QHSE policy, is designed to reduce the accident rate to zero by improving 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:

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

In addition, the Group launched its "10 golden safety rules" in 2020 with the aim of developing a safety culture by encouraging the adoption of good habits and helping to create a safe working environment.

Elis 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 work station ergonomics, workplace hygiene and preventing business-specific risks.

As part of its ambitious 2025 program, the Group has set itself the goal of:

**Reducing the frequency of Group employees' accidents by 50% between 2019 and 2025**

Key performance indicators	2020	2021	2022
Improvement in frequency rate since 2019 (%) <b>(2025 target: -50%)</b>	-15.5%	-6.3%	+0.7%
<b>Analyzing the risks and developing and disseminating the Group's safety standards</b>	Frequency rate <sup>(a)</sup>	14.32	15.84
	Severity rate <sup>(b)</sup>	0.70	0.67
	Lost-time accidents	1,141	1,370

(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 one day, excluding commuting accidents/Total number of theoretical hours worked x 1,000.

In 2020 and 2021, hours not worked due to the partial shutdown during the public health crisis were excluded from theoretical hours.

The number of accidents increased in 2022. The significant recovery in activity, mainly at the hospitality plants, and the challenges of stabilizing new staff, had an adverse impact on results. The priority action plans concerned training, team accountability and rule following. The golden rules continue to be rolled out within the Group.

Some countries improved their performance compared to 2019, including Brazil, where the number of accidents fell by 36%, as well as Colombia, the United Kingdom, Sweden and France.

**Analyzing the risks, and developing and communicating the Group's safety standards**

**Measures implemented**

**Analyzing the risks at work stations**

Each of the Group's sites has a work station health and safety risk assessment that covers all relevant activities. These assessments are updated regularly in accordance with local country regulations.

Based on the results, actions to eliminate or reduce risks are defined and implemented to make the working environment safer.

**Ongoing process to harmonize safety standards**

In 2022, Elis continued to implement its safety strategy. In each operating region, the cluster/country QHSE teams work closely with the Group QHSE Department to define and improve the Group's safety standards. These teams also assist countries and sites with operational deployment and monitoring their application. The Group's countries thereby continued to implement the fire risk management standard and to harmonize accident and incident reporting.

Together with the cluster/country teams and the Group Maintenance Department, the Group finalized its "equipment safety and shutdown" standard. This standard harmonizes practices for facility operations to make them safer and eliminate the risk of accidents. This new standard is expected to be rolled out in 2023 to all Group regions.

Each country in the Group has its own methods and tools for identifying hazards and assessing health and safety risks. The Group wishes to harmonize these methods and use a common tool going forward.

**Regular performance monitoring**

In 2022, Elis continued the rigorous monitoring of incidents within the Group to record all information relating to incidents, their causes and the measures taken as a result, and to communicate the associated indicators. To achieve the goal of reducing the frequency of Group employees' accidents by 50% between 2019 and 2025, this goal has been broken down by region based on each region's current maturity.

The Group's safety performance is thus monitored monthly for Elis employees (permanent and non-permanent - the Group seldom uses temporary workers) using two indicators: the frequency rate (FR) of lost-time workplace accidents, corresponding to the number of lost-time accidents per million hours worked, and the severity rate (SR), corresponding to the number of days of lost work due to workplace accidents per thousand hours worked. The indicators provide a comparison of the changes at each site, in each region and within the Group as a whole. A monthly report is made to Group management and to the clusters/countries. The latter are responsible for disseminating the indicators within their organization.

In addition, an analysis of accident types is consolidated at Group level by activity (production, maintenance, distribution, etc.), by nature of the injuries and by nature of the risks (human, technical). This analysis helps to identify improvement actions to be strengthened in each country.

In 2022, 67% of lost-time accidents were related to the risks of manual handling of loads (bags, water fountain bottles, mats, linen, workwear), slip trip and fall, and mechanical handling of cages (linen, pallet trucks).

Actions are defined in each country and site of the Group in line with accident investigation to help reduce accidents.

**Regular checks to ensure that Group standards are applied**

To assess and confirm that Group standards and rules are being applied, regular visits are made to sites by the QHSE cluster/country teams.

Internal audits, which cover safety, are also carried out every two years by the Group's internal audit team. These audits are currently being rolled out across the different Elis regions.

Insurance visits, related to fire and natural risks, are undertaken each year with the insurer at a representative sample of the Group's sites. These visits assess the level of protection, detection and organization in place to control and mitigate risks.

All Group sites comply with local regulations regarding regular scheduled regulatory checks of equipment. These checks are monitored and recorded locally and any observations are dealt with.

**Management system and OHSAS/ISO 45001 certification**

The Group has developed a health and safety maturity matrix structured to cover the main points of a health and safety management system. The evaluation of sites on the basis of this matrix started at the end of 2020 and was finalized in 2021 with the support of the QHSE cluster/country teams. This evaluation enables priority actions to be identified at the site, country or Group level in order to improve the management of the matter at hand. It is expected to be updated in 2023 to measure the progress made.

In addition, 95 Elis sites (in Sweden, Denmark, Norway, Poland, Ireland, Spain, Estonia and Finland) have a health and safety management system certified to ISO 45001. These certifications relate to the production centers and may include service centers and offices (headquarters). Spain plans to certify all of its sites within two years.

**Outlook**

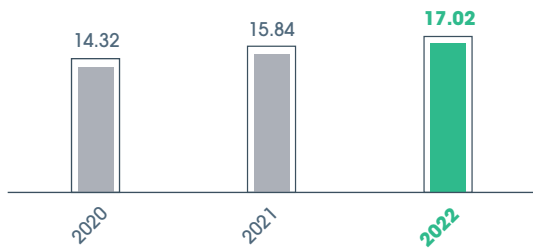
In keeping with the 10 golden safety rules, Elis wishes to promote several tools to strengthen its accident prevention approach to protect the health of its employees. In particular, the recording and resolving of unsafe situations and near misses happens in some countries (UK, Ireland, Brazil, etc.) and will be developed in the future in the rest of the Group.

The first golden safety rule, "Get ready for work" refers to the "stop, think, act" tool that will be the focus of working sessions with the QHSE cluster/country teams in 2023 and will then be rolled out to all the regions. The purpose of this tool is to perform a rapid risk assessment of operations defined as high risk for which a risk analysis and/or specific instructions or operating procedures do not exist.

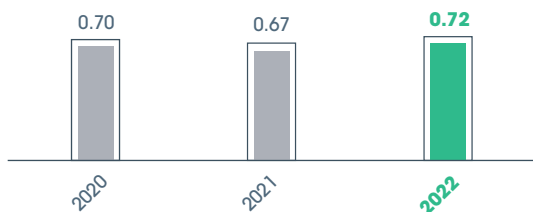
In 2022 the Group selected an IT tool to be used across all regions in order to facilitate the reporting and analysis of incidents, accidents and safety indicators in all its operations, as well as to harmonize the information and make it more reliable. The safety indicator component of the tool will be rolled out in 2023. An additional module for accident reporting and analysis will be created in 2023 and rolled out in 2024. and will provide the Group with a rapid and qualitative view of incidents at the Group, country and site level.

Lastly, the Group will implement mechanisms for indexing variable compensation to safety performance for certain managers.

**FREQUENCY RATE FOR WORKPLACE ACCIDENTS INVOLVING ELIS EMPLOYEES**



**SEVERITY RATE FOR WORKPLACE ACCIDENTS INVOLVING ELIS EMPLOYEES**



## Day-to-day health and safety training and activities

### Measures implemented

#### Reinforcing the Elis safety culture by promoting safety

Elis's 10 golden safety rules are based on the Group's main business risks and identify key health and safety points. The proper application of these rules by everyone will assist the Group in achieving its target of reducing the frequency of Group employees' accidents by 50% between 2019 and 2025. After the launch of the 10 golden safety rules in October 2020 and an active messaging and promotion campaign in 2021, the rollout continued in 2022 with communication actions and integration into the onboarding process for all new employees.

All new employees receive a safety induction, particularly for their work station, to give them key information about work station risks and instructions for working safely.

In some countries, such as France, an annual reminder of work station safety rules is given.

Depending on the work station occupied, operators also receive additional regulatory training (electricals, machinery operation, etc.) or training specific to the Elis business (use/handling of chemicals, etc.). These training programs are monitored locally.



## 10 safety golden rules Elis



**Get ready for work**  
I am trained in safety procedures and ready to undertake my job.



**Move safely**  
Je me déplace avec précaution : I'm aware of the working areas and mobile equipment.



**Wear personal protective equipment**  
I will always use the prescribed personal protective equipment.



**Drive safely**  
I respect all the traffic rules both on and off site.



**Share vigilance**  
I take action and communicate on events, unsafe situations, and good practices. I am vigilant about my safety and the safety of others.



**Handle cages safely**  
I always follow good practices for handling linen cages.



**Position the body safety**  
I assess and place my body in the safest position to work, in relation to loads and during manual and mechanical handling.



**Be vigilant about fire safety**  
I'm aware about fire risks, and I follow fire safety instructions.



**Work on/equipment safely**  
I do not intervene on an operating machine, and I always apply lockout/tagout procedure when working on equipment.



**Handle chemical products safely**  
I handle chemical products with care

We empower your day



#### Sharing feedback and good practices

Feedback on incidents linked to personal and fire safety are shared in the Group with the operational teams via the QHSE cluster/country network.

This feedback is given on the most significant events whose severity was or could have been high (accidents related to operating machinery, chemicals, etc.), and on events with a lower severity but that occur more frequently (manual handling, mechanical handling of cages, slip trip and fall).

#### Training subcontractors and external companies working at our sites

The activities of subcontracting or external companies are carried out in accordance with local regulations. In Spain, Italy and France, for example, a risk assessment is carried out beforehand by the Elis site and the external company to identify the risks inherent in the task and the risks resulting from its interaction with the Elis's activity. This analysis enables any measures to be taken by Elis or the external company for safe operation to be specified.

The staff of the external company are informed by their manager of the measures specified with Elis.

#### Integrating ergonomics principles by continuing to implement the Gest'Elis program

The Gest'Elis program continues to be rolled out across the Elis business so that the greatest number of employees can benefit from improvements to their work stations. This program is explained in more detail in section 3.4.1 "Listening to, valuing our employees, and ensuring their well-being at work."

#### Defining and supporting the improvement plans

The QHSE cluster/country teams define and support the improvement plans within their respective scopes of activity. Thus, in 2022, initiatives were continued or new ones were launched:

- › Brazil launched a training course for all managers (production, logistics, maintenance) called "Safety Behavior Leadership" to help managers handle deviations from the safety rules while reminding their teams of their responsibility in this respect. Every year Brazil also holds an event to raise all employees' awareness of occupational health and safety;
- › The United Kingdom, for example:
  - continued its safety promotion campaign known as The Safety Premiership for the third year in a row. The campaign proactively creates competition between the sites, by communicating on safety observations and holding health and safety committee meetings every month to keep everyone engaged and empowered to make safety improvements,
  - continued the Safety Forum, with the sites giving a quick quarterly presentation of their safety initiatives and solutions,
  - organized a national subcontractors day to invite them to discuss health and safety best practices. The "Working together safely" campaign brought together industry-wide subcontractors who work with Elis UK and provided an opportunity to remind them of Elis's 10 golden safety rules. The day focused on workshops to clarify expectations and establish the basis for stronger safety relationships,

- started to use I-Auditor’s “Safety Culture” application. This application gave the management teams a simplified way to carry out their monthly compliance audits. The tool was used to conduct more than 350 compliance audits and more than 7,000 safety inspections,
  - conducted a campaign on the specific risks related to fire prevention by challenging the sites to identify 999 safety observations that could result in a fire. The suggestions and improvements were then shared with 30 sites to capitalize on best practices and observations,
  - held more than 60 internal safety training sessions for more than 600 people;
- › Denmark trialed five-minute ergonomics training sessions three times a week at one site;
  - › France:
    - created a digital escape game based on the 10 golden rules with the aim of continuing to raise awareness of these rules among all personnel. It will be rolled out in the first quarter of 2023 to all production sites, services centers, warehouses and headquarters,
    - rolled out a new version of the “equipment security and shutdown” procedure to ensure safer repairs, by retraining all the maintenance teams and raising awareness among production staff;
  - › Poland introduced an ergonomics improvement program for certain work stations to reduce the handling of heavy loads.

### 3.4.3 Attracting and developing our employees

#### Context

Attracting and developing employees is a key consideration for the Group to ensure its growth and development. Indeed, given the characteristics of the Group’s economic model, some of its roles can only be learned over the long term. The Group thus invests in its teams to ensure their well-being and long-term development.

#### Policy: goals and performance

The Group’s development strategy relies on its ability to recruit and retain competent, high-performing employees. Elis thus ensures that each employee can develop within the Group, according to their skills, desire for training and the roles within Elis. In addition, the Group promotes the values of proximity, autonomy and trust while offering its employees the career opportunities characteristic of a large international group. The Elis Group’s culture is based on talent development and the company’s ability to offer social mobility.

To ensure the lasting growth of the Group, its human resources policy is based on two pillars:

- › attracting the best talent;
- › training employees in the Group’s business lines and supporting them in their development.

Key performance indicators	2020	2021	2022	
<b>Attracting the best talent</b>	Hiring rate <sup>(a)</sup>	18%	27%	32%
	Share of young people in hires <sup>(a)(b)</sup>	41%	43%	38%
	Share of senior workers in hires <sup>(a)(c)</sup>			13%
<b>Developing our employees</b>	Training days per employee <sup>(c)</sup>	1	1	1.4
	Share of managers promoted internally	26%	16%	21%

(a) New permanent hires added to the workforce as at December 31 in the year in question.

(b) Under 30 age band

(c) Many training sessions given were not included in the hours reported (for example, training through shared platforms).

(d) Over 50 age band.

The share of young people in hires remained relatively stable in 2022 due to actions undertaken by the Group. The share of managers promoted internally, which had decreased in 2021 as the public health crisis affected the training programs, increased once again in 2022 (21%).

The hiring rate rose in 2022, primarily due to some employees with short-term contracts moving to permanent contracts and to the increase in the workforce.

#### Attracting the best talent

##### Measures implemented

##### Increasing visibility

Elis is endeavoring to increase the visibility of its brand as an employer and its presence in all recruitment channels. As a result, the communications and human resources teams are working together to ensure that the Company is well known across the different social networks, in particular LinkedIn. Articles, videos and photos are therefore posted regularly to develop the Company’s brand as an employer and to communicate job opportunities.

In 2021, Elis France entered into a partnership with the Welcome to the Jungle website. In 2022, a dedicated Group webpage containing its vacancies and videos presenting the Company, its business lines and its employees was added. In Germany, the Group posts its offers on platforms such as StepStone and Indeed and experiments innovative approaches to identify talent, using artificial intelligence.



### Targeted partnerships

With a view to increasing awareness of the Company and continuously enriching its pool of applicants, the Group maintains a close relationship with the best training courses (universities or schools) for all of its business lines. As such, the Elis teams, particularly in France, Germany, Sweden and Denmark, regularly take part in forums, organize site visits and participate in training programs at prestigious schools. In Denmark, for example, HR teams developed a partnership with Aalborg University, through which employees and alumni regularly speak to students about their careers. In France, the Group has signed a sponsorship agreement to strengthen its partnership with the Arts et Métiers engineering school (ENSAM) and with the NEOMA business school: Elis organizes plant visits for students from these schools and participates in collective roundtables to present aspects of the Group and its business lines. As part of their curriculum, students at the IESEG business school work on a project related to CSR and employee engagement for the Sustainable Development Week held at all Elis sites. Students from the ICAM engineering school will also be consulted on a project for the Group's Logistics Department.

In addition, Elis endeavors to create partnerships with local employment organizations as close as possible to its sites and, in doing so, to increase its flexibility with regard to absenteeism and the seasonality of some parts of its business.

### Specific programs to attract and develop young graduates

Two specific programs are offered to attract recent graduates from the best training courses and thus create a pool of future leaders:

- › the Elis Management Trainee Program is a personalized two-year course for young graduates, opening up a path to managerial responsibilities. It consists of four placements lasting six months, including one abroad and one that provides in-depth experience of a management position. Throughout the program, the Management Trainees interact with employees in various business lines and units, creating networks for themselves and preparing for roles with significant responsibility;
- › the International Exchange Program: young people are hired and trained on the Group's key business lines (in the production and commerce 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 program took place in 2013 and involved young Spaniards coming to France. Additional exchanges were then organized between Brazil, Portugal, Sweden and France.

Internships and apprenticeship contracts are also offered to young graduates in order to train and then hire these young people.

Specific programs may also be put in place in some of the Group's business areas. This is particularly the case for Le Jacquard Français, where new employees in the textile lines (weavers, tufters, sizers, quality controllers, etc.) are trained by the Group's employees via a tutorial system. This contributes, in particular, to maintaining and developing textile industry knowledge and expertise in France.

### Referral policy

In order to attract high-quality applicants, Elis has set up referral programs, enabling employees to share vacant positions and recommend suitable applicants for them. In the Netherlands, Germany, France and the United Kingdom, employees are rewarded if the candidate they referred is recruited. In France, employees can choose to pay back the sum received, making a donation to the Elis Foundation instead. This program was strengthened and expanded in 2022. For example, in France, nearly 10% of managers recruited in 2022 came out of the referral program.

This referral policy is a valuable and rich recruitment channel for identifying candidates and filling positions, while strengthening Elis's brand as an employer.

### Onboarding program

Welcoming and onboarding new employees to Elis is a key priority of the human resources policy. Elis ensures that its new employees receive a warm welcome and support when they take up their positions. The Company's goal is to create a climate of trust and friendliness, foster a sense of belonging, and familiarize employees with its culture, while supporting them as they start their new position and providing them with the tools and training they need to succeed in their new role.

These onboarding programs are carried out for new employees regardless of their business line. These programs, which range in duration from a few days for production operators to several weeks for managers, are developed in every country and allow new hires to build an internal network and learn more about the values, culture, organizational structure, the Group's circular model and Elis's functions.

Onboarding kits are also being developed in the various countries where the Group operates. They contain information for new employees as well as tools and resources that can be adapted to suit different situations.

Most countries also have a buddy program in place for new employees (depending on the position) to help them in their new role.

## Developing our employees

### Measures implemented

#### Training in the Group's business lines

Training is a key factor of success for the Group. The HR teams in each country have the freedom to adjust their training initiatives to the challenges and opportunities specific to their scope. 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. These programs cover various topics, such as health and safety at work, the technical skills required to run industrial sites, and developing managerial skills. The formats offered differ according to the topics discussed, the targets and the goals of the program. Training sessions can be conducted face-to-face or remotely (e-learning, virtual classes), either in a group or one-to-one.

In France, the Group has chosen to develop its own Qualiopi-certified training center at Janville, with 70 internal and external trainers. It functions fully as a training organization and offers programs validated by the business line teams. It runs several business line courses to impart the Group's essential knowledge to employees. A new training management tool, Training Orchestra, was introduced in 2022 to enable Elis employees to request training and track their training program. This tool enables the training courses taken by employees to be assessed on completion and after four months, as well as by the employee's manager.

In 2021, the HR teams introduced the Expert Manager program in France. This is a nine-month training program for managers with recognized business expertise. The aim of the course is to present the Group's ambitions and major projects, while offering training modules to strengthen managerial skills, to better understand the expectations of the next generation and to offer personal development tools.

Since 2010, the Group has also had the FED, the Filière d'Excellence DISCO: this is Elis's in-house certification course and enables service agents and, for the last two years, customer service assistants and small account managers to take a nine-month training course to qualify for business development manager positions. This program, which runs over a nine-month period and includes time in the company and in training at a dedicated Group center, helps employees gradually discover all the facets of their new profession while developing key competencies.

In addition, the Elis Academy, created in 2017, provides training for all Group employees, either face-to-face or online, in three major areas: service, the offering and sales. CSR modules were incorporated in 2022 to give the sales teams even more support on these topics and help them promote circular services.

For sales, the courses prepare employees for doing business with the Group's different customer types. All new sales staff have a structured, four-week onboarding period during which they learn about the Group's various business lines, from logistics to production. At the end of these four weeks, an online review takes place between a trainer from the Sales Department and the sales representative to identify the points that have been mastered and those that need improvement. The program continues a few weeks later with an immersive experience at the Group's dedicated training center to hone the employee's sales skills.

