2021

Universal Registration Document

Including the Annual Financial Report

We empower your day

Contents

Elis service agent.

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.

5.

Comments on the financial year 2021 207

6.

Financial statements for the year ended December 31, 2021 223

7.

Other information about the Company, its share capital and share ownership 323

8.

Additional information 339

Cross-reference tables 341

This is a translation into English of the Universal Registration Document (including the Annual Financial Report) of the Company issued in French and it is available on the website of the Issuer.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document was filed on March 29, 2022 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 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://fr.elis.com/sites/fr.elis.com/files/2021/04/09/Elis%20-%202020%20Universal%20Registration%20Document.pdf
- the consolidated financial statements of the Elis Group relating to the 2019 financial year and the Statutory Auditors' report appearing in sections 6.1 and 6.2 of the 2019 Universal Registration Document, available on the Company's website: https://fr.elis.com/sites/fr.elis.com/files/2020/04/14/Elis%20-%202019%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

1.1
ELIS IN 2021

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

€3,048.3 million in revenue

Approximately **400,000** customers

49,070 employees

Operating in **28** countries

425* plants and distribution centers

* Figure aligned with chapter 3 reporting scope.

Elis, a global leader in bespoke solutions that support the circular economy

Our mission

We are our customers' partner, committed to working with them on a daily basis to design and deliver customized solutions in a wide range of industries so we can add value and ensure their success by allowing them to focus on their core business.

Elis's circular economy model enables it to steer its customers toward more responsible solutions.

Our values

- Respect
- Integrity
- Responsibility
- Exemplarity

The rental and maintenance process

Elis's customers know they can count on the Group's full attention and unwavering dedication day in and day out, which means they can focus on their core business with confidence and peace of mind.

The rental and maintenance model simplifies the lives of our 400,000 customers by adapting to their needs and creating long-term partnerships of trust together with personalized, local relationships.

1. Customer needs assessed by an expert
2. Items purchased and stored by Elis
3. Item maintenance
4. Customized service
5. Regular deliveries and pick-ups tailored to customer requirements

Our solutions

Flat linen
Table, kitchen and hotel linens

Workwear
Workwear and PPE

Washroom
Hand and toilet hygiene and scent solutions

Beverages
Water fountains and coffee machines

Floor protection
Mats, mops and wiping cloths

Industrial wiping
industrial wipes

Pest control
Vermin and insect control, disinfecting

Cleanroom
Cleanroom garments

Medical waste management
Collection and disposal of medical waste

Personal laundry services
for residential facilities, daycares and schools

1

Message from the chairmen

Thierry Morin

Chairman of the Supervisory Board

Elis's strategy of geographic diversification and its presence in all its markets truly paid off during what was an extremely tumultuous year.

In 2021, Elis was once again able to adapt quickly to a wide range of events: most European countries were in lockdown in January, which prompted the Group to adapt its operational teams and structure; the Healthcare, Industry and Trade & Services sectors then returned to pre-crisis levels in the spring, which required us to respond quickly so we could support our customers; lastly, Hospitality volumes picked up sharply in the summer against a backdrop of a widespread labor shortage in Europe.

In the end, revenue grew by 8.6% in 2021, and our teams were able to retain our renowned service quality despite sudden volume increases.

The many lessons learned and considerable progress made during 2020 and 2021 have enabled us to make operational and structural gains at all levels – and here I would like to commend the work of the Executive Committee during this crisis – that have improved all our operating indicators: since the start of the crisis, our EBITDA margin has risen by 90 basis points and the Group's debt has fallen by almost €230 million. By focusing on generating cash, we were able to further improve free cash flow in 2021, with it reaching €228 million. Leverage is expected to be 2.6x at end-2022, taking into account balance sheet normalization and renewed maneuverability for the Group.

All this means that Elis is emerging from the crisis stronger and ready to grasp the organic and external growth opportunities before it. With this in mind, Elis will expand into its 29th country in 2022 with the purchase of a market leader in Mexico, and now has recurring organic growth in excess of 3.5%.

Such exceptional results are not down to luck. They reflect a clear and consistent strategy with four key components: consolidating Elis's positions through acquisitions and organic growth, opening up new markets on a regular basis, continuing to improve operational excellence, and cross-selling services with the aim of expanding our customer offering.

The Elis model not only guarantees considerable financial resilience; it is also responsible towards the environment. The product as a service business model encourages maintenance, reuse and recycling, and Elis's know-how and processes help to minimize water, energy and cleaning product consumption and to reduce their impact on the environment. In this regard, I would like to highlight that we have set up a CSR Committee alongside the Supervisory Board so that we can focus even more on our policies in this area.

With crisis after crisis, we are obviously acutely aware of the impact of what is happening in Ukraine. We are monitoring the situation closely but remain confident that the Elis Group can adapt as it always has.

> "Once again, the past year allowed Elis to demonstrate the resilience of its business model and the strength of its teams."

Are you happy with Elis's performance in 2021?

Our teams once again demonstrated the robustness of our business model in 2021. In a hugely uncertain and volatile environment, the Group improved its EBITDA margin and generated record free cash flow, thereby reducing net debt by nearly €230 million in the last two years. This remarkable performance is testament to the considerable expertise that has enabled us to overcome every crisis the Group has ever faced since it was founded over a century ago.

That is why I would today like to extend my heartfelt thanks to the Group's employees, who have continued to work with skill and dedication throughout this health crisis. Thanks to them, we were able to continue delivering flawless service to our customers in all 28 countries, despite business fluctuating wildly.

What operational challenges did you face in this unusual year?

Business was a rollercoaster: following widespread lockdown at the beginning of the year, normality returned in Healthcare, Industry and Trade & Services before Hospitality picked up again in the summer. Adapting to such fluctuations is hard enough in normal times, but when you throw in a widespread labor shortage, supply chain disruption and renewed inflation, you see the real feat achieved by our teams to maintain service quality and improve all our operating and financial indicators!

Can you tell us if the crisis has caused you to change your CSR approach?

The Group is especially proud to have kept its CSR policy as a core concern despite the crisis. We stepped things up in 2021 by creating a CSR Committee alongside the Supervisory Board and appointing a CSR Director who reports directly to me. In 2022, we will ask the general shareholders' meeting to adopt a Say on Climate resolution committing to a Science Based Targets approach, which is testament to our ambitions in this area.

And you are expanding into a new country in 2022, despite the crisis in Ukraine?

Elis is emerging from the crisis stronger, with its operational responsiveness and know-how confirmed, its balance sheet smaller and its financial indicators improved. This means we are ready for a new adventure in Latin America as we set about integrating a leader on the Mexican market. I would like to welcome the 2,600 new employees who are joining the Group. I have no doubt that they will replicate our Brazilian success story!

We also stand ready to meet the challenges presented by the situation in Eastern Europe, which we are monitoring closely.

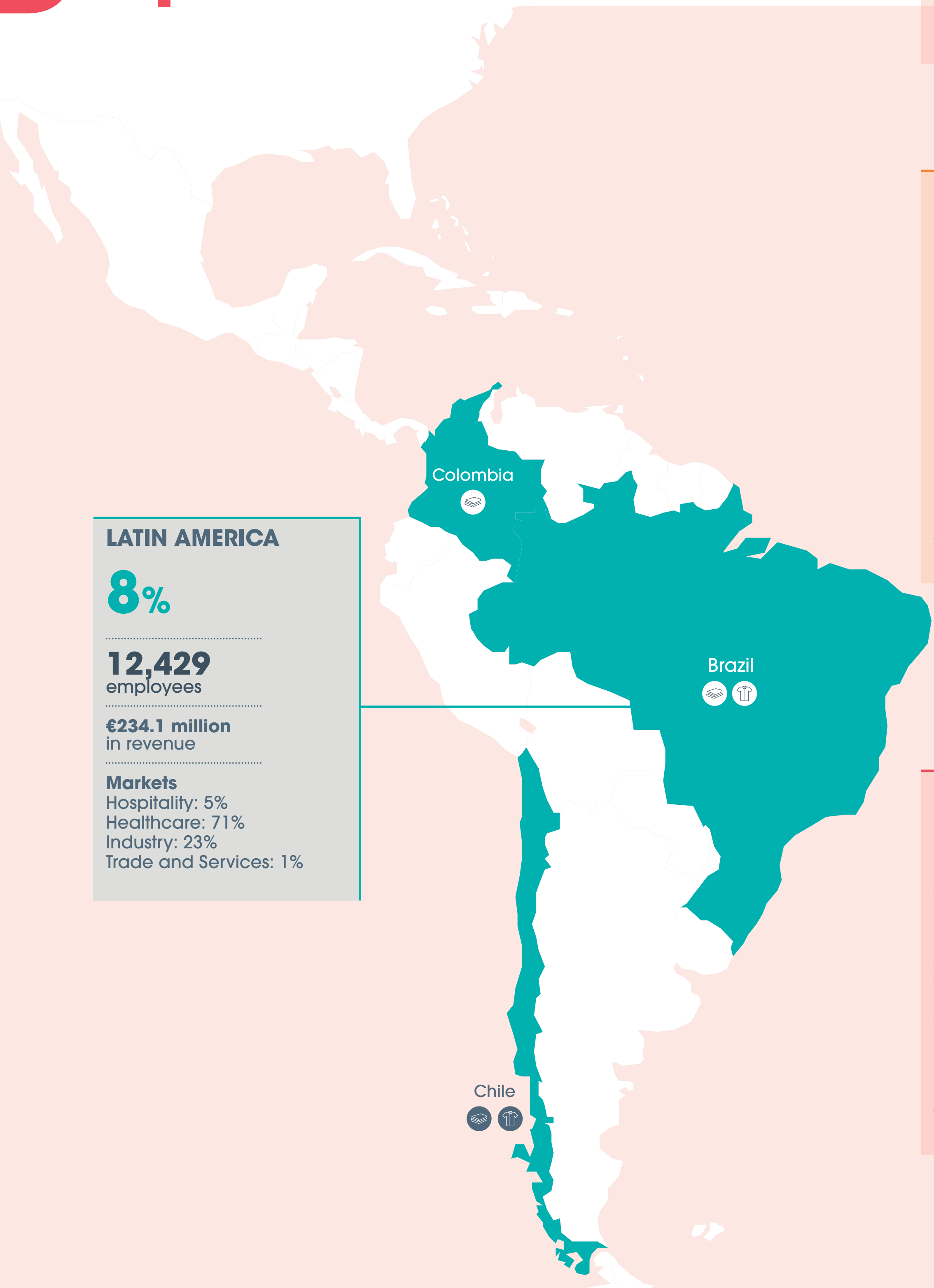
Xavier Martiré

Chairman of the Management Board

> "That is why I would today like to extend my heartfelt thanks to the Group's employees, who have continued to work with passion and dedication throughout this health crisis."

An international **presence**

68%
of revenue generated outside France in 2021



UNITED KINGDOM AND IRELAND

12%

6,100
employees

€364.2 million
in revenue

Markets
Hospitality: 24%
Healthcare: 44%
Industry: 20%
Trade and Services: 12%

LATIN AMERICA

8%

12,429
employees

€234.1 million
in revenue

Markets
Hospitality: 5%
Healthcare: 71%
Industry: 23%
Trade and Services: 1%

SOUTHERN EUROPE

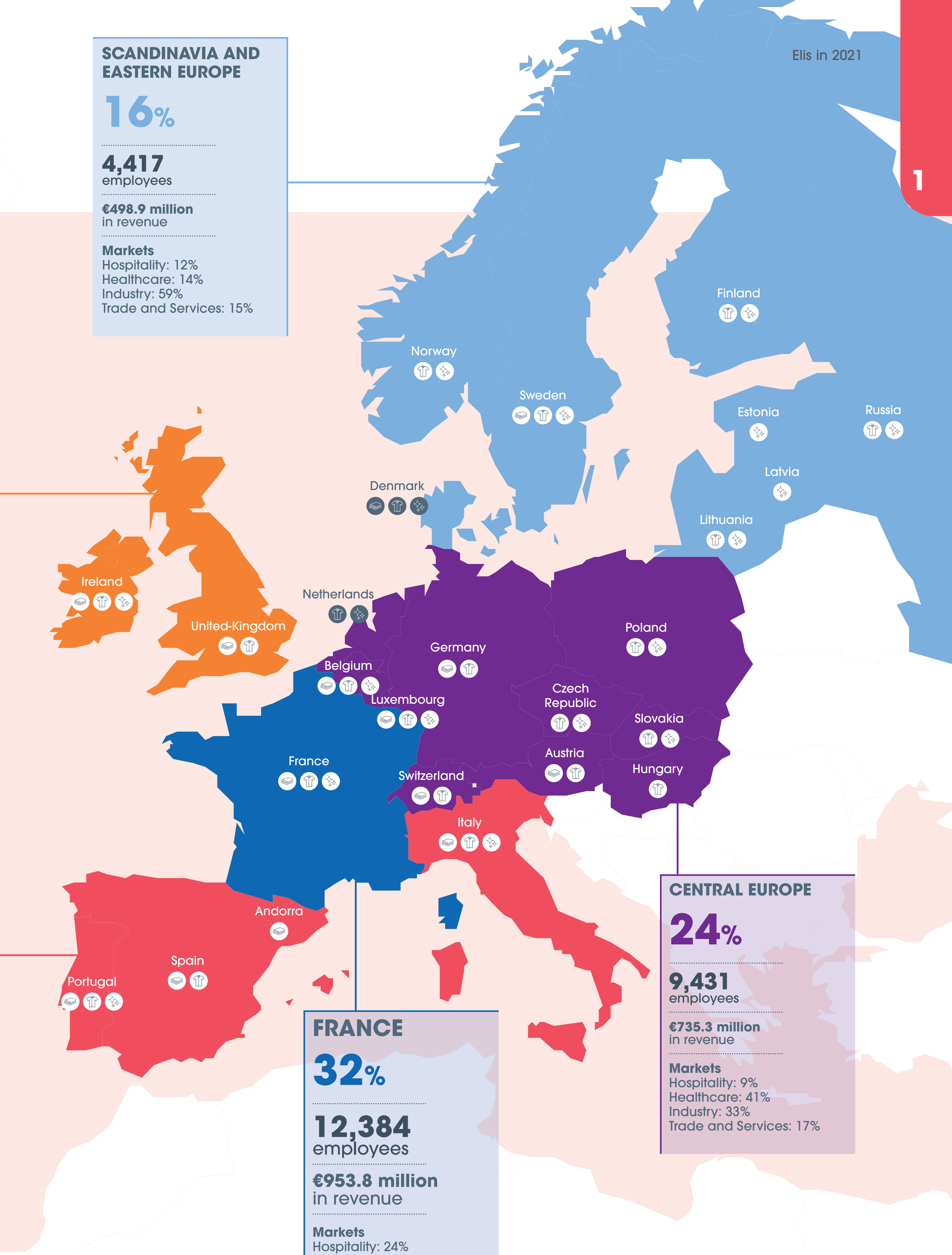
8%

4,309
employees

€235.9 million
in revenue

Markets
Hospitality: 38%
Healthcare: 18%
Industry: 22%
Trade and Services: 22%

Revenue: *as a percentage of consolidated revenue, excluding other sectors and miscellaneous*
Workforce: *data as at 12/31/2021*
Symbols: *services listed when they generated at least 10% of the country's 2021 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

16%

4,417
employees

€498.9 million
in revenue

Markets
Hospitality: 12%
Healthcare: 14%
Industry: 59%
Trade and Services: 15%

CENTRAL EUROPE

24%

9,431
employees

€735.3 million
in revenue

Markets
Hospitality: 9%
Healthcare: 41%
Industry: 33%
Trade and Services: 17%

FRANCE

32%

12,384
employees

€953.8 million
in revenue

Markets
Hospitality: 24%
Healthcare: 19%
Industry: 21%
Trade and Services: 36%

History and 2021 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 has continuously innovated 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).

