

Our CSR response

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It's all **Elis.**  
Pure and simple!

Corporate  
Sustainability  
report  
2019



We empower your day

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Our CSR\* response

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It's all **Elis.**  
Pure and simple!

Corporate Sustainability report 2019

# “Elis’ multi-service model is a perfect fit for the new economy.”



**Xavier Martiré,**  
Chairman of the  
Management Board

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.

In recent years, we have taken steps to formalize our approach to CSR, setting targets and establishing performance measures. This report is a natural outgrowth of that process. We believe that communicating with our stakeholders on our ambitions, our progress and the steps we are taking to further improve our CSR performance is part of being a responsible company.

### **Pillars of strength**

At the heart of our CSR strategy are three complementary focus areas: responsible products and services, our environmental footprint and employee well-being and growth. Each of these “pillars” is discussed in a chapter of the report, including examples of actions we are taking around the world.

In certain areas where we have well-established metrics and measuring processes, we have set specific and ambitious numerical targets. Improving our use of water, thermal energy and laundry products is one example. In some cases, where we have already achieved our original targets, such as energy consumption, we have established new objectives.

Even in areas where we have yet to establish a specific numerical goal, we have provided figures that demonstrate our commitment to continuous improvement.

### **Full circle**

For Elis, CSR is not a distinct program that runs parallel to the rest of the company; CSR is inseparable from our daily operations and to Elis’ development and strategy. This reflects the fact that our business exemplifies the notion of a “circular economy,” in which the take-make-dispose model of production is replaced by a system that minimizes waste and maximizes the value of resources.

Elis’ multi-service model is a perfect fit for the new economy. By encouraging maintenance, reuse and recycling, Elis’ multi-service rental, laundry and maintenance model strikes a balance between economic growth and environmental performance.

At the same time, we fully engage our employees, ensuring a positive workplace environment in which diversity is promoted and ethics and integrity instilled in all we do.

Our CSR approach thus enables us to generate sustained growth, simplify the lives of our 400,000 customers, preserve the environment and natural resources and provide a positive workplace in which our employees can thrive and grow.

We believe it is a model built for the future.

# Contents

05 **Edito**

08 **Highlights  
2019**

10 **Elis,  
a responsible company**

12 Elis, an international  
multi-service provider

14 We empower your day

16 More than 135 years  
of innovating and staying  
close to our customers

18 A virtuous circle growth model

20 The circular economy  
at the heart of our development

22 **A structured CSR policy**

24 **CSR policy**

26 **Taking responsibility  
for our impact on society  
through responsible products  
and services**

28 Ensuring product sustainability

30 Respecting the Elis Code of Ethics  
throughout the value chain,  
across all functions and countries  
where we operate

32 Empowering the next generation  
through educational support

34 **Continuously reducing  
our environmental footprint**

36 Promoting sustainability:  
reduce, reuse, repurpose, recycle

38 Eco-improving product value

40 Reducing our  
environmental impact

42 **Empowering our employees'  
well-being and growth**

44 Ensuring our employees'  
well-being and safety

46 Enabling personal  
and professional growth

48 Promoting diversity  
and equal opportunity

## Underscoring Elis's CSR policy

The circular economy is central to Elis's development and is reflected in its rental, laundry and maintenance model. In 2019, Elis went even further by underscoring its social commitment through the three pillars of its CSR policy: managing its social impact, continuously reducing the environmental footprint of its business, and being a vehicle for the personal development and well-being of its employees.

For the fifth time, Elis was awarded the Ecovadis gold medal for its CSR performance.



## Launch of Elis Pest Control and Elis Cleanroom

Since its establishment in 2012, Elis's pest control business has continued to expand. This comprehensive service guarantees customers optimal protection of their facilities. Galvanized by its success, Elis launched an international Elis Pest Control sister brand at the end of the first quarter of 2019, underscoring its determination to continue to develop this business in Europe. In the meantime, Elis has solidified its leadership in this market with the launch of Elis Cleanroom. The service is aimed at companies requiring a controlled environment and contamination control (e.g., pharmaceuticals, microelectronics and life sciences) and was created from five of the sector's legacy brands: Elis, Berendsen, SNDI, Micronclean NL and decontam, which are now grouped under a single name.

## 10 years agreement between Elis and the label Fairtrade/Max Havelaar France



To promote fair trade, Elis signed a license agreement with Max Havelaar France in 2009, becoming the first flat linen, workwear and hygiene and well-being appliances rental and maintenance services company with the Fairtrade Max Havelaar license. Elis has developed ranges of linen and workwear from organic and fair-trade cotton. The Fairtrade standards guarantee a minimum income for producers based on a fair purchase price, irrespective of market fluctuations, as well as respect of fundamental human rights. The Fairtrade Max Havelaar standard encourages producer organizations to progressively adopt democratic structures and transparent administration to enable members to have real control over the organization's management.



# Highlights 2019

## Opening of five new plants

The new plants that opened in 2019 in Clisson (France), Southampton (UK), Dartford (UK), San Francisco de Mostazal (Chile) and Holbæk (Denmark) have been designed to eventually enable Elis to achieve water and energy consumption levels 20% and 30% below the Group's benchmark averages.



## The Fusion range for Washroom is Bronze Cradle to Cradle certified!

Cradle to cradle strives to recycle raw materials from the production process. According to this philosophy, any material used in the product should be recycled into a new product or recycled by being returned to nature at the end of its product life.



**Elis,**

a responsible  
company



# Elis, an international multi-service provider

A multi-service provider with more than a century of experience delivering textile, hygiene and facility services solutions, Elis is the trusted partner for customers throughout the world. The Group's unique know-how, combined with the professionalism of its 50,000 employees, has made it the go-to player and the undisputed leader in its markets.