Training to improve sales techniques is ongoing and given in the field:

- › at all times through a collaborative platform (Klaxoon) that offers 25 sales modules and 39 product training modules to employees in 12 of the Group's countries. In 2022, nearly 7,500 modules were taken as a result;
- › every day by managers trained in coaching who work with sales staff on goals that they have set together;
- › every month, with meetings of the Regional Sales Managers organized by the Sales Department, where the teams work on pre-selected themes through a gaming approach.

In 2023, the Group will roll out an e-learning tool to train all Group employees using modules developed by the support departments.

### Developing internal mobility and career advancement

Internal promotion and mobility are at the heart of Elis's human-resources policy. Elis encourages its employees to progress their careers within the Company and considers the development of job mobility and internal career advancement to be a priority, thus ensuring that there is a pool of future leaders. To this end, Elis has made an online jobs board available to its employees in France. Consequently, all vacancies are visible to all employees who have access to the Talentsoft tool. Every employee submits a job application directly via this tool. This tool is intended to be rolled out gradually to all Group countries.

Elis is working to develop a common Group talent management policy for all managers, which is based on two main tools: the individual performance review and the talent review.

During **the individual performance review** which takes place annually, 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, broaden their skills or switch to a new role. This review has two parts:

- › setting goals and reviewing the year's performance: For operational roles, Elis aims to align individual contributions with the organization's goals by setting realistic individual goals and reviewing their achievement. For the individual review, each employee and their manager meet at the start of the financial year to discuss and agree on individual goals. Achievement against these goals is reviewed at the next annual meeting;
- › reviewing skills: each year, the employee reviews their own performance and the line manager reviews the employee. They then meet to discuss their respective reviews and decide, if necessary, on the development actions to be taken.

Since 2019, Elis has been gradually digitalizing the individual performance review for management staff using the Talentsoft platform, thus facilitating the sharing of information within line management and the human resources function.

**The talent review process** takes place annually and is led by the Human Resources Department in each country, and applies to all management staff. This process aims to build a collective and shared vision of the potential of employees and their development within the Group, as well as to prepare the next steps in their career, taking into account the aspirations expressed by each one and the needs of the Group. These reviews help to clarify each employee's development plan and identify the skills that need to be recruited or developed. They also serve as a basis for establishing succession plans for key positions, providing visibility on the pool of current and future leaders.

Since 2019, Elis has been gradually digitalizing the individual performance review platform via the Talentsoft tool, thus facilitating the sharing of information between management and the human resources teams, so that career development plans that are well suited to employees' plans and profiles can be offered. In addition, in certain countries, such as France and the United Kingdom, a mobility committee meets periodically to review the vacant positions and mobility requests of management staff. Every year, each site's Management Committee considers the development possibilities and opportunities for non-managerial employees, both at the site itself and at other locations. Support measures are in place to facilitate this professional and/or geographic mobility.

### Supporting job mobility

The Group also offers specific vocational courses to help employees moving to a different position train for their new role. In France, for example, the training course for supervisors aims to enable employees going into middle management positions to acquire the skills required to supervise a production unit on a daily basis.

### 3.4.4 Ensuring non-discrimination and equal opportunities

#### Context

The Group believes that its performance depends on the quality and engagement of its people and that a pleasant work environment that is respectful of individuals benefits everyone and makes the Group more efficient and productive. Respect for individuals and equal opportunities are thus fundamental values for Elis, which seeks to promote an increasingly inclusive environment. In keeping with its values (respect, exemplarity, integrity and responsibility), Elis is committed to implementing quality and harmonious human and professional relations, both hierarchical and functional, loyal and respectful of all.

Diversity, equity and inclusion are thus central to Elis's identity.

#### Policy: goals and performance

In 2022, the Group sought to strengthen its commitment to diversity, inclusion and equal opportunities and adopted a **Diversity and Inclusion Charter**.

The Group is committed to:

- › creating an inclusive workplace: training and awareness sessions will be organized for recruiters and managers on unconscious bias, stereotypes and non-discrimination;
- › promoting equal opportunities and combating all forms of discrimination throughout the employee's entire career: a person's skills, experience and professional accomplishments are the only factors taken into account;
- › promoting diversity and gender equality in all their forms: creation of action plans focused on career advancement, equal pay, training and work-life balance;

- › promoting diversity of culture, ethnicity and origin: Elis expects its employees to recognize, respect and welcome all cultural differences wherever the Group operates;
- › guaranteeing equal opportunities to people with disabilities: the Group supports integrating people with disabilities into the workforce and works to keep them in their jobs;
- › respecting and accepting all sexual orientations and identities: Elis is committed to creating an inclusive work environment and would like everyone to be their true selves in the workplace;
- › taking intergenerational differences into account: it is important for Elis to recognize both the experienced vision of older employees and the innovative spirit of young talent.

At the end of 2022, the Group also adopted a **Disability Charter**, which sets out the Group's commitment to diversity and inclusion as it relates to this specific topic. This charter reflects the Group's determination to develop initiatives at the international level and go beyond the relevant legal requirements.

The **Code of Ethics** also specifies the Group's commitments to non-discrimination, diversity and equal opportunities. It applies to its employees, as well as in its business practices with suppliers, customers and stakeholders and in the Group's activities with all other players. Accordingly, the Group:

- › does not tolerate discrimination of any kind, whether due to gender, religion, origin, age, sexual orientation, physical appearance, health status, disability or political orientation;
- › prohibits any behavior that may violate a person's dignity and, in particular, any harassment of any kind.

Many countries also have their own initiatives in areas such as gender equality, the fight against the gender pay gap, and the recruitment of people with disabilities.

As a sign of its commitment on this subject, the Group is working toward gender parity in particular and has set itself the following target within its ambitious 2025 program:

#### Achieving a rate of 40% of women in executive or managerial roles by 2025 (42% by 2030)

Achievement of this goal has been included in the Group's financing policy.

Key performance indicators	2020	2021	2022	
<b>Aiming for gender parity</b>	Share of women in executive or managerial roles <i>(target: 40% by 2025 and 42% by 2030)</i>	34%	34%	34%
	Share of female managers hired	30%	28%	34%
<b>Including people with disabilities or with few qualifications</b>	Share of employees with disabilities (France)	6%	6.2%	6.3%
<b>Attracting young people</b>	Share of young people in hires	41%	43%	38%

In 2022, the share in executive or management roles that are women remained stable.

Consistent with its equal opportunities and non-discrimination policy, in 2022 the Group reported a relatively stable share of young people (38%) and a six-point increase in the share of female managers (34%) among its hires. Despite the actions taken, the Group is facing challenges to attract and retain talent, including female talent, across all its regions. In addition, given the types of professions in the Group and the profiles sought (engineers), the Group has a smaller access to talent pool.

#### Aiming for gender parity

##### Measures implemented

The share of women in the permanent workforce has remained stable in recent years, at about 52%. However, aware of the benefits of diversity, the Group wishes to support gender equality throughout its organization. As such, the Group has set a goal of having at least 40% of its management roles held by women by 2025. As a sign of the Group's commitment, the annual gender parity performance is included in some of the Group's funding tools.

In 2021, a study on the proportion of women in the various management positions was carried out and an action plan

proposed to the Executive Committee and the countries to help accelerate the transformation under way. Various actions are planned: changing recruitment processes to allow greater diversity in hiring; specifically monitoring women in the talent review system in order to identify women with potential, support them in their career development, and thus increase female representation in the top management roles; increasing awareness among human resources and management teams, for example, with regard to identifying and breaking down stereotypes and decision-making biases.

In 2022, an anonymous survey on gender equality was conducted among all Group executives (62.5% participation rate) and the results were shared on the intranet and in the Group's quarterly review. The results show that Elis's values, and respect in particular, guide the day-to-day actions within the Group and help create an environment that respects diversity and gender parity at every stage of an employee's career (recruitment, training, advancement) and in their work-life balance. Accordingly, 91% of respondents believe that Elis provides a work environment where differences are respected and 79% that Elis is effectively addressing harassment, sexism and violence at work. However, while management seems to be concerned about gender equality (83%), only 69% believe they have enough training on the topic and consider that there is still work to be done to combat stereotypes. Anti-stereotype education will therefore be organized soon.

A mentorship program was launched in 2022 to support high-potential women in their career development. In France, non-discrimination in all its forms is an integral part of the recruitment and management training modules. In Germany, managers are educated on gender equality in the workplace. In Portugal, practices were analyzed and reviewed to identify unconscious biases. In the United Kingdom, managers and employees were trained on diversity and unconscious biases, the sites took part in the diversity and inclusion week, and a policy was launched to take menopause into account in the workplace.

The Elis Group also endeavors to offer fair and attractive pay, which contributes to employee retention and the Group's long-term performance. The compensation policy is based on the principles of non-discrimination and equity among employees, regardless of their gender.

In some countries, such as France, Switzerland, the United Kingdom and Sweden, the Group publishes an index that measures any gender pay gaps.

In France, this index measures five indicators: pay gap, pay raise gap, promotion gap, percentage of female employees who receive raises when returning from maternity leave, and the number of men and women among the top 10 earners. In 2022, the average of the scores for all subsidiaries is 88.9/100. The same type of index is calculated in Switzerland, the United Kingdom and Sweden. It provides a clear picture of any gaps that might exist and of the action plans that should be implemented. The Group would like to implement an index in other countries to ensure that there is no difference in how women and men are being treated.

In addition, particular attention is paid to candidates of under-represented gender on final shortlists for positions. In Colombia, priority is also given to employing women with children in order to improve their living conditions.

In addition, in some countries, the Group has agreements on the subject, such as France on gender equality (2019) and Spain on equal opportunities for women and men (2020).

With regard to the composition of the Supervisory Board as at March 8, 2022: there were five women and four men on the Supervisory Board (excluding Supervisory Board members representing employees), or six women and five men when taking into account the Supervisory Board members representing employees.

The Group also has a whistleblowing procedure for reporting high-risk actions or situations. This system is described in more detail in section 3.5.4 "Continuing to integrate ethics into our business practices."

## Outlook

In 2023, the Group will roll out initiatives under its Diversity and Inclusion Charter. The Group is also working on a Gender Equality charter.

## Inclusion of people with disabilities

### Measures implemented

At the end of 2022, the Group adopted a Disability Charter which reflects its determination to develop initiatives at the international level and go beyond the relevant legal requirements. This charter is in line with the non-discrimination, diversity and equal opportunities policy implemented by Elis, in particular via its Code of Ethics and its Diversity Charter, which serve as the Group's shared foundation for these aspects. With this charter, the Group commits to:

- › respect and promote the rights of people with disabilities: starting in 2023, the Group will roll out education campaigns for managers and employees, in particular throughout November, which is disability awareness month, and at the International Disability Day held every year on December 3;
- › employee retention: the Group is committed to promoting the professional integration and retention in employment of employees with disabilities. The aim is to enable people with disabilities, whatever the disability, to work in an ordinary environment, with work station adaptations or the implementation of specific measures, if necessary;
- › oversee and monitor implementation of the policy for people with disabilities: the Group's Diversity and Inclusion Officer is responsible for coordinating and monitoring implementation of the Disability Charter and the Disability Ambassadors in the countries are responsible for its application on a daily basis.

Furthermore, in France, measures were negotiated in 2019 with the social partners to encourage the employment of people with disabilities and steps are being taken to increase awareness among managers and employees.

The Elis Group employs 681 people with disabilities at its sites in France, which represents 6.3% of its permanent employees and a 5% increase compared to 2021. Internationally, local regulations may prevent reporting on this indicator.

Actions are also being taken to include people with intellectual disabilities in the workplace: support from their mentor and specific monitoring by managers of people with intellectual disabilities if they work in industrial environments with stringent safety restrictions.

Elis also takes on employees from Établissements et Services d'Aide par le Travail (ESAT), a French network that promotes employment for people with disabilities, providing immersion internship in an ordinary work environment.

Elis has contracts for the supply of services with companies that employ people with disabilities. These include services such as cleaning, treatment or repair of linen, repair of cages or hangers, purchase of supplies, and maintenance of green spaces.



In France, Le Jacquard Français is having some of its products and covers for its new line of leather goods made by ESATs from scraps of fabric. Also, as part of its Workwear to Workwear project, in which workwear is recycled into new workwear, the Group is working with an ESAT in France to sort the fabric (removal of hard components, etc.) so it can be unraveled at a later stage to create a new thread.

In Spain, the Group has created two specialized employment centers, where people with disabilities make up 66% of employees:

- › a center in the Madrid region that employs 59 people, of whom 40 have disabilities;
- › a center in the Basque Country that employs 35 people, of whom 22 have disabilities.

These centers are small laundries that process linen from hospital customers or care homes, as well as customer linen that requires a significant amount of manual processing.

#### **Example of services provided by AD3, a Group subsidiary specializing in residential care linen**

ADAPEI 77 is an association that has 11 specialist care and nursing homes designed to house around 400 residents with physical or intellectual disabilities. In 2016, at the instigation of the association's CEO, research into setting up a new laundry facility began. In accordance with the association's social responsibility values, this project aims, above all, to provide jobs for workers with disabilities. Based on its expertise in the design and operation of laundry facilities specializing in processing the personal linen of care residents, AD3 was the natural choice to assist the association during the implementation phase, ranging from investment recommendations, set-up of the facility and installation of the equipment to the operational use of the site. Today, under the supervision of a sector head, an AD3 team composed of a laundry manager and three laundry operatives works together with 14 workers with disabilities who are supervised by two workshop monitors provided by the association.

In the Netherlands, the Group has an active policy of direct or indirect employment (via purchasing) of people with disabilities or those with difficulties finding employment. Thus, in 2022, some purchases were made from suppliers that hire the long-term unemployed: office cleaning services provided by people with hearing disabilities and purchases of bouquets of flowers assembled by refugees or people with disabilities. To demonstrate its commitment, the Group is working to obtain specific certification on this market.

### Outlook

In 2023, the Group will roll out initiatives under its Diversity and Inclusion Charter and its Disability Charter.

### Integration of employees with few qualifications

#### Measures implemented

Each Elis center is seeking to develop its own links with various local players in the employment market. Thus, in France, good relations are maintained with the local employment offices in the various cities where the Group operates, as well as with local social and employment organizations (missions locales). The simulation-based recruitment method proposed by employment centers has been used for many years at various Group sites in France in order to recruit people with diverse profiles.

In Switzerland, when offers are published by the Employment Office, individuals with no or few qualifications have priority for seven days. In Denmark, the Group is part of the Women in Jobs program that aims to help female immigrants find employment through a combination of education and internships. As a result, in 2021, the Taastrup center welcomed several women for six weeks as part of their course.

In Germany and Denmark, the recruitment tools have been adapted to make it easier for these types of candidates to apply.

Finally, many of the Group's sites offer their foreign employees courses in the host country's language to help them integrate within the Elis teams and the local community.

The Elis Centers in Europe also came together in 2022 to offer jobs to 325 Ukrainians.

### Attracting young people

#### Measures implemented

The Group's actions to attract young people are further detailed in section 3.4.3 "Attracting and developing our employees" and are based on increased visibility in the media and tools favored by the younger generations, the development of targeted partnerships or the development of specific career paths for young graduates.

Due to its corporate culture and values, the Group also offers fast-track career paths for young graduates, offering them autonomy and responsibility, with near-term management opportunities.

### 3.4.5 Respecting Human and Labor rights

#### Context

Human rights are fundamental. Respecting them, promoting them and preventing them from being violated are at the heart of corporate social responsibility. As for all companies and their supply chains, this a Group priority.

#### Policy: goals and performance

The Elis Group has formalized its commitments under the Code of Ethics based on the Group's values of integrity, responsibility, exemplarity in its commercial environment, and respect for all of its employees. 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.

The Group's values 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.

All Group employees, regardless of their position, entity or geographical region of activity, must be both promoters and guardians of this Code of Ethics.

Furthermore, the Group ensures that all the applicable social standards in the labor laws of each country in which it operates are respected, and ensures compliance with major international legislation such as the conventions of the International Labour Organization and laws protecting the rights of children.

The vigilance plan put in place by the Group pursuant to law No. 2017-399 of March 27, 2017 on companies' duty of vigilance is set out in more detail in section 4.4 "Vigilance plan." Under the measures put in place in the vigilance plan, the Group has, in particular, a Sustainable and Ethical Purchasing Charter (also entitled "Supplier Code of Conduct") detailing the standards imposed by the Group on its suppliers and subcontractors with regard to fair practices, human rights, health and safety and environmental protection. The document is based on the UN Global Compact, the ILO core conventions, the UK Anti-Bribery and Corruption Act (UKBA) and the French Sapin 2 law and covers human rights, working conditions, environmental protection and applicable anti-corruption regulations.

Key performance indicators	2020	2021	2022	
<b>Respecting human and labor rights</b>	Share of permanent employees located in countries with no human rights risks <sup>(a)</sup>	98%	98%	98%
	Share of revenue originating from countries with no human rights risks <sup>(a)</sup>	99%	99%	99%

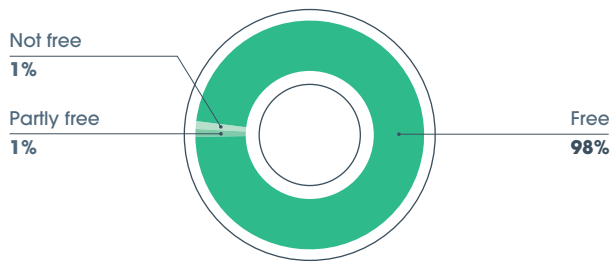
(a) Source: Freedom House.

#### Respecting human rights in our operations

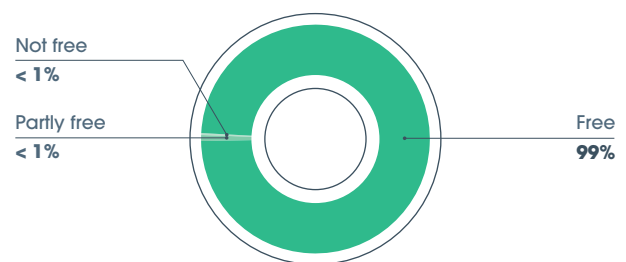
##### Measures implemented

According to Freedom House, the Group is mainly located in geographic areas with no human rights risks ("Free" status). Thus 98% of the Group's permanent workforce is located in these areas and 99% of its revenue originates there.

BREAKDOWN OF PERMANENT STAFF BASED ON THE LEVEL OF HUMAN RIGHTS RISK<sup>(1)</sup>



BREAKDOWN OF REVENUE BASED ON THE LEVEL OF HUMAN RIGHTS RISK<sup>(1)</sup>



(1) Source: Freedom House.

### Awareness-raising and communication

The widespread dissemination of the Code of Ethics within the Group enables it to ensure that its employees are informed of the existence and content of the Group's policy on the subject, in particular in terms of child labor, forced labor and decent working conditions (health and safety, working time, wages and benefits, harassment, data confidentiality, etc.) and of equal opportunities (non-discrimination, diversity and inclusion, skills development, etc.). The Group's actions and policies on working conditions and equal opportunities are described in more detail in the previous sections of this non-financial performance statement.

In its capacity as a signatory of the Global Compact, the Group reaffirms its commitments every year and reports on its progress within the communications framework regarding four fundamental principles: respect for human rights, respect for labor standards, the fight against all forms of corruption and respect for the environment.

### Whistleblowing procedure

In 2018, the Group established an outsourced whistleblowing system, which allows for any violation of Elis's Code of Ethics to be reported. This system is described in more detail in section 3.5.4 "Continuing to integrate ethics into our business practices."

No incidents were reported in 2022 through the whistleblowing system in relation to human rights violations. If a violation were to be reported, it would then be investigated and the accompanying action plan would be implemented.

### Child labor

The Group is particularly vigilant with regard to the rights of children and has been a signatory of the Global Compact for more than 10 years. In keeping with its equal opportunities values, the Group also strives to support young people developing their skills and integrating into the professional world.

In 2022, the Group reiterated that Elis does not allow people under the age of 18 to work at its facilities, with the exception of summer jobs and internships or apprenticeship contracts that are governed by specific rules, and does not allow such recruitments under permanent contracts.

As such, in 2022, the Group hired 334 young people on apprenticeship, summer job or short-term contracts. Some of these young people, who were recognized for the high quality of their work during successful apprenticeships, were subsequently hired.

These contracts are strictly governed by applicable regulations and agreements with schools, where applicable.