1973-2001

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

2014

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

2015

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

2017

Acquisition of Berendsen, creating a pan-European leader.

2020

Covid-19 crisis: strong operational and commercial response.

2021

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

Major acquisitions

BELGIUM AND FRANCE	**Scaldis**
IRELAND	**PestGuard**
UNITED KINGDOM	**PureWashrooms**
DENMARK	**Chrisal**
RUSSIA	**Blesk InCare Textile**

Opening of a new warehouse

In addition to those in Gafides (Portugal) and Brétigny (France), Elis now has a new warehouse in Rumia (Poland), which serves countries in Northern Europe. The aim is to **optimize the supply chain to expedite the delivery of workwear to our customers**.

This project was launched in 2018 and aims to **support growth in the workwear business** with a site that is more industrialized and better geared to the Nordic countries than the existing facilities.

Since May 2021, all workwear orders for Poland have been fulfilled by Rumia. The center also handles major workwear projects for Germany and Denmark. Within a few months, Rumia will manage all large workwear orders for the Nordic countries with the exception of the United Kingdom, due to customs constraints.

75 employees

11,300 m² in surface area

More than **100,000** products

New acquisitions

In 2020, the **Elis Pest Control** solution was launched in **five new countries: Ireland, Denmark, the Netherlands, Sweden and Poland**. As the health crisis had an impact on two of these projects, the Group halted development in Sweden and Poland. However, local launches continued in the other three regions and the operational and sales teams are now in place. In July 2021, Elis made an acquisition in **Ireland**, consolidating its presence in this new territory. The Group's expansion strategy continued in November 2021 with the purchase of a company in **Denmark**.

Elis Cleanroom consolidates its presence in Europe

Elis continues to expand and has extended its Cleanroom service by making a new acquisition and opening new plants in Europe.

In March 2021, Elis acquired Scaldis, a European leader in the Cleanroom market (workwear for customers with specific needs: healthcare-pharmaceutical, micro-electronics, aerospace). Scaldis operates on two sites: a main site in Péruwelz in Belgium and a secondary site near Lyon in France.

The existing German plant in Beelitz has doubled its production capacity and is now a two-building complex more than 1,200 m² in area. The first objective is to **ease some of the pressure on the Bad Windsheim plant**, which is running at full capacity, and to **take over management of the service for certain customers**. The second objective is to be able to **take on new cleanroom contracts**, as their numbers continue to rise in the region. This site has been fully operational since January 2022 and its **50 employees** process approximately **2.1 tons of laundry** every day. These figures have the potential to double thanks to the major expansion of the plant. Estimates point to **8% growth** in 2022. Demographic factors are positive for this region, given Germany's aging population and its Covid-19 vaccine production needs.

Elis Cleanroom has also expanded its activities in Sweden with the opening of a **new site in Nyköping**, a city to the south of Stockholm. This site will replace the existing cleanroom plant, which was located in the same region. Production for customers began in February 2022. Göran Nilsson, Elis Cleanroom site manager, notes that this new plant will play an important role in delivering **high-quality services** in an **increasingly challenging** and **very strictly regulated** environment. At the old site, the steam used in the machines and drying equipment was generated by oil, a fuel that has been replaced by **pellets** at the new plant, putting the emphasis on renewable alternatives.

Elis Cleanroom in Nyköping

7,000 m² of land

Building area of **2,150 m²**

60 employees

More than **100,000** parts produced each week

A look back at 2021, a year marked by business recovery

Launching new solutions

As a trusted partner, Elis is constantly refreshing its offering to better meet its customers' needs. When developing these offerings, Elis always takes care to design sustainable products to extend their lifespan and optimize their use. As a result, our garments can be repaired easily, our devices have maximum autonomy and we are shifting to bio-based materials and consumables.

Workwear

New, more modern lines of **workwear** have been unveiled for the **Healthcare sector** and are intended for both hospital and primary care staff.

Washrooms

The washroom solution has been expanded to include an entire family of products with a **consumables reserve system** to prevent any inventory shortages and limit waste.

Elis is once again fulfilling its intention to develop offerings that focus on both sustainable commitments and good hygiene.

Water fountains

The beverages offering is moving upmarket with the introduction of **new, more hygienic coolers**, with foot pedal activation and a UV light option to limit the risks of cross contamination.

Coffee machines

We offer more responsible solutions to support our customers in their CSR approach. The coffee bean offering launched at the end of 2021 has been awarded both *agriculture biologique* (organic farming) and Max Havelaar fair trade certifications.

Employee share ownership plan: Elis for All

In May 2021, for the second time, the Group gave **40,000 of its employees** in **17 countries** an opportunity to subscribe for **Elis shares**. The plan allows employees to indirectly become shareholders in the Group, through an **employee shareholding mutual fund** under preferential terms.

This initiative encourages employees who have at least three months of service on the opening date of the subscription period to become long-term partners in the Group's development.

Proud of Elis employees' commitment to local communities

In May 2021, Elis Getafe, one of Elis Spain's industrial laundries, **donated bed and bath linen to Madrid For Refugees (MFR)**. This gift included **complete sets** of sheets, throws and bath towels for refugees, migrants and people at risk of social exclusion.

In Denmark, more than **three tons of linen** were donated in 2021 to various associations, including **ITMV**, an organization that supports vulnerable women by offering them employment opportunities.

These donations align with our circular economy-based business model by extending the lifespan of our linens and helping to reduce the environmental footprint of our business.

New collaborative tool: Teams

The Group implemented the **Teams** collaborative tool in February 2021. This multifunctional application offers the same services as its predecessor Skype while also providing new features **to facilitate teamwork and improve the quality of the information system**. By supporting new methods of collaboration, Elis is able to centralize all the documents needed by a team working on the same project in one single customized and secure space. In six months, the Teams tool has been rolled out to more than **12,000 employees** in **26 countries** and has proven effective following an international training campaign.

Elis ramps up its safety efforts

The 10 golden rules of safety

Employee safety and well-being are a core concern for the Group. Elis employees face risks every day. To minimize these hazards and protect its teams, Elis has set certain rules that can be easily applied at the sites, on the road and via the computer systems.

The "10 Elis golden safety rules" rolled out within the Group since 2020 aim to **reduce accidents at the production centers over the long term**. These rules are the cornerstone of our culture of safety: everyone has a role to play, no matter what position they hold. In early 2021, we ran a communications campaign to encourage appropriate day-to-day behavior and thus create a safer working environment.

Road safety

Road safety means fewer accidents, lower greenhouse gas emissions, reduced fuel consumption and a better brand image. The Group engages with its employees through training and awareness campaigns.

In France, the **Road Risk Prevention Plan** includes safe and eco-driving training based on a poster campaign, driver notifications and online training.

In the United Kingdom, coordinating the 480 heavy goods vehicles and 270 vans generated **GBP 1.8 million in savings in 2021**, a **reduction in fuel costs of almost 10%, 2,000 fewer tons of CO_2 emissions** and a **58% reduction in accidents** caused by inappropriate driving.

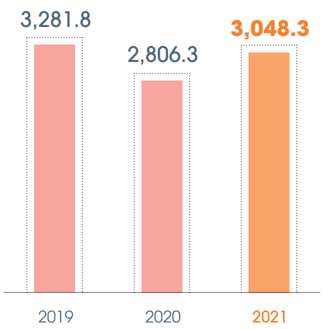
Digital security

Faced with the increased use of digital, Elis is anticipating the mounting IT threat and helping its employees to adopt best practices. New security mechanisms for our collaborative systems and the rollout of new cyber-attack detection technologies are just some of the measures needed to better protect the Group's IT system.

Key figures in 2021

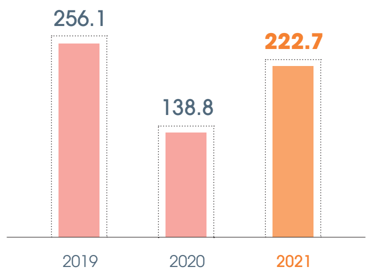
REVENUE

In millions of euros



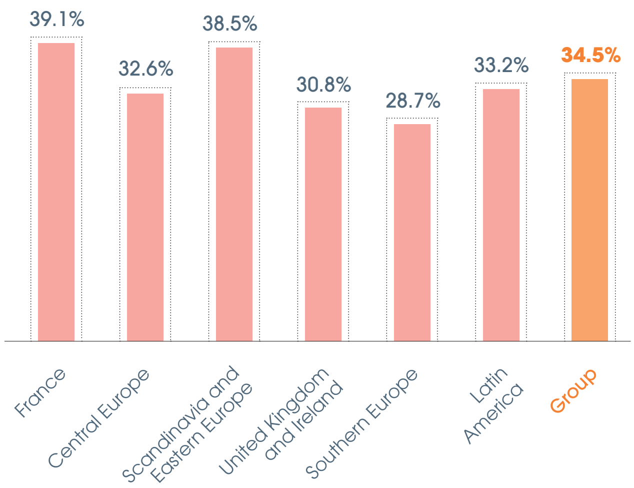
NET INCOME FROM ORDINARY OPERATIONS

In millions of euros



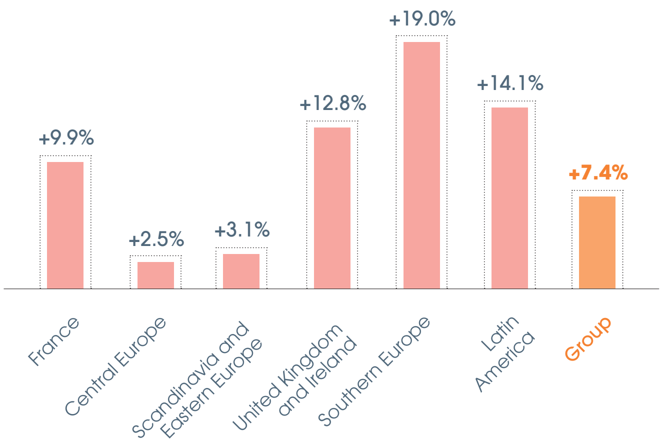
2021 EBITDA BY REGION

As a % of revenue



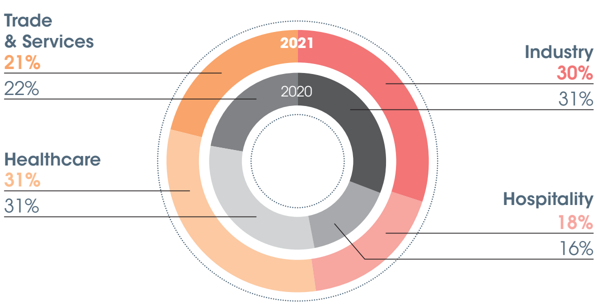
ORGANIC REVENUE GROWTH IN 2021

As a % of revenue

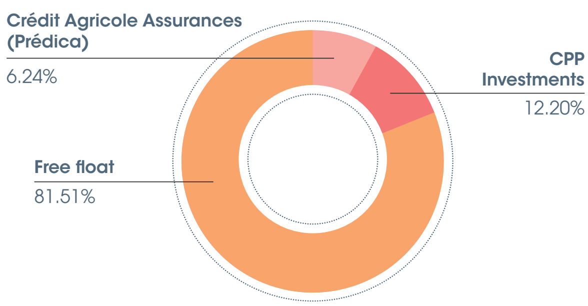


BREAKDOWN OF REVENUE BY MARKET SEGMENT

As a % of revenue



SHAREHOLDING STRUCTURE AT DEC. 31, 2021 *



** More information in chapter 7.*

Social

HEADCOUNT

49,070 employees
at December 31, 2021

53% of which are women

28% of new managers are women

TALENT DEVELOPMENT

16% of new managers
are promoted internally

Revenue > **€3,048.3 million**

EBITDA > **€1,052.4 million**
34.5%
of revenue

Net income from ordinary operations > **€222.7 million**

Free cash flow > **€228.1 million**

Net capex > **€569.5 million**

Reputation

85.8% of customers are satisfied or very satisfied with Elis*

** Data from satisfaction surveys conducted for Elis in 2020 in France, French-speaking Belgium, Luxembourg, Spain, Portugal, Brazil, Italy and Switzerland.*

Environment

WATER CONSUMPTION

40% reduction
compared to 2010*

** Per kg of linen delivered – Europe.*

ENERGY CONSUMPTION

22% reduction
compared to 2010*

** Per kg of linen delivered – Europe.*

ISO 50001-CERTIFIED SITES

78

ISO 14001-CERTIFIED SITES

141

More information in chapter 3.

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

- **49,070** employees
- Operations in **28** countries

ENVIRONMENTAL RESOURCES

- Water consumption: **14.4** million m^3
- Energy consumption: **2,433** GWh
- Total fuel consumption: **43.6** million liters

FINANCIALS

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

FACILITIES

- **425*** production and distribution centers
- Over **6,000** vehicles
- **141** ISO 14001-certified sites
- **78** ISO 50001-certified sites
- A responsible industrial model
- Product as a service business model

BRANDS

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

* Figure 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
- **45,000** satisfaction surveys carried out in 2021

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
- **85.8%** satisfaction rate in France, Belgium, Luxembourg, Spain, Portugal, Brazil, Italy and Switzerland

EMPLOYEES

- **53%** women
- **28%** of new managers are women

INVESTORS

Since the IPO*:

- Shareholder return: 6%, based on a share price of €15 in 2021

**Initial public offering.*

THE PLANET

Reduction in consumption between 2010 and 2021, in line with 2025 targets*:

- Water: **-40%**
- Energy: **-22%**

**Per kg of linen delivered – Europe.*

- Use of renewable energy: **23%**
- CO_2: **19%** reduction in our emissions intensity*

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

Focus on CSR

Elis's awards

The Group was once again awarded the **EcoVadis gold medal** for the **quality of its CSR performance**. This award confirms our commitment to our customers, partners and employees and positions us as **one of the best-rated companies in our business sector**. Elis's CSR strategy thus effectively fulfills EcoVadis's assessment criteria, which are based on international CSR standards and four key themes: environment, labor and human rights, ethics and sustainable procurement.