## Our values



**Respect**



**Integrity**



**Responsibility**



**Exemplarity**

- Present in **28** countries on **2** continents

- More than **440** production and service centers

- Close to **50,000** employees

- **400,000** customers

- Revenue of **3.28** billion euros in 2019



In an increasingly complex world, multi-service providers have a major role to play in satisfying users' needs and fostering their professional success. At Elis, we truly believe that full attention and consistent dedication are keys to making this happen.

# We empower your day

We are always committed, dependable and caring.

We are close to our customers and contribute to their success by ensuring that:

- › they are always ready to welcome their customers;
- › their employees are safe, comfortable and ready to perform at their best;
- › they are able to guarantee the quality and safety of their products;
- › they project a professional image and provide high-quality service.

We offer solutions that allow our customers, regardless of their size or sector, to perform their best – every day – and to improve their performance, day by day.





**> 1883: Origins**

Elis's roots date back to 1883, when the Leducq family founded the Grandes Blanchisseries de Patin. Within a few years the company's horse-drawn carriages were crisscrossing the entire east-side of Paris, delivering clean linen to restaurants, luxury hotels, public bathhouses and laundries.



**> 1968: Creation of Elis**

In 1968, almost a century after the launch of the family's business, Jean Leducq decided to bring all of its activities together under a single Group. The new structure was named Elis, short for Europe Linge Service (Europe Linen Service). The same year, Elis launched its first sanitary products, including the cotton towel roll.



**> 1980s - 1990s:**

**Services diversification**

In 1993, Elis developed its first personal protective equipment (PPE). In the late 1990s, the Group further diversified its activities with an extension into water coolers and espresso machines. In 2001, Elis became the European leader in Cleanroom services following the acquisition of a cleaning and disinfecting company in France.



**> Start of 2015:**

**Stock market listing**

Elis was listed on the Euronext stock market in Paris through an initial public offering.

**> End of 2015:**

**Elis enters Chile**

Elis continued its growth strategy in Latin America with the acquisition of Albia, the market leader in Chile.

# More than 135 years of innovating and staying close to our customers

**> 1945: Early years**

At the end of the war, Jean Leducq was sent by his father to revive the Rouen plant, 130 km northwest of Paris. Soon after his arrival, the U.S. army placed an order to launder 50 tons of linen per week. Teams were mobilized and one month later the plant was laundering 80 tons a week! In the 1950s, Elis invented and developed the rental and laundry model.

**> 1970s: European expansion**

The Group's European expansion began in 1973 with the acquisition of the Belgian company Hadès and the Group's entry into Spain. These moves were followed by expansion into Portugal and Germany between 1987 and 1990, Luxembourg in 1994, Italy in 1999 and Switzerland and the Czech Republic in 2001.



**> 2013: Launch of a new service:**

Pest control and disinfection

**> 2014: Elis in Brazil**

Building on its expansion in Europe, Elis acquired Atmosfera, the leading industrial laundry group in Brazil, followed later that same year with the acquisitions of L'Acqua and SC Lavanderia.



**> 2016: Elis continued to expand**

Elis made the acquisition of Indusal in Spain and also entered the market in Colombia through the acquisition of SIL.

**> 2017: Elis becomes the pan European leader**

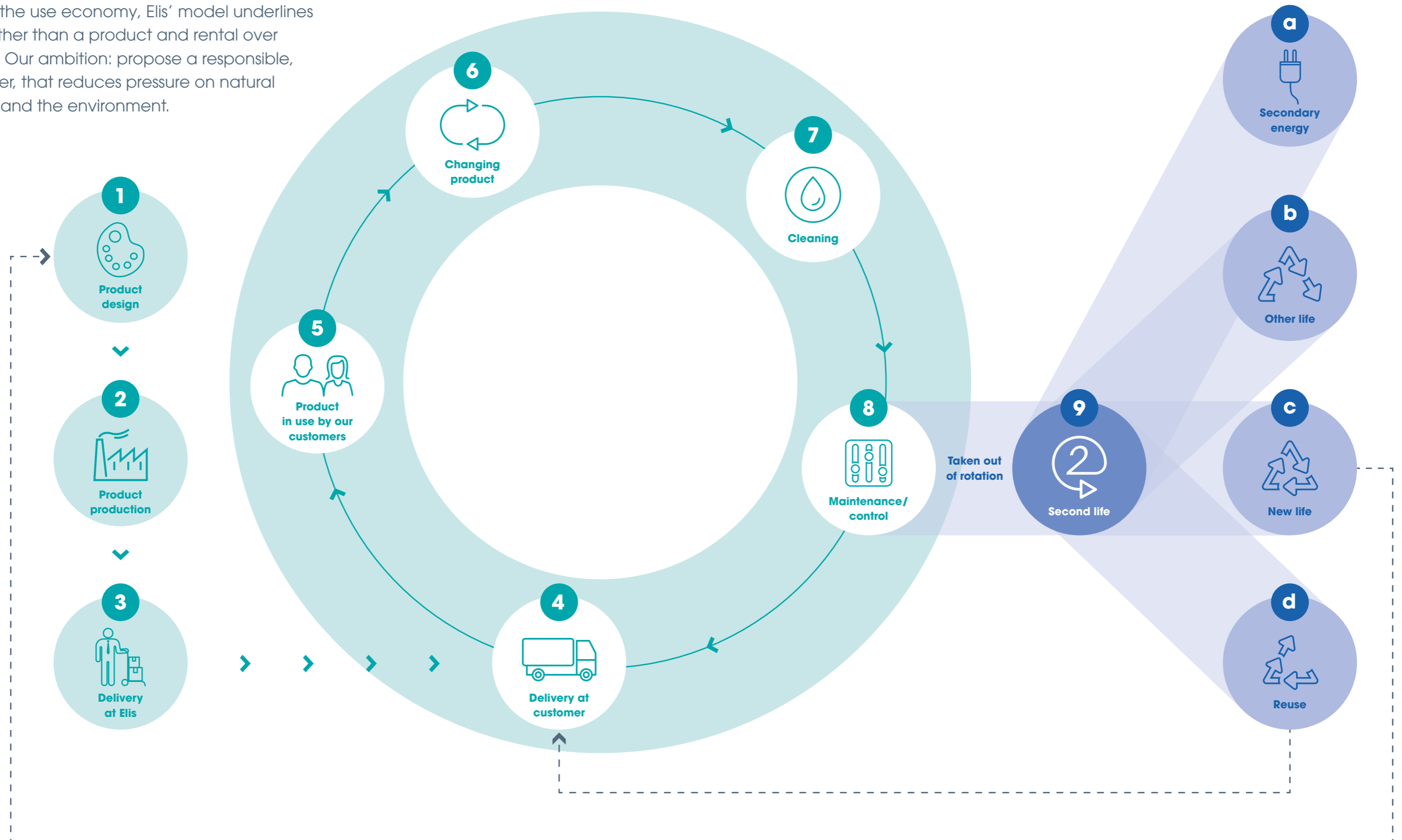
With the acquisition of Berendsen, Elis added operations in 14 countries and 15,000 employees.