### Commitment to preventing harassment in the workplace

Elis does not tolerate any behavior that may violate the dignity of an individual, including harassment of any kind. In addition to the Group's global whistleblowing procedure (described in

section 3.5.4 "Continuing to integrate ethics into our business practices"), procedures to address such situations and measures to raise awareness have also been implemented. As such:

- › the Netherlands has a toll-free number that employees can use if they are the victim of assault/discrimination or any inappropriate/undesirable behavior at work. They may also seek assistance from external committees;
- › in France, measures have been taken under agreements for preventing psychosocial risks;
- › in Germany, officers were appointed at the sites and management was educated on the topic;
- › in Denmark, employees have access to a platform that sets out the Group's policy and the procedure to be followed if they are subject to harassment or sexist conduct.

## Ensuring decent working conditions

### Measures implemented

#### General organization

Working time is organized in line with the Group's needs. The work of employees is organized within the framework of local regulations, which vary from one legal jurisdiction to another.

Given the nature of the services provided to customers, some employees in France may be required to work at night; such shifts are strictly governed by specific agreements entered into by the relevant entities. Similarly, some employees may be required to work on Sundays, in accordance with any exceptions set out by law. In other countries, working time is regulated by law or employment contract.

#### Working conditions, local legislation and negotiations

Information relating to working conditions and social dialog with employees is set out in more detail in the previous sections. Furthermore, the Group undertakes to respect the regulations concerning working conditions (working time, breaks, holidays, etc.) in its capacity as signatory of the Global Compact and annually reports on its performance and progress in these areas.

#### Restructurings and reorganizations

The Group's sites must continuously evolve in order to improve operational performance and the working conditions of its employees.

As part of its work to boost its growth, the Group is building new operating sites and expanding existing facilities (Denmark, France, Poland, Portugal, etc.) to provide employees with a better work environment.

There have been no restructurings in recent years.

## 3.5 SOCIETY

### 3.5.1 Providing products and services that contribute to hygiene, well-being and protection and reduce resource consumption

#### Context

The business model Elis has operated under for more than 75 years and in 29 countries is virtuous by nature, combining economic and environmental performance while meeting its customers' hygiene, well-being and protection needs and helping them meet their own environmental and social goals.

Based on its experience in the healthcare sector (around 30% of its revenue), the Group has developed expertise in several countries to meet specific hygiene needs and offers product ranges that respond to these challenges, for example, hygiene solutions for the most vulnerable members of society and the most sensitive environments, as well as solutions that meet the essential hygiene needs of customers, residents, patients, visitors and users of its products. The Group also offers products designed to ensure the well-being of their users, be they employees, patients or visitors.

Lastly, some of the Group's products and services help protect people from their environment (mainly workwear and personal

protective equipment) and the external environment from people (mainly in the cleanroom business).

In addition, the Group's product-as-a-service business model allows it to offer its customers solutions that consume fewer resources and thus have less impact (see section 3.3.1 "Being a circular economy player").

#### Governance

Responding to the needs and considerations of its customers is a priority for the Group. Aware of its expertise in hygiene, well-being and protection, and in the face of current environmental issues, the Group endeavors to support its customers, offering them solutions and services that are increasingly adapted to their needs and more responsible.

The entire Group thus stands ready on a daily basis to meet these challenges.

#### Policy: goals and performance

The Group provides its customers and product users with circular services that contribute to hygiene, well-being and protection and reduce resource consumption. The Group thus intends to bring safe and more sustainable solutions to as many people as possible.

Key performance indicators		2020	2021	2022
<b>Providing solutions that are more responsible and help reduce consumption of resources</b>	Product-as-a-service share of the Group's revenue	88%	89%	88%
<b>Bringing enhanced hygiene solutions to the most vulnerable members of society and the most sensitive environments</b>	Number of residents served by Elis in the three main countries (Germany, France and Ireland)		114,270	120,710
<b>Ensuring the provision of essential hygiene systems to customers, residents, patients, users and visitors</b>	Share of revenue of the Washroom and Beverages businesses	10%	10%	8%
<b>Protecting workers</b>	Share of revenue of the workwear and cleanroom businesses	38%	38%	34%

In 2022, the Group maintained its commitment to offering products and services that contribute to hygiene, well-being and protection and reduce resource consumption. These types of products and services represent a significant part, ever-increasing, thanks to its overall growth.

#### Providing solutions that are more responsible and help reduce consumption of resources

##### Measures implemented

The Elis Group has been involved in the circular economy for more than 75 years, primarily through its business model, which is based on selling the use of a product rather than selling the product itself (product as a service). In addition to this product-as-a-service business model, the Group works in other areas of the circular economy such as reusing, repairing, refurbishing or recycling products in order to extend their life and thus keep the materials in use for as long as possible.

The Elis Group believes that the circular economy business model is a sustainable solution to address current environmental challenges and our planet's finite boundaries, primarily through reducing the consumption of natural resources and keeping products in use.

The Elis model and its approach to addressing these considerations are presented in more detail in sections 3.3.1 "Being a circular economy player" and 3.3.2 "Eco-designing our products and services."



## Providing solutions that contribute to hygiene for all members of society

### Measures implemented

#### Recognized expertise in hygiene and healthcare

The Group has extensive expertise in hygiene and healthcare and approximately 30% of its revenue originates from this sector.

In this way, Elis supports many healthcare facilities that need linen and workwear of unparalleled hygiene. This expertise in health and hygiene covers the needs of patients and residents as well as healthcare professionals, both in the washroom sector and in the residential and social care sector. Elis supplies products that meet the strict hygiene standards that apply to this sector and that limit the risk of cross-contamination. These community-based places, which bring together vulnerable people, very old, very young, ill or with disabilities, require increased vigilance in terms of hygiene.

#### Home or industrial washing: which is the best solution?

To maintain the protection provided by personal protective equipment (PPE) and ensure wearers' health and safety, PPE must be washed and dried under specific conditions. Some countries also have standards for the number of washes. Professional maintenance will preserve the protective properties of this equipment and ensure compliance with regulations.

More generally with respect to workwear, maintenance performed in an industrial laundry helps ensure optimal washing when it comes to hygiene or even disinfection, as needed. Proper washing can prevent risks of cross-contamination with personal linen.

The Group also operates in sectors where there are specific requirements. This is particularly true for the cleanroom businesses and with players in the agrifood, pharmaceuticals, micro-electronics or life sciences industries.

For residents with disabilities and for care homes and childcare facilities, the Group offers specific personal laundry services through its laundry business for residents.

The Group also has 45 RABC-certified sites in France and Belgium (a system for managing the risks of biological contamination of linen) to meet its customers' requirements.

#### Products that ensure good personal hygiene and help to protect the health of all

The Group offers services that help to fight health and contamination risks, notably through soap and hand sanitizer dispensers. This Group business had strong growth during the specific context of the health crisis.

Since then, Elis has continued to support its customers in a demanding public health context with its No Touch washroom appliance solutions, produced largely by its subsidiary, Kennedy, in the United Kingdom. These dispensers, together with the service and support provided by Elis in teaching users about hand hygiene, enable customers to protect their employees, customers and patients. Pedal systems were also offered for some water fountains.

In addition, the Group offers automatic clothing dispensers (ACDs). These no-contact devices give users easy access to folded or hanging clothes. Using a card that indicates what they are allowed to take, employees collect the clothes they need at the beginning of their shift and return them to the dirty linen point at the end of the day.

#### A service ensuring essential hygiene needs for customers, residents, patients, users and visitors

The Group also offers products in its washroom range that enable its customers to easily manage stocks of products that meet essential hygiene needs (toilet paper, for example). Beyond the provision of these products and their consumables, the Group, thanks to its service offering and the development of products equipped with a back-up supply, continually helps to ensure an uninterrupted service for its customers and users, to increase the appliances' autonomy, and to limit waste by reducing the use of consumables. In 2022, the Group thus expanded the range of products on its markets that are equipped with a back-up supply, notably with new soap and paper towel dispensers.

## Ensuring the well-being of people and helping to protect workers

### Measures implemented

#### Product ergonomics to contribute to employee well-being

Elis offers various products that improve workplace ergonomics and help to protect the health of its customers and users of its products, such as:

- › **Ergo mat:** an "anti-fatigue" mat for standing work stations which limits the impact of standing in the same spot and reduces back and joint pain;
- › **Sloopy mop:** a specially designed, more lightweight mop with a curved neck and connector to facilitate cleaning and reduce wrist rotation;
- › **Duvet cover:** sizes can be easily identified by a colored thread, and the covers are designed to make it easier to make the bed (reversible, finished straight, bottom open over the entire width, side slits);
- › **Regencia collection:** specially designed workwear for housekeepers that is more comfortable and uses Tencel fiber to regulate perspiration and neutralize odors.

#### Hygiene and employee protection

Every day, Elis clothes several million workers in compliance with hygiene and current standards. As such, the Company enables millions of employees to work in optimum safety and comfort. The Group generated 34% of its 2022 revenue from this sector. In the Industry and Commerce and Services sectors, this figure represents more than 3.8 million wearers.

In particular, Elis has gained expertise in the development and maintenance of personal protective equipment (PPE) for the following risks:

- › welding activities;
- › heat and flames;
- › limited liquid chemical splatter;
- › thermal hazards relating to electrical arcing;
- › poor visibility;
- › health.

The traceability systems in place allow the number of washes carried out to be monitored and ensure that the protective properties of the PPE are preserved, according to the standards in force in each region.

In addition to providing a service that helps to protect employees from their environment, the services offered by the Group allow them to mitigate the risk of contaminating their own washing machine and the linen of their household.

### 3.5.2 Satisfying and engaging our customers

#### Context

A Customer Experience Department was formed within the Marketing Department in 2015, reflecting the Group's strengthened commitment to adopting an approach that places the customer at the heart of everything it does. This desire is also demonstrated in the 5-star customer satisfaction program, which engages all employees around five key commitments:

- › ensuring that the services put in place provide total satisfaction;
- › delivering a service that meets customer expectations;
- › providing local and personal customer follow-up;
- › ensuring solid and responsive customer service;
- › being proactive and solutions-oriented.

In addition, the Group is working on its customer communications tools so that it can inform customers of its commitments, meet their expectations and support them with more responsible choices.

#### Governance

The customer satisfaction program, Satisfelis, is led by a dedicated team at Elis's head office, which works closely with local contacts. The program is conducted centrally so that measurement tools can be standardized as well as possible, to ensure an international

benchmark and to share best practice. Each local contact is an expert in their country and the specific concerns of that country's customers, and is able to use the results to drive appropriate local action.

The Communications Department is responsible for the development and deployment of all the Group's communications tools, including those that relate to CSR. To this end, weekly meetings take place between the Communications Department and the CSR Department. Projects are carried out jointly and are regularly presented to the communications officers of each country. The Communications Department ensures thus efficient tool sharing between the countries.

#### Policy: goals and performance

Customer satisfaction is one of the Group's priorities. It has set a goal of achieving a customer satisfaction rate of 87%. Countries or branches may set more ambitious local goals in the interests of even sharper improvements. In 2022, the Group achieved its goal with a rate of 88%.

Given the importance of partnerships on CSR issues to overcome current challenges, the Group intends to engage more with its customers on these aspects, by sharing with them the Group's commitments in this area, the benefits of circular business models, and by offering them more responsible alternatives.

Key performance indicator		2020	2021	2022
<b>Satisfying our customers</b>	Aim for a satisfaction rate of > 87%	86%	87%	88%

#### Satisfying our customers

##### Measures implemented

Keen to listen to customers as closely as possible, the Satisfelis program comprises different tools that are adapted to the cultural differences or to the needs of certain customer types:

- › a telephone service active throughout the year (France, Spain, Brazil, etc.);
- › an email service active throughout the year (Denmark, Netherlands, etc.);
- › specific initiatives (cleanroom customers, cleaning companies, etc.).

These measures have the same goal: to deliver actionable results to meet local customer expectations and to move Elis forward. There are three principles essential to achieving this:

- › notifying the local branch immediately after a survey;
- › the local branch systematically calling dissatisfied customers to understand the issues and to implement long-term corrective actions;
- › carrying out a second survey of dissatisfied customers to ensure that the solution provided by the branch meets their expectations.

There are three call centers within this unique program that are steering the work:

- › one located in Villeurbanne, near Lyon, which is an integral part of the Elis Group;
- › two others, in Barcelona and London, which are managed by a long-standing partner.

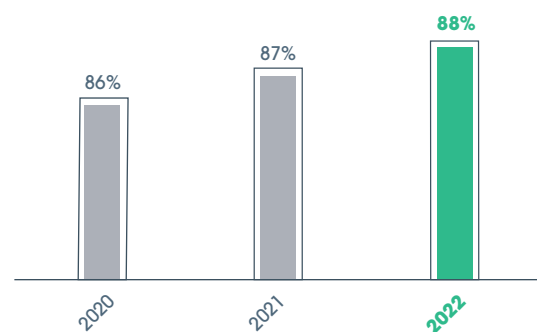
Advisors at these call centers are impartial and are not paid based on the level of customer satisfaction in their surveys. Their role is key because they are responsible for listening to the voice of the customer as accurately and factually as possible. At the end of each survey, they take the time to add additional comments so that the feedback that the branches receive is as detailed as possible.

Depending on the year, between 45,000 and 50,000 surveys are carried out around the world.

Since January 2022, a single "satisfaction rate" indicator has been used Group-wide to manage customer satisfaction. It is a simple, actionable indicator that can be adapted for cultural differences. Measuring the same indicator in all countries gives the Group a harmonized customer satisfaction rate.

In 2022, the satisfaction rate was 88%.

#### IMPROVEMENT IN THE CUSTOMER SATISFACTION RATE



#### Adapting actions to each region to be as close as possible to our teams and our customers

In order to adapt the results for local use, all Group employees have access to a dedicated portal where they can view the results of the surveys conducted on their portfolio, agency, region or country.

Every local stakeholder can therefore look at their results by customer or overall. This overview allows the stakeholder to check the quality of a service (for example, workwear) and the reasons for dissatisfaction highlighted.

## Our environmental and corporate social responsibility

### Society

For a more international overview, a Group analysis is carried out and communicated to all countries and management. This central view helps to identify general trends and can lead to more crosscutting actions.

The notifications sent to the branch once the survey is completed allow line staff at each plant to identify customer complaints in real time. Customers must be contacted within 24 hours to confirm receipt of their complaint and create an immediate and customized action plan.

National or Group action plans may be implemented as necessary, for example, to reduce product implementation times.

### Outlook

Every year, customers take the time to respond to Elis's questions, and taking their feedback on board helps the Group improve.

To supplement the optimizations provided by the Satisfelis program, the Group expects to roll out additional customer care programs to better evaluate certain key moments of the customer experience.

## Communicating responsibly and engaging our customers

### Measures implemented

#### Supporting our customers in the move toward the circular economy and more responsible solutions

The Group continually seeks to encourage its customers to switch to product-as-a-service models (rental & maintenance). All of the Group's materials include information related to the benefits of the circular economy and the sales teams have heightened awareness of this subject. The Group's sales presentations further emphasize the benefits of rental & maintenance compared to buying or single-use solutions. This mindset is part of the Group's identity. For example, since acquiring its subsidiary in Brazil, the Group has gradually transferred its maintenance solution customer portfolio (about 50% of its revenue in 2014) to rental & maintenance solutions (almost 85% of its revenue).

In addition to encouraging its customers to move toward more sustainable business models, the Group aims to recommend them more responsible product and service alternatives. As such, product presentations incorporate a focus on characteristics related to Sustainable development, (for example, organic fair-trade offerings, Ecolabels, the use of recycled fibers, reusable flasks, etc.). Customers are consequently informed of the more responsible options available to them.

In 2022, the Group also launched its new Phoenix range of washroom products made from recycled plastic (see 3.3.2 "Eco-designing our products and services"). To help its customers transition, the Group is offering this solution at the same price as the standard range.

Finally, educational tools (brochures, PowerPoint presentations, videos, etc.) have been developed to raise awareness and engage customers on CSR topics as varied as: "What is fair trade?"; "What is organic cotton/coffee?"; and "How is polyester recycled into fabric?"

At the end of 2021, the Group launched a study to both better understand and better meet customers' sustainability expectations. Interviews were conducted with the sales forces in four countries (France, Sweden, the United Kingdom and the Netherlands) as well as with the Group's sales departments. This study led, in particular, to the development of specific tools (videos explaining the benefits of circular models, presentation materials, training materials for the sales forces, etc.). The rollout of these training modules began in the summer of 2022 and will be continued in 2023.

### Promoting circular services and their benefits

The Group conducted a life-cycle analysis to compare the environmental impact of disposable and reusable scrubs. The results show that disposable scrubs have more impacts than reusable scrubs. Even though it takes more water to produce the cotton used in reusable scrubs than the polypropylene used in disposable scrubs, the latter has more impact during its end-of-life. On average, a physician will use 940 disposable scrubs versus only 15 reusable scrubs over four years.

The results of this life-cycle analysis have been widely communicated to the Group's stakeholders and are included in dedicated and educational communications materials (simplified infographic and training video).

### Helping our customers and users adopt more responsible behaviors

In order to raise customer awareness of product issues, product life cycle analysis can be carried out in partnership with customers. This joint work helps to increase knowledge, and to support decision-making in moving toward more responsible solutions. The Group also uses nudges to raise awareness among customers and users of how to use products better. This is done particularly in the case of linen in order to maximize the lifespan of the product. These nudges can take the form of posters, stickers or visible message mats at customers' premises.

#### Working alongside customers to reduce linen loss: "Healthcare Textile Improvement Program" in the United Kingdom

Linen that is lost, misused or discarded, in addition to potentially generating additional costs, can have significant environmental impacts. In the United Kingdom, Elis has estimated that linen lost or misused could cover the equivalent of 190,000 tennis courts. This is why an initiative was launched on this market: the Healthcare Textile Improvement Project (HTIP). The goal of this project is to partner with customers to understand why linen is lost and to reduce these losses by 30%.

A communications campaign focused on the four Rs - "Rent it, Respect it, Return it, Reuse it" - was rolled out to engage customers and ensure that all stakeholders (staff, patients, management, etc.) would commit to the project and change their practices.

### Communicating responsibly

In order to further engage with its stakeholders on Sustainable development stakes, the Group promotes its commitments in this regard and the benefits of circular business models and offers more responsible alternative products.

The Group also strives to implement responsible communication principles on a daily basis. All of the Group's communications teams received the relevant training in 2022. The training mainly covered the graphics and text used in CSR-related content and reviewed best practices for responsible communications (well-substantiated claims, etc.). A responsible communications guide has therefore been prepared that incorporates this information and these best practices.

The Group endeavors to choose the best media for its communications. As such, printing is mostly done on paper from sustainably managed forests and the Group prefers to use digital media over paper. In 2022, the Group made an effort to select more responsible year-end gifts: recycled or recyclable materials, and manufactured in Europe whenever possible.

### 3.5.3 Working responsibly with third parties

#### Context

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 Purchasing Departments play an important role in choosing suppliers of products and services around the world. The Elis Group's priority is to guarantee the quality of the products delivered as part of its sustainable, ethical strategy. In 2022, nearly 40% of the Group's purchases were made in Europe.

The Group's purchasing is divided into three segments: direct purchases (textiles and hygiene and well-being), indirect purchases and industrial purchases. Indirect purchases (energy, IT, etc.) and industrial purchases (construction, machinery, etc.) are associated mainly with large European companies that produce in Europe and have limited CSR risk factors. Purchases of textile products and HWB (hygiene and well-being) appliances are a key concern for the Group. The supplier base is extensive and comprises "corporate" third parties, which are managed centrally, and suppliers that are managed locally, i.e. at the country or site level. Elis purchases textile products and hygiene and well-being products mainly in Europe (45%), Asia (19%) and Africa (15%). In addition, the Group has a workwear manufacturing plant in Estonia (700,000 items per year), a plant in France that makes table linen (Le Jacquard Français) and a hygiene appliance production plant (Kennedy).

The analysis of the risk posed by suppliers is based mainly on their geographic location. This risk analysis also incorporates third parties' ability to demonstrate their commitment to assessing societal and environmental responsibilities and their strategic impact on the Elis Group's business. This process guarantees a stable business relationship grounded in the social, ethical and environmental responsibilities that form the pillars of the Group's Code of Conduct.