Recycling of textiles at the end-of-life

The challenge of workwear

Because Elis's model is based on the circular economy, innovation is key to go even further and give its products a second life. One of its challenges is **textile recycling**, and workwear recycling more specifically.

These garments, which are more difficult than flat linen to recycle due to their construction and accessories, must undergo longer and more complex processes if they are to be reused. Elis is considering a number of options to extend the lifespan of the garments beyond their last wash. Initiatives have been implemented in many of Elis's countries, including in Sweden, where artificial cellulose is made from old textiles, and in Holland, where workwear is turned into insulation.

New recycling project in France

Elis is tireless in its pursuit of innovations that will move it forward and create an even more virtuous life cycle for its products. It has thus formed a partnership in France with fiber industrials to test the idea of recycling used garments into new garments. Achieving this outcome will require a multi-actor chain. A lot of steps are needed to produce a new fabric that is of high enough quality to make new heavy-duty workwear.

After the garments have been sorted at the plant, all the accessories need to be removed (buttons, zippers, reflective bands). Next up is the defibration step, in which a fiber is created from the fabric. A thread is produced from this fiber and is then used to weave the fabric. The last step is to make the new garment.

Elis is currently conducting a number of tests to evaluate this innovative solution and determine whether it can be implemented on a large scale so as to have a significant impact on the environment by substantially reducing waste generation.

Elis is also seeking to minimize distances and transport in this process that is under way.

More responsible coffee packaging

In August 2021, Elis rolled out **new coffee pod packaging** with a **cardboard shell** to protect the different varieties of coffee available. These protective shells, which are made of **70% cardboard from sustainably managed forests**, help the Group save **46 tons** of plastic each year. The espresso pods are still made of **100% biodegradable** filter paper.

Elis's efforts to steer customers toward an increasingly ethical and responsible approach are truly unique.

Our climate commitment

In 2021, the Group continued its long-standing commitment to fighting climate change, in particular by attending COP26 (the 26th annual United Nations climate conference) alongside other big companies and by signing up to several initiatives, including Ambition 4 Climate and the French Business Climate Pledge.

The Group joined the Ambition 4 Climate initiative launched by the French private business association (*Association française des entreprises privées* – AFEP) through its **laundry process optimization program**. This low-carbon project **reduces the amount of heat needed to do the laundry** as well as **the amount of water** used in the plants. Elis is proud to be involved in the Ambition 4 Climate platform, which comprises a large number of projects implemented by companies in various sectors with the aim of reducing their and their customers' greenhouse gas emissions.

By signing up to the French Business Climate Pledge, Elis has confirmed its commitment to taking faster action on climate change. Launched by the French entrepreneurs' network (*Mouvement des entreprises de France* – MEDEF), the French Business Climate Pledge is a voluntary commitment made by companies located in France that are taking concrete steps to successfully transition to **a low-carbon economy**. This collective response helps highlight the wide variety of solutions companies have designed, regardless of their size or their business sector.

The Elis Group believes that the **circular economy** model, primarily through **reducing the consumption of natural resources and keeping products in use**, is a sustainable solution that addresses current environmental issues and the problem of the planet's finite resources.

In 2021, the Group's CO_2 emissions per kg of linen delivered were 19% lower than in 2010, which is testament to the efforts made over many years.

In light of current climate change issues, the Group now wants to commit to reducing its emissions in line with the Paris Accords, thereby helping to restrict global warming, versus pre-industrial levels, to less than 1.5°C. At the end of 2022, the Group will outline its climate-related objectives in line with the methodology espoused by the Science Based Targets (SBT) initiative.

Moreover, some Group subsidiaries are already committed to a **"net zero emissions"** strategy, namely **Elis UK by 2045** and **Elis Sweden by 2035**.

Elis rewarded with B score for its first CDP response

Elis achieved a score of B on the climate questionnaire conducted by Carbon Disclosure Project (CDP), a non-profit organization that carries out independent assessments (with ratings ranging from Leadership A to D-) 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 Elis Group also received a B score for its engagement with suppliers on climate change. This underlines the Group's long-term commitment to climate-related issues.

Elis UK targets "net zero emissions"

In line with the UK government's goal of achieving **net zero emissions** by 2050, **Elis UK** is striving to meet this same target **by 2045**. This is a total commitment covering direct and indirect emissions linked to our energy consumption, as well as indirect emissions linked to our operations (commuting, purchasing goods and services, etc.). This major sustainable development initiative requires a fundamental change to our production methods to make sure that our customers receive services that leave an ever-smaller environmental footprint.

Main pillars of the low-carbon transition plan

- continue to improve energy efficiency in its operations;
- constantly improve the vehicle fleet and delivery routes;
- optimize the product lifespan and choice of materials;

- expand reuse and recycling to prevent end-of-life textiles from being thrown away; and
- form new partnerships with customers, suppliers and the ecosystem to reduce emissions all along the value chain and identify innovative approaches.

This objective is a continuation of the group's actions in the United Kingdom. In three years, Elis UK has already reduced its CO_2 emissions by 33% and its consumption of liters ofwater per kilo of linen delivered by 23%.

The Elis Group has also been one of the 12 companies, among 80,000 suppliers, to join the NHS Net Zero International Leadership Group, which aims to help NHS England & Improvement with its target of **net zero emissions by 2045**.

Intrinsically ethical services

Elis offers its customers products that are maintained, repaired, reused and redeployed in order to optimize their use and lifespan.

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

- to the purchase or single use of products: by sharing them between several users or customers and continually seeking to improve the industrial processes involved in maintaining them. For example, the use of workwear maintained by Elis, rather than at home or using a traditional laundry, reduces CO_2 emissions by up to 37% and water consumption by 48% (Source: EY);
- compared to single-use or disposable products: by offering reusable solutions, often maintained locally, which also helps to create jobs and grow the economy in the area. For example, the use of reusable scrubs in healthcare facilities reduces CO_2 emissions by 31% to 62% compared with disposable scrubs (Source: Cleaner Environmental Systems).

Based on the circular economy, these services increasingly enable our customers to avoid CO_2 emissions and to help reduce their own emissions.

The Ellen MacArthur Foundation believes that the circular economy is needed to achieve net zero emissions and that moving our business models toward a circular economy could reduce CO_2 emissions by nearly 10 billion tons (or 20% of global emissions) (https://climate.ellenmacarthurfoundation.org).

The Elis Foundation is growing

Following two successful years, Elis is continuing to support deserving high-school graduates who do not have the means to attend university. The Group is enlisting new ambassadors – all of whom are company employees – to assist and guide the young recruits as they define and pursue their career paths. In 2021, we welcomed the third class of students to the Elis Foundation.

Focus on innovation

In 2021, Elis continued to innovate by accelerating the rollout of its traceability solutions. The Group is responsive to the needs of its customers seeking customized service, and has thus expanded its service offering thanks to Elis Connect, which provides digital service monitoring.

Pest control: 100% traceable control at the device

To meet its customers' needs and comply with safety and hygiene requirements, Elis is rolling out the **Elis Connect Pest Control** solution in France this year, which ensures **traceability of the pest control and prevention service**. The technology has been made available to expert technicians to provide customers with reliable, documented monitoring that complies with current standards and regulations, in particular in the agri-food industry.

Internet of Things: anticipating and preventing consumable shortages

Managing washroom equipment is easier with Elis thanks to the Internet of Things (IoT). Customers receive automatic notifications by text and email reflecting the status of their connected appliances. Customers will never run out of consumables again. Their needs are anticipated and on-site visits can be scheduled at the right time. 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**.

Smart distribution: wearers are an integral part of our digital solutions

Innovation provides daily benefits directly to the people who wear our workwear thanks to our **smart distribution solutions**. We use **connected cabinets** and **self-serve stations** to streamline access to supplies and help customers manage their inventories and better support their employees. Every piece of workwear equipped with a **UHF RFID chip** is thus traced **throughout the cycle**, in our centers and at our customers' sites, meaning that customers have access to detailed information by wearer.

* Internet of Things

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-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

- **40%*** Flat linen
- **41%*** Workwear
- **19%*** Hygiene and well-being

* As a percentage of consolidated revenue, excluding miscellaneous.

Customer experience

GLAD: logistics to boost customer satisfaction

The purpose of the Global Logistics Assistance for Deliveries (GLAD) project is to **digitize our logistics** to offer **our customers an optimized service**, while **improving our teams' day-to-day life**. Customers receive timely information about their deliveries: scheduling, delivery confirmation, reason for non-delivery, etc.

This application, which can be used on a PDA or on the web, is intended for all customer-facing staff. Service agents have a list of their customer deliveries with a route guide specific to each truck to optimize trips in real time. Customer service assistants inform customers about past and future deliveries. Customer service managers and logistics managers receive factual information about the service, and check whether the delivery routes make sense. Center managers and general managers work with their teams to improve their center's customer satisfaction and logistics productivity rates.

Elis as a partner: a survey on the impacts of Covid-19

Since the beginning of the health crisis, our Group has been agile, adaptable and attentive vis-à-vis our customers. We have made every effort to support them, meet their needs and position ourselves as their leading partner. In 2021, a satisfaction survey was conducted among our customers in France, Spain, Belgium and Portugal and on the French website to target new business. Our aim is to **better understand our current and potential customers' expectations in times of crisis and recovery**.

Varying between regions, **80% to 89%** of our customers stated that, since the beginning of the health crisis, **Elis has been a partner they can count on**.

Employee protection is the key challenge for more than **8 in 10 customers**. Our health protocols, our hygiene and well-being solutions, and our microbiotic cleaning system meet this need.

Nearly **9 in 10 customers** recognized our ability to adapt our services to their needs or constraints.

Customers also appreciated our strong values and commitments: **the continuity of service we provided during the crisis, our teams' responsiveness when business picked up, our adaptability to make our customers' lives easier every day, and the kindness and empathy displayed by the teams on the ground**.

Customer Lead-Time Improvement Program

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 goal is to **improve customer satisfaction and the customer experience, reduce the cancelation rate, and facilitate interactions between all the 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.

HiFi: customer trust, a major plus for the Group

In 2016, Elis revised its General Terms and Conditions in France to end automatic contract renewals; contracts now have termination dates. These terms apply to **all contracts signed with new customers, any new services purchased by existing customers, and renewals of existing contracts**. These new arrangements signaled an adjustment to the Group's **customer loyalty strategy**. 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**.

Hospitality

Promising outlook for recovery in all our countries

With regard to hospitality, while we will have to wait for 2023–2024 to return to our 2019 performance, 2021 saw room opening projects pick up. In Europe, more than **100,000 rooms** were opened or will open in 2021 and 2022. A record **75,000 room openings** are projected for 2023, a level not seen since 2011. Business tourism also began to gradually return in September, when trade shows resumed. Tourism trends are accelerating: the development of hotels in the countryside; the rise of slow tourism, as opposed to mass tourism; and an appetite for eco-designed and scattered hotels.

Reservations in the restaurant industry began to rise in the summer of 2021. In Europe, this represented a **12%** increase in reservation rates in July and a **17%** increase in August, compared with 2019 (1).

New challenges emerged at that time, as the Group had to cope with the rapid reopening of economies and high demand from customers: supply chain tensions, which sometimes led to longer delivery times; a rise in the cost of raw materials and sea transport; new ways of consuming linen and a lack of forecasts for leisure tourism; and hiring difficulties.

Elis is well equipped to meet these new market expectations and customer demands and will rely on its **operational efficiency, strength and resilience**, all of which will play a key role in cementing its position in the market.

(1) Source: KPMG France, October 2021.

18%*

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 2021 consolidated revenue, excluding other sectors and miscellaneous.

Focus
on Elis's support for its customers' business recovery

In 2021, hotels and restaurants continued to see sharp fluctuations in activity. Elis is well aware of the unprecedented challenges facing the industry and has made every effort to ensure that business recovers successfully and under the best possible conditions. The Group is positioned as **a hygiene partner** and is structured in a way that allows it to safely provide its services. Its linen processing ensures microbiological quality that meets industry standards, its linen packaging guarantees the cleanliness of the linen when it leaves the plant, and its linen delivery and pick-up procedure incorporates cross-contamination risk control. Everything is in place **to best help Elis customers prevent health risks**.

The first signs of recovery emerged during the summer in Europe, thanks mainly to local tourism and the rise of so-called "staycations". Consumers are changing

their behaviors and prefer to visit wide open spaces rather than large cities. European capitals are lagging, but confidence has returned with the easing of travel restrictions and the vaccine rollout.

What's new at Le Jacquard Français

The "Élysée" collection by Le Jacquard Français

In Gérardmer in the heart of the Vosges region, Le Jacquard Français, an Elis subsidiary, is creating the "Élysée" collection in partnership with the French presidential palace boutique. Le Jacquard Français was selected by the Élysée to produce its range of table linen, as the brand has dedicated all its expertise to creating exceptional household linen since 1888.

Le Jacquard Français diversifies its offering

Le Jacquard Français has incomparable expertise in jacquard weaving and is renowned for the detail and elegance of its designs. It is innovating in the leather goods segment, with the launch of a high-end bag and purse collection that stands at the intersection of design and fashion. From the cotton boll through to the final packaging, these bags are a 100% European design. The brand's strong commitment to minimizing its environmental impact can be seen in its short distribution channels. Artisans are selected for their excellence and their commitment to preserving and sharing French know-how. Quality standards are very high for these ever-more sustainable products.

Industry

The industry market held up well overall in 2021 and new customer acquisition indicators were positive.

Workwear sales accelerated with the emergence of new targets, such as the liberal professions.

Attracted by reusable – and thus more sustainable – textiles, these professions are abandoning disposable textiles.

In addition, the number of textile changes has increased in an effort to prevent health risks. This means more regular garment rotation for Elis.

30%*

Industry sectors

- Agri-food
- Chemicals and pharmaceuticals
- Industrial services
- Heavy industry

* As a percentage of 2021 consolidated revenue, excluding other sectors and miscellaneous.