**> 2018-2019: Major acquisitions in several European countries.**

Adoption of a new Elis tagline: "We empower your day."

# A virtuous circle growth model

Based on the use economy, Elis' model underlines service rather than a product and rental over purchase. Our ambition: propose a responsible, quality offer, that reduces pressure on natural resources and the environment.



# The circular economy at the heart of our development

Elis' business model is fully consistent with the principles of a "circular economy." This concept redefines traditional models of business growth to focus more broadly on positive society-wide benefits. By selling the use of products rather than their ownership, Elis is able to offer customers high-quality products and services with better cost control and improved environmental outcomes.



## Focus on textiles

The most commonly used materials within Elis are textiles. To maximize their life, the Group has a monitoring system in place to track indicators related to fabric management, ensure optimal use of current inventories and manage purchases of new linen. By standardizing textile items, Elis is able to reuse approved textiles that become available, prolonging their life span. This might occur, for example, as a result of a change in packaging by a customer.

### The life cycle of Elis products

By the time our customer receives a product from Elis, it has already passed through many hands and steps. The product life cycle takes shape at the design stage where we consider its suitability for re-use, repair or recycling. The product developed by the supplier is subject to Elis quality control and track through logistics systems that enable automated, high-volume operations with a high inventory turnover. The Group is also continuing to strengthen its central purchasing operations and to implement IT purchasing tools, enabling it to monitor the supply chain from source to delivery and the movement of a product within our processes to the time it leaves our cycle.

### The sustainability benefits of Elis' approach

To address the life cycle of its products and the well-being of stakeholders, Elis has renewed its focus on eco-design and sustainability initiatives. In contrast to traditional modes of consumption that encourage disposable products or planned obsolescence, the Group's business model puts less pressure on natural resources and the environment. This model can be seen in other sectors, such as car rental services in urban settings. This approach also extends product life by maximizing their use and promoting their repair, reuse and recycling. For us, the circular economy is about decision-making: making sure our decisions support our vision on quality, value, cost and sustainability. Our latest CSR policy and goals underline our



determination to challenge the business sustainability of both our own operations each day and those of our suppliers.

### Reusable versus disposable

Recovery and recycling is an integral part of all textile service operations. In the laundries, water and energy are recovered and reused, when possible. Transport equipment such as trolleys, boxes and sacks are maintained, cleaned and reused. When textiles no longer meet quality criteria, the materials are typically recycled into new products.

### Home versus industrial laundry

The societal benefits provided through Elis' business activities include protection of health, as underlined through a recent study on the hygiene risks of washing at home:

"Washing professional clothing and textiles at home may seem like a simple and obvious solution. Whether for workwear, chefs wear, elderly care facilities, linen, bedding or towels. However, this comes with an undefinable level of risk. The

difference between "clean", "hygienically clean" and "disinfected" are often overlooked. Research shows that consumers' knowledge of hygiene when washing textiles at home is limited. As long as nothing serious happens, everybody seems to be on the safe side. In reality, however, scientific publications indicate that textiles can be a vector for infective agents. Ignoring this could lead to severe problems and even death in certain vulnerable cases. In reality, hand hygiene, surface and textile disinfection as well as hygiene monitoring and quality control systems are key factors for hygiene. In fact, even when special efforts are made to monitor and control hygiene for hygiene-sensitive environments, textiles are often neglected and left out of the picture... Professional textile services use validated hygiene quality and control management systems to ensure textile disinfection. This highly controlled environment cannot be reproduced at home!" <sup>(1)</sup>

(1) Study conducted by German microbiologist Prof. Dr. Lutz Vossebein from Hochschule Niederrhein; comments from October 19, 2018 letter to ETSA



**100%**  
of our PEC  
bottles are  
recycled

# A structured CSR policy

# CSR policy

Elis' CSR policy is part of a global vision for our company that encompasses our development and strategy. It is based on ensuring the satisfaction of our customers, our ability to conquer new territories and markets, and our ability to generate continuous sustainable growth empowered by the circular economy. Elis is committed to providing a workplace that respects human rights and promotes diversity while protecting the environment. We want to set an example of integrity, being honest in our everyday business, taking responsibility for our decisions and taking into account how they impact our stakeholders.

**We are committed to 360° responsibility based on three pillars:**



## Taking responsibility for our impact on society through responsible products and services

- Ensuring that our products are produced in a manner that respects people and the planet
- **Respecting the Elis Code of Ethics** throughout the value chain, across all functions and countries where we operate
- Empowering the next generation through **educational support**



## Continuously reducing our environmental footprint

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



## Empowering our employees' well-being and growth

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

Our experience, our employees' pride in the company, our values and the trust of our shareholders are key to achieving these objectives in the pursuit of the sustainable development of our business. The involvement of all stakeholders at every level throughout the Group is necessary for this approach to be successful and ensure the full satisfaction of our customers.