The Groupe has set a goal to achieve by 2025:

**Achieving 95% of procurement spend from direct suppliers that have undergone a CSR assessment in the last three years**

Key performance indicators	2020	2021	2022	
<b>Implementing an integrated sustainable purchasing approach</b>	Share of procurement spend from direct suppliers that have undergone a CSR assessment in the last three years <b>(2025 target: 95%)<sup>(a)</sup></b>	92%	93%	94%
	Number of on-site CSR audits conducted during the year <sup>(a)</sup>	14	28	36
	Share of Group and country buyers that have received training on CSR topics	19%	38%	75%
	Share of Group buyers that have set targets including the signing of the Code of Ethics for framework agreements		100%	100%

(a) The on-site audits conducted for third parties have been included since 2021.

(b) Spending in 2021 is taken into account when calculating this indicator.

The Group improved its performance in 2022 and achieved a level of 94% of its procurement spend from direct suppliers that have undergone a CSR assessment in the last three years.



## Develop long-term business relationships

### Measures implemented

#### Long-term relationships

The Purchasing Department naturally gravitates toward genuine partnerships, fostered by recurrent collections and stable production cycles. Most of the Company's suppliers have built and continue to maintain strong relationships with Elis, some of them going back nearly 40 years. These relationships are essential to the Group's long-term success and customer satisfaction.

In 2022 in the Textile segment (flat linen and workwear), business relationships continued with third parties that were already bound by master agreements. Thus the supplier base was maintained to ensure continuity. The strategy has remained similar with the hygiene and well-being segment.

#### Partnership-based approach

The Group approaches its relationships with its suppliers as a partnership. When the Group and its suppliers work as partners, suppliers have the potential to help devise new solutions to meet today's sustainability considerations or support the Group's CSR strategy. This can be seen, for example, with:

- › the development of new cleaning technologies that reduce water and energy consumption during the washing processes, or the identification and development of recycling channels for its end-of-life products;
- › the development of new product offerings, such as the Phoenix washroom range made from recycled plastic; and
- › the implementation of the Group's partnership-based approach with certain automakers and energy companies to participate in calls for projects under grants (the Environment and Energy Management Agency (Agence de l'environnement et de la maîtrise de l'énergie – ADEME) in France, for example) or to study potential ways to transition vehicle fleets to electric based on information provided by the route optimization tool (GLAD).

#### Master agreements, Code of Conduct and listing tool

Elis supplier requirements are formalized in the Supplier Code of Conduct. This document is based on the United Nations Global Compact, the ILO fundamental conventions, the UK Bribery Act (UKBA) and the French Sapin II anti-corruption law. This Code consolidates the Elis Group's commitments for its third parties and covers human rights, working conditions, protection of the environment and anti-corruption regulations. It applies to all tier 1 suppliers (in the direct, indirect or industrial scopes), whether new or existing partners.

In the workwear segment more specifically, it is also signed by tier 2 suppliers (when Elis assigns the textile manufacturer to the clothing manufacturer, which applies to over 90% of cases for the Group's catalog suppliers).

When a master agreement is signed or renewed, every supplier is asked to formally sign the Supplier Code of Conduct. To date, for direct purchases and the Group's Top 100 suppliers, 73% of third parties have signed the Supplier Code of Conduct. Having suppliers sign this Supplier Code of Conduct for master agreements is a priority goal for Group buyers.

In 2022, Elis implemented a Group-wide S2C (Source to Contract) tool, which is used to archive documents such as master agreements, signed Supplier Codes of Conduct, and the REACH commitments that have been incorporated into quality specifications. The Group's suppliers are assessed regularly on the implementation of the Code of Conduct through a targeted questionnaire to make sure they follow a common approach of continuous improvement on social, ethical and environmental practices.

### Employee training

The purchasing team, joined by the local country buyers, runs an annual seminar that includes a session on sharing new practices for managing the supply chain and, in particular, overseeing suppliers as part of a sustainable purchasing approach. In 2022, this seminar focused mainly on rolling out the Group's CSR strategy and the role of purchasing and its contribution to achieving the goals, primarily with respect to climate. In addition, one section of the internal training course for buyers is dedicated to sustainable purchasing, including aspects related to ethics, anti-corruption, social audits and human rights.

During their first year on the job, the Purchasing Department managers participate in anti-corruption training organized by the Group's Compliance Department. Additionally, Group and local buyers complete a training program developed with an external partner that includes a section on sustainable purchasing.

## Implementing an integrated sustainable purchasing approach

### Measures implemented

#### Risk and supplier assessments

Due to their specific features, suppliers of direct purchases are subject to their own assessments. The risk assessment is based on factors such as geographic area, risk level (human rights, corruption, etc.), volumes or topics associated with the products in question, and the supplier's CSR maturity. Geographic areas are classified as high, moderate or low risk. The completed matrix defines the parameters for the conduct of an on-site audit by an independent third party. The maturity of suppliers operating in medium- or high-risk areas is assessed beforehand based on a questionnaire that provides detailed information on their position with regard to international standards such as ISO 26000, SA 8000 or ISO 14001.

Since 2020, all suppliers that are assessed through a CSR audit are monitored to ensure that the corrective action plans identified are implemented. These action plans serve as the basis for discussions to help suppliers improve their practices. In 2022, the Group decided to refine its assessment of the cotton supply chain for suppliers responsible for textile weaving in both the flat linen and workwear fabric scopes by including additional constraints and demands related to the source of the raw materials.

External audits may be commissioned by Elis or on behalf of other third parties if the standards meet the Group's criteria. In particular, Elis recognizes SMETA and BSCI audits. The Group's goal is to achieve, in 2025, a level of 95% of its procurement spend from direct suppliers that have undergone a CSR assessment in the last three years.

The analysis process for Group suppliers is based on the previous year's expenses. The schedule is determined according to the cycle but also on expenses with certain third parties. If expenses with a supplier become significant and that supplier is located in a country classified as at high risk, this supplier will be prioritized for an audit.

These CSR audits align with the Code of Conduct and cover factors such as production site hygiene and safety, waste management, analysis of the workforce to confirm that there are no child laborers or forced labor, wage and employee benefit management, and environmental impacts. In addition to this formal audit matrix, there are more specific aspects related to quality management and the enforcement of the Elis Group's Code of Conduct.

As part of its approach to continuous improvement, Elis subsequently ensures the implementation of action plans arising from these audits. A more focused monitoring procedure is systematically triggered if the Group's standards are not met. When this occurs, corrective actions are identified, a compliance plan with fixed deadlines is implemented and a new audit may be planned to confirm compliance.

Any new supplier of items for any Elis service or product must have a satisfactory CSR assessment in order to be listed. Elis's CSR management policy and the supplier management policy describe this supplier selection procedure in detail. This assessment system applies to the entire supply chain of products distributed by the Group and more specifically for the vast majority of workwear, from the fabric supplier (tier 2 supplier) to the clothing manufacturer (tier 1 supplier).

In 2022, Elis mandated 24 CSR audits, and 12 audits were conducted on the initiative of third parties by an accredited organization. In addition, 8 direct suppliers earned SA 8000 or ISO 26000 certification.

### 3.5.4 Continuing to integrate ethics into our business practices

#### Context

The Group's ethical and responsible conduct is key to its success and longevity, and Elis is committed to building trust with its internal and external stakeholders. The principles of respect, integrity, responsibility and exemplarity constitute the foundation of the Group's commitments, as reflected in its Code of Ethics. As such, the Group wishes to actively take part in the current movement in which society, regulators and various stakeholders hold economic operators to increasing standards when it comes to ethics, transparency and anti-corruption.

With a presence in 29 countries and international sales accounting for 69% of its consolidated sales revenue, Elis is subject to an increasing number of ethical regulations, including those relating to the fight against corruption, bribery, influence peddling, money laundering, modern slavery and human rights abuses. A description of the main binding regulations to which the Group is subject is given in section 4.1.4 "Legal, regulatory and tax risks" in chapter 4 of this Universal Registration Document.

This multiplicity of aspects and the need to take into account local requirements and expectations are integrated into the strategic direction of the Group, who is working on implementing a compliance program that is adapted to each country, where appropriate, and that seeks to identify, prevent and mitigate the risks of corruption and influence peddling, based on core international legislations and applicable national legislations.

Elis has also made voluntary commitments in the area of ethics, and is, for example, a member of the United Nations Global Compact, the tenth principle of which is to fight corruption.

#### Governance

The Group's executives embody the Group's culture of integrity and have a "zero-tolerance" stance regarding any form of corruption. This message is relayed to all Group management levels, in particular through the Code of Ethics, which has a preface written by the Chairman of the Management Board.

The main features of the anti-corruption and influence peddling compliance program and its implementation are reviewed and examined by the Executive Committee. The Executive Committee has thus been directly involved in preparing and validating the

#### Certified products

Engaging with a supply chain able to offer certified products ensures that third-party partners comply with social and environmental requirements. This is discussed in greater detail in section 3.3 "Planet and products."

#### Outlook

As part of a continuous improvement process related to implementation of the duty of care within the Group, specific monitoring of all major or significant non-conformities identified by Elis's audits was initiated in 2022. More broadly, the Group has introduced an audit of the existing supplier base and a procedure is currently being rolled out to assess potential suppliers (see section 3.5.4 "Continuing to integrate ethics into our business practices"). In 2023, the Group plans to develop its Supplier Code of Conduct to better incorporate considerations related to embargoes, climate change and the cotton supply chain. The rollout of the S2C tool will also continue in order to ensure reliable tracking of Purchasing-related documents for all suppliers within the base, whether they are managed at the Group level or locally.

corruption and influence peddling risk map, in identifying certain essential components of the compliance program, and may be asked to make certain operational decisions. In 2022, for example, the Executive Committee was consulted on approval of a Group policy to standardize the third-party integrity assessment, in order to ensure the support of all senior executives for its implementation.

The Group's Legal Services Department is responsible for implementing the program. During the 2022 financial year, Elis chose to further strengthen the resources dedicated to this matter and hired a in-house legal counsel specialized in compliance to support the efforts of the Group Compliance Manager, who reports directly to the Legal Director and Compliance Officer. The compliance team continues to develop and improve the measures for detecting and preventing corruption and influence peddling, supervises their implementation across all the Group's businesses and employees, and ensures appropriate reporting to the Company's management body and Audit Committee.

As part of its mission, the Group's compliance team relies on a network of designated anti-corruption officers in each country where the Group is active. These officers are, with some exceptions, Group employees who hold an official position in the company hierarchy, and are either specifically dedicated on this matter (as is the case in some countries) or have other roles within the Group. Regardless of their position, officers have the powers and independence necessary to exercise their duties. Within this context, the Group compliance team ensures that anti-corruption officers are involved in updating the corruption risk map, oversee subjects that require the program to be adapted in accordance with local regulations, conduct ethical incident investigations and assist local leaders in promoting ethical principles.

Finally, the Audit Committee, a specialized committee of the Company's Supervisory Board, regularly monitors the system for preventing and detecting corruption, bribery and influence peddling risks, ensures the effectiveness of the internal audit and control systems, and tracks progress made on action plans.

Fiscal matters are duly covered and managed by a Group tax division, also within the Group's Legal Department. The Group uses external consultants for significant transactions and whenever the necessary expertise is not available in-house. The Group tax division interacts regularly with the administrative and financial Directors of each country to ensure the proper implementation of the Group's fiscal strategy.

### Policy: goals and performance

In order to comply with the obligations of French Law 2016-1691 of December 9, 2016 on transparency, anti-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, bribery and influence peddling, covering France and all the countries in which the Group operates.

This program is tailored to the specific requirements of some of the Group's countries. For example, the existing system for the former Berendsen scope has been merged into the Group's anti-corruption and corruption risk prevention program, in application of UK anti-corruption regulations. Similarly, some of Elis's countries are subject to local anti-corruption compliance obligations, such as Brazil, where the provisions of the Anti-Corruption Law, which took effect on January 1, 2014, have been incorporated into the Group's compliance program.

Elis is careful to ensure that its compliance programs are in line with legal requirements and that they are regularly updated and adapted to reflect the reality of the Group's exposure to the risks of corruption, bribery and influence peddling.

The Group is committed to developing a culture of anti-corruption, the principles for which are formalized in the Code of Ethics, which provides a complete framework for what the Group expects from all its employees, executives and partners:

- › the Group and all of its employees undertake to comply with applicable competition regulations;
- › Elis employees may only offer or receive gifts or entertainment authorized under the Gifts, Entertainment, Donations and Sponsorship Procedure;
- › facilitation payments and the use of Group funds or assets for the benefit of a political party or a person in or running for elected office are prohibited;

- › employees must prevent or avoid all conflict of interest situations and must act according to the principles of immediate disclosure and withdrawal, where applicable;
- › interest representation is subject to strict regulation;
- › Elis strives to respect and to have its suppliers respect the various applicable laws and regulations and the values set out in the Code of Ethics.

The Group's compliance program is built on the Code of Ethics, supplemented with policies and procedures, as well as practical tools to assist employees in their operations and projects.

With the meaning of the Group's general risk map, corruption risks were not identified as being amongst the most significant, due to the steps taken to combat corruption and influence peddling risks within the Group - in particular within Group countries considered to be sensitive - and also due to the limited share of activities and locations at Group level that may be considered sensitive to these risks. During the 2022 financial year, the share of the Group's revenue generated by countries at high risk of corruption (those with a score below 50/100) according to Transparency International's Corruption Perceptions Index was less than 9%. The Group nevertheless continues to closely monitor changes in its exposure to corruption and ethics violations, mainly with respect to its external growth transactions: the 2022 acquisition of the leading player in the Mexican market resulted, for example, in the creation of a dedicated plan for integrating the compliance program to reflect and account for this country's specific considerations and risks, and to harmonize preexisting policies and procedures with the Group's standards.

In the area of taxation, the Group also endeavors to comply with local laws and this is part of a transparent approach to the tax authorities.

Key performance indicators		2020	2021	2022
<b>Ensuring Group compliance with Sapin II and other local laws</b>	Number of whistleblower incident reports	173	187	197
	Percentage of relevant incidents	57%	52%	62%
	Out of the number of relevant incidents, percentage of proven incidents	52%	55%	26%
	Percentage of proven incidents that have been subject to disciplinary action or a disciplinary reminder of any kind	96%	93%	100%

In 2022, of the 197 incidents reported, 62% were deemed relevant, and 26% of those were deemed proven. 100% of the proven incidents were the subject of disciplinary action of various kinds.

### Fighting corruption, money laundering and anti-competitive practices

#### Measures implemented

During the 2022 financial year, the Group, taking the eight pillars required by the Sapin II provisions as a basis, continued to roll out measures that constitute its internal system for the prevention and detection of corruption, bribery and influence peddling risks, seeking to prioritize regions where necessary.

#### Risk mapping and assessment

Corruption and influence peddling risks are assessed using a dedicated mapping tool that has been used since 2017. The purpose of this map is to identify, assess and prioritize the risks of corruption and influence peddling for each business line and in each of the countries in which the Group operates, with the aim of accurately reflecting the risks to which the Group is specifically exposed. This methodology is applied uniformly within the Group in order to enable changes in the results of the risk assessment to be

monitored and priority actions to be defined. It constitutes the basis of Elis's internal anti-corruption program, with measures adapted and proportionate to the results of the risk assessment.

The map has been developed and is regularly updated with the assistance of the executive roles, thus contributing to its continuous improvement. Accordingly, every year, the need to update the map is discussed to ensure its continuous relevance with developments within the company's operations and in the market.

At the end of 2022 financial year, 7% of scenarios were considered particularly at risk, that is, representing a gross risk whose criticality (measured in terms of the risk of it occurring and its potential impact) falls in the top quartile on the measurement scale.

#### Code of Ethics

The Group's ethical principles are set out in the Group Code of Ethics, which was distributed to all employees for the first time in 2012 and revised in 2018 to comprehensively incorporate the anti-corruption and influence peddling measures.

This Code reaffirms the Group's obligation to respect local laws and sets the rules of conduct to be adopted by all stakeholders, namely its employees, its customers and consumers, its trading partners and its competitors, the environment and civil society. It provides concrete examples so that employees can take appropriate action if unsure.

This Code is intended to form the foundation on which all internal standards and Codes adopted by the Group are based, including the Supplier Code of Conduct, the Code of Conduct for Trading and Market Activities, and the anti-corruption resources developed by the Group. These documents are available to the public on the Group's website ([www.elis.com](http://www.elis.com)) under the heading "Our CSR policy."

The Code of Ethics is formally agreed upon by all of the Group's senior managers and the heads of each Group's country. The Company's main suppliers are informed about the Group's anti-corruption strategy and agree to comply with it. This includes them agreeing to the Supplier Code of Conduct as outlined in the "Risk management in relationships with third parties" section below. Proven violations of the Code of Ethics are sanctioned according to the principle of proportionality, and this Code is integrated into the disciplinary system wherever the applicable national legislation permits.

Whenever necessary, the Group Code of Ethics is adapted to local requirements. It is intended to be communicated in all Group countries and has been translated into all local languages.

All Group employees, regardless of their position, entity or geographical region of activity, must be both promoters and guardians of this Code of Ethics.

### Gift procedures

The Gifts, Entertainment, Donations and Sponsorship Procedure was put in place in 2018. In particular, it lays down the principles that strictly regulate the offering or acceptance of benefits of any kind and sets limits on their value. In the circumstances defined by the procedure, exchanges of gifts and entertainment must be declared to managers, who ensure that these declarations are filed and adequately archived. Special attention is paid to relations with public officials and prior approval from the Compliance Officer may be required.

### Risk management in relationships with third parties

The Group places a particular emphasis on managing third party risks and in 2016, as part of its vigilance plan implementation, it adopted a Sustainable and Ethical Purchasing Charter (or "Supplier Code of Conduct"), as well as supplier risk assessment and CSR audit procedures (see section 3.5.3 "Working responsibly with third parties").

With the aim of strengthening its anti-corruption and continuous improvement process, Elis reinforced its third-party assessment management system in 2022 and adopted two new procedures, namely an Embargo policy and a Third-party Due Diligence policy (rolled out gradually), which cover potential customers, suppliers, intermediaries, and beneficiaries of donations and sponsorships, as well as acquisition targets.

These third parties are individually assessed by the operational teams to determine the type of checks to be performed before the third party is approved and an agreement formalizing the relationship is signed. Where a risk exists, specific due diligence procedures are then carried out using the tools and resources made available by the Group: for example, in 2022, the Group subscribed to specialized tool for screening stakeholders, and the third parties scoring the highest risks are then subject to "enhanced" due diligence by a compliance expert (or by another officer appointed by that expert). The local or Group governing body may also be asked to handle particularly sensitive cases.

When the assessment is completed, the persons designated in the policy as responsible decide whether or not to enter into the business relationship, and where applicable, whether to take measures to mitigate specific risks, such as having the third party sign the Supplier Code of Conduct, incorporating ethics clauses into the contractual instrument, notifying employees of the existence of a risk, etc. The final risk is assessed mainly on the basis of any unfavorable information identified about the third party, but also regarding its shareholding structure, ultimate beneficiaries and main executives (including checks against international economic sanctions). The nature of the expected relationship, country risk, and the sensitivity of the business sector are also taken into consideration.

The goal is to ensure a formalized, harmonized and consistent approach across all the Group's countries, incorporating local regulatory requirements where applicable. Like all the components of the Group's anti-corruption compliance system, this procedure will be monitored and reviewed on a regular basis to ensure its ongoing relevance and effectiveness.

### Training

The widespread diffusion of the Code of Ethics within the Group ensures that employees are informed of the existence and content of Elis's anti-corruption policy.

Employees identified as exposed to corruption, bribery and influence peddling risks based on the results of the above-mentioned mapping receive dedicated training in the internal anticorruption compliance framework, with priority given to the most sensitive regions and roles. These employees are primarily senior executives, head office and operational center managers, as well as members of the commercial and purchasing functions. Specific training on implementation of certain procedures, such as the third-party due diligence procedure referred to above, is also provided to certain internal functions that are particularly concerned by their adoption.

Training is provided by officers within the countries, which allows the requirements of local compliance programs and applicable national legislation to be taken into account.

### Whistleblowing procedure

In 2018, the Group established an outsourced whistleblowing system, which allows for any violation of Elis's Code of Ethics to be reported. The whistleblowing procedure allows all employees, customers and suppliers to use a dedicated website to send a message (and/or a voice message), accessible 24 hours a day, 7 days a week, in all 18 different local languages. This system allows anonymity and ensures confidentiality at all stages of the process. The existence of this alert system is actively communicated to all internal and external stakeholders, in particular through the Code of Ethics and the Supplier Code of Conduct.