Focus
on workwear

Momentum driven by the Industry sector
There has been growth in the workwear business as a greater need for hygiene has resulted in more changes of clothes. The light industry and logistics, public works and pharmaceuticals sectors in particular have driven this growth.

Bespoke workwear service
This service is for our **key account customers**. These companies have a very strong brand image and want it reflected in their workwear. Our service ranges from developing accessories to creating a full collection just for the customer.

A team of five project managers based in France and Sweden supports our key accounts throughout the process: meetings at the customer's premises, price quotes, design, prototypes, final wear testing and wash testing. Every year, the team manages anywhere from **150 to 200 projects**.

A closer look at Elis Cleanroom

Elis Cleanroom enjoyed a successful year in 2021 as its revenue increased by 9.8% and profitability remained stable. Elis Cleanroom will continue down this path in 2022 with a strategy based on:

- product innovation;
- customer relations, in an attempt to secure other European sites that are not contracted to Elis;
- customer satisfaction, with a view to achieving a loyal client base through excellent after-sales service.

Cleanroom customers remain loyal to Elis for years. They have complex operating procedures and strict quality control processes, for which they need long-term partnerships.

Elis Cleanroom in numbers:

Present in **17 countries**

28 specialized plants in Europe and Latin America

Around **1,750 employees**

4,500 customers

€173,3 million of revenue in 2021

Healthcare and social welfare

The healthcare market's situation in 2021 was similar to that of 2019. The Group benefited from **new contracts**, mainly in workwear. Healthcare institutions sought to increase their inventories to clothe their teams and leaned more toward reusable products. This positive trend was seen in **all Elis countries**.

Having already established a strong presence in the care home market in Germany and France, we recently entered new regions such as Ireland, the United Kingdom and Spain. We see significant growth potential in exporting our expertise in managing care home groups.

31%*

Industry sectors

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

* As a percentage of 2021 consolidated revenue, excluding other sectors and miscellaneous.

Focus
on new opportunities

In France, Elis won a contract with the Centre hospitalier sud francilien (CHSF) hospital, thanks mainly to **its expertise in traceability** for flat linen and its connected cabinets for workwear. Its other strengths also made a difference: customized and regular follow-ups and geographic proximity, which encourages teams to interact personally with their customers.

CHSF covers three departments on the southern outskirts of Paris and provides healthcare to nearly 600,000 inhabitants.

Across the Channel, the Elis UK healthcare teams signed a framework agreement with NHS Shared Business Services to deliver flat linen, floor protection and workwear solutions. Elis and the British healthcare system, the NHS, have worked together for more than 30 years, and their partnership has now been further strengthened with this new contract.

The product offering continues to grow

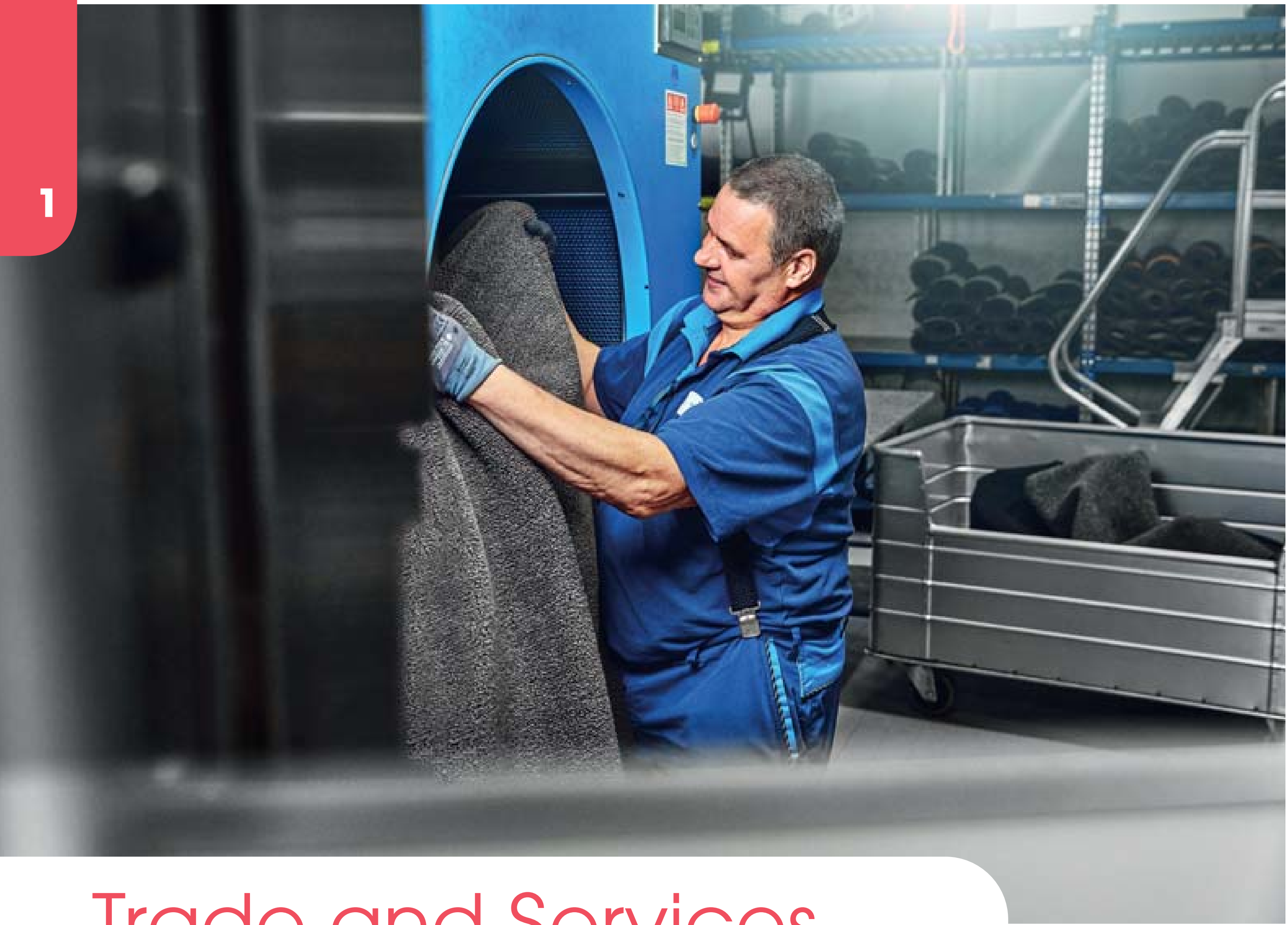
The workwear offering has expanded with the introduction of two new lines: **Pop Life** and **Paramedics**. They are both intended for the **healthcare sector**.

The first is a new range of tunics inspired by our Pop'Art bestseller. It targets, among others, clinics, French nursing homes, and primary care offices.

The Paramedics line consists of a softshell jacket and pants with reflective bands. It meets the specific needs of paramedics, who work inside and outside, both day and night.

Our beverages offering now includes the **"4 waters" water cooler**. What differentiates this product is its large choice of waters, its exclusive design that blends practicality and elegance, and its materials, which were selected for their qualitative properties.

This new cooler also has value-added in the form of a UV light option that promotes maximum cleanliness and meets the requirements of healthcare institutions. With this launch, our selection of coolers has gone upmarket.



Trade and Services

Elis's strength lies in its ability to meet the needs of a wide range of targets, regardless of their size or business sector. And it does this with its multiservice offering. To make sure they have a very good understanding of the product offering, the Group provides its sales teams with extensive training.

Now that this multimarket and multiservice approach has proven its worth in France, Elis is rolling this strategy out Group-wide in other regions. Elis UK, Elis Brazil and Elis Switzerland began to implement this strategy in 2021.

Our business model is defined by a virtuous circle: using our existing logistics, we provide our customers with new offerings, thus growing our business.

21%*

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 2021 consolidated revenue, excluding other sectors and miscellaneous.

Focus
on the multiservice approach

United Kingdom

The Elis Group has been accelerating its expansion in the United Kingdom since January 2021 by strengthening its position with high-potential micro-businesses and professional targets.

Elis is thus replicating the model that has already proven effective in France, Portugal, Spain, Italy, Switzerland and Belgium, where this type of account represents as much as **60% of new customers** in industry, trade and services.

A new dedicated sales force is focused on targets with 1–40 employees, with the goal of signing new multiservice mat, workwear, flat linen and washroom subscriptions.

After an initial recruitment effort targeting "go-getter"-type profiles and a five-week period of immersion in the **Elis Sales Academy** program, this young team of small account managers had its first successes in March 2021.

Based on these results, another push is planned for 2022, with 25 salespeople who will be supervised by four local sales managers.

Norway

After a two-year transformation, the Oslo center in Norway has officially become a multiservice center. This site now delivers to all customers in the region, for all the services offered by Elis Norway.

In the preliminary phase, the focus was on opportunities and impacts, future route planning, identification of service agents' training needs, and project governance.

In January 2021, as part of the first step in the rollout, one-third of the delivery points were integrated into multiservice deliveries.

Starting in April 2021, the center's 8,400 delivery points were switched to multiservice, served by a single service agent, as opposed to three drivers previously. This represents **172,000 products** per week, **172 weekly routes** for **42 service agents** and **€19 million** in revenue per year.

Service agents are the key to this system and serve as the customer's single point of contact. Their primary role is therefore to **improve customer satisfaction and loyalty**.

This significant restructuring of the Oslo site eases the strain on local logistics and generates **25% fewer kilometers**. This significantly reduces the carbon footprint, with **11% savings** achieved for the center's deliveries.

Elis Connect Pest Control: a connected and innovative traceability solution

Prompted by tighter regulations, the Group drew on its expertise to launch a pest control-specific **traceability system**. This solution was rolled out in France in February 2021, with the goal of covering all of Elis's countries in the short to medium term. A global progress plan is helping us to continuously improve our performance and the way we work.

With **Elis Connect Pest Control**, the Group is able to keep pace with the changes in its business lines. In concrete terms, service agent interventions are being digitalized, which makes it easier to share information within Elis's teams. This traceability solution, which our customers can access, gives a **detailed view of the pest activity and treatment employed at a given location**. Thanks to this development, the Elis Pest Control service now serves the standardized agri-food, pharmaceutical and cosmetics markets.

In Elis's pest control business, the Group prefers to take a prevention-based approach, which aims to protect premises and reduce infestation risks. If infestations do occur, pest management experts develop and promote alternative methods to combat them in order to minimize the environmental impact.

The launch of the Elis Connect Pest Control traceability solution, the development of innovative solutions and the integrated pest management strategy confirm Elis's position as an expert on the market and are fully aligned with the Group's CSR policy.

A closer look at CSR

New solutions that are **greener and not hazardous, and that use biodiversity and control solutions** have been developed to control pests effectively. This approach – known as pest management – **significantly reduces the excessive use of toxic substances** and improves efficiency while also ensuring that the service meets the customer's expectations.

New and more responsible offerings

Washroom offering: highest standards of hygiene and zero stockouts

Elis is improving its washroom offering and boosting its CSR commitment. Protecting the environment is a core concern for our Group and for our customers. Expectations are high when it comes to CSR and, to meet them, Elis is now offering an entire family of washroom products that incorporate a **reserve system** so the consumable can be used in full before it is replaced. Our customers can thus provide equipment for **the entire user experience**, from hand washing and drying to toilet paper dispensers.

Our customers also have **hygiene and comfort** requirements. To better assist them in overcoming these key challenges, Elis offers **no-touch activation** for its washroom range. A paper towel or a fixed amount of soap is automatically dispensed to users with a simple touch-free motion, **limiting the risks of cross-contamination**. The integrated reserve system and high-autonomy paper consumables also provide customers with **uninterrupted** service.

Our strength continues to lie in our all-inclusive service, with regular visits from our service agents combined with the quality of Elis's service. The Group has once again shown that it is positioned as a **trusted hygiene partner** that meets the needs of its customers, who benefit from a better brand image and a high-quality welcome at their establishments, and whose daily lives are made easier.

Launch of the coffee bean offering

Elis is launching an all-inclusive **coffee bean offering** for lovers of the beverage. This is a **more responsible and natural** solution. Choosing coffee in bean form means choosing more responsible coffee. Of all the types of coffee that exist, it is the one that has undergone the least processing and that generates the least waste. The Group selected Malongo as its partner and offers a selection of "La Tierra" organic espresso coffee beans, a mix of three arabicas with rich flavors and aromas. This blend, which has earned the *agriculture biologique* (organic farming) and Max Havelaar fair trade certifications, comes from the best coffee-growing regions in the world. Each plantation is selected for its high-quality harvesting practices in which only fully ripe cherries are picked – the optimal method. Elis also offers a French-made coffee machine that makes whatever beverage the user wants. In addition, our service agents regularly service and maintain the machines to improve customer satisfaction.

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.

11 members

THIERRY MORIN Chairman of the Supervisory Board, independent member

JOY VERLÉ
Vice-Chairperson

FABRICE BARTHÉLEMY
Independent member

PHILIPPE BEAUDOUX
Member representing employees

ANTOINE BUREL
Independent member

MAGALI CHESSÉ
Member

ANNE-LAURE COMMAULT
Independent member

PHILIPPE DELLEUR
Independent member

AMY FLIKERSKI
Member

VALÉRIE GANDRÉ
Member representing employees

FLORENCE NOBLOT
Independent member

6 women
5 men

5 meetings
53 years old on average

94% attendance rate
66% independent members

1 series of strategy days

Audit Committee

3 members

ANTOINE BUREL
Chair

THIERRY MORIN
Independent member

MAGALI CHESSÉ
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

100% attendance rate
5 meetings

Appointments, Compensation and Governance Committee

4 members

FABRICE BARTHÉLEMY
Chair

THIERRY MORIN
Independent member

JOY VERLÉ
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
6 meetings

Corporate Social Responsibility (CSR) Committee

3 members

FLORENCE NOBLOT
Chair

PHILIPPE DELLEUR
Independent member

AMY FLIKERSKI
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
2 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
(France, Southern Europe, Latin America)

ALAIN BONIN
Deputy Chief
Operating Officer
(France, Switzerland)

MICHEL DELBECQ
Transformation
and IT Director

FRÉDÉRIC DELETOMBE
Engineering, Purchasing
and Supply Chain Director

DIDIER LACHAUD
Human Resources
and CSR Director

YANN MICHEL
Deputy Chief
Operating Officer
(France, United Kingdom, Ireland)

JOHANNA PERSSON
Deputy Chief
Operating Officer
(Northern Europe)

CAROLINE ROCHE
Marketing and
Innovation Director

ANDREAS SCHNEIDER
Deputy Chief
Operating Officer
(Central and Eastern Europe)

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.