# Taking responsibility for our impact on society through responsible products and services

“ We make sure to select suppliers, products and services around the world that respect people and the environment. Through our purchases, we communicate, foster and share with Elis suppliers our commitment to sustainable and ethical purchasing. ”

Frédéric Deletombe  
Industrial and Purchasing Director

As an international company committed to sustainability and responsibility, Elis seeks to extend the impact of its actions throughout its eco-system. Whether partnering with suppliers to ensure adherence with its CSR policies, conducting audits to check compliance with the Group's code of Ethics or opening doors for students from disadvantaged backgrounds, Elis' actions reflect the values that it seeks to live and reinforce through its daily actions.

**~70%**  
of purchases  
come from  
European  
direct suppliers

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

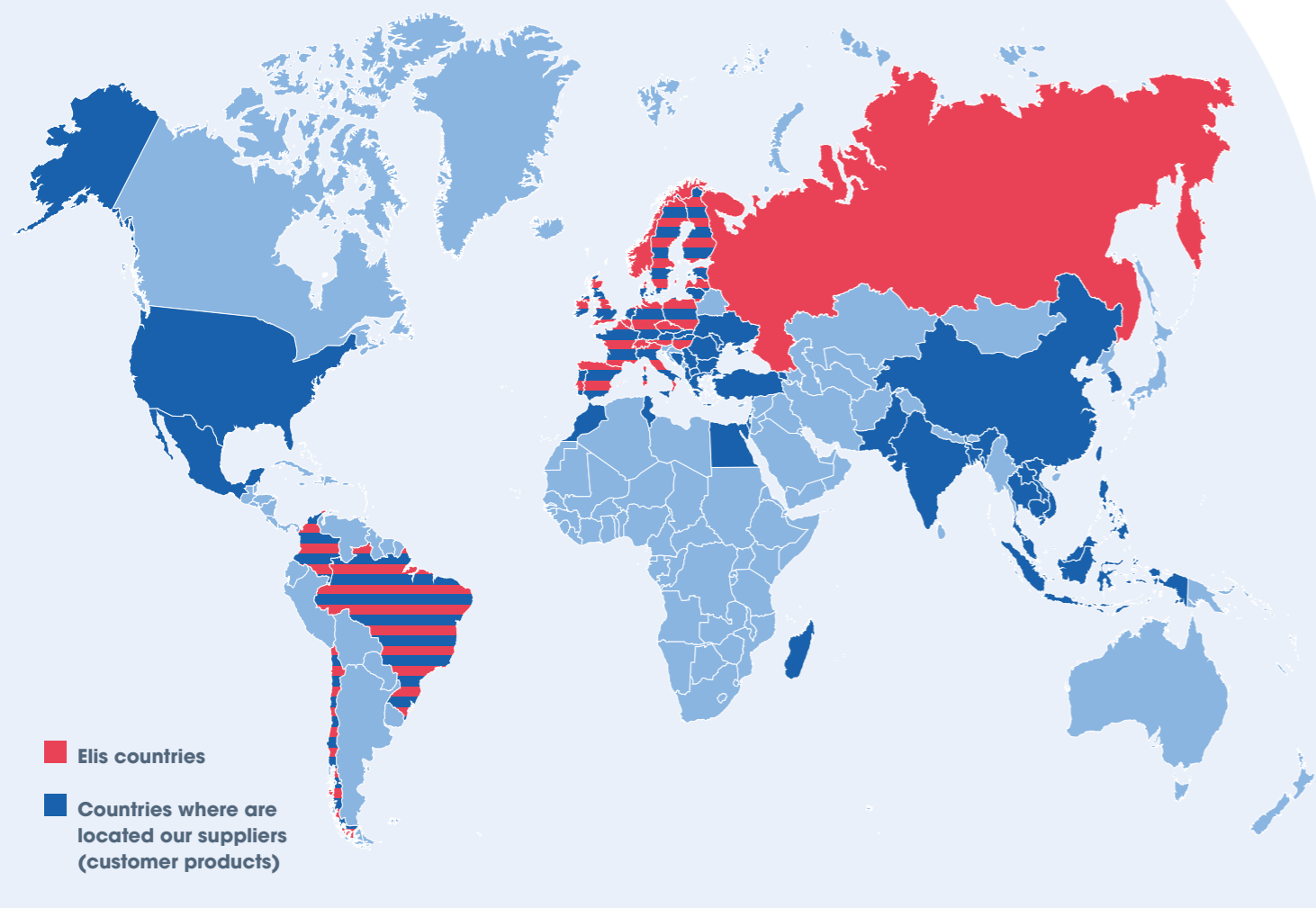
● One-year agreements to promote optimization and control

● Acquired suppliers must complete all selection steps according to our Code of Conduct



Taking responsibility for our impact on society through responsible products and services

## Elis countries and our 'direct' supplier countries



## Ensuring product sustainability

At Elis, product quality is a constant priority. To ensure that our products are produced in a manner consistent with our sustainability principles, we maintain a constant focus on different topics: purchases of textile products, taking care of human health and safety, protecting our planet.

### Purchasing policy

As an international company, Elis operates in a variety of settings, with diverse cultures, regulations and trends. In addition to respecting local conditions itself, we carefully select our suppliers based on the quality of their products, the assurance of ethical production and their ability to deliver value for money. The Purchasing and Procurement Department strives to form genuine partnerships with suppliers, fostered by recurrent collections and stable production cycles. The Group's Supplier Code of Conduct formalizes the standards expected from suppliers and subcontractors in terms of fair practices, human rights, health and safety and protection of the environment.