The Group undertakes to protect whistleblowers from any negative consequences or retaliation, provided that reports are submitted in good faith and are based on verifiable information.

All admissible whistleblowing reports are investigated in accordance with the principles laid down in the report handling procedure, which may give rise to sanctions, and are reported to the Audit Committee twice a year.

The procedure for handling whistleblowing reports is revised on a regular basis to consider changes in applicable regulations and, more specifically, it was updated in 2022 to account for the transposition of Directive (EU) 2019/1937 on the protection of whistleblowers into the national laws of Member States.

In the 2022 financial year, of the 194 incidents reported, 62% were deemed relevant, and 26% of those were deemed proven. 100% of the proven incidents were the subject of disciplinary action of various kinds.



### Internal and accounting controls

An internal control and risk management system, covering all controlled companies within the Group’s scope of consolidation, has been set up to ensure the reliability of its parent company and consolidated financial statements and the compliance by the Group’s activities with applicable laws and regulations. Risks are handled through specific control procedures forming part of the operating and accounting processes. Their implementation is monitored under this internal control system, as described in section 4.2 “Elis Group’s internal control and risk management system” of the Universal Registration Document.

The internal control and risk management procedures relating to the preparation and processing of accounting and financial information are an integral part of the Group’s corruption prevention and detection system.

Starting from 2021, an initiative to structure and formalize the process was introduced jointly with the Internal Audit Department, with the goal of integrating controls for the rollout of the program to prevent and combat the risks of corruption and influence peddling into the internal control and risk management system. This formalization initiative led to the implementation of specific checkpoints that have been incorporated into the Group’s overall internal control system. These checkpoints will gradually be rolled out and tested in all countries starting in 2023 as part of the overall internal control system. Specific action plans will be developed for any non-compliant checkpoints. Implementation of these plans will be monitored by the Internal Audit Department in collaboration with the Compliance function.

### Committing to responsible taxation

#### Measures implemented

The Group is committed to complying with and strictly abiding by local laws and paying the taxes it owes in the countries in which it does business.

The Group’s tax principles are set out below:

- › taxes and duties are paid in accordance with all rules and regulations applicable in the countries in which the Group operates. The Group undertakes to abide by both the spirit and

the letter of the law. The Group pays corporate income tax, withholding tax, customs duties and other taxes to which it is subject in the countries in which it operates, in accordance with national and international rules (i.e. OECD guidelines, local tax laws, international tax treaties, EU directives, etc.);

- › the Group encourages open, respectful and constructive relationships with the tax authorities in each jurisdiction in which it operates. It provides factual and relevant information in accordance with OECD recommendations (Country-by-Country Reporting);
- › the Group is transparent about its tax strategy. Declarations are made in accordance with applicable national legislation and current reporting requirements.

The Group prohibits any tax evasion or artificial tax arrangements that could compromise the Group’s reputation and values. Moreover, the Group does not use tax structures for the purposes of tax evasion and does not invest in tax structures located in tax havens for the purposes of not paying its taxes.

In principle, the Group operates through legal entities established in each of the relevant countries.

The Company’s decision to invest in a particular country is driven primarily by commercial goals and investment strategies, as well as the Company’s commitment to develop the best solutions and offer its customers the best service.

Transactions between Group subsidiaries are carried out solely for commercial reasons. They are conducted according to the arm’s length principle in accordance with international standards (OECD guidelines) and local transfer pricing rules to ensure they are fairly taxed (i.e. the taxation of profits in the place where value is created).

As a matter of principle, the Group also avoids acquisitions in places that are considered tax havens or Non-Cooperative Countries and Territories (“NCCT”) under French law or by the OECD. Russia, due more specifically to the situation in Ukraine and its impacts on Russia’s relationships with certain states, including EU member states, has been on the EU’s NCCT list since February 14, 2023. However, the Group, whose presence in the region through its operating companies predates these events, complies with the specific tax rules on operations with NCCTs.

Geographic areas	2020		2021		2022	
	Profit (or loss) before tax (In millions of euros)	Tax paid (In millions of euros)	Profit (or loss) before tax (In millions of euros)	Tax paid (In millions of euros)	Profit (or loss) before tax (In millions of euros)	Tax paid (In millions of euros)
France	3.6	17.1	47.3	27.0	128.1	32.1
In the European Union (excluding France)	27.8	31.9	94.2	37.8	134.4	49.3
Excluding the European Union	(1.8)	16.8	29.5	18.4	22.6	18.7
Total Group	29.7	65.8	171.0	83.2	285.1	100.1

## 3.5.5 Contributing to our local communities and supporting the causes that we value

### Context

The Elis Group is present in nearly 30 countries and has more than 434 sites. The Group’s operations are intrinsically designed to be as close as possible to its customers (generally within 30 to 100 km) and to offer a dense service network. This unique positioning allows the Group to be strongly rooted in its regions and to contribute to them both directly (through employment, local partnerships, donations, taxation) and indirectly (through its contribution to the local economic fabric or its purchasing).

### Governance

Locating the Group’s sites in proximity to its customers is an intrinsic part of the Group’s model, which it replicates in its different markets and countries.

With regard to the Group’s engagement with its communities, it favors a local approach, enabling sites and countries to respond as best as possible to the challenges faced in their regions and to support the causes they value.

In addition, in 2019, the Group launched a Foundation in France, chaired by the Chairman of the Management Board.

## Policy: goals and performance

Aware of its strong local presence, the Group intends to support the transformation of its regions and be a local player in supporting its communities and their development.

In line with the Group's corporate culture, the Elis Foundation also seeks to help talented young people with ambitious academic projects.

The Group has therefore set a target of:

### Tripling the impact of the Elis Foundation by 2025

In 2022, the Group pursued its commitment in its regions by providing support through monetary donations, donations of products and services, and volunteering.

The Foundation also expanded its efforts in France. In 2022, it welcomed its fourth cohort and the Group forged a partnership with the association NQT (*Nos Quartiers ont des Talents* - Our Districts have Talent) to better support young talent and give employees more opportunities to become involved.

## Supporting social mobility through our Foundation

### Measures implemented

#### The Elis Foundation

The Elis Foundation, launched in 2019, is fundamentally rooted in Elis's philosophy and culture of supporting the development of its employees and helping to make them the leaders of tomorrow by entrusting them with significant responsibility. The foundation aims to identify and support young, motivated and outstanding high-school graduates to achieve their academic ambitions. The Group offers them a scholarship and the support of an Elis employee as a sponsor during their studies.

Each sponsor acts as a mentor and provides regular advice and support. This support is allocated for one year and may be renewed depending on school results, problems encountered or changes in the situation.

This young Foundation, which currently operates only in France, welcomed its fourth cohort in September 2022 at the Group's headquarters in Saint-Cloud at a cocktail party for the start of the academic year. This event was an opportunity for the Group to reiterate its commitment to supporting young people with exemplary academic records seeking to undertake long-term, complex or competitive studies.

In 2022, the Foundation conducted a number of communication initiatives (social media, internet, direct actions in high schools, posters, etc.) to raise its profile among high school graduates and thus be able to assist more talent over time.

In addition to its direct actions via the Elis Foundation, in 2022 the Group launched a partnership with NQT (*Nos Quartiers ont des Talents* - Our Districts have Talent). This association, with a presence in 13 French regions, has much in common with the Foundation, namely its goal of helping young talent (with a minimum of three years of higher education) in difficult situations or from priority neighborhoods or revitalization zones to find their first job or work/study position through mentoring programs. This initiative makes it possible to support more young people while also offering the Group's employees greater opportunities to become a mentor and have an impact. Since the partnership's launch before the summer, the Group has already successfully involved nearly 2% of its French managers.

### Outlook

Backed by several years of experience, the Elis Foundation continues to grow in France. In addition, it is exploring opportunities to expand its impact in the coming years.

## Strengthening our impact and local presence

### Measures implemented

#### Establishing our activities in the regions

Due to its economic model, its activities and its positioning, the Group's business operations cannot be relocated and they contribute to the economic development of its regions both directly (through employment, taxation, local partnerships, etc.) and indirectly (through its contribution to the local economic fabric or its purchasing). A study carried out in 2016 thus assessed, for the workwear business, that more than four times the number of direct and indirect jobs were generated, of which more than 30% in Europe.

This regional approach is reflected in the Group's commitment to support the maintenance of expertise and know-how locally, as evidenced by the subsidiary Le Jacquard Français, located in Gérardmer in France. In addition, the Group has a workwear manufacturing plant in Europe (700,000 garments made per year).

#### Le Jacquard Français certified as a living heritage company

The *Entreprise du Patrimoine Vivant* (living heritage company) label is a mark of recognition issued by the French government to honor businesses with excellent craft and industrial know-how. Awarded for a period of five years, this label brings together manufacturers committed to high performance in their trade and their products. Created by the French law on SMEs of August 2, 2005 (Article 23), the label *Entreprise du Patrimoine Vivant* may be awarded to any company that has an economic heritage, in particular one consisting of rare, renowned or ancient know-how based on the mastery of traditional or highly technical methods and limited to a certain geographic area. The label came into being in May 2006. Le Jacquard Français has held this label, awarded by the Ministry of the Economy and Finance, since 2010.

**Commitment to local communities**

Decisions and actions relating to the Group’s commitment to its communities are made and implemented at the local level so that it can always remain as close as possible to the needs and considerations faced by the regions in which it is located. This philosophy is reflected in its support for its communities. From donating linen to helping disadvantaged communities, some examples of our actions in 2022 are detailed below:

- › in France, Le Jacquard Français donated fabric scraps to certain associations, for example, to make bags for women hospitalized with breast cancer. As part of Breast Cancer Awareness Month in October, a walk was organized at one of the sites along with a sports challenge at the headquarters to raise funds for the RoseUp association. The Group has also supported the Écoles de la Seconde Chance (Second Chance Schools) in Essonne and Val-de-Marne for several years by paying the apprenticeship tax. These schools provide assistance with the social and vocational integration of hundreds of young people who have been out of the educational system for more than a year and have no diploma or qualifications.
- › In Denmark, the Group offers its linen and laundry services to certain associations (notably to support Ukraine) or certain events, such as the Red Cross summer camps. In addition, the cleanroom business donates between 2,500 and 3,000 textile items every month to Global Medical Aid. These are then used in countries where they may be lacking (for example, Burundi, Nepal, Sri Lanka, Kenya and Afghanistan).
- › in Portugal, about 50 employees helped distribute about 100 meals to Lisbon’s homeless population;

- › in the Czech Republic, 500 kg of workwear was donated to a prison service;
- › in Colombia, sheets were donated to an association working with the country’s indigenous communities in the Cartagena region. The indigenous populations used this donation to make their traditional garments out of white sheets;
- › in the United Kingdom, donations were made to local associations that work mainly in healthcare and with people living in poverty.

In collaboration with its insurance company, in 2022 the Group also reinvested some of its insurance premiums in specific projects that have a positive social or environmental impact.

**Local sourcing**

Local European sourcing is preferred for direct purchases, and in hygiene and well-being more specifically. This is true in particular for segments such as mats, water fountains and paper. In 2022, nearly 100% of direct hygiene and well-being suppliers were based in Europe. Le Jacquard Français also works continually to move its products closer or relocate them when they are not produced internally. In 2021, it relocated the manufacture of its aprons to France to an ESAT (Établissements et Services d’Aide par le Travail, a French network that promotes employment for people with disabilities). In 2022, some of the toweling ranges were manufactured in Portugal to reduce transportation. In terms of its direct purchases, the Elis Group sources almost 45% of its purchases of workwear, hygiene and well-being products from local European suppliers.

**Nearly 40% of direct workwear suppliers are based in Europe**

**Nearly 100% of direct hygiene and well-being suppliers are based in Europe**

**3.5.6 Keeping the IT system secure for us and our employees**

**Context**

As operations become more digitalized and people use digital technology more, Elis’s environment is changing, and this creates new challenges. In response, the Group has devised policies focused on bolstering cybersecurity and protecting personal data and privacy.

The aspects relate particularly to:

- › operating loss following a cyberattack targeting IT systems that could affect Elis’s business; and
- › the protection of the personal data Elis processes. These are mainly employee and job applicant data and data collected from customers, suppliers and stakeholders.

**Governance**

The strategic direction for cybersecurity is set by the IT Systems Department. Within the IT Systems Department, the IT System Security Department, via the Group Chief Information Security Officer (CISO), is responsible for shaping and implementing the security policy.

Elis is strengthening its cybersecurity structure by building a multicountry, global team and forming outside partnerships to monitor cyberattacks 24 hours a day, 7 days a week, 365 days a year. This structure covers governance, risks, compliance, the incorporation of security into projects and keeping assets secure.

The cybersecurity management approach is based on a risk analysis. These risks are identified in conjunction with all the

organization’s departments, business lines and IT. Elis maps IT system risks and ensures that measures to protect the assets are established, adjusted to the risks, and then implemented.

When it comes to data protection, each country has a structure for following the relevant rules. The Data Protection Officer for France (DPO) serves as a coordinator who makes sure that compliance is standardized. A central steering committee meets regularly. The mechanism set up by the Group has been reviewed by the Audit Committee.

**Policy: goals and performance**

The security policy addresses the major issues concerning the security of IT systems, particularly data protection, and outlines for each of them the overarching principles that must be applied. It conveys clear goals, best practices and levels of control that are suited to the risks incurred, particularly cyberattack risks.

The Group’s policy on the management of personal data is posted on the Group’s various websites and shared with its employees and customers. In this policy the Group lays out its commitments regarding data collection, processing, use and storage, as well as the procedures that individuals can follow to exercise their rights.

The cybersecurity policy is based on ISO 27001 and international guidelines such as the National Institute of Standards and Technologies (NIST) and the Center for Internet Security (CIS). It includes directives, standards, procedures and companion guides that are enforced in and adapted to all the countries where the Group operates.

When it comes to cybersecurity, the Group focuses especially on:

- › ensuring business continuity: the IT system must be ready to restore interrupted services in the event of an attack;
- › protecting user and customer data;
- › making sure that the IT system complies with the security policy and regulations;
- › providing advice and support to Elis's business line departments so they can design new services securely.

Priority is placed on:

- › protecting the sites against operating losses (service interruption as a result of a cyberattack) by managing the backup systems and processes (both connected to and isolated from the network), isolating the networks to limit the impact of an attack and being able to respond to security incidents 24/7/365 in all the countries where Elis operates;
- › protecting the financial transaction management systems;
- › complying with current regulations on personal data.

This policy is reviewed regularly based on threat evolution, incidents, compliance level, the organization's business, and regulatory requirements.

The Group applies the cybersecurity policy and standardized tools in all the countries where it does business.

## Education and training

### Measures implemented

#### Internal IT Charter

When the General Data Protection Regulation (GDPR) entered into force, the Charter on Acceptable Use of Electronic Communication Technologies was reviewed and rolled out within the Group. This Charter outlines data protection measures as well as security measures. It was revised in 2022 to account for changes in practices and technologies and to continue to strengthen the protection of the IT systems.

#### Employee education and training

Education initiatives focused on the principles of data protection are renewed regularly.

The Group issues frequent reminders to employees about aspects of cybersecurity. There is a process to educate employees about IT system security, reminding users about cybersecurity good practices. Phishing tests are also run regularly and video training on security best practices is provided for all the countries where Elis operates.

### Outlook

As part of its continuous improvement process for the system, Elis continues to expand its cybersecurity education and training plan with new content – mainly cyber crisis management testing – tailored to the various business lines and with new e-learning tools.

## Keeping our IT systems secure

### Measures implemented

#### Prevention

Elis applies an IT system security risk management process and identifies, classifies and addresses these risks: the nature and level of the risk dictates the priority of the security measures that are implemented to protect assets. The IT risk map is reviewed regularly and updated in response to feedback and the manifestation of new risks.

To guarantee compliance with current regulations on the management of personal data, this stage is anticipated during the design phase ("privacy by design") of every new project or request for change. This includes risk identification and evolution and the determination of organizational and technical security measures.

Elis enforces a series of principles governing access to IT systems. Access to IT systems is limited to authorized users and systems. In addition, the Group isolates third-party data (e.g. customers, suppliers, partners). Additional mechanisms such as encryption may also be used.

Mechanisms to assess, process and monitor the vulnerabilities of products are implemented for the Group.

New technologies are also used to increase the security of the Group's work stations and servers. For example, the Group has selected and is rolling out a single EDR (Endpoint Detection & Response) solution to all the Group's countries.

Elis is strengthening and standardizing the security of its infrastructure to reduce the risk of spread of cyberattacks and guarantee the IT system's availability and integrity, as well as the confidentiality of its services and data.

#### Detection

There are established mechanisms and a structure to monitor events that could cause a security incident. Should an incident occur, remediation actions are immediately set in motion. These special tools have been rolled out to all countries and monitor attacks and attempted attacks in real time. Annual security audits are also conducted on critical assets. The audit reports and compliance monitoring tools serve as the basis for a formalized remediation and monitoring plan until the detected breaches are resolved. Elis carries out penetration tests on its applications and on any high-risk system.

Elis's Security Operation Center (SOC) conducts 24/7/365 monitoring of malicious events that occur on the IT systems (e.g. networks, collaborative systems) and deploys the appropriate responses depending on the criticality of the incident.

#### Response to security incidents

The incident response team is equipped to respond remotely or on-site at any time in all the countries where Elis operates. Elis has identified sources of risks and devised a suitable response plan and targeted procedures to respond to them quickly and effectively. Security incident management is being continuously improved. Elis delivers frequent training to the relevant teams about new attacks and ways to respond to them.



## Outlook

As cyberthreats evolve, the Group needs to update its strategic plan and cybersecurity roadmap. This plan and roadmap include new programs and initiatives that aim to improve mechanisms to protect systems and prevent, detect and react to incidents and crises, and to incorporate new technologies to advance cybersecurity, such as artificial intelligence. Elis will continue to ensure that the plan to secure the IT system is closely connected to the modernization plan for its infrastructure and applications, and will guarantee high security in the transition to the Cloud.

## Respect and security of personal data

### Measures implemented

#### Respect and security of personal data

The current processes meant to keep personal data secure are discussed above in the paragraph "Keeping our IT systems secure." In addition, Group employees are educated about the concepts of "privacy by design" and "privacy by default" so these elements are included from the upstream phases of any project that involves the processing of personal data.

Elis has begun to overhaul the structure of its policy on the international flow of personal data. Elis is supplementing current measures with additional guarantees that take into account the latest relevant requirements.

## Notifying data subjects

As soon as it is anticipated that personal data will be collected, the data subjects are notified about the purpose of the processing and the legal grounds for the data collection. Clear, accessible mechanisms inform data subjects and give them an opportunity to question the protection of personal data. If the data subjects' privacy must be infringed, the Group implements the procedure established in accordance with the regulations in force.

## Monitoring incidents and requests for access rights

A security-incident response procedure applies across the countries where the Group operates. A log of personal data breaches and log of security incidents are kept; they include the incident reports and areas for improvement that have been pinpointed.

The exercise of rights of access to personal data during the year applies mainly to human resources subjects and are processed.

## Outlook

Elis will continue to implement the necessary measures to protect personal data and will keep an eye on changes to regulations in the countries where it operates.

## 3.6 APPENDICES

### 3.6.1 Non-financial performance statement

#### Presentation of the business model

The Group's business model is presented in chapter 1, section 1.2 of this Universal Registration Document.