2
Corporate governance AFR

2.1 GOVERNANCE

Pursuant to the provisions of Article L. 22-10-20 of the French Commercial Code, the Supervisory Board's report provides information regarding corporate governance. Additionally, this report includes information specific to companies with a Management Board and a Supervisory Board, relating to the compensation of corporate officers referred to in Articles L. 22-10-9 to L. 22-10-11 of the French Commercial Code, and the Supervisory Board's observations regarding the Management Board's report and the financial statements for the period.

The Chairman of the Supervisory Board tasked the Finance, Legal and Internal Audit Departments with carrying out the preparatory steps for this report, which was then reviewed by the Appointments, Compensation and Governance Committee and approved by the Supervisory Board on March 8, 2022.

The Appointments, Compensation and Governance Committee was involved in preparing the section of this report that describes the compensation policy applicable to the Chairmen and members of the Management and Supervisory Boards for 2022, as well as the elements of compensation paid in or awarded for 2021.

The Company is a French joint-stock corporation (société anonyme) governed by a Management Board and a Supervisory Board. Members of the Management Board and Supervisory Board are collectively referred to in this document as "corporate officers."

High standards of corporate governance and compliance with the principles and rules governing its business operations are a core concern of the Elis Group and its Supervisory Board. Since being changed into a joint-stock corporation in 2014, the Group has adopted a dual-board system of governance comprising a management board and a supervisory board, believing that this provides a better balance of power and benefits all stakeholders. The quality of the Board's work is assured by the active involvement of its members and facilitated by the role of the three committees described in this chapter.

2.1.1 Corporate Governance Code

In drafting the Supervisory Board's report on corporate governance, the Company referred to the AFEP-MEDEF Code, which was most recently revised in January 2020. The revised version of the Code is available on the MEDEF website.

In the context of the "comply or explain" rule stipulated in Article L. 22-10-10 paragraph 4 of the French Commercial Code, to which reference is made in Article L. 22-10-20 of the French Commercial Code, and as referred to in Article 27 of the AFEP-MEDEF Code, the Company believes that its practices comply with the recommendations of the AFEP-MEDEF Code, with the exception of the following recommendations:

Deviation from the provisions of the AFEP-MEDEF Code	Explanation
Directors' training Article 13.3, "Directors representing employees or representing shareholders receive adequate training to help them carry out their duties." »	In 2021, it was impossible to deliver training to the two directors representing employees who were appointed in November 2020 because of the Covid-19 pandemic, which continued to severely disrupt the Company's activities (e.g., disorganization among the teams) and affected its ability to deliver such training. Training sessions have been scheduled for the early part of 2022 so that the two members concerned can receive the training they need to fulfill their mandates under optimum conditions.

As a reminder, as stated in the 2020 Universal Registration Document, the Company deviated from two provisions of the AFEP-MEDEF Code. The Company now complies with the recommendations of the AFEP-MEDEF Code for the following reasons:

a) Board and committee meetings

Article 11.3: "*It is recommended that at least one meeting be held every year from which executive corporate officers are excluded.*"

In 2021, the Company held one Supervisory Board meeting from which the executive corporate officers (members of the Management Board) were excluded. It took place on May 5, 2021. This practice will continue every year. In addition, the members of the Management Board are not present for the Supervisory Board's discussions on the compensation policy or the level of achievement of the targets linked to their variable compensation.

b) Compensation Committee

Article 18.1: "*It is recommended […] that one of its members should be an employee director.*":

During the Supervisory Board meeting on December 14, 2021, Valérie Gandré, a Supervisory Board member representing employees, was appointed to the Appointments, Compensation and Governance Committee. She will primarily attend meetings that are about compensation.

2.1.2 General management of the Group

The Management Board and Executive Committee, both of which are chaired by Xavier Martiré, oversee the general management of the Group. There were no changes in general management in 2021.

Management Board

Composition of the Management Board

The rules on the composition of the Management Board, the terms of office of its members, its rules of procedure, its role, responsibilities and powers, and the powers and obligations of the Management Board, are described in the Company's bylaws (Articles 12, 14 and 15), which can be found on the Company's website (www.elis.com).

As at the date of this universal registration document, the Management Board has three members:

Full name	Nationality	Age	Number of Elis shares[b]	Role	First appointed on	Start of current term of office	Expiration of current term of office
Xavier Martiré	French	51	452,965	Chair	October 21, 2008[a]	September 5, 2018	September 5, 2022
Louis Guyot	French	49	180,039	Member	September 5, 2014	September 5, 2018	September 5, 2022
Matthieu Lecharny	French	52	107,841	Member	September 5, 2014	September 5, 2018	September 5, 2022

(a) Chairman of the Company under its former structure as a French simplified limited liability company.

(b) As at December 31, 2021 (see chapter 7, section 7.2.3 of this universal registration document, which describes transactions in the Company's shares carried out by its executives in 2021).

Status of the terms of office of the members of the Management Board:

Because the terms of office of the members of the Management Board are expiring in 2022, at its meeting on March 8, 2022, the Supervisory Board, on the recommendation of the Appointments, Compensation and Governance Committee and in accordance with the Company's diversity policy, made the following decisions:

- reappointment of the members of the Management Board for a four-year term beginning September 5, 2022: Xavier Martiré, Louis Guyot and Matthieu Lecharny;
- reappointment of Xavier Martiré as Chairman of the Management Board for his term of office as a member of the Management Board beginning September 5, 2022.

The Appointments, Compensation and Governance Committee concluded, firstly, that it would be in the shareholders' interest to continue to apply the strategy that had been defined and implemented by the Group in recent years and, secondly, that the members of the Management Board had proven their ability to implement this strategy, particularly during the Covid-19 pandemic.

Presentation of the members of the Management Board (Article L. 22-10-10-1 of the French Commercial Code)

Xavier Martiré

Chairman of the Management Board

Business address:
5, boulevard Louis Loucheur
92210 Saint-Cloud – France

Date of birth: January 18, 1971

Nationality: French

BIOGRAPHY

Xavier Martiré began his career at SNCF in 1997 as a TGV (high-speed train) maintenance workshop foreman. He joined the Elis Group in 1999 as a Profit Center Director and subsequently held positions as Regional Manager and Deputy Chief Operating Officer in charge of business in France before being appointed Chairman of the Company in 2008. Xavier Martiré holds degrees from École Polytechnique and École Nationale des Ponts et Chaussées.

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:

- Chairman and Chief Executive Officer of M.A.J. SA (France)
- Director of Pierrette — T.B.A. SA (France)
- Chairman of Berendsen Ltd (United Kingdom)
- Chairman of Elis Luxembourg SA (Luxembourg)
- Director of Elis Manomatic SA (Spain)
- Director of Elis Italia SpA (Italy)
- Director of S.P.A.S.T. SA (Portugal)
- Director of G.A.F.I.D.E.S. SA (Portugal)
- Director of Albia SA (Chile)
- Director of Servicios Hospitalarios SA (Chile)

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

- Chairman and Chief Executive Officer of Elis Services SAS (France)
- Chairman of the Supervisory Board of Atmosfera Gestão e Higienização de Têxteis SA (Brazil)
- Director of Wäscherei Papritz AG (Switzerland)
- Director of Grosswäscherei Domeisen AG (Switzerland)
- Director of Wäscherei Mariano AG (Switzerland)
- Director of Lavalia Sur Servicios y Renting Textil SL (Spain)
- Director of Lavalia Balears Servicios y Renting Textil SL (Spain)
- Director of Lavandería Hotelera Del Mediterraneo SA (Spain)
- Director of Lavanderías Triton SL (Spain) Director of Compañía Navarra de Servicios Integrales SL (Spain)
- Member of the Board of Berendsen A/S (Denmark)

Louis Guyot

Member of the Management Board

Business address:
5, boulevard Louis Loucheur
92210 Saint-Cloud – France

Date of birth: May 23, 1972

Nationality: French

Main activity: Chief Financial Officer

BIOGRAPHY

Louis Guyot joined the Group in 2013. Louis Guyot began his career in 1998 in the Treasury Department as Deputy Head of the Housing and Local Government Financing Office. Subsequently, he was Chief Financial Officer and Chief Information Officer of Medica France from 2001 to 2004, Development and Strategy Director of Compagnie des Alpes from 2004 to 2007, Finance and Operations Director of Dalkia's Development Department from 2007 to 2010, then Chief Financial Officer and Chief International Officer of Korian from 2010 to 2013. Louis Guyot holds degrees from École Polytechnique, École Nationale des Ponts et Chaussées and Collège des Ingénieurs.

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:

- Chairman of Pro Service Environnement SAS (France)
- Chairman of Blanchisserie Blésoise SAS (France)
- Director of Pierrette — T.B.A. SA (France)
- Chairman of Elis Belgium SA (Belgium)
- Chairman of the Supervisory Board of Elis Textile Service AS (Estonia)
- Director of Elis Luxembourg SA (Luxembourg)
- Director of Elis Manomatic SA (Spain)
- Director of Goiz Ikuztegia SLU (Spain)
- Director of Servicios de Lavandería Industrial de Castilla La Mancha SAU (Spain)
- Director of Logralimp SL (Spain)
- Director of Eliteq Sanidad Ambiental SL (Spain)
- Director of Lavandería Lizzara SL (Spain)
- Director of Elis Italia SpA (Italy)
- Director of S.P.A.S.T. SA (Portugal)
- Director of G.A.F.I.D.E.S. SA (Portugal)
- Director of Albia SA (Chile)
- Director of Servicios Hospitalarios SA (Chile)
- Director of Berendsen A/S (Denmark)
- Director of Elis Textile Service Oy (Finland)
- Director of Elis Textil Service AB (Sweden)
- Director of Elis Holding AB (Sweden)
- Member of the Supervisory Board of Elis Textile Service Sp z oo (Poland)
- Director of Coliday Holdings Ltd (Cyprus)
- Director of Skewen Investments Ltd (Cyprus)
- Member of the Board of Berendsen Ireland Holdings Ltd (Ireland)
- Member of the Board of Elis Textile Services Ltd (Ireland)
- Member of the Board of Elis Textile Ltd (Ireland)

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

- Director of Elis Services SAS (France)
- General Manager of Blanchisserie Professionnelle d'Aquitaine SARL (France)
- Chairman of Hygiène Contrôle Île-de-France SAS (France)
- Chairman of BMF SAS (France)
- Director of InoTex Bern AG (Switzerland)
- Director of Berendsen Tekstil Service AS (Norway)
- Director of Compañía Navarra de Servicios Integrales SL (Spain)
- Director of Lavandería Industrial La Condesa SLU (Spain)
- Director of Indusal Sur SA (Spain)
- Director of Lloguer Textil Maresme SLU (Spain)
- Director of Lavanderías Triton SL (Spain)
- Director of Indusal Centro SAU (Spain)
- Director of Indusal Navarra SAU (Spain)
- Director of Indusal SAU (Spain)
- Director of Energías Margua SAU (Spain)
- Director of Cogeneración Martiartu SLU (Spain)
- Director of Base Lavandería Industrial SLU (Spain)
- Director of Marina de Complementos SLU (Spain)
- Director of Lesa Inmuebles Siglo XXI SL (Spain)

Matthieu Lecharny

Member of the Management Board

Business address:
5, boulevard Louis Loucheur
92210 Saint-Cloud – France

Date of birth: December 26, 1969

Nationality: French

Main activity: Deputy Chief Operating Officer

BIOGRAPHY

Matthieu Lecharny joined the Elis Group in 2009. He serves as Deputy Chief Operating Officer for two regions in France and for Portugal, Spain, Andorra, Italy, and Latin America, and is responsible for acquisitions. Matthieu Lecharny began his career at Procter & Gamble in sales. He then joined Unilever, where, from 1996 to 2009, he held various senior positions in the Marketing Department, both in France and abroad. Most notably, he was Oral Care Brand Director for Europe from 2001 to 2003, and Personal Care Marketing Director for France from 2003 to 2005. Before joining the Group, he was Global Marketing Director for the brand Cif. Matthieu Lecharny holds a degree from École Supérieure de Commerce de Paris (ESCP Europe).

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:

- Chairman of Elis Italia SpA (Italy)
- Director of Elis Manomatic SA (Spain)
- Director of Goiz Ikuztegia SLU (Spain)
- Director of Casbu SL (Spain)
- Director of Servicios de Lavandería Industrial de Castilla La Mancha SAU (Spain)
- Director of Logralimp SL (Spain)
- Director of Eliteq Sanidad Ambiental SL (Spain)
- Director of Lavandería Lizzara SL (Spain)
- Director of S.P.A.S.T. SA (Portugal)
- Director of Albia SA (Chile)
- Director of Servicios Hospitalarios SA (Chile)
- Member of the Supervisory Board of Atmosfera Gestão e Higienização de Têxteis SA (Brazil)

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

- Director of Lavandería Industrial La Condesa SLU (Spain)
- Director of Indusal Sur SA (Spain)
- Director of Lavalia Balears Servicios y Renting Textil SL (Spain)
- Director of Lavalia Sur Servicios y Renting Textil SA (Spain)
- Director of Lavandería Hotelera Del Mediterraneo SA (Spain)
- Director of Indusal Centro SAU (Spain)
- Director of Lloguer Textil Maresme SLU (Spain)
- Director of Lavanderías Triton SL (Spain)
- Director of Compañía Navarra de Servicios Integrales SL (Spain)
- Director of Energías Margua SAU (Spain)
- Director of Cogeneración Martiartu SLU (Spain)
- Director of Indusal Navarra SAU (Spain)
- Director of Lesa Inmuebles Siglo XXI SL (Spain)
- Director of Indusal SAU (Spain)
- Director of Base Lavandería Industrial SLU (Spain)
- Director of Marina de Complementos SLU (Spain)

Powers of the Management Board

The Management Board is vested with the broadest powers to act in all circumstances in the Company's name, within the limits of the corporate purpose and subject to the powers expressly granted by law and the bylaws to the Supervisory Board and general shareholders' meetings. Some decisions falling within the remit of the Management Board are also subject to the prior approval of the Supervisory Board (see below for an excerpt from Article 20.IV of the Company's bylaws).

No restrictions on the powers of the Management Board are enforceable against third parties, and third parties may make claims against the Company to fulfill the commitments made on its behalf by the Management Board's Chairman or a Chief Executive Officer, if their appointments have been duly announced.