Documents supporting this commitment:  
 Document: The IN53a – Sustainable and Ethical Purchasing Charter (also known as the Supplier Code of Conduct)  
 Document: UNGC since 2006  
 Document: Code of Ethics including the Whistleblower and anti-bribery guidelines

### Encouraging certification policies

Elis's suppliers are encouraged to obtain ISO 14001 certification (environmental) and SA 8000 certification (social). Elis also requires EU REACH certification for all textiles supplied, a worldwide testing and certification system to prevent use of harmful substances, prohibited and regulated substances and chemicals known to pose health risks.

**~40%**  
 of workwear articles come from European direct suppliers

Close to **100%**  
 of the hygiene and well-being articles come from European direct suppliers



## How do we select responsible suppliers?

### GENERAL ELIS REQUIREMENTS

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

### STEP 1

#### EVALUATION: COUNTRY RISK ASSESSMENT

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

### STEP 2

#### ASSESSMENT: SUPPLIER RISK VALIDATION

Suppliers operating in medium or high risk areas must complete a questionnaire, providing detailed information on supplier positioning with respect to CSR international norms and standards. ISO26000, SA8000 or ISO14001 certifications or validated Sedex/SMETA or BSCI audits are considered as positive statements. A CSR self-assessment may be considered as a positive statement, particularly if validated through a third-party audit.

### STEP 3

#### ASSESSMENT: PRIORIZATION OF TASKS

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

### STEP 4

#### MITIGATION: SUPPLIER CONTROL AND AUDIT

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



Taking responsibility for our impact on society through responsible products and services

# Respecting the Elis Code of Ethics throughout the value chain, across all functions and countries where we operate

Elis' commitments to sustainable development and ethics are reflected in documents that describe its commitments and expectations with regard to its suppliers and employees. The Code of Conduct sets out Elis' commitments in terms of purchasing as well as its requirements and recommendations for suppliers and subcontractors. The Elis Code of Ethics makes clear the behavioral rules that apply to all Elis employees.

### Ethical requirements

All Elis employees are expected to comply with the company's ethical principles. These begin with respecting the dignity and rights of everyone, ensuring compliance with laws and regulations and setting an example by acting at all times with integrity and responsibility. Elis is vigilant in enduring compliance with all social standards applicable under the employment laws in each country and major international bodies, such as the International Labour Organisation and groups protecting the rights of children. Among these are provisions prohibiting the use of child or forced labor and laws against corruption and unfair business practices.

### Environmental requirements

Through its sustainable economic model, Elis works on the sustainability of its products to reduce pressure on the environment. Its environmental policy seeks to optimize natural resource consumption, reduce its environmental footprint, preserve biodiversity and promote end-of-life recycling of textiles. These principles are applied each day across production units and reinforced through exchange of best environmental practices between teams. Elis' contracts with potentially at-risk or



high-risk strategic suppliers contain a sustainable development standard, with regular audits carried out to ensure compliance with regulatory standards and Elis policies.

### Health and safety requirements

Protecting the health and safety of its employees, contractors and consumers is central to everything that Elis does. The Group is committed to providing a healthy and safe working environment and preventing the occurrence of work-related accidents, injuries and illnesses. Elis complies with all applicable rules in the countries in which it operates, regularly assesses physical risks and undertakes appropriate preventive measures to address risks.

### Whistle-blower procedure

Any employee confronted with a situation likely to result in non-compliance with a

law, regulation or Elis' code of Ethics may report the situation to their own manager, any other senior manager, the company compliance officer, human resources manager or via Elis' confidential alert system. No penalty or discriminatory measures will be taken against any employee who uses this alert system in good faith and without intention to cause harm. The whistle-blower system is accessible to all.

### OUR COMMITMENT

Responsible supply chain 2025:

**95%**

of the preferred suppliers covered by a CSR assessment.







Taking responsibility for our impact on society through responsible products and services

# Empowering the next generation through educational support

The Elis Foundation was created at the end of 2018 to promote equal opportunity while rewarding excellence. With this in mind, the Foundation decided to start its action by supporting deserving French high school graduates whose financial situations preclude them from realizing their ambitions. The Foundation provides scholarships to help these students pursue higher education. In addition, the Foundation matches each recipient with an Elis employee, who acts as a mentor and helps and encourages the student and provides advice during their studies.



### Scholarship students, meet your mentors!

Marking its first year of existence, the Elis Foundation hosted a reception in September 2019 at Elis headquarters in Saint-Cloud, France, to present scholarship certificates to the first three recipients. The recent high school graduates were present with their parents to receive the certificates from Elis Foundation president Xavier Martiré.

The reception also was an opportunity for each student to meet in person with their Elis employee mentor with whom they previously had been interacting through phone calls. Such was the case for Yvana Amegavie, a first-year medical student in Rouen, France, and her mentor, Hélène Peditto, Elis Compensation & Benefits Advisor.

Talking together once a week, the two had been reviewing Yvana's plans and studies as well as her overall situation in her daily life, including confirming that the

Foundation-provided scholarship is enabling Yvana to manage financially. Says Hélène, "It's important for me to know if Yvana is well situated in Rouen and that she is doing well both academically and in terms of her morale, given the heavy workload of her medical studies."

For Yvana, the reception was an opportunity to meet the other student scholarship recipients and a number of Elis employees, including, most importantly, her mentor. "When we met in person, I immediately had a very good feeling with Hélène, as our personalities are very much alike."

Both said they look forward to future opportunities to get together, to augment their weekly phone calls. "It's important that Yvana knows that she can tell me about the good times she is going through as well as the bad ones, says Hélène. Additional meetings will help us to further strengthen the relationship of trust we are building."