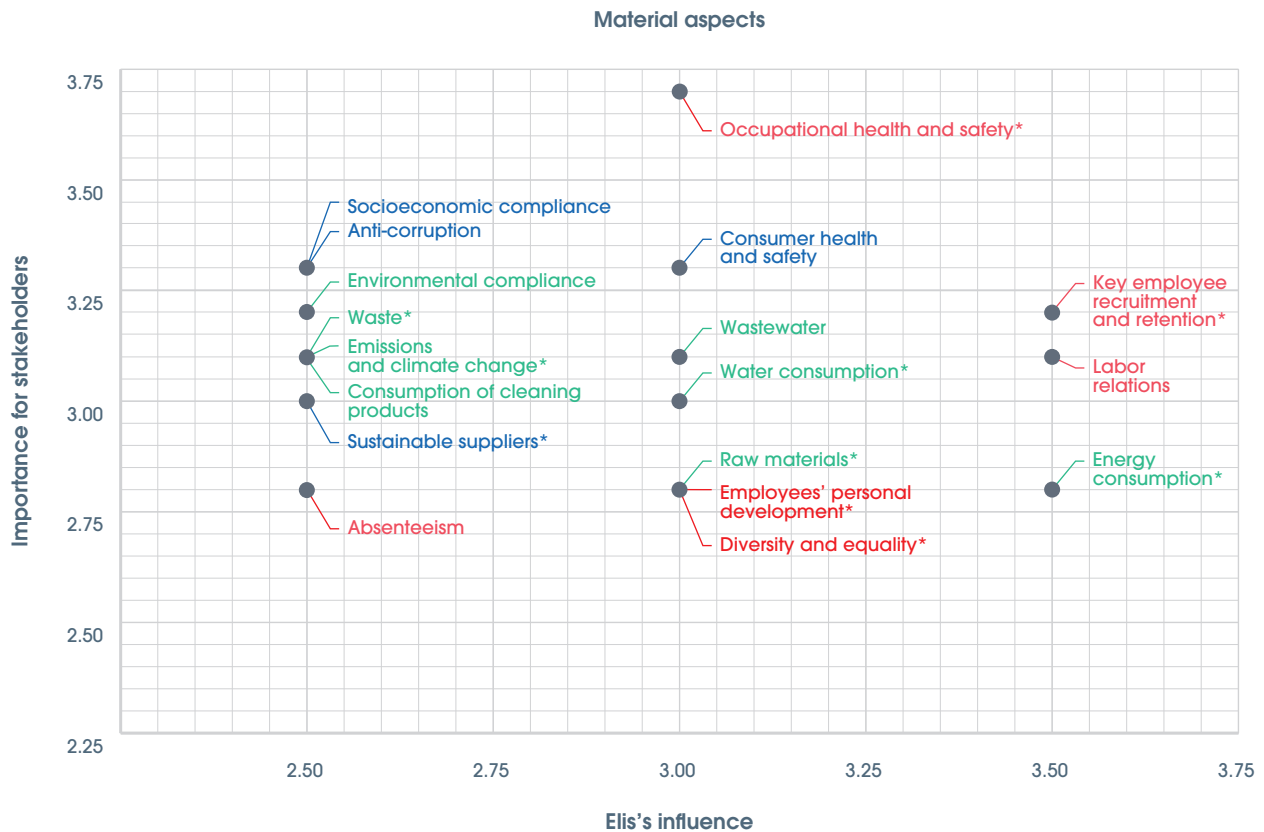
#### Materiality matrix

The Group developed a materiality matrix in 2019 to put CSR considerations and their importance into perspective for the various stakeholders and for the company. This work was especially used when updating its sustainability strategy, presented in section 3.2.3 "Our CSR roadmap: clear and ambitious targets."

Five major categories of stakeholders were considered during this analysis: investors, employees, authorities, direct suppliers and customers. The CSR considerations were then ranked based on two criteria: "Elis's influence" over these aspects and their "importance for stakeholders," measured on a scale of 1 to 4.

The topics covered by the Group's 2025 targets are marked with an asterisk in the materiality matrix below.

#### MATERIALITY MATRIX EXCERPT



- "Circularity and exemplarity to reduce our impact on the planet"
- "Empowering our employees and supporting their development"
- "Making a positive contribution to Society"

\* Material aspect for which the Elis Group has set a 2025 target

### Risk analysis methodology and presentation of the major risks

The CSR Department, in conjunction with the Human Resources, Legal Services, Quality, Safety and Environment, and Purchasing departments, carried out an in-depth review of the Group's CSR-related considerations in 2021 to map its risks and opportunities.

This analysis, intended to assess the considerations for both the company and its stakeholders, took into account short-, medium- and long-term considerations in the following areas:

- › the environment
- › social aspects
- › societal aspects
- › respect for human rights and business ethics;
- › customers and product and service users;
- › purchases;
- › governance.

Each area was individually analyzed and assessed in terms of its impacts (financial, strategic, reputational, environmental, health and safety, and the local population) and their likelihood of occurring.

This review of the risks and opportunities was based on interviews with key company personnel who are in direct contact with stakeholders, interviews with certain external actors (investors, in particular), an in-depth document review (ESG questionnaires, customer questionnaires, etc.), and the Group materiality matrix developed in 2019 presented above. This matrix of the risks and opportunities was also presented to the Executive Committee, the CSR Committee and the Supervisory Board.

In 2022, this Group risk and opportunity matrix was updated in collaboration with the CSR coordinators in several of the Group's major countries and internal experts.

These stakes form the foundations of the Group's CSR strategy thanks to the prioritization of the non-financial risks in the short, medium and long term. The risks with the greatest impact are thus included in the Group Risk Assessment presented in chapter 4 of this Universal Registration Document. A table for cross-referencing with the non-financial performance statement is presented below.

Other risks could also exist that the Group is currently unaware of or that are considered non-material as at the date of this Universal Registration Document. If those risks were to materialize, they could have a material adverse impact on the Group and its business, financial position, results, ability to achieve its objectives or reputation.

### Cross-reference between the non-financial performance statement risks and the sections of chapter 3

Elis presents its CSR strategy both to comply with regulatory requirements (such as the non-financial performance statement or taxonomy, for example) and to meet the expectations of its stakeholders. Thus, policies, goals, performance indicators and actions are presented to illustrate the Group's commitment on these matters.

As such, the table below presents the links between the main non-financial risks and the majors considerations faced by the Group. All policies implemented, performance indicators and outcomes in relation to preventing, identifying and mitigating these risks are presented in the referenced sections.

The significant associated risks have been included in the Group's risk assessment, presented in chapter 4.

Major risks	Detailed description of the risk	Associated considerations	Key performance indicator and outcomes	Section
Risk of increased stakeholder expectations in terms of contribution to climate change mitigation	The emissions from the Group's activities contribute to climate change. The Group is therefore working to reduce its emissions in its different scopes to contribute to the global effort to limit global warming and meet its stakeholders' expectations.	› Fighting and adapting to climate change	› Change in direct and indirect emissions (Scopes 1 & 2 market-based) since 2019 › Change in other indirect emissions (Scope 3) since 2019 › Change in other indirect emissions (Scope 3; more limited scope of emissions) since 2019 › Direct CO <sub>2</sub> eq emissions (Scope 1) › Total indirect CO <sub>2</sub> eq emissions (Scope 2) – location-based › Total indirect CO <sub>2</sub> eq emissions (Scope 2) – market-based › Total other indirect CO <sub>2</sub> eq emissions (Scope 3) (including purchases of products, services and equipment; employee travel; upstream and downstream transport of goods; upstream emissions related to energy; and other emissions sources) › Total other indirect CO <sub>2</sub> eq emissions (Scope 3 – more limited scope of emissions) › 2019 emissions for each emissions source (Scope 1, Scope 2 and Scope 3) › CO <sub>2</sub> eq emissions per ton of linen delivered	3.3
Risks related to energy consumption in the operations	The Group mainly uses thermal energy and electricity at its industrial sites, and fuel for its vehicle fleet. Given the growing consideration related to energy (costs, regulations, climate), the Group is exposed to increasing risks in this area. The Group is thus committed to an ambitious approach to reducing energy consumption and to a transition toward less emitting energy in order to contribute to the fight against climate change.	› Minimizing our energy consumption › Fighting and adapting to climate change	› Ratio of thermal energy consumption of European plants per kilogram of linen delivered › % reduction in thermal energy per kg of linen delivered since 2010 (European laundries)	3.3

Major risks	Detailed description of the risk	Associated considerations	Key performance indicator and outcomes	Section
Risk of reputation, operation and mismatch with customers expectations of the group logistic fleet	<p>The Elis Group operates a logistics fleet to provide its services and deliver its products.</p> <p>Given the increasing regulations related to access to certain city centers, reputational concerns and growing customer expectations, there is a risk that the Group's vehicle fleet will prove inadequate.</p>	<ul style="list-style-type: none"> <li>› Minimizing our energy consumption</li> <li>› Fighting and adapting to climate change</li> </ul>	Number of alternative vehicles	3.3
Risk related to business disruption due to pressure on water resources and adaptation to climate change	<p>Water is a strategic global resource and a real sustainability consideration for communities, companies and for Elis in particular.</p> <p>Furthermore, given the effects of climate change, it is possible that some extreme events will become more frequent (for example, storms, floods) or that local climate conditions will be affected over the longer term (rising temperatures, more frequent droughts, depletion of local water resources, etc.). In particular, the Group's business could be affected by the availability of water resources.</p> <p>For Elis, there are two aspects to water resource management:</p> <ul style="list-style-type: none"> <li>› limiting water consumption;</li> <li>› managing the impact of its discharges.</li> </ul> <p>Water supply is crucial to operating an industrial laundry, mainly because of the linen washing activity.</p> <p>Unlike traditional modes of consumption, the rental &amp; maintenance model – which fully fits into the product-as-a-service business model – enables Group customers to benefit from Elis's services without having to purchase any products. This model simplifies customers' lives while also reducing pressure on natural resources and the environment. Through process optimization, the rental &amp; maintenance model is able to substantially reduce water consumption compared to a solution based on purchasing and in-house laundering.</p>	<ul style="list-style-type: none"> <li>› Optimizing our use of resources and minimizing our impact on ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>› Water consumption of European laundries per kilogram of linen delivered</li> <li>› % reduction in water consumption per kg of linen delivered between 2018 and 2030 (European laundries)</li> </ul>	3.3.3
Risk related to the product portfolio not meeting customers' environmental expectations	<p>Given the risks associated with resource consumption, climate change and exceeding the planet's finite resources, traditional consumption models have been called into question and products have been challenged with regard to the way they are manufactured, their use, and their end of life.</p> <p>The Elis Group's business model is based on the circular economy and, as such, offers products and services that have a smaller environmental impact and encourage sustainable product use and a longer product lifespan compared with more traditional approaches.</p> <p>The Group also manages these risks by working on:</p> <ul style="list-style-type: none"> <li>› the eco-design of products (incorporating recycled or alternative materials, design to recycle, etc.);</li> <li>› extending the lifespan of products (linked to circular economy principles);</li> <li>› the ability to recycle products;</li> <li>› the supply chain for its products (production method, sustainability commitments, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>› Eco-designing our products and services</li> <li>› Being a circular economy player</li> <li>› Reducing and properly managing our waste</li> <li>› Working responsibly with third parties</li> </ul>	<ul style="list-style-type: none"> <li>› Share of product families with at least one collection composed of sustainable materials</li> <li>› Share of end-of-life textiles reused or recycled</li> <li>› Share of procurement spend from direct suppliers that have undergone a CSR assessment in the next three years</li> </ul>	3.3 and 3.5.3
Risk of becoming less attractive to and failing to retain employees	The Group could encounter difficulties attracting, recruiting and retaining employees in certain important positions in the context of a competitive global market.	Attracting and developing our employees	Share of managers promoted internally	3.4.3
Operational and reputational risk linked to a lack of diversity in our teams	The Group may experience difficulties implementing its strategies and measures for equal opportunities and diversity, which could affect its brand image, its ability to attract employees or have regulatory consequences.	Ensuring non-discrimination and equal opportunities	Share of women in executive or management roles	3.4.4
Reputational risk for the Group linked to poor environmental and social practices in the supply chain	The Group aims to comply with environmental and human rights regulations throughout its supply chain. However, if a supplier were to breach these regulations, the Group's reputation could be adversely affected in the long term.	Working responsibly with third parties	Share of procurement spend from direct suppliers that have undergone a CSR assessment in the previous three years	3.5.3



Tax avoidance, bribery, anti-corruption and human rights are presented in this document in sections 3.4.5 "Respecting human and labor rights" and 3.5.4 "Continuing to integrate ethics into our business practices." However, these matters have not been identified significant risks at the date of this document.

In addition, some topics (food waste, sustainable and responsible food, food insecurity, respect for animal welfare, promotion of

physical activity and sports and the use of conflict minerals) have not been included in this document, as they do not currently represent major challenges for the Group.

Finally, topics related to collective agreements are presented in section 3.4.1 "Listening to, valuing our employees, and ensuring their well-being at work."

## 3.6.2 Taxonomy

### Context

EU taxonomy regulations<sup>(1)</sup> are a key part of the European Commission's action plan on sustainable finance which aims to reorient capital flows toward a more sustainable economy. As European taxonomy is a system for classifying environmentally "sustainable" economic activities, it represents an important step toward the European goal of carbon neutrality by 2050.

As a group that is subject to the requirement to publish non-financial information in accordance with Article 29a of Directive 2013/34/EU, Elis falls within the scope of Article 8 of the EU taxonomy regulation.

Since 2021, the Group has thus disclosed information about how and to what extent its activities are initially "eligible." Under the EU taxonomy, an "eligible" economic activity means an economic activity that is listed and described in the delegated acts, irrespective of whether that economic activity meets any or all of the "environmental" criteria laid down in those delegated acts. The environmental goals defined in the EU taxonomy regulation are as follows: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and reduction, and protection and restoration of biodiversity and ecosystems.

As of 2022, the taxonomy reporting includes the alignment of these eligible activities. An eligible activity qualifies as "aligned," i.e. classified as environmentally sustainable, if it makes a substantial contribution to one or more of these environmental goals while meeting the criteria for substantial contribution defined by the European Commission. At the same time, this economic activity must do no significant harm to one of the other environmental goals. Furthermore, these economic activities must be carried out in compliance with the minimum safeguards.

For now, technical criteria have been established for the first two goals in the Climate Delegated Act. The information published under the EU taxonomy is therefore limited to these two goals.

### List of eligible activities applicable to the Elis Group

The Climate Delegated Act focuses primarily on the economic sectors and activities that have the greatest potential to contribute to the goal of mitigating climate change, i.e. preventing the production of greenhouse gas emissions, reducing these emissions and increasing carbon capture and storage in the long term. The sectors covered thus relate mainly to energy, certain manufacturing activities, transport and buildings.

In order to determine which activities are eligible under the European taxonomy, the Group examined all the taxonomy-eligible economic activities listed in the Climate Delegated Regulation in light of the activities carried out by the Group in its various regions and subsidiaries.

A thorough review involving various Group functions (finance, Sustainable development, QHSE, industrial projects, logistics, IT, etc.) concluded that the Group is not significantly concerned by these first two goals. As the Group did not have any economic activity generating revenue eligible for taxonomy, only expenditure (hereinafter, "capex") related to purchases of eligible products and services or to the undertaking of eligible activities for its own internal requirements was taken into consideration. The activities selected are presented in the capex table below and are the same as last year.

The Group chose to allocate its eligible activities to the climate change mitigation goal.

However, the Group anticipates that a significant proportion of its activities will fall within the scope of the regulation when it comes to the goal of the transition to a circular economy, particularly with respect to its product-as-a-service model.

### Reporting methodology

In order to report and publish information on activities eligible for European taxonomy in 2022, the Group:

- › analyzed in detail the activities eligible for taxonomy, comparing each of the activities listed in the Annex to the Regulation with Elis's operations (commercial activities, operations, investments, etc.);
- › defined the activities and related requirements in terms of alignment and do not significant harm criteria into operational criteria for the Group's teams
- › reviewed its industrial investments, having previously identified the capex relating to eligible activities under the regulation in 2022 (individually eligible capex);
- › conducted training sessions in its main languages with its key contacts in the various regions and subsidiaries;
- › supplied its subsidiaries with a reporting format allowing them to report financial information for each of the eligible activities that may be applicable to the Group;
- › set up a cross-functional team responsible for assisting and answering questions from local teams and reviewing the data reported;
- › consulted with external sector experts and peers to ensure that the regulatory texts were being correctly interpreted.

(1) Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

### Method for calculating the indicators

Indicators related to the proportion of taxonomy-eligible activities have been reported in accordance with the provisions set out in Annex 1 of Article 8 of Delegated Regulation C (2021) 4987 supplementing Regulation (EU) 2020/852. In particular, given the Group's low exposure to eligible activities under the climate target taxonomy and the definitions of these indicators:

- › the Group reports zero revenue from eligible activities;
- › eligible capex is 15% and consists exclusively of individually eligible capex not linked to Elis's commercial activity in the absence of eligible revenue;
- › eligible opex is considered non significant.

### SHARE OF CAPEX ELIGIBLE FOR TAXONOMY



### Eligible revenue

The proportion of taxonomy-eligible economic activities in total revenue is calculated as the share of net revenue derived from products and services associated with taxonomy-eligible economic activities (numerator) divided by net revenue (denominator). The revenue denominator is based on consolidated net revenue in accordance with IAS 1.82(a).

For more details on the accounting policies for consolidated net revenue, see chapter 6, section 6.1, Note 4.1 to the consolidated financial statements of this Universal Registration Document.

As the Group did not have any economic activity generating revenue eligible for taxonomy, only expenditure (hereinafter, "capex") related to purchases of eligible products and services or to the undertaking of eligible activities for its own internal requirements was taken into consideration.

Economic activities	Code	Absolute revenue In millions of euros	Share of revenue as a %	Substantial contribution criteria						Do no significant harm criterion						Minimum safeguards	Share of taxonomy-aligned revenue year N as a %	Share of taxonomy-aligned revenue year N-1 as a %	Category (enabling activity) E	Category (transitional activity) T
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
				as a %	as a %	as a %	as a %	as a %	as a %	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO					
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (taxonomy-aligned)</b>																				
Revenue of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>																				
Revenue of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		0	0%														0%			
<b>TOTAL REVENUE OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) (A)</b>		<b>0</b>	<b>0%</b>													<b>0%</b>				
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
Revenue of taxonomy-non-eligible activities (B)		3,820.9	100%																	
<b>TOTAL (A + B)</b>		<b>3,820.9</b>	<b>100%</b>																	

**Individually eligible capex**

As the Group did not have any economic activity generating revenue eligible for taxonomy, only expenditure related to purchases of eligible products and services or to the undertaking of eligible activities for its own internal requirements was taken into consideration.

Economic activities	Code	Absolute capex		Substantial contribution criteria						Do no significant harm criterion						Minimum safeguards	Share of taxonomy-aligned capex, year N	Share of taxonomy-aligned capex, year N-1	Category (enabling activity)	Category (transitional activity)	
		In millions of euros	as a %	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						
				as a %	as a %	as a %	as a %	as a %	as a %	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO						
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																					
<b>A.1. Environmentally sustainable activities (taxonomy-aligned)</b>																					
Transport by motorbikes, passenger cars and light commercial vehicles		6.5	2.2	0.2%	100%											YES	YES	YES	YES	0.2%	
Freight transport services by road		6.6	3.5	0.4%	100%											YES	YES	YES	YES	0.4%	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		7.4	0.8	0.1%	100%											YES				0.1%	E
Acquisition and ownership of buildings		7.7	1.0	0.1%	100%											YES				0.1%	
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)			7.6	0.8%	100%	0%	0%	0%	0%	0%	0%									0.8%	
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>																					
Electricity generation using solar photovoltaic technology		4.1	0.1	0.0%																	
Transport and distribution networks for renewable and low-carbon gases		4.14	0.0	0.0%																	
Installation and operation of electric heat pumps		4.16	0.0	0.0%																	
Production of heat/cool from solar thermal heating		4.21	0.2	0.0%																	
Production of heat/cool from renewable non-fossil gaseous and liquid fuels		4.23	0.1	0.0%																	
Production of heat/cool from bioenergy		4.24	1.0	0.1%																	
Production of heat/cool using waste heat		4.25	3.0	0.3%																	
Construction, extension and operation of wastewater collection and treatment		5.3	2.7	0.3%																	
Renewal of wastewater collection and treatment		5.4	2.5	0.3%																	
Transport by motorbikes, passenger cars and light commercial vehicles		6.5	15.6	1.7%																	
Freight transport services by road		6.6	43.2	4.8%																	
Infrastructure enabling low carbon intensity road transport and public transport		6.15	0.0	0.0%																	
Renovation of existing buildings		7.2	10.0	1.1%																	
Installation, maintenance and repair of energy-efficient equipment		7.3	2.8	0.3%																	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		7.4	0.0	0.0%																	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		7.5	0.1	0.0%																	
Installation, maintenance and repair of renewable energy-technologies		7.6	0.0	0.0%																	
Acquisition and ownership of buildings		7.7	50.4	5.6%																	
Data processing, hosting and related activities		8.1	0.1	0.0%																	
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)			132.0	14.6%																	0%
<b>TOTAL CAPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) (A)</b>			<b>139.6</b>	<b>15.4%</b>																	<b>0.8%</b>
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																					
Capex of taxonomy-non-eligible activities (B)			765.0	84.6%																	
<b>TOTAL (A + B)</b>			<b>904.6</b>	<b>100.0%</b>																	

### Explanations and main assumptions relating to capex

An activity was considered eligible on the basis of its description, irrespective of any assessments of the technical alignment criteria, of any significant harm caused to any of the other environmental goals, or of minimum safeguards.