Excerpt from Article 20.IV of the Company's bylaws and Article 3.2 of the Supervisory Board's rules of procedure

Decisions and transactions at the Company or its controlled subsidiaries as defined by Article L. 233-3 of the French Commercial Code that are subject to the prior approval of the Supervisory Board (in addition to the powers granted by law):

- any proposal to the general shareholders' meeting of the Company to amend the Company's bylaws;
- any proposal of resolutions to the general shareholders' meeting of the Company relating to the issue or buyback of shares or securities giving access, immediately or in the future, to the Company's share capital;
- any transaction that may lead, immediately or in the future, to an increase or decrease in the Company's share capital through the issue or cancellation of securities;
- any proposal to the general shareholders' meeting of the Company to allocate income or distribute dividends or interim dividends;
- any implementation of stock option plans or bonus share plans, and any grant of stock options or bonus shares within the Group;
- the appointment, reappointment or removal of the Company's Statutory Auditors;
- significant transactions likely to affect the Group's strategy and modify its financial structure or its scope of business, and which may have an impact of 5% or more on the Group's EBITDA;
- the adoption of the Company's annual budget and investment plan;
- any loan, financing or partnership agreement, and any issue of non-convertible bonds of the Group if the amount of the transaction or agreement, whether occurring at a single time or several times, exceeds €100 million;
- acquisitions, extensions or disposals of investments made by the Group in any companies formed or to be formed in an amount greater than €20 million in enterprise value;
- any planned transaction of the Group whose investment or divestment amount is greater than €20 million if such transaction has not been included in the budget or in the investment plan;
- any decision to perform a merger, demerger, partial asset contribution or similar transaction involving the Company;
- in case of disputes involving the Group, arbitration awards and settlement agreements greater than €5 million;
- any significant change in the accounting policies applied by the Company other than those based on amendments to IAS/IFRS;
- any agreement subject to Article L. 225-86 of the French Commercial Code.

Executive Committee

The Management Board is assisted in its duties by an Executive Committee composed of members of the Management Board and the Group's chief operating officers and support function directors, presented in chapter 1 of this universal registration document.

Information about members of the Executive Committee (who are not members of the Management Board)

(Information current as at December 31, 2021)

Alain Bonin, aged 58, has been Deputy Chief Operating Officer since 2012 and in charge of operations since 2009. He is responsible for Key Accounts in the Sales Departments of the Hospitality and Healthcare segments as well as the Group's operations in four French regions and Switzerland. Alain Bonin has been with the Group for more than 30 years and has held various managerial positions, including director of several profit centers and a regional department. He holds a diplôme d'études universitaires (DUT) in marketing.

Michel Delbecq, aged 57, is the Group's Transformation & Information Systems Director. He has spent his entire career in various IT roles, becoming CIO of two LVMH subsidiaries in Europe and Asia before taking charge of IT at the Sephora Group. He is a graduate of École Nationale Supérieure d'Informatique et de Mathématiques Appliquées de Grenoble (ENSIMAG) and holds a master's degree in information systems.

Frédéric Deletombe, aged 49, has been the Engineering Director since 2009 and Purchasing and Supply Chain Director since 2015. He joined the Group in 2006 and has held various managerial positions. Prior to that, he held managerial positions in various operating and industrial departments at IBM Microelectronics and then at Altis Semiconductors. Frédéric Deletombe holds degrees from École Polytechnique and École Nationale Supérieure de Techniques Avancées (ENSTA). He also holds a DEA (a French advanced degree) in Business and Production Organization (ENPC).

Didier Lachaud, aged 62, has been the Human Resources Director of the Elis Group since 2010. In 2021 he stepped down as CSR Director and was replaced by a new, specially appointed Director. Before joining the Group, he held various positions in the human resources departments at Schlumberger and Air Liquide and was Human Resources Director of the Fives Group and the Gemplus Group (Gemalto). Didier Lachaud was also a consultant at Vacoas Management and Neumann International. He is a graduate of Institut d'Études Politiques in Paris and also holds a master's degree in private law.

Yann Michel, aged 48, has been Deputy Chief Operating Officer since March 1, 2015. He is responsible for pest control services, operations in two French regions, and operations in the United Kingdom and Ireland. Yann Michel has been with the Group for more than 15 years and has held various operational positions, including director of two regional departments. He is a graduate of Université de Technologie de Compiègne.

Johanna Persson (Executive Committee member from September 1, 2020), 40, is Deputy Chief Operating Officer for the Nordic region (Sweden, Norway, Finland, Denmark, Netherlands, Benelux) and responsible for the Cleanroom business unit. She joined Berendsen in 2017 as Managing Director, Workwear for Sweden and Finland before being appointed Managing Director for Sweden. Since the start of her career, she has held several senior management positions in Sweden and abroad in sales, marketing, business development and management, notably for Duni Group and Nord-Lock Group. Johanna Persson holds a master's in business administration and economics from Lund University in Sweden.

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Caroline Roche, aged 49, has been the Group's Marketing and Innovation Director since 2016. Before joining Elis, she held executive positions for more than 15 years in marketing, digital technology and e-commerce. and worked in distribution, most notably at the Go Sport Group, Marionnaud Europe and the Galeries Lafayette group. She also has experience as an entrepreneur and consultant for web agencies and marketing services. Caroline Roche is a graduate of École Supérieure de Commerce de Montpellier (finance section) and holds a master's degree in international marketing from Complutense University of Madrid.

Andreas Schneider, aged 55, is the Deputy Chief Operating Officer for Germany, Austria, Poland, the Baltic states, Russia, the Czech Republic, Slovakia and Hungary. Andreas Schneider joined Berendsen in 2008 as Finance Director before being appointed Finance Director, Workwear in 2012. Prior to that, he was responsible for the Business Turnaround Unit of an international consulting firm and worked for one of Germany's biggest printing and publishing houses. He also served as Finance Director and Chief Operating Officer at Deutsche Bahn Group. Andreas Schneider holds an MBA in economics.

Diversity policy within the Group and its management bodies

(Management Board, the Company's Executive Committee and 10% of senior positions)

The Group's diversity policy, especially the diversity of management bodies, is based on talent identification and management processes and succession plans for key positions focused on performance and potential. The Group's non-discrimination and equal opportunities policy is outlined in its Code of Ethics.

The Group has set a goal of reducing the gender gap in certain job categories and executive roles and of increasing the number of women in senior positions (including Executive Committee posts).

The Group is demonstrating its commitment in this area by putting special effort into achieving gender equality, and one of the goals under its ambitious program is to increase the proportion of women in the management bodies and executive positions to 40% by 2025 and then to 42% by 2030. The achievement of this target has been included in the Group's financing criteria.

It has implemented various measures and taken actions to achieve this goal:

- gender-blind recruitment process based on candidates' skills, professional experience and qualifications, and which routinely seeks to include 30% to 50% women candidates, depending on the job;
- increased awareness among those in charge of recruitment or communications at universities and French grandes écoles to promote Elis's different business lines; particular attention is paid to applicants of the under-represented sex on the final shortlist of candidates for a position.

Thanks to these efforts in 2021, 30% of new managers are women (9% increase in five years).

Talent reviews, led by the Human Resources Department in conjunction with the country, regional, and central departments, identify and develop managers' potential to maximize their career prospects within the Group in the short, medium and long term. A development path and mentoring program will be implemented in 2022 to support women's advancement within the company.

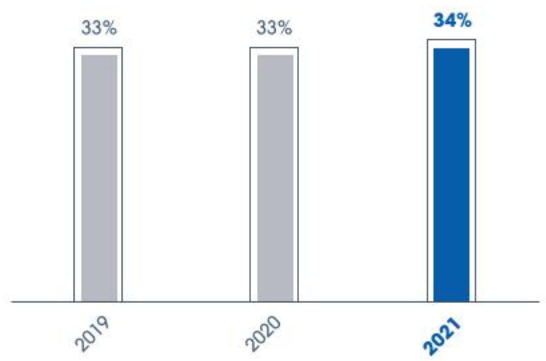
During talent reviews and individual annual reviews, priority is given to employees who have expressed an interest in developing their careers in an area where their gender is under-represented.

The Appointments, Compensation and Governance Committee regularly analyzes the skills and profiles required by the Executive Committee and the Management Board.

In addition, the process of selecting candidates to serve on the Management Board now includes the nomination of at least one male and one female candidate for each position, whether to fill a vacancy or improve the Board's gender balance. If an external recruitment firm is used, it will be asked to put forward at least one male and one female candidate.

At least one male and one female candidate matching the profile and meeting the relevant criteria who were previously identified during the candidate selection process will be shortlisted by the Appointments, Compensation and Governance Committee before being presented to the Supervisory Board, which is responsible for appointing members to the Management Board.

Change in the percentage of women in executive or managerial roles



The company has set a target of 40% by 2025 and 42% by 2030.

For more information on this policy, see chapter 3, section 3.3.4 "Ensuring nondiscrimination and equal opportunities" of this universal registration document.

2.1.3 Supervisory Board

The rules governing the composition and operation of the Supervisory Board are described in the Company's bylaws (Articles 17 and 18) and in the Board's rules of procedure (Article 1), which are available on the Company's website (www.elis.com).

Composition of the Supervisory Board

Diversity policy for the composition of the Supervisory Board

The Supervisory Board and the Appointments, Compensation and Governance Committee regularly assess the composition of the Board and its committees, as well as the skills and experience contributed by each Board member. They also draw up guidelines to ensure that the Board is as balanced as possible, seeking complementarity between backgrounds from an international and diversity perspective in terms of nationality, gender and experience.

In accordance with Articles L. 225-68, L. 22-10-20 and L. 22-10-10 paragraph 2 of the French Commercial Code, the diversity policy used by the Supervisory Board for the selection of its members, the targets set, the procedures applied and the outcomes are described below. This diversity is also ensured by staggering terms of office. This enables the smooth replacement of members and allows shareholders to vote each year on whether to reappoint one or more members. To allow the board to be staggered, the Company's bylaws stipulate that the general shareholders' meeting may decide, upon appointing certain members of the Supervisory Board, that their term of office will be less than four years.

At its meeting on March 8, 2022, the Supervisory Board, on the recommendation of the Appointments, Compensation and Governance Committee, reviewed and approved the composition of the Supervisory Board based on the criteria set out below.

Criteria	Objectives	Implementation and outcomes (status as at March 8, 2022)
Independence	Comply with the recommendations of the AFEP-MEDEF Code on the independence of the Board (i.e., at least half of the Board members are independent)	6 members are independent (i.e., 2/3 of the members, excluding members of the Supervisory Board representing employees)
Gender equality	Comply with the legal provisions on gender equality, which require a minimum percentage of 40% of each gender (Articles L. 225-69-1 and L. 22-10-21 of the French Commercial Code)	5 women 4 men (i.e., more than 50% women, excluding members of the Supervisory Board representing employees)[(a)]
Age of Board members	No more than a third of Board members may be over 70 years of age, in accordance with the relevant legal provisions (Article 17 of the Company's bylaws)	0 members over age 70 11 members under age 70 Average age: 53
Employee representation on the Board	Article 17 of the Company's bylaws	2 members representing employees See "Representation of employees on the Supervisory Board" paragraph below.
Complementarity of backgrounds from an international and nationality perspective	Reflect the different regions where the Group operates as much as possible	All members of the Supervisory Board have international experience. One Board member is a British national and another is a Canadian national.
Complementarity of backgrounds in terms of expertise and experience	Include members with technical abilities from a variety of realms of expertise and experience	**Competency map for members of the Supervisory Board** International business management: 5 members Finance: 5 members (including the 3 Audit Committee members) Marketing and sales: 1 member Strategy and M&As: 2 members Human resources: 1 member Quality: 1 member › the members have broad professional experience in a range of industry sectors and in high-level positions, and they perform or have performed director or corporate officer duties in other French or foreign companies, some of which are public; › the diverse skill set is evident in the varied backgrounds of the Board members, who together boast vast experience and educational credentials in finance, management and governance, CSR, risk management, human resources and engineering.

(a) There are six women and five men on the Supervisory Board, taking into account the members of the Supervisory Board representing employees.

Representation of employees on the Supervisory Board (Article 17 of the Company's bylaws)

› **regarding members representing employees:**

In 2020, in accordance with Article L. 225-79-2 II of the French Commercial Code, and Article 17 VII of the Company's bylaws, the Company implemented the applicable legal provisions as amended by the law on business growth and transformation (the Pacte law), and on November 2, 2020, the group works council appointed two members representing employees to the Supervisory Board (one man and one woman).

› **regarding the representation of employee shareholders:**

The category of employee members of the Supervisory Board provided for in Article L. 225-71 of the French Commercial Code (representing employee shareholders) is not currently represented on the Elis Supervisory Board because the shares held by the Company's employees, as well as by the employees of companies affiliated with it within the meaning of Article L. 225-180 of the French Commercial Code, represent 1.79% of the share capital, or less than the 3% threshold above which such appointment is required by law and by Article 17 of the bylaws (see chapter 7 of this universal registration document, section 7.2.1).

Composition of the Supervisory Board and its special committees as at the date of this universal registration document and summary of attendance at Board and committee meetings in 2021

	Supervisory Board								Committees						
												Attendance rate in 2021			
	Nationality	Age	Number of executive appointments	Number of Elis shares[b]	Position on the board	Start of first term of office	Start of current term of office	Attendance rate in 2021	Audit Committee	Appointments, Compensation and Governance Committee	CSR Committee	Audit Committee	ACGC	CSR	End of current term of office on the Board and committees[a]
Thierry Morin ✔	FR	69	0	1,233	Chair	06/23/2014	05/23/2019	100%	Member	Member	-	100%	100%	-	2023
Magali Chessé	FR	47	1	500	Member	06/01/2016	05/23/2019	100%	Member	-	-	100%	-	-	2023
Philippe Delleur ✔	FR	63	0	1,600	Member	06/24/2015	05/23/2019	83%	-	-	Member	-	-	100%	2023
Florence Noblot[c] ✔	FR	58	1	2,500	Member	07/31/2014	05/20/2021	100%	--		Chair	-	-	100%	2025
Anne-Laure Commault[c] ✔	FR	47	0	2,000	Member	05/19/2017	05/20/2021	100%	-	-	-	-	-	-	2025
Joy Verlé[c]	FR/UK	42	1	4,500	Vice-Chair-woman	03/06/2018	05/20/2021	100%	-	Member	-	-	100%	-	2025
Antoine Burel ✔	FR	59	1	500[b]	Member	02/20/2019	02/20/2019	100%	Chair	-	-	100%	-	-	2022
Amy Flikerski	CA	42	0	500	Member	06/30/2020	06/30/2020	83%	-	-	Member	-	-	100%	2024
Fabrice Barthélemy ✔	FR	53	1	1000	Member	06/30/2020	06/30/2020	100%	-	Chair	-	-	100%	-	2024
Valérie Gandré	FR	50	0	2,447[d]	Employee member	11/02/2020	11/02/2020	83%	-	-[e]	-	-	-	-	2024
Philippe Beaudoux	FR	57	0	1,345[d]	Employee member	11/02/2020	11/02/2020	83%	-	-	-	-	-	-	2024

✔ *Independent member: (the independence criteria used by the Company are described below in the "Independence of members of the Supervisory Board" section of the Supervisory Board's report on corporate governance).*

(a) *Year in which the term of office expires.*

(b) *At December 31, 2021. At the date of this universal registration document, Antoine Burel held 1,900 Company shares.*

(c) *Members appointed to the Supervisory Board by the ordinary general shareholders' meeting on May 20, 2021.*

(d) *Employee members are not obliged to hold a minimum number of Elis shares (Article 17.VII of the bylaws).*

(e) *Valérie Gandré was appointed member of the Appointments, Compensation and Governance Committee by the Supervisory Board at its meeting on December 14, 2021.*

Changes in the composition of the Supervisory Board and special committees in 2021

Member of the Supervisory Board	Type of change	Date
Valérie Gandré	Appointment as member of the Appointments, Compensation and Governance Committee (more specifically, for matters concerning compensation)	December 14, 2021
Florence Noblot, Anne-Laure Commault, Joy Verlé	Reappointment for a four-year term	May 20, 2021

At the next general shareholders' meeting, on the recommendation of the Appointments, Compensation and Governance Committee, the shareholders will be asked to vote on the reappointment of Antoine Burel:

Antoine Burel began his career in auditing in 1986 (Fiduciaire de France-KPMG). Following this initial step, he spent time working in management control in the agri-food industry. He then joined Legrand (listed on the CAC 40 index) in 1993. After a stint as Finance Director at several of the Group's operating subsidiaries, he took the reins of the Group's Management Control Department in 2005. He was appointed Group Chief Financial Officer in 2008, before becoming Deputy Chief Executive Officer and Executive VP, Group Operations in 2019.