### OUR COMMITMENT

Educational support 2025:

**triple**  
the budget of the Elis Foundation.



### Selection criteria

Student selection criteria for Elis Foundation scholarships:

- > a general or technical diploma with a mention of «very good» or «good»
- > an ambitious study plan and strong motivation to achieve it
- > a financial situation that would make it difficult to complete their studies



“ The Group undertakes product innovation projects centered around better material and production management. ”

Caroline Roche  
Marketing and Innovation Director

# Continuously reducing our environmental footprint



Elis set ambitious goals to improve its environmental performance. First, in France, a 25% improvement in use ratios for water, thermal energy and laundry products by 2020 compared to 2010. The Group has already surpassed its goal for water and is continuing to progress in the other areas. New goals have been set at the beginning of 2020 for 2025 on all areas of the CSR policy.

● 139 Elis plants are certified ISO 14001 (environmental management)

● 81 are certified ISO 50001 (energy management).

## OUR COMMITMENT

Effective use of resources 2025\*:

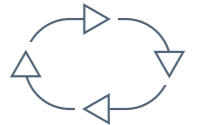
- 20% CO<sub>2</sub> emissions (Group)
- 35% energy savings (Europe)
- 37% savings in chemicals (Europe)
- 50% water consumption (Europe)

\*Compared to 2010 - Ratios per kg of linen delivered.



# Promoting sustainability: reduce, reuse, repurpose, recycle

Elis' commitment to sustainability begins with its rental and maintenance service business model, which allows customers to avoid purchasing the products they use. Throughout our activities, we seek ways to reduce pressure on natural resources and the environment by promoting reuse, repurposing and recycling.



- Reducing**  
minimize use of raw materials and energy
- Reusing**  
use product or material again for the same purpose
- Repurposing**  
reuse a product for another purpose; which can be a higher value through up-cycling or lower value through down-cycling
- Recycling**  
process the materials for reuse in same or other cycle

### New uses to reduce waste

Whether reusing plastic detergent containers, exchanging linens to reduce textile waste or shifting from plastic film to boxes for packaging, Elis is constantly implementing new ways to lessen its impact on the environment. Other actions include restoring and reusing 2 million hangers per year and transforming end-of-life textiles into insulating materials or automotive parts.

### Paper please

Paper repair bags introduced in 2019 provide customers with a more convenient way to identify any damage, ensuring that the item can be returned to the Elis plant for repair.

### Building for a better tomorrow

Sustainable decision-making is not limited to our products. To build its new Cleanroom plant, Elis Denmark used Thermofoam, a material made from recycled Styrofoam. The material, which can be reused, has better strength than traditional concrete and provides soundproofing and non-combustible qualities.

### OUR COMMITMENT

Reduce, re-use and recycle 2025:

**80%**  
textiles recycled

> Identification of new ways of recycling (acoustic insulation, furniture industry, carbon fibre industry...)



# Eco-improving product value

Under Elis' product-service business model, customers use products rather than owning them (see "Business model 360°" on page 16). This model drives Elis to design products that maximize sustainable service, find alternatives to disposable products and increase customer awareness of the environmental advantages of Elis' approach.



## Environmentally friendly support

Elis' washroom dispensers come with a system to prevent over-consumption and contain products chosen for their proven environmental features. All of Elis's paper products are Ecolabel-certified and all paper hand towels are from forests with the FSC (Forest Stewardship Control) label.



### Designing for tomorrow

The service Elis delivers should provide the longest possible use of products. To optimize the life span of Elis products, the products designed by Elis product innovation teams must do more than respond to customer use needs. They are also designed to optimize lifespan by using sturdy, reliable materials of high-quality that will also survive fashion changes. Product innovation projects also emphasize on better management of materials (for example, the Cradle to Cradle certification for the washroom Fusion range). Life-cycle assessment methodology is applied to selected

products (towels, surgical drapes) to demonstrate scientifically the environmental performance of our product-service system compared to disposable or direct-purchase solutions.

### Textile tracking

To maximize the life of the textiles the Group furnishes customers, Elis uses a RFID monitoring system to track fabric management in real time, ensure optimal use of inventories and manage new linen purchases.

### Material concern

Most of the textiles we provide through our rental and laundry service are made of cotton, polyester or a blend of the two. Elis constantly tests different compositions and fabric alternatives to minimize cost variation and ensure use of sustainable materials and production methods (see Policy 1 on page 24). For example, in 2018, Elis has designed a full line of clothing for a major agri-food group for all its plants in 11 European countries. Together they created a bespoke collection of workwear that combined style with technical performance,

comfort and CSR considerations. The fabric used to manufacture these garments is actually made from recycled plastic bottles. In the meantime, The Netherlands introduced organic cotton hand-towel rolls.

### OUR COMMITMENT

Sustainable product design 2025:

At least one collection made of

**100%**

sustainable materials in every product group



# Reducing our environmental impact

Through its environmental strategy, Elis works to guarantee the quality of its laundry service while minimizing use of water, energy, fuel and laundry products. The Group monitors its environmental impacts, implements prevention and reduction measures and explores new solutions for its water and energy use.



## Thinking greener at every stage

Measures taken to reduce our environmental footprint can be found at every level of our operations. Our “clean-for-dirty” system avoids the driving of empty vehicles and the size and type of trucks used are optimized for the volume to be transported. As laundry progresses through the different treatment stages, heavy-duty washing tunnels optimize the volume processed and the energy consumed. Air/air and water/water heat exchangers save energy while automated recycling systems optimize recovery of water, which then can be re-injected for clean rinsing into pre-wash compartments, saving water, detergent and energy. By optimizing the washing process with more efficient tunnels and washing machines, water recycling systems and control of detergents, we are able to significantly reduce average total water consumption. Water is also conserved through the gradual replacement of powdered detergents with easier-to-rinse liquid detergents.