The main assumptions made by the Group in its reporting are as follows:

- › activities 4.23 and 4.24: investments in eligible facilities that produce heat (particularly from renewable energy) have been taken into account in their entirety, including if they fulfill additional functions (for example, drying linen). Their ability to produce heat in situ (particularly from renewable energy) means they can be a more flexible and efficient alternative to a central heating system;
- › activities 5.3 and 5.4: investments associated with the renovation or construction of wastewater treatment systems have been reported by the Group, as these systems complement or replace municipal systems;
- › activities 6.5 and 6.6: as far as European vehicle regulations (e.g. Euro 6) are concerned, the Group did not consider equivalence with local regulations for this reporting. As such, the Group does not report aligned capex for these activities for its Central and South American countries;
- › activity 7.7: investments associated with new buildings acquired or held by the Group have been included for the eligibility analysis regardless of the energy performance of the building;
- › where several eligible activities could have been selected, the expenditure was reported in a single activity. As such, some investments related to major industrial projects were not considered separately within different eligible categories. For the construction of a new building, all investment was allocated to activity 7.7.

For the substantial contribution criteria and the do no significant harm criteria, as the first two goals of the EU taxonomy do not significantly concern the Group, a detailed analysis of the requirements was conducted for the Group's most significant activities: 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles," 6.6 "Freight transport services by road," 7.4 "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)," 7.7 "Acquisition and ownership of buildings." The requirements were translated into operational terms and their applicability was reviewed by the operational or local teams.

In accordance with the European definitions, the key performance indicator for capex is defined as capex eligible for taxonomy (numerator) divided by total capex (denominator). Total capital expenditure includes additions to property, plant and equipment and intangible assets during the financial year, before amortization, depreciation and any revaluations, including those resulting from impairment and changes in fair value. It includes additions to fixed assets (IAS 16 – €684 million as shown in Note 6.2 to the 2022 consolidated financial statements), to intangible fixed assets (IAS 38 – €26.5 million as shown in Note 6.1 to the 2022 consolidated financial statements) and right-of-use assets (IFRS 16 – €90.4 million as shown in Note 6.4 to the 2022 consolidated financial statements). Additions resulting from business combinations are also included (€103.7 million as shown in Note 2.4 to the 2022 consolidated financial statements). Goodwill is not included in capital expenditure as IAS 38 does not define it as an intangible fixed asset. For more details on our accounting methods as regards capital expenditure, please refer to the introduction of the aforementioned notes to the consolidated financial statements in chapter 6.1 of this Universal Registration Document.



**Eligible opex**

In accordance with the European definitions, the key performance indicator for opex is defined as opex eligible for taxonomy divided by total opex. Total opex is comprised of uncapitalized direct costs related to research and development, building renovation measures, short-term rental, maintenance, repair, and any other direct expenditure related to the day-to-day maintenance of tangible fixed assets.

Given the nature of the Group’s business, opex that meets the taxonomy’s definition is €219.6 million. The Group therefore chose to use the exemption provided for in the regulation in light of the low materiality of opex within the meaning of the taxonomy.

Code	Absolute opex		Substantial contribution criteria						Do no significant harm criterion						Minimum safeguards	Share of taxonomy-aligned opex, year N	Share of taxonomy-aligned opex, year N-1	Category (enabling activity)	Category (transitional activity)	
	In millions of euros	as a %	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						YES/ NO
<b>Economic activities</b>																				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (taxonomy-aligned)</b>																				
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%											
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>																				
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		0	0%																	0%
<b>TOTAL OPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) (A)</b>		<b>0</b>	<b>0%</b>																	<b>0%</b>
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
Opex of taxonomy-non-eligible activities (B)		219.6	100%																	
<b>TOTAL (A + B)</b>		<b>219.6</b>	<b>100%</b>																	

**Minimum safeguards**

To confirm compliance with the minimum safeguards, the Group relies on the processes in place to ensure compliance with human rights and corruption regulations (Duty of Vigilance, Sapin II, etc.) and with its ethics and tax policy practices. These are described in more detail in section 3.5.3 “Working responsibly with third parties”

and section 3.5.4 “Continuing to integrate ethics into our business practices.”

In 2022, neither the Group nor its directors were convicted of a criminal offense within the meaning of the minimum safeguards.

### 3.6.3 Non-financial ratings and prizes

The Elis Group is assessed on its environmental, social and governance (ESG) performance by several non-financial ratings agencies.

These annual or biannual reviews enable the Group to communicate its commitment, identify areas for improvement and position itself relative to its peers. In particular, in 2022:



After achieving Gold in the EcoVadis questionnaire for five years in a row, Elis received the Platinum medal, the highest possible award. This medal positions the Group in the top 1% of the approximately 90,000 companies assessed by EcoVadis. This crucial questionnaire for the customer-supplier relationship assesses companies on 21 aspects grouped into four themes (Environment, Labor & Human Rights, Ethics and Sustainable Procurement).



The Group achieved an A- the second time it participated in the climate questionnaire conducted by the Carbon Disclosure Project (CDP), compared with its B in 2021. The CDP is a non-profit organization that carries out independent assessments (with ratings ranging from D- to A Leadership) based on information provided by companies on their strategy, management, performance or even their role in engaging with their stakeholders about climate issues. The Elis Group is thus positioned higher than the average score for the sector in Europe (C) for this first reporting year. The improvement in the Group's rating from B in 2021 to A- highlights the Group's climate efforts and commitment. In 2022, the Elis Group was on the CDP Supplier Engagement Leaderboard (note A), which recognizes the top 8% of companies engaging with their supply chain on climate.



In 2022, Sustainalytics significantly upgraded Elis's ESG rating by nearly 10 points to 14.8 ("low risk").



Elis maintained its excellent score from the Gaia rating agency (72/100), putting it in the Gold category.

## 3.6.4 Details of Group performance

### Summary of environmental information

	Unit	Group 2022	Group 2021	Group 2020
<b>Scope</b>				
Gross revenue of sites within the scope	Millions of euros	3,469.1	3,047.6	2,646.4
Number of sites included in the scope	Number of sites	434	425	425
<b>General environmental policy</b>				
ISO 50001 certified sites	Number of sites	27	78	81
ISO 14001 certified sites		146	141	143
% of industrial sites that are ISO 14001-certified <sup>(a)</sup>	as a %	39%	39%	
Amount of expenses for work to achieve compliance	Millions of euros	8.7	8.1	5.6
Amount of environmental provisions and guarantees	Millions of euros	73.4	71.2	72.1
Amount of compensation paid for environmental litigation	Millions of euros	0	0	0
<b>Pollution prevention and waste management</b>				
Total amount of waste generated	Tons	41,390	37,925	35,733
Share of waste recovered		63%	60%	61%
Amount of hazardous waste generated	Tons	7,173	6,766	6,958
Hazardous waste as a share of total waste	as a %	17%	18%	19%
Proportion of hazardous waste recovered	as a %	71%	42%	56
Amount of non-hazardous waste generated	Tons	34,217	31,159	28,775
Proportion of non-hazardous waste recovered	as a %	62%	64%	63
<b>Sustainable use of resources</b>				
Total volume of water consumed	Millions of m <sup>3</sup>	15.8	14.4	13.0
Water consumption per kg of linen delivered (all Group sites)	L/kg	8.5	9.0	9.4
Proportion of water from a public source	as a %	48	47	48.5
Proportion of groundwater	as a %	50	51	50.5
Proportion of surface water	as a %	2	2	1
Volume of industrial effluents discharged	Millions of m <sup>3</sup>	13.7	12.3	10.8
Volume of industrial effluents treated	Millions of m <sup>3</sup>	13.7	12.3	10.8
Proportion of industrial effluents treated in municipal treatment facilities	as a %	90	90	92
Proportion of industrial effluents treated in-house before discharge into the natural environment	as a %	10	10	8
Total energy consumption (excluding vehicles)	MWh (HHV)	2,664,806	2,433,931	2,196,145
Electricity consumption	MWh	330,936	300,357	289,827
Consumption of renewable energy (thermal)	MWh (HHV)	488,671	497,458	435,649
Consumption of natural gas/propane/butane	MWh (HHV)	1,770,962	1,555,254	1,390,895
Consumption of fuel oil (excluding fuel for vehicles)	MWh (HHV)	39,514	43,497	50,658
Consumption of other energy sources	MWh (HHV)	33,986	40,471	29,116
Total fuel consumption for vehicles (deliveries and services)	Thousands of liters	47,810.8	43,560.7	39,674.3
Gasoline consumption	Thousands of liters	1,317.2	933.0	594.3
Diesel consumption	Thousands of liters	45,962.9	42,178.0	38,749.4
Thermal energy consumption per kg of linen delivered (all Group sites)	kWh/kg	1.25	1.34	1.38

	Unit	Group 2022	Group 2021	Group 2020
<b>Fight against climate change</b>				
Direct GHG emissions – Scope 1	Kt CO <sub>2</sub> eq	450.3	413.8	381.2
Indirect GHG emissions – Scope 2 (location-based)	Kt CO <sub>2</sub> eq	53.8	54.3	58.6
Indirect GHG emissions – Scope 2 (market-based)	Kt CO <sub>2</sub> eq	68.0	76.5	
Indirect GHG emissions – Scope 3 (Baseline 2019): 1,344.7 Kt CO <sub>2</sub> eq	Kt CO <sub>2</sub> eq	1,340.9	1,500 <sup>(b)</sup>	
Indirect GHG emissions – Scope 3 (for a more limited scope of emissions) Baseline 2019: 967.6 Kt CO <sub>2</sub> eq	Kt CO <sub>2</sub> eq	1,035.8		
Total GHG emissions – Scope 1 and 2 (location-based)	Kt CO <sub>2</sub> eq	504.1	468.2	439.8
Total GHG emissions – Scope 1 and 2 (market-based) Baseline 2019: 628.3 Kt CO <sub>2</sub> <sup>(c)</sup>	Kt CO <sub>2</sub> eq	518.3		
Total GHG emissions – Scope 1, 2 (market-based) and 3	Kt CO <sub>2</sub> eq	1,859		
Change in direct and indirect emissions (Scopes 1 & 2 market-based) since 2019	as a %	-17.5		
Change in other indirect emissions (Scope 3) since 2019	as a %	-0.29%		
Change in other indirect emissions (Scope 3; more limited scope of emissions) since 2019	as a %	+10%		

(a) Industrial sites are defined as production or manufacturing sites.

(b) Scope 3 emissions were estimated in 2021 based on the carbon footprint for France. In 2022, significant work was done on all sources and across the entire scope of the Group.

(c) Emissions for 2019 have been recalculated to account for some recent acquisitions.



## Summary of social information

	Unit	Group 2022	Group 2021	Group 2020
<b>Total workforce</b>	<b>Number of employees</b>	<b>51,343</b>	<b>48,738</b>	<b>44,496</b>
<b>Permanent workforce</b>		<b>45,126</b>	<b>42,292</b>	<b>40,171</b>
Permanent female workforce		23,428	22,292	21,297
Permanent male workforce		21,698	20,000	18,874
Permanent executives or managers		3,718	3,592	3,209
Permanent female executives or managers		1,262	1,213	1,082
<b>Non-permanent workforce</b>		<b>6,217</b>	<b>6,446</b>	<b>4,325</b>
Total workforce – France		12,994	12,385	11,575
Total workforce – Europe (excluding France)		26,148	24,135	21,611
Total workforce – Latin America		12,201	12,218	11,310
Permanent workforce aged 17 or under as at December 31		33	45	11
Permanent workforce aged 18-29 as at December 31		7,542	7,114	6,406
Permanent workforce aged 30-49 as at December 31		22,526	21,294	20,505
Permanent workforce aged 50 years and over as at December 31		15,025	13,839	13,249
<i>Based on the social reporting scope</i>				
<b>Number of new permanent hires</b>		<b>15,728</b>	<b>13,070</b>	<b>7,955</b>
Hiring rate in the permanent workforce				
<i>New permanent hires as a proportion of workforce as at December 31</i>	as a %	30.6	26.8	17.9
New permanent female hires	Number of employees	6,959	5,786	3,732
New permanent male hires	Number of employees	8,769	7,284	4,223
New permanent hires aged 17 years or under	Number of employees	46	157	13
New permanent hires aged 18–29 years	Number of employees	6,005	5,424	3,262
New permanent hires aged 30–49 years	Number of employees	7,558	5,970	3,811
New permanent hires aged 50 and over as at December 31	Number of employees	2,119	1,519	869
New permanent hires in France	Number of employees	2,956	1,764	1,052
New permanent hires in Europe (excl. France)	Number of employees	7,745	5,458	2,294
New permanent hires in Latin America	Number of employees	5,027	5,848	4,609
Number of departures in the permanent workforce				
<i>Permanent employees who leave the organization voluntarily</i>	Number of employees	6,863	6,436	4,136
Turnover rate in the permanent workforce in France				
<i>Hires and departures in the permanent workforce as a proportion of the workforce as at December 31</i>	as a %	16.1	10.4	6.9
Turnover rate in the permanent workforce in Europe (excluding France)				
<i>Hires and departures in the permanent workforce as a proportion of the workforce as at December 31</i>	as a %	20.5	17.5	9.6
Turnover rate in the permanent workforce in Latin America				
<i>Hires and departures in the permanent workforce as a proportion of the workforce as at December 31</i>	as a %	29.7	34.7	28.1
Departures in the permanent workforce in France	Number of employees	1,220	817	548
Departures in the permanent workforce in Europe (excluding France)	Number of employees	2,997	2,998	1,841
Departures in the permanent workforce in Latin America	Number of employees	2,646	2,621	1,747
Departure rate				
<i>Departures of employees who leave voluntarily as a proportion of the workforce as at December 31</i>		13.4	13.21	9.30

	Unit	Group 2022	Group 2021	Group 2020
<b>Compensation</b>				
	<b>Euros</b>			
Fixed and variable compensation, collective and individual		1,052,976,356	897,722,964	861,799,365
Of which individual and collective bonuses and discretionary profit-sharing		19,375,983	15,463,972	14,523,813
Organization of work	as a %			
Proportion of full-time permanent employees		94.4	93.50	94.20
<b>Proportion of part-time permanent employees</b>				
		<b>5.6</b>	<b>6.50</b>	<b>5.80</b>
Absenteeism rate		8.6	7.19	6.64
Number of absences shorter than seven days (paid or unpaid)	Number	185,988	106,561	78,518
Average number of training days per employee		1.		
<i>Number of training days in proportion to the permanent and non-permanent workforce</i>	Number	1.44	1	1
<b>Workplace accidents</b>				
Number of fatal accidents		0	0 <sup>(a)</sup>	0
Number of lost-time accidents		1,580	1,370	1,140
Frequency rate				
<i>[Number of lost-time accidents (excluding commuting accidents) relative to the number of hours worked during the year] x 1,000,000</i>		17.02	15.84	14.31
Frequency rate in Europe (including France)		19.36	17.97	15.98
Frequency rate in Latin America		9.68	10.24	9.71
Accident severity rate				
<i>[Number of calendar days off related to lost-time accidents with more than one day off (excluding commuting accidents) relative to the number of hours worked during the year] x 1,000</i>		0.72	0.67	0.70
Severity rate in Europe (including France)		0.88	0.85	0.87
Severity rate in Latin America		0.22	0.20	0.23

(a) In 2021, a Group employee regrettably passed away after falling ill during a work break.

### 3.6.5 Methodology note

The reporting period covered by this Universal Registration Document is January 1 to December 31, 2022.

A reporting protocol detailing the collection, calculation, and consolidation rules is updated annually and shared with key contributors.

#### Indicator reporting scope

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

Entities acquired or formed in 2022 (Textil Services Golden Clean and Clean Master in Chile; Textil Service Jöckel GmbH & Co. KG and Niessing Miettextil GmbH & Co. KG in Germany; Decomtam Schweiz in Switzerland; Hexapoda Ongediertebestrijding in the Netherlands; Centralvaskeriet in Denmark; Lavanderia Alba, Alba Service Lavanderia and Sinop Higienizacao Textil Hospitalar in Brazil; Anchain Trade Services in France; Independent Workwear Solutions and Northern Pest Control in the United Kingdom; and the following 17 companies in Mexico: Empresas HTX, Grupo Codeli,

Bristol Holding, Lavartex, Manteles, Lavanderia La Europea, Lavanderia de Hospitales y Sanatorios, Lavasan, Servicios y Suministro a Lavanderias, Servisan, Grupo Empresarial Bousi, Adoos, Higiene Textil del Noreste, Mas Limpio, Servicios Estrella Azul de Occidente, Higienica Textil, Renta de Blancos) are excluded from the 2022 reporting scope (with the exception of chapter 3.6.2 "Taxonomy"). In accordance with the Group's reporting protocol, these entities will be integrated within no more than two years, that is, within 2024 reporting at the latest to ensure the integration of the acquired entities, the implementation of the reporting processes and the collection of reliable data.

In 2022, the companies in Mexico represented €92 million in revenue and more than 2,600 employees. In 2022, the Elis Group reported more than 51,000 employees and €3.8 billion in revenue.

Where applicable, new entities related to acquisitions in previous years have been included in the 2022 reporting scope.

A few minor logistics sites have been excluded from the scope of environmental reporting, as they have no staff and no vehicles.

### 3.6.6 Cross-reference tables: GRI, TCFD, Global Compact, SASB

Chapter 3 of the Universal Registration Document follows the guidelines and main recommendations of the international approaches, such as those of the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), the Sustainable Development Goals (SDGs) and the United Nations Global Compact.

Detailed cross-reference tables are presented on the following pages to meet the growing expectations of the Group's stakeholders.

#### GRI cross-reference table

The Group complies with the core option of the Global Reporting Initiative (GRI) framework<sup>(1)</sup>.

To illustrate compliance and demonstrate that this report has been prepared in accordance with the GRI, the cross-reference table below includes the general and specific disclosures related to the Group's most material aspects and provides references to the appropriate chapters or sections of the document.