Antoine Burel joined Elis's Supervisory Board in February 2019 and chairs the Audit Committee. As a seasoned expert who has worked in finance and audit at major international conglomerates and as CEO of a listed company, Legrand, he is a major asset for Elis. He also meets the independence criteria sought for the composition of the Supervisory Board.

Presentation of members of the Supervisory Board (Article L. 225-37-4, paragraph 1 of the French Commercial Code) – list of offices and positions held during the 2021 financial year

Thierry Morin

Chairman of the Supervisory Board

Business address:
65A boulevard du Commandant Charcot
92200 Neuilly-sur-Seine, France

Date of birth: March 27, 1952

Nationality: French

Main activity: General Manager of TM France

BIOGRAPHY

Thierry Morin is the General Manager of TM France, an industrial holding company specializing in restructuring distressed companies. He began his career in 1977 as a sales engineer with Burroughs. Between 1978 and 1986, he worked as a financial controller, Chief Accounting Officer and then Financial Controller for EMEA (Europe, Middle East and Africa) at the Schlumberger Group. In 1986, he joined the Thomson Consumer Electronics Group as Chief Information Officer. In 1989, Thierry Morin joined the Valeo group as Finance Director of the Transmission division, before transferring to the Thermal Systems division. Promoted to the Group level, he moved on to become Chief Financial Officer, Group Director of Financial Control, Strategy and Purchasing, Deputy Chief Operating Officer, and finally Chairman and Chief Executive Officer from 2000 to 2009. Since 2009, he has managed seed capital investments in new technologies as well as an industrial consulting firm. He is also the former Chairman of the Board of Directors of the French Patent and Trademark Office (INPI) and of Université Technologique de Compiègne (UTC). Thierry Morin has a master's degree in management from Université Paris IX-Dauphine.

He is an Officer of the French Order of Merit, Knight of the French Legion of Honor and Knight of the French Order of Arts and Letters.

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:

— Member of the Audit Committee
— Member of the Appointments, Compensation and Governance Committee

Offices and positions held outside the Group:

— General Manager of TM France
— Director of Navya and Chairman of the Appointments and Compensation Committee

Offices and positions having ended in the past five years:

— Chairman of the Board of Directors of Université de Technologie de Compiègne (UTC)
— Chairman Emeritus of HNT Electronics Co., Ltd (South Korea)
— Chairman of TMPARFI SA
— Director of Arkema* and Chairman of the Appointments, Compensation and Corporate Governance Committee

** Listed company.*

Joy Verlé

Vice-Chairwoman of the Supervisory Board

Business address:
40 Portman Square
London W1H 6LT
United Kingdom

Date of birth: May 23, 1979

Nationality: French and British

Main activity: Managing Director in the Relationship Investments department at CPP Investments

BIOGRAPHY

Joy Verlé has served as Managing Director in the Relationship Investments department (investments in listed companies or companies soon to go public) since 2021. Prior to that, she was Senior Principal of this department at the Canada Pension Plan Investment Board (CPP Investments), which she joined in 2016. She was involved in the investment CPP Investments made in Elis. She began her career in 2003 at Morgan Stanley in London, where she was an analyst on the M&A and Global Capital Markets teams. In 2006, she joined the private equity firm Bregal Capital as Partner and was involved in investments in the education, renewable energy and healthcare sectors. Joy Verlé is a graduate of École des Hautes Études Commerciales in Paris.

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:

— Member of the Appointments, Compensation and Governance Committee

Offices and positions held outside the Group:

— Director of Galileo Global Education TCo 1 SAS
— Director and member of the Audit Committee and of the Appointments and Compensation Committee of ORPEA.*

Offices and positions having ended in the past five years:

None.

** Listed company.*

Fabrice Barthélemy

Independent member of the Supervisory Board

Business address:
1 Terrasse Bellini – Tour Initiale
92919 Paris La Défense – France

Date of birth: March 27, 1968

Nationality: French

Main activity: Chairman of the Management Board of Tarkett SA*

BIOGRAPHY

Since January 2019, Fabrice Barthélemy has been Chairman of the Management Board of Tarkett, which he joined in 2008 as Chief Financial Officer. He has served as President of Tarkett Europe, Middle East, Africa (EMEA) and Tarkett Latin America (2017-2019), and as a member of the Management Board since 2008. He began his career as an industrial controller with Safran and joined Valeo in 1995 as Financial Controller in the United Kingdom division. From 2000 to 2003, he helped to turn around Valeo's Lighting Division in France before becoming Global Finance Director of Electronics and Connective Systems and then Wiper Systems. He is a graduate of the ESCP Business School.

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:

- Chairman of the Appointments, Compensation and Governance Committee

Offices and positions held outside the Group:

- Chairman of the management board of Tarkett SA* (France)
- Chairman of Tarkett Paticipation SAS (France)
- Chairman of Tarkett Bois SAS (France)
- Member of the Supervisory Board of Morton Extrusionstechnik GmbH (Germany)
- Chairman of the Board of Directors of AO Tarkett (Russia)
- Member of the Board of Directors of Laminate Park GmbH & Co. KG (Germany)
- Member of the Board of Directors of Tarkett Capital SA (Luxembourg)
- Chairman of the Board of Directors of Tarkett GDL SA (Luxembourg)

Offices and positions having ended in the past five years:

- Chairman of the EMEA-LATAM division of the Tarkett Group
- 22 appointments held within Tarkett Group subsidiaries in France and abroad

** Listed company.*

Philippe Beaudoux

Member of the Supervisory Board representing employees

Business address:
31 chemin Latéral au Chemin de Fer
93500 Pantin – France

Date of birth: November 13, 1964

Nationality: French

Main activity: Head of Human Resources at Elis

BIOGRAPHY

Philippe Beaudoux joined Elis in 1994 as HR manager for two production sites. In 2001, he moved to the headquarters in an HR support role, becoming regional HR manager.

Between 1988 and 1994, he worked in HR for a document engineering company.

He holds a postgraduate degree in employment law from Université Paris Nanterre (Paris X).

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:

— Employee of the company M.A.J., a subsidiary of Elis SA

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

None.

Antoine Burel

Independent member of the Supervisory Board

Business address:
128, avenue du Maréchal de Lattre-de-Tassigny
87045 Limoges Cedex – France

Date of birth: December 22, 1962

Nationality: French

Main activity: Deputy Chief Operating Officer, Executive VP Operations of Legrand*

BIOGRAPHY

Antoine Burel began his career in auditing in 1986 (Fiduciaire de France-KPMG). Following this initial step, he spent time working in management control in the agri-food industry. He then joined Legrand (listed on the CAC 40 index) in 1993.

After a stint as Finance Director at several of the Group's operating subsidiaries, he took the reins of the Group's Management Control Department in 2005. He was appointed Group Chief Financial Officer in 2008, before becoming Deputy Chief Executive Officer and Executive VP, Group Operations in 2019.

Antoine Burel is a graduate of Neomia Business and has a degree in accounting and finance.

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:

— Chairman of the Audit Committee

Offices and positions held outside the Group:

— Director and Deputy Chief Executive Officer of Legrand France*

Offices and positions having ended in the past five years:

- Director of Kimbe Electric Company of South Africa (Pty) Ltd
- Chairman of the Board of Directors of Legrand Saudi Arabia
- Director of Raritan Australia, Ltd
- Director of Famco Lighting Pty Ltd
- Director of Legrand Australia Pty Ltd
- Director of Legrand Group Pty Ltd
- Director of Legrand Group Belgium SA
- Chairman of the Board of Directors of Legrand Integrated Solutions Nv
- Director of Legrand Canada, Inc.
- Director of Middle Atlantic Products Canada, Inc.
- Director of Solarfective Products Ltd
- Director of Beijing Raritan Technologies Company Ltd
- Director of Shenzhen Shidean Legrand Electronic Products Co., Ltd.
- Director of Legrand (Beijing) Electrical Company Ltd.
- Director of Legrand (Shanghai) Management Co., Ltd.
- Director of Shanghai Legrand Electrical Talent
- Director of Legrand (Shanghai) Trading Co. Ltd (liquidation in progress) Director of TCL-Legrand International Electrical (Huizhou) Co., Ltd (TIE)
- Director of TCL Wuxi
- Director of Legrand Colombia SA
- Director and Chairman of the Board of Directors of Legrand Korea Co., Ltd
- Teller for Bticino Costa Rica SA, SDA
- Teller for Comercializadora Centroamericana GI SA, SDA
- Chairman of the Board of Directors of Legrand Scandinavia
- Director and Chairman of the Board of Directors of EMB Electrical Industries SAE
- Director of Bticino Ecuador Compañía Limitada
- Director of Legrand Group España
- Director of Legrand SNC FZE
- Director of Lastar Ltd
- Director of Raritan Computer UK
- Director of C.P. Electronics Ltd
- Director of Jontek Ltd
- Director of Legrand Electric Ltd
- Director of Legrand UK Ltd
- Director of Tynetec Ltd
- Secretary of Bticino Guatemala SA
- Director of Helliniki Legrand SA
- Secretary of Bticino Guatemala SA
- Director of Promotora Bticino Honduras SA
- Director of Legrand Electric (HK) Ltd
- Director and Manager of TCL Communication (HK), Ltd
- Director of Rocom Electric Company Ltd
- Chief Executive Officer of Legrand Közép
- Director of Legrand ZRT
- Director of Legrand (Mauritius) Ltd
- Director of Raritan International India, Pvt Ltd
- Chairman of the board of commissioners of PT Trias Indra Saputra
- Commissioner of PT Legrand Indonesia
- Director of Bticino SpA
- Director of Raritan Japan, Inc.
- Director of Legrand Eastern Africa Ltd
- Director of Bticino El Salvador SA de CV
- Director and Chairman of the Board of Directors of Legrand Maroc
- Director of Cablofil Mexico
- Director and Chairman of the Board of Directors of BT Industrial, SA de CV
- Director and Chairman of the Board of Directors of BT Manufactura, SA de CV
- Director and Chairman of the Board of Directors of Bticino Corporativo, SA de CV
- Director and Chairman of the Board of Directors of Bticino de México, SA de CV
- Director and Chairman of the Board of Directors of Bticino Operacional, SA de CV
- Director of Legrand New Zealand Ltd
- Director of Bticino Panama Centroamerica SA
- Chief Executive Officer of PB Finelectric
- Director of Raritan Europe, BV
- Director of Raritan International, BV
- Director of Ticino Del Peru SA
- Vice-Chairman of the Supervisory Board of Legrand Polska Factory Service Sp z oo
- Vice-Chairman of the Supervisory Board of Legrand Polska Sp z oo
- Chairman of the Board of Directors of Legrand Electrica SA
- Director and Chairman of the Board of Directors of Bticino República Dominicana
- Director of Legrand Romania Srl
- Director of OAO Kontaktor
- Member of the Board of Directors of Legrand (Russia)
- Director of Numeric Lanka Technologies Private Ltd
- Chairman of the Board of Directors of Legrand Skandinaviska AB
- Chairman of the Board of Directors of Van Geel Sverige AB
- Director and Chairman of the Board of Directors of Legrand (Schweiz) AG
- Director of Raritan Asia Pacific, Inc.
- Director of Bticino (Thailand) Ltd.
- General Manager of Legrand Méditerranée
- Vice-Chairman of İnform Elektronik San. ve Tic. A.s
- Vice-Chairman of Eltaş Elektrik Malzemeleri Sanayi ve Pazarlama AŞ
- Vice-Chairman of Legrand Elektrik Sanayi AŞ
- Director of Cablofil, Inc.
- Director of Finelite, Inc.
- Director of Lastar Global Sourcing, LLC
- Director and Vice-Chairman of Legrand Holding Inc.
- Director of Legrand Home Systems, Inc.
- Director of Legrand North America, LLC
- Director of Luxul Wireless, Inc.
- Director of Ortronics Inc.
- Director of Pass & Seymour, Inc.
- Director of Pinnacle Architectural Lighting, Inc.
- Director of Raritan Americas, Inc.
- Director of Raritan Technologies, Inc.
- Director of Raritan, Inc.
- Director of Riip, Inc.
- Director of Rototech Electrical Components Inc.
- Director of Server Technology, Inc.
- Director of The Original Cast Lighting, Inc.
- Director of The Watt Stopper, Inc.
- Director of The Wiremold Company
- Director of Ultimate Precision Metal Products, Inc.
- Director and Chairman of the Board of Directors of Ticino de Venezuela CA

** Listed company.*

Magali Chessé

Member of the Supervisory Board

Business address:
16-18, boulevard de Vaugirard
75724 Paris Cedex 15 – France

Date of birth: September 19, 1974

Nationality: French

Main activity: Head of Equity Investment Strategies at Crédit Agricole Assurances

BIOGRAPHY

Magali Chessé has been Head of Equity Investment Strategies at Crédit Agricole Assurances since 2010. She began her career in private equity in 1999 (venture capital/ growth capital). She served as Investment Director at Crédit Agricole Private Equity before joining Predica to head up the management and monitoring of equity, private equity and infrastructure asset classes. Magali Chessé holds degrees in economics and management from Université de Strasbourg, Université Paris-Dauphine, and the French Society of Financial Analysts. She also holds a corporate director certificate (IFA/ Sciences Po).