### Reducing emissions with renewable energy

Solar heating, biogas heating and electricity based on wind or biomass are among the renewable energy sources being tapped by textile service companies to power new laundries. Next year, Elis will be opening its first European plant to use biomass aimed at its cleanroom service customers. We also plan to capitalize on the use of biogas and biofuel at some of our other sites to assess whether they could be deployed at other locations and in other countries.

### Greenhouse gas emissions in 2019

(In ktCO2e/kg of linen delivered)

#### Scope 1: 474.8

emissions relate to the on-site consumption of fossil fuels (gas, fuel, oil), vehicle consumption and refrigerant leaks.

#### Scope 2: 71.1

emissions relate to electricity generation and steam

### Eco driving lowers energy consumption, and speed!

While we continuously review and test electric trucks, there is no vehicle available on the market that offers a satisfactory compromise between the number of miles that can be driven on a single charge and weight loading. Elis focuses on reducing fuel consumption by densifying its delivery channels, deploying a unique fleet management tool, promoting eco-driving, maximizing the filling rate of its trucks and improving the performance of its vehicle fleet.

### Elis vans and trucks on the road in 2019

Approx. 6,000 vehicles  
# 20 hybrid  
# 3 natural gas  
# 4 full electric  
and 10 more to come in 2020

### Cleaning and conserving water

Across its network, Elis works to conserve water and reduce the strain on this vital natural resource. In Denmark, Elis is working with a Danish university and other partners to measure and monitor the presence of micro-plastics in water and filter them from wastewater prior to discharge from the laundry. At Elis’ Helsingborg plant, in Sweden, a new chemical wastewater treatment facility is reducing heavy metals in effluent water by up to 96%.

100% of used water treated prior to discharge

Water consumption: reduction of -40.6%

(compared to 2010 - consumption per kg of linen delivered - Europe)

Energy consumption: reduction of -23.4%

(compared to 2010 - consumption per kg of linen delivered - Europe)



**“** We are committed to ensuring the well-being and professional development of our employees. Our human resources approach is a pillar of the common culture that underpins all our actions, based on our values of respect, exemplarity, integrity and responsibility. **”**

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

# Empowering our employees' well-being and growth

The professionalism and commitment of our employees is key to our performance. Elis seeks to unite and engage employees within a strong brand culture, built around values, expertise and a determination to constantly improve performance. The Group's commitments described in this part of the report reflect the priorities of employee well-being, safety and career development, and the promotion of diversity and equal opportunity.

**272,714**  
number of training hours in 2019

● **53%** proportion of women in overall workforce

● **33%** of managers are women (+9% in 5 years)

● **93,8%** proportion of full-time employees



Empowering our employee well-being and growth

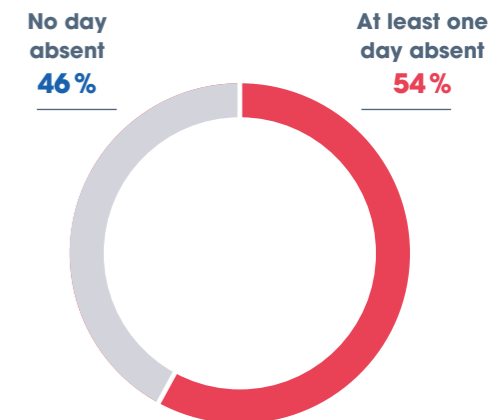
# Ensuring our employees' well-being and safety

Elis believes that the safety and well-being of our employees is a core company responsibility. In addition to our rigorous policies and training programs to protect the health and safety of our people, we take time to listen to what they have to say about their workplace and working conditions and take action to address identified areas of improvement.



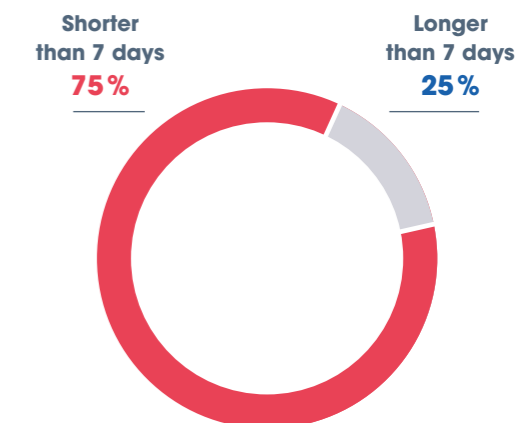
### Number of employees with perfect attendance

In 2019, the coverage rate was 73%



### Breakdown of days absent

In 2019, the coverage rate was 73%



### OUR COMMITMENT

**Safety 2025:**  
Reduce workplace accidents by **50%**  
(base year 2019)

#### Ongoing dialogue with employees

Elis works each day to strengthen the bond of trust with its employees, measuring this trust through regular confidential surveys of employees. This "social barometer" is a key performance indicator of the effectiveness of the company's human resources policy that is tracked over time and used to identify areas for needed improvement.

#### One goal: zero accidents

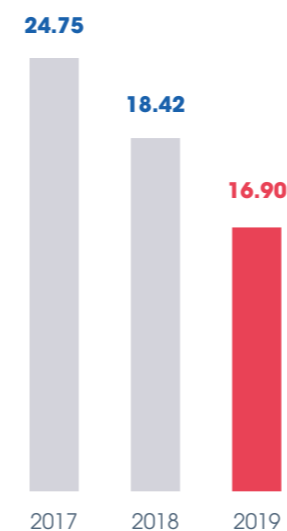
Through its Health and Safety Policy, Elis strives to reach its objective of zero accidents by reducing risks and preventing accidents to improve safety at work. Key priorities include strengthening the Group's safety culture, fire risk prevention, ergonomics and prevention of handling risks.