The Group's most material aspects (presented in 3.6.1 "Non-financial performance statement") are thus cross-referenced with the GRI's specific disclosures:

Major risks	Cross-referencing with specific GRI elements
Risks related to climate change	Emissions (305)
Risks related to energy consumption (including the vehicle fleet)	Energy (302)
Risks related to water resources	Water and effluents (303)
Risks related to the product portfolio	Materials (301)
Risks related to human resources (attraction and retention)	Employee recruitment and retention (401)
Risks linked to human resources (diversity)	Diversity and equal opportunities (405)
Risks related to the value chain	Procurement practices (204), Supplier Environmental Assessment (308) and Supplier Social Assessment (414)

(1) Most recent version available at [www.globalreporting.org](http://www.globalreporting.org)

## GENERAL INFORMATION

GRI Source	Disclosure	Reference
<b>102-1</b>	Name of the organization	7.1
<b>102-2</b>	Activities, brands, products, and services	1.1; 1.3
<b>102-3</b>	Location of headquarters	7.1
<b>102-4</b>	Geographical locations of the business sites	1.1
<b>102-5</b>	Ownership and legal form	1.1; 7.1; 7.2
<b>102-6</b>	Markets served	1.1; 1.3
<b>102-7</b>	Scale of the organization	1.1; 6.1; 7.2
<b>102-8</b>	Organization workforce	3.1
<b>102-9</b>	Organization supply chain	3.2; 3.5.3
<b>102-10</b>	Significant changes to the organization and its supply chain	1.1; 5.1.2; 6.1.7 (Note 2.4); 4.1.3
<b>102-11</b>	Precautionary principle	3.1; 3.2; 3.3
<b>102-12</b>	Charters, principles and other external initiatives	Supplier Code of Conduct, Code of Ethics, CSR policy, QHSE policy
<b>102-13</b>	Membership of national or international associations	1.1
<b>102-14</b>	Statement from senior decision-maker about the relevance of sustainability to the organization and its strategy	3.1
<b>102-16</b>	Values, principles, standards, and norms of behavior in the organization, such as Codes of Conduct and Ethics Codes	1.1; 3.1; 3.2; 3.5.3; 3.5.4
<b>102-18</b>	Governance structure of the organization, including committees of the highest governance body	1.4; 3.2.1
<b>102-40</b>	List of stakeholder groups with which the organization is in dialog	3.2.2
<b>102-41</b>	Percentage of total employees covered by collective bargaining agreements	3.4.1
<b>102-42</b>	Basis for identifying and selecting stakeholders with whom to establish dialogue	3.2.2
<b>102-43</b>	Approach to stakeholder engagement	3.2.2
<b>102-44</b>	Key considerations and concerns raised	3.2.2
<b>102-45</b>	Entities included in the consolidated financial statements, including reasons for exclusion	3.6.5; 6.1.7 (Notes 2 and 11)
<b>102-46</b>	Defining report content and aspect boundaries	3.6.6
<b>102-47</b>	List of material aspects	3.6.6
<b>102-48</b>	Restatements of information	3.6.4
<b>102-49</b>	Changes in reporting	Appendices, chapter 3
<b>102-50</b>	Reporting period	January 1, 2022 to December 31, 2022
<b>102-51</b>	Date of most recent report published, where applicable	2021
<b>102-52</b>	Reporting cycle	Annual
<b>102-53</b>	Contact point for questions regarding the report or its content	sustainability@elis.com
<b>102-54</b>	Claims of reporting in accordance with the GRI Standards	3.6.6
<b>102-55</b>	GRI cross-reference table	3.6.6
<b>102-56</b>	External verification of the report	3.7



SPECIFIC ITEMS LINKED TO ELIS'S MAJOR RISKS

GRI Source	Disclosure	Reference
<b>204 - Procurement Practices</b>		
<b>204-1</b>	Proportion of local purchases (where local means Europe)	3.5.5
<b>301 - Materials</b>		
<b>301-3</b>	Products and packaging materials recovered	3.3.4 and 3.3.1
<b>302 - Energy</b>		
<b>302-1</b>	Energy consumption within the organization	3.3.5
<b>302-2</b>	Energy consumption outside of the organization	3.3.5
<b>302-3</b>	Energy intensity	3.3.5
<b>303 - Water and Effluents</b>		
<b>303-1</b>	Interactions with water as a shared resource	3.3.3
<b>305 - Emissions</b>		
<b>305-1</b>	Direct (Scope 1) GHG emissions	3.3.6
<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	3.3.6
<b>305-3</b>	Other indirect (Scope 3) GHG emissions	3.3.6
<b>305-4</b>	GHG emissions intensity	3.3.6
<b>308 - Supplier Environmental Assessment</b>		
<b>308-1</b>	New suppliers that were screened using environmental criteria	3.5.3
<b>401 - Employee recruitment and retention</b>		
<b>401-1</b>	New employee hires and employee turnover	3.4.3; 3.6.4
<b>405 - Diversity and Equal Opportunity</b>		
<b>405-1</b>	Diversity of governance bodies and employees	1.4; 2.1.2; 3.4.4
<b>414 - Supplier Social Assessment</b>		
<b>414-1</b>	New suppliers that were screened using social criteria	3.5.3

## TCFD cross-reference table

The table for cross-referencing with the TCFD<sup>(1)</sup> recommendations is presented below. This document, and chapter 3.3.6 "Fighting and adapting to climate change" in particular, is meant to cover key elements of these recommendations. Elis also communicates on how the Group is addressing climate considerations by responding to the Carbon Disclosure Project (CDP), a platform aligned with both best practices in climate reporting and the Task Force on Climate-related Financial Disclosure's (TCFD) recommendations.

In 2022, the Elis Group received an A- rating on the CDP's climate questionnaire. In 2023, the Group will continue to improve its reporting to more effectively meet the recommendations of the TCFD.

The Elis Group's response to the CDP also gives more detail on some of the items.

Themes	Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)	Status	Cross-reference
<b>Governance</b>	Describe the board's oversight of climate-related risks and opportunities	Level 2	3.3.6
	Describe management's role in assessing and managing climate-related risks and opportunities	Level 3	3.3.6
<b>Strategy</b>	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Level 2	3.3.6
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Level 1	3.3.6
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Level 1	3.3.6
<b>Risk management</b>	Describe the organization's processes for identifying and assessing climate-related risks	Level 2	3.3.6; 3.6.1
	Describe the organization's processes for managing climate-related risks	Level 1	3.3.6
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Level 2	3.3.6
<b>Performance and goals</b>	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Level 1	3.3.6; 3.6.1
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Level 3	3.3.6
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Level 2	3.3.6

Level 1: achieved and to be further developed in the coming years <-> Level 3: advanced.

## Table for cross-referencing with the United Nations Global Compact

The Group has been a signatory of the Global Compact for more than 10 years. As such, the Group issues a Communication on Progress (CoP) each year, which is published<sup>(2)</sup> on the United Nations website. The Group's 2022 Communication on Progress, to be published in 2023, will be aligned with the United Nations' new

reporting requirements, which aim to provide a better understanding of companies' performance and progress on each commitment. A cross-reference table is presented below, however, to reconcile the major categories for aspects with the sections of this report.

Category	Principles of the United Nations Global Compact	Sections
<b>Human Rights</b>	1 Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	3.4.5; 3.5.3; 3.5.4
	2 Businesses should make sure that they are not complicit in human rights abuses.	3.4.5; 3.5.3; 3.5.4
	3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	3.4.1; 3.4.5; 3.5.3; 3.5.4
<b>Labor</b>	4 Businesses should uphold the elimination of all forms of forced and compulsory labor.	3.4.5; 3.5.3; 3.5.4
	5 Businesses should uphold the effective abolition of child labor.	3.4.5; 3.5.3; 3.5.4
	6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.	3.4.4; 3.4.5; 3.5.3; 3.5.4
<b>Environment</b>	7 Businesses should support a precautionary approach to environmental stakes.	3.3
	8 Businesses should undertake initiatives to promote greater environmental responsibility.	3.3
	9 Business should encourage the development and diffusion of sustainable technologies.	3.3
<b>Anti-corruption</b>	10 Businesses should work against corruption in all its forms, including extortion and bribery.	3.5.3, 3.5.4

(1) Recommendations available at <https://www.fsb-tcfid.org/recommendations/>

(2) <https://www.unglobalcompact.org/what-is-gc/participants/4327>

### SASB cross-reference table

Since 2021, the Group has provided a cross-reference table for the Sustainable Accounting Standards Board (SASB) reporting framework to meet the growing demands of its stakeholders. Because of the specific nature of the Group's activities, based on the circular business model, the Group does not fit into any specific category defined by the SASB<sup>(1)</sup>. The Group has therefore chosen the following two sectors as the most representative:

- › Apparel, Accessories & Footwear;
- › Household Personal products.

The cross-reference table between the SASB reporting requirements and the reporting in this chapter is presented below. The Group will continue to work in the coming years to publish additional information, in particular in relation to revenue from certain types of product rentals:

Aspect (SASB)	Topic (SASB)	Indicator (SASB)	Code	Section
<b>Water &amp; wastewater management</b>	Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	CG-HP-140a.1	3.3.3 Optimizing our use of resources and minimizing our impact on ecosystems
		Description of risks connected to water management and discussion of strategies and practices to mitigate those risks	CG-HP-140a.2	
<b>Product Quality and Safety</b>	Management of chemical substances in products	Discussion of processes to ensure compliance with the regulations on restricted substances	CG-AA-250a.1	The Group conducts regular monitoring through its teams and professional associations.
		Discussion of processes for the assessment and management of risks and/or hazards associated with chemicals contained in products	CG-AA-250a.2	3.2; 3.3.1 Furthermore, the Supplier Code of Conduct applies to all Group suppliers (direct, indirect and industrial), whether new or existing partners. In addition, the master agreements include a document signed by third parties agreeing to respect the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) requirements for products delivered to the Group.
	Product environmental, health, and safety performance	Revenue from products that contain REACH substances of very high concern (SVHC)	CG-HP-250a.1	Commitment from third parties to comply with REACH and to not use substances of very high concern (SVHC), mainly by signing the Code of Conduct and a specific appendix
		Revenue from products that contain substances on the California DTSC Candidate Chemicals List	CG-HP-250a.2	Not applicable (not operating on the US market)
		Discussion of process to identify and manage emerging materials and chemicals of concern	CG-HP-250a.3	The Group conducts regular monitoring through its teams and professional associations. 3.2; 3.3.1
		Revenue from products designed with green chemistry principles	CG-HP-250a.4	Elis reports the share of its product families with at least one collection composed of sustainable materials. 3.3.1; 3.3.2
<b>Product Design &amp; Lifecycle Management</b>	Packaging lifecycle management	(1) Total weight of packaging, (2) percentage of packaging made from recycled and/or renewable materials, and (3) percentage of packaging that is recyclable, reusable, and/or compostable	CG-HP-410a.1	The Group does not sell products, but the use of products. In its operations, the Group limits the use of packaging, which is usually reusable. 3.3.1; 3.3.2; 3.3.3
		Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	CG-HP-410a.2	3.3.1; 3.3.2; 3.3.3

(1) Standard available at <https://www.sasb.org/standards/download/>

Aspect (SASB)	Topic (SASB)	Indicator (SASB)	Code	Section
<b>Supply chain management</b>	Environmental impacts in the supply chain	Percentage of (1) tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	The percentage of procurement spend from direct suppliers that have undergone a CSR assessment is shown in section 3.5.3
		Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Higg Facility Environmental Module (Higg FEM) assessment from the Sustainable Apparel Coalition (SAC) or an equivalent environmental data assessment	CG-AA-430a.2	The percentage of procurement spend from direct suppliers that have undergone a CSR assessment is shown in section 3.5.3
	Labor conditions in the supply chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a Labor Code of Conduct, (3) percentage of total audits conducted by a third-party auditor	CG-AA-430b.1	The percentage of procurement spend from direct suppliers that have undergone a CSR assessment is shown in section 3.5.3
		Priority non-compliance rate and associated corrective measures rate for suppliers' Labor Code of Conduct audits	CG-AA-430b.2	The percentage of procurement spend from direct suppliers that have undergone a CSR assessment is shown in section 3.5.3
		Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	CG-AA-430b.3	3.3.2; 3.3.3; 3.5.3; 3.5.4; 3.5.5
	Environmental and social impacts of the palm oil supply chain	Quantity of palm oil sourced, percentage certified by Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity preserved, (b) Segregated, (c) Mass balance, or (d) Book and Claim	CG-HP-430a.1	Not applicable
<b>Raw materials sourcing &amp; Performance</b>	Raw materials sourcing	Description of environmental and social risks associated with sourcing priority raw materials	CG-AA-440a.1	3.3.2; 3.3.3; 3.5.3; 3.5.4
		Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	CG-AA-440a.2	Elis reports the share of its product families with at least one collection composed of sustainable materials. 3.3.1; 3.3.2; 3.3.3



## Our environmental and corporate social responsibility

Report by one of the Statutory Auditors, appointed as an independent third party, on the verification of the consolidated non-financial performance statement

# 3.7 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

### (For the year ended December 31, 2022)

In our capacity as the Statutory Auditor of Elis (the "Company") appointed as an independent third party (the "third party") and accredited by Cofrac (Cofrac Inspection Accreditation No. 3-1862, the scope of which is available at [www.cofrac.fr](http://www.cofrac.fr)), we conducted our audit with the aim of formulating a reasoned opinion expressing a limited assurance conclusion on the historical information (reported or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (the "Reporting Framework"), for the financial year ended December 31, 2022 (the "Disclosures" and the "Statement" respectively), presented in the Group's management report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

### Conclusion

Based on the procedures we performed, as described in the section entitled "Nature and scope of our work," and the information we obtained, we have not identified any material misstatement that causes us to believe that the consolidated non-financial performance statement is not consistent with applicable regulations or that the Disclosures, considered as a whole, are not presented fairly in accordance with the Reporting Framework.

### Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of the Disclosures means that different, but acceptable, measurement techniques may be used that could affect comparability between companies or over time.

Consequently, the Disclosures should be read and understood with reference to the Reporting Framework, the material elements of which are available on request from the Company's registered office.

### Limitations inherent in the preparation of the Disclosures

The Disclosures may be subject to uncertainty inherent in current scientific or economic knowledge, or in the quality of external data used. Some disclosures are sensitive to the methodological choices, assumptions and/or estimates used in their preparation and presented in the Statement.

### Responsibility of the Company

Management's role is to:

- › select or establish appropriate criteria for the preparation of the Disclosures;
- › prepare a Statement in accordance with the legal and regulatory provisions in effect that includes a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to those risks, and the results of those policies, including key performance indicators, and the disclosures required under Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- › prepare the Statement by applying the Company's aforementioned Reporting Framework;
- › implement the internal control measures it deems necessary to ensure that the prepared Disclosures are free from material misstatement, whether due to fraud or error.

The Statement was prepared by the Management Board.

### Responsibility of the Statutory Auditor appointed as independent third party

It is our role, based on our work, to formulate a reasoned opinion expressing a limited assurance conclusion that:

- › the Statement complies with the provisions of Article R. 225-105 of the French Commercial Code;
- › the Disclosures (reported or extrapolated) made pursuant to Article R. 225-105(I)(3) and (II) of the French Commercial Code, namely the policy outcomes, including the key performance indicators, and actions in relation to the main risks are fairly presented.

As our role is to issue an independent opinion on the Disclosures as prepared by management, we are not permitted to be involved in their preparation, since that could compromise our independence.

It is not our responsibility to comment on:

- › the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the disclosures required under Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance plan and the fight against corruption and tax avoidance);
- › the fair presentation of the disclosures required under Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- › the compliance of products and services with the applicable regulations.

### Regulatory provisions and applicable professional guidelines

Our work, which is described below, was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional guidelines issued by the French Association of Statutory Auditors (Compagnie nationale des commissaires aux comptes) with respect to this engagement, in particular the technical opinion of the French Association of Statutory Auditors, *Engagement of the Statutory Auditors - Engagement of the Independent Third Party - Non-financial performance statement*, in lieu of an audit program, and international standard ISAE 3000 (revised) - *Assurance engagements other than audits or reviews of historical financial information*.

### Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for Statutory Auditors. We have also implemented a quality control system that includes documented policies and procedures for ensuring compliance with applicable legal and regulatory requirements, the Code of Ethics, and the professional guidelines issued by the French Association of Statutory Auditors with respect to this engagement.

### Means and resources

Our work called on the expertise of six people and took place between December 2022 and March 2023 over a total engagement period of seven weeks.

We were assisted in our work by our specialists in sustainability and corporate social responsibility. We conducted 30 interviews with the persons responsible for preparing the Statement, who were mainly from the CSR; HR; Environment; Purchasing; Water, Energy and Chemical (WECO) Engineering; Design; and Supply Chain departments.

### Nature and scope of our work

We planned and performed our work taking into account the risk of material misstatement in the Disclosures.

We believe that the procedures we followed when exercising our professional judgment allow us to express a limited assurance conclusion:

- › we learned about the business of each of the companies included in the scope of consolidation and their exposure to the main risks;
- › we assessed the suitability of the Reporting Framework in terms of its relevance, completeness, reliability, objectivity and clarity, taking into account industry best practices, where appropriate;
- › we verified that the Statement covers each category of social and environmental information provided for in Article L. 225-102-1(III) concerning respect for human rights and the fight against corruption and tax avoidance;
- › we verified that the Statement contains the information required under Article R. 225-105 (II) where relevant in view of the main risks and includes, where applicable, an explanation of the reasons for not including the information required by the 2<sup>nd</sup> paragraph of Article L. 225-102-1 (III);
- › we confirmed that the Statement describes the business model and main business risks affecting all of the entities included in the scope of consolidation, including, where relevant and proportionate, the risks arising from their business relationships, products and services, as well as policies, actions and outcomes, including key performance indicators pertaining to the main risks;
- › we consulted the documentary sources and held meetings to:
  - assess the process for selecting and validating the main risks and consistency of the outcomes, including the key performance indicators used in respect of the main risks and policies presented, and
  - corroborate the qualitative information (actions and outcomes) that we considered material, as presented in the appendix. For the "Reputational risk for the Group linked to

poor environmental and social practices in the supply chain," we performed our work at the level of the parent company; for other risks, work was performed at the level of the parent company and selected sites: Wattrelos plant (France), Clisson plant (France) and Southampton plant (UK) and at the France and UK country level;

- › we verified that the Statement covers the entire scope of consolidation, i.e. all of the entities included in the scope of consolidation in accordance with Article L. 233-16;
- › we examined the internal control and risk management procedures implemented by the company and evaluated the data-gathering process aimed at ensuring that the Disclosures are fair and complete;
- › for key performance indicators and other quantitative results, as presented in the appendix, that we considered material, we conducted:
  - analytical procedures to check that the data gathered had been consolidated correctly and that trends in the data were consistent;
  - a thorough examination on a test basis or using other selection methods to verify the correct application of the definitions and procedures and reconcile the data with the supporting documents. The audit was performed on a selection of contributing sites, namely the Wattrelos plant (France), the Clisson plant (France) and the Southampton plant (UK), and at the France and UK country level, and covers between 32% and 39% of the consolidated data selected for these tests;
- › we assessed the overall consistency of the Statement with our knowledge of all of the entities included in the scope of consolidation.

The procedures set up for a limited assurance audit are less extensive than those required for a reasonable assurance audit performed according to the professional guidelines issued by the French Association of Statutory Auditors (Compagnie nationale des commissaires aux comptes); a higher level of assurance would have required more extensive verification work.

Neuilly-sur-Seine, March 7, 2023

One of the Statutory Auditors

**PricewaterhouseCoopers Audit**

Bardadi Benzeghadi  
Partner

Aurélie Castellino-Cornetto  
Sustainable Development Director

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### Appendix: List of CSR information that we considered to be the most material

#### Key performance indicators and other quantitative results

- › Change in direct and indirect emissions (Scopes 1 & 2 market-based) since 2019
- › Change in other indirect emissions (Scope 3) since 2019
- › Change in other indirect emissions (Scope 3; more limited scope of emissions) since 2019
- › Total direct CO<sub>2</sub>eq emissions (Scope 1)
- › Total indirect CO<sub>2</sub>eq emissions (Scope 2) – location-based and market-based
- › Total indirect CO<sub>2</sub>eq emissions (Scope 3) (including purchases of goods and services, non-current assets, employee commuting, business travel, upstream transport and distribution, upstream emissions related to energy, waste generated in operations, use of sold products, end-of-life of sold products and use of leased products)
- › Total other indirect CO<sub>2</sub>eq emissions (Scope 3 – more limited scope of emissions)
- › 2019 emissions for each emissions source (Scope 1, Scope 2 and Scope 3)
- › CO<sub>2</sub>eq emissions per ton of linen delivered
- › Share of renewable energy in total energy consumption
- › Share of renewable electricity
- › Ratio of thermal energy consumption of European plants per kilogram of linen delivered
- › Percentage reduction in thermal energy per kg of linen delivered since 2010 (European laundries)
- › Number of alternative vehicles
- › Percentage of wastewater treated before being discharged into the natural environment
- › Water consumption of European laundries per kilogram of linen delivered
- › Percentage reduction in water consumption per kg of linen delivered between 2018 and 2030 (European laundries)
- › Share of refurbished washroom and beverage products refurbished and put back on the market (in France)

- › Total amount of waste generated (tons)
- › Share of product families with at least one collection composed of sustainable materials
- › Share of end-of-life textiles reused or recycled
- › Share of procurement spends from direct suppliers to have undergone a CSR assessment within the previous three years
- › Share of young people in hires
- › Training days per employee
- › Share of managers promoted internally
- › Share of employees with disabilities (France)
- › Share of women in executive or managerial roles
- › Number of on-site CSR audits conducted during the year

#### Qualitative information (actions and outcomes)

- › 2022 Sustainable Development Week
- › Analysis of the transition of Elis's automobile fleet toward electric vehicles
- › Analysis of energy efficiency opportunities
- › Multilingual GLAD tool rolled out in 2022 and 2023, with the aim of nearly 2,000 European routes being planned under GLAD by the end of 2022
- › Review of Elis's portfolio of technologies and approaches with the aim of reducing water consumption
- › Recycling project at one site in Sweden
- › Acquisition by Elis of an eco-design tool at end-2022
- › Cross-functional working group launched in the washroom sector on the circularity of these products
- › New Training Orchestra training management tool implemented in 2022
- › CSR training modules for the sales teams
- › Composition of the Supervisory Board as at March 8, 2022 (excluding members of the Supervisory Board representing employees)
- › Adoption by Elis of a Disability Charter at end-2022









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