#### Walk the talk

On Elis sites, maintenance officers are in charge of environmental matters, including managing any incidents that could cause pollution outside a facility. Safety equipment such as stoppers is provided at sites, and posters are displayed to remind people of what to do in the event of an accident, as well as best practices for preventing accidents. Dedicated staff receive specific training in these and then train other employees on the site.

#### Number of accidents per million hours worked

Source: Elis Human Resources department



#### Prevention initiatives

All newly-hired employees receive training adapted to their working environment and activity. Risk prevention activities include specialized training, use of physical boundaries, blocked machines and spaces, and software for safe driving behavior. An internal Central Incident Reporting System to support injury reporting and tracking was launched in 2019.

- **6.37% absenteeism rate** (number of hours of absence, whether paid or unpaid, whether for occupational or private-life reasons, over the theoretical number of hours worked)

- **48,246 number of days of absence of less than 7 days** (paid or unpaid)



Empowering our employee well-being and growth

# Enabling personal and professional growth

Elis is committed to providing a professional work environment in which all of its employees can develop, advance and succeed in their job. The company fosters a culture of trust, recognizes outstanding performance and provides training and development opportunities to enable employees to grow with Elis.



**9,969**  
permanent employees hired in 2019

**35.82%**  
of new managers were promoted internally in 2019

### Elis' culture

It reflects our values of proximity, autonomy and trust. We seek to ensure attractive career prospects and professional fulfillment for our employees and support their development and growth. Our business development strategy depends on our ability to recruit and retain skilled, high-performing employees. We invest in our employees, beginning with an intensive integration period to introduce Elis' business, internal network and philosophy. Throughout their time with Elis, employees are offered multiple training tracks that can lead to rich and varied career growth opportunities.

*"At Elis, we provide our employees with opportunities to take on exciting new challenges, entrust them with responsibility and offer diverse experiences that support career path development."*

Didier Lachaud, HR and CSR Director

### Recognition and exchange programs

Elis has a tradition of celebrating its best performers and loyal employees in all of its plants. In recent years, the company has extended its "Chevrans" program to additional countries, in which recognized employees from production and maintenance teams are invited on a three-day celebratory trip, each year to a new destination.

In 2019, the Chevrans Club had 425 employees and their significant others, from 15 countries, heading off on a four-day trip to Prague, to forge ties, converse and discover new cultures. The company also is enlarging its International Training Program, in which newly recruited employees are trained on Elis' flagship jobs (in the production and commercial sectors), then sent for 12 to 24 months to another country to continue their training, share good practices and strengthen the Group's culture.

### Developing next generation leaders

The Management Trainee program launched in France in 2018 enables young professionals to develop their management skills over a two-year period on a wide array of projects and on multiple sites, in France and abroad. This program has existed for many years in the Elis North countries.

*"The reason I applied for the management trainee program at Elis was to take advantage of the opportunity to lead a variety of projects in a company with a global presence. The program allows you to challenge yourself, develop management skills and discover the Group's different sectors."*

Laura Manrique - Management Trainee

### Launch of the Elis Sales Academy

The Sales Academy, launched in June 2018, enables participants to further improve their sales skills through a series of training modules. The Academy's mission is to empower our employees to progress, to provide growth opportunities within the Group and to promote Elis as a future employer.

### OUR COMMITMENT

#### Personal and professional growth 2025:

- Roll-out of the Chevrans program in all Elis countries
- Increase retention of key personnel through talent development





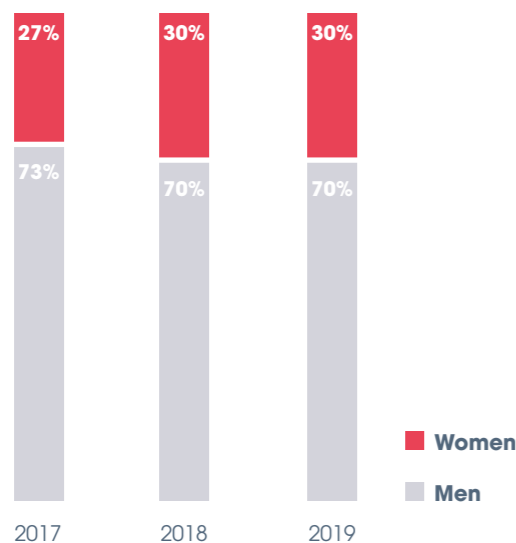
Empowering our employee well-being and growth

# Promoting diversity and equal opportunity

Elis seeks to foster a culture of diversity and inclusion, ensuring that each employee can develop and grow without being subjected to discrimination, including on the basis of gender, religion, origin, age, sexual orientation, physical appearance, health status, disability or political beliefs. Elis is committed to highlighting the benefits of diversity and how different knowledge and viewpoints contribute to building synergies and stimulating innovation.



Percentage of newly hired female managers



### The many forms of diversity

The proportion of women in the permanent workforce has remained stable over the past four years, standing at 53%. The HR department is looking at how gender balance differs across various departments and how further progress can be made. The company seeks to accommodate people with different talents who require adjustments and supports them in developing a long-term career. In Denmark, for example, Elis helps to support the employment of young people with psychological challenges by donating materials that can be used to improve skills and helping to sell their products.

### Opportunities, not obstacles

By making operational changes like adjusting the workload and providing extra supervision, Elis Mios, in France, made it possible to hire an employee who otherwise would have been unable to drive a truck. The team in Mios was recognized with the 2018 integration award for this inclusive action.

In Colombia, Elis has launched a labor inclusion project, in partnership with local institutions in order to employ people with impaired hearing by adapting their work environment to their capability. 13 employees have been recruited since 2017, and the company plans to hire 10 additional people in 2020.

### OUR COMMITMENT

Diversity 2025:  
**40%**  
of all permanent management positions covered by women

**“** The Group’s success and growth are based on respect for others, exemplary behavior, integrity and responsibility. **”**

Xavier Martiré  
Chairman of the Management Board





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