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:

- Member of the Audit Committee

Offices and positions held outside the Group:

- Member of the Supervisory Board of Indigo Group SA, of Arcapark SAS and of Infra Foch Topco SAS (Indigo group)
- Permanent representative of Crédit Agricole Assurances on the Board of Directors of Ramsay Générale de Santé SA*
- Permanent representative of Predica on the Board of Directors of Frey SA*
- Permanent representative of Predica on the Supervisory Board of Effi Invest II SCA
- Permanent representative of Predica on the Board of Directors of Semmaris SA
- Representative of Predica, non-voting member on the Board of Directors of Siparex Associés SA
- Representative of Predica, non-voting member on the Supervisory Board of Tivana France Holdings SAS (TDF group)
- Director of SPA 2i Aeroporti
- Member of the Board of Directors of Cassini SAS (Comexposium group)
- Director of Edison Renewables SPA

Offices and positions having ended in the past five years:

- Director of Predica Infrastructure SA
- Director of Ramsay Santé SA
- Permanent representative of Predica on the Supervisory Board of Effi Invest I SCA

** Listed company.*

Anne-Laure Commault

Independent member of the Supervisory Board

Business address:
1, avenue du Président Nelson Mandela
94110 Arcueil – France

Date of birth: October 19, 1974

Nationality: French

Main activity: Chief Digital Officer of Orange France

BIOGRAPHY

Anne-Laure Commault is Chief Digital Officer Retail of Orange France, which she joined in 2002 as Marketing Manager (2002–2005). She then went on to serve as Project Manager (2005–2006), Office Manager for the chief executive officer (2006–2008), Senior Vice-President, Sales (2008–2010), Senior Vice-President, Marketing – Mobile Offers (2010–2013), Operational Senior Vice-President, Marketing – Retail Offers (2013–2016), and Chief Executive Officer of Générale de Téléphone (2016–2019), a subsidiary of the Orange Group. Prior to that, she was a consultant with Expertel Consulting (1998–1999) and Project Manager for telecommunications in the Foreign Commercial Service of the French Embassy in Malaysia (1999–2001). Anne-Laure Commault is a graduate of École des Hautes Études Commerciales and holds a master's degree in telecommunications management and new media from Université Paris-Dauphine.

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:
None.

Offices and positions held outside the Group:
None.

Offices and positions having ended in the past five years:
None.

Philippe Delleur

Independent member of the Supervisory Board

Business address:
48, rue Albert Dhalenne
93400 Saint-Ouen – France

Date of birth: April 11, 1958

Nationality: French

Main activity: Senior Vice-President, Public Affairs of the Alstom group*

BIOGRAPHY

Philippe Delleur is Senior Vice-President, Public Affairs of the Alstom Group. He joined Alstom in 2006, where he successively served as Director for Southern Europe, Africa and the Middle East, President of the Alstom subsidiary in Brazil and Director for Latin America, and President of Alstom International from 2011 to 2015. Prior to that, he worked at France's Ministry of the Economy and Finance, where over a period of 23 years he held the positions of Director of the Central Purchasing Agency, Manager in the Foreign Economic Relations Department, and Technical Advisor in the office of Michel Sapin. He is an alumnus of École Nationale d'Administration, a graduate of Sciences Po Paris and holds a bachelor's degree in law.

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:
- Member of the Corporate Social Responsibility (CSR) Committee

Offices and positions held outside the Group:
None.

Offices and positions having ended in the past five years:
- Independent Director of Biosev, a Brazilian subsidiary of the Louis Dreyfus group*

** Listed company.*

Amy Flikerski

Member of the Supervisory Board

Business address:
40 Portman Square
London W1H 6LT
United Kingdom

Date of birth: December 26, 1979

Nationality: Canadian

Main activity: Senior Portfolio Manager at CPP Investments

BIOGRAPHY

Amy Flikerski is a portfolio manager with the Canada Pension Plan Investment Board (CPP Investments), which she joined in 2012. She was involved in manager search and selection, mainly focusing on global equity strategies. Prior to joining CPP Investments, she worked as a senior analyst at Highbridge Capital Management (2003–2007) and subsequently at Talpion Fund Management (2010–2011). She was involved in hedge fund manager evaluation and research as an associate at PAAMCO (2009–2010). Amy began her career as a senior associate in the High Yield group at Moody's Investors Service and has worked in the US, UK, Brazil, Canada, and Hong Kong. Amy Flikerski holds a BA in Economics from Brown University, studied at Université Paris 1 Panthéon-Sorbonne, and earned an MBA from Harvard Business School.

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:

— Member of the Corporate Social Responsibility (CSR) Committee

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

None.

Valérie Gandré

Member of the Supervisory Board representing employees

Business address:
5 boulevard Louis Loucheur
92210 Saint-Cloud – France

Date of birth: July 13, 1971

Nationality: French

Main activity: Vice-President Quality Assurance of the Elis Group

BIOGRAPHY

Valérie Gandré has been Vice-President Quality Assurance at Elis since April 2003. She began her career at Elis in 1994 as a Quality Assurance Manager responsible for three Elis sites in France and Switzerland. In September 1998, she was appointed Quality Assurance Manager, Healthcare, a role she held until March 2003.

She has a postgraduate degree in industrial control and quality management (Université de Clermont-Ferrand, 1994) and a master of science in advanced maintenance techniques (Université du Havre, 1993).

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:

— Employee of Elis Services, a subsidiary of Elis SA
— Member of the Appointments, Compensation and Governance Committee

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

None.

Florence Noblot

Independent member of the Supervisory Board

Business address:
268, Avenue du Président Wilson
93210 La Plaine Saint Denis – France

Date of birth: May 15, 1963

Main activity: CSR Director of the Deutsche Post DHL Group*

BIOGRAPHY

Florence Noblot was appointed in 2021. CSR Director of the Deutsche Post DHL Group, which she joined in 1993. She previously served as Chief Customer Officer (Europe, Middle East and Africa) in the DHL Supply Chain division since May 2016. Prior to that, she was Senior Vice-President, EMEA, Technology Sector at the DHL Group since 2013. She started her career in 1987 as a key accounts manager for Rank Xerox France. In 1993, she joined DHL Express as Head of Key Accounts, and from 2003 to 2006 served as Sales Director, then Senior Vice-President of Global Customer Solutions (GCS) for the Asia-Pacific region. From 2008 to 2012, she was CEO of DHL Express France and a member of the Executive Committee for DHL Express Europe. In 2012, she became the European Commercial Projects Director for DHL Express Europe. Florence Noblot studied economics at Université Paris II Panthéon-Assas and in 2011 attended the General Management Program at Harvard University in the United States.

Main offices and positions held as at December 31, 2021

Other offices and positions held within the Group:

- Chair of the Corporate Social Responsibility (CSR) Committee

Offices and positions held outside the Group:

- CSR Director of the Deutsche Post DHL Group*
- Director of Somfy*

Offices and positions having ended in the past five years:

- Chief Customer Officer, EMEA (Europe, Middle East and Africa) in the DHL Supply Chain division
- Senior Vice-President EMEA, Technology Sector of the Deutsche Post DHL Group*
- Managing Director, Commercial Projects of DHL Express
- Chair of DHL Express France SAS
- Chair of the Appointments, Compensation and Governance Committee of Elis*

** Listed company.*

Independence of the members of the Supervisory Board

Pursuant to Article 1 of its rules of procedure, and in accordance with the recommendations of the AFEP-MEDEF Code, the Appointments, Compensation and Governance Committee and the Supervisory Board conduct an annual review of the independence of each Board member. This review took place during the meetings of these bodies on March 3, 2022, and March 8, 2022, respectively. The Supervisory Board also conducts this review whenever a candidate is nominated for appointment or reappointment to the Board.

During this review, the Supervisory Board, after having received the opinion of the Appointments, Compensation and Governance Committee, assesses, on a case-by-case basis, the qualifications of each of its members (or candidates) based on the criteria listed below, and the member or candidate's particular circumstances and situation vis-à-vis the Company.

At the end of its review, and based on the report of the Appointments, Compensation and Governance Committee, the Supervisory Board concluded that all of the criteria had been met and confirmed that Florence Noblot, Philippe Delleur, Thierry Morin, Antoine Burel, Anne-Laure Commault and Fabrice Barthélemy continued to meet the independence criteria; this makes the proportion of independent members greater than 50%. Members of the Supervisory Board representing employees are not included in the calculation of the proportion of independent Board members.

The Supervisory Board may decide that a member of the Supervisory Board, even though they satisfy the above criteria, must not be deemed independent given their particular situation, the Company's situation vis-à-vis its shareholders or for any other reason. Conversely, the Supervisory Board may decide that a member of the Supervisory Board, who does not satisfy the above criteria, is nevertheless independent.

The Supervisory Board's rules of procedure provide that members who are deemed independent are required to inform the Chairman of the Supervisory Board, as soon as such members become aware of it, of any change in their personal situation with respect to these same criteria.

The criteria used to assess the independence of Supervisory Board members are those provided for in the AFEP-MEDEF Code, listed below and contained in Article 1 of the Supervisory Board's rules of procedure:

Criterion 1	› Not be or have been within the previous five years: – an employee or executive corporate officer of the Company; – an employee, executive corporate officer or member of the Board of Directors or Supervisory Board of a company consolidated by the Company; – an employee, executive corporate officer or member of the Board of Directors or Supervisory Board of the Company's parent company or a company consolidated within this parent company.
Criterion 2	› Not be an executive corporate officer of a company in which the Company holds a directorship, either directly or indirectly, or to which an employee has been appointed as a director or in which an executive corporate officer of the Company (currently in office or having held such office within the last five years) is a member of the Board of Directors or Supervisory Board.
Criterion 3	› Not be a customer, supplier, commercial banker or investment banker: – that has a material relationship to the Company or the Group; or – for whom the Company or the Group represents a significant portion of their business.
Criterion 4	› Not be related by close family ties to a corporate officer.
Criterion 5	› Not have been an Auditor of the Company within the previous five years.
Criterion 6	› Not have been a director or member of the Supervisory Board of the Company within the previous 12 years.
Criterion 7	› Not have received variable compensation in cash or in the form of shares or any compensation linked to the performance of the Company or the Group.
Criterion 8	› Not represent a significant shareholder or shareholder holding more than 10% of the share capital or voting rights of the Company.

Business ties

When reviewing business relationships (criterion 3) between Elis and the companies in which independent members of the Supervisory Board hold executive positions, the Supervisory Board chose a quantitative criterion—namely, the consolidated revenue of both the Group and the external company in which the Supervisory Board member holds an executive position—to assess whether or not the business relationship was material in nature. It was therefore established that the nature of the business relationships between Elis and the company or group in which Supervisory Board members hold executive positions does not affect their independence and is not material, since the consolidated revenue generated by the Group with the company or group in which Supervisory Board members hold executive positions is less than 1%, as is the percentage of consolidated revenue of the company or group in which Supervisory Board members hold executive positions and which is generated from their business relationships with Elis.

In light of the above, the Supervisory Board deemed that the business relationships maintained by the companies in which some independent board members hold executive positions did not affect their independence.

Capital relationships

For members of the Supervisory Board holding 10% or more of the Company's share capital or voting rights, or representing a legal entity holding such stake, on the basis of the report by the Appointments, Compensation and Governance Committee, the Supervisory Board decides whether the member is independent by specifically taking into account the composition of the Company's share capital and the existence of potential conflicts of interest.

SUMMARY TABLE OF THE STATUSES OF THE MEMBERS OF THE SUPERVISORY BOARD REGARDING THE INDEPENDENCE CRITERIA[(a)]

Criteria for assessing independence	Thierry Morin	Fabrice Barthélemy	Antoine Burel	Anne-Laure Commault	Philippe Delleur	Florence Noblot	Joy Verlé	Magali Chessé	Amy Flikerski
Criterion 1	✔	✔	✔	✔	✔	✔			
Criterion 2	✔	✔	✔	✔	✔	✔			
Criterion 3	✔	✔	✔	✔	✔	✔			
Criterion 4	✔	✔	✔	✔	✔	✔			
Criterion 5	✔	✔	✔	✔	✔	✔			
Criterion 6	✔	✔	✔	✔	✔	✔			
Criterion 7	✔	✔	✔	✔	✔	✔			
Criterion 8	✔	✔	✔	✔	✔	✔	✘	✘	✘

✔ *Criterion met.*

✘ *Criterion not met.*

(a) *Members of the Supervisory Board representing employees are not included in the calculation of the proportion of independent Board members, in accordance with the recommendations of the AFEP-MEDEF Code.*

Duties, activities and organization of the work of the Supervisory Board

The operating rules of the Supervisory Board and its duties are defined by the Company's bylaws (Articles 17 and 20) and the Supervisory Board's own rules of procedure (Articles 1 to 3), which can be viewed in full on the Company's website (www.elis.com). The Supervisory Board's rules of procedure are regularly reviewed so they can be tailored to the regulatory context and changes in the recommendations of the AFEP-MEDEF Code. They were last updated on December 10, 2020.

As part of its oversight duties and in addition to transactions relating to the granting of any sureties, endorsements and guarantees that must have the prior approval of the Supervisory Board pursuant to applicable laws and regulations, Article 20.IV of the Company's bylaws and Article 3.2 of the Supervisory Board's rules of procedure provide that transactions, at the Company or its controlled subsidiaries as defined by Article L. 233-3 of the French Commercial Code, must have the prior approval of the Supervisory Board (see above, section 2.1.2 "General management of the Group"). In addition, as part of its duties and in accordance with the AFEP-MEDEF Code, the Board regularly reviews opportunities and risks and the risk prevention measures taken by the Group.

Supervisory Board involvement in shareholder relations is limited to verifying the information provided to shareholders and participating in general shareholders' meetings.

Information provided to the Supervisory Board

The Management Board submits a report to the Supervisory Board at least once per quarter outlining the Company's main management actions or events and containing all the information the Board needs to be informed of developments in the Group's business, the Group's management objectives and the achievement of said objectives (especially with regard to the annual budget and the investment plan) as well as investment policies, risk exposure management policies, human resource management policies and their implementation at the Group, as well as the financial position, cash position and commitments made by the Company.

The Management Board presents to the Supervisory Board, by the regulatory deadline for verification and control, the parent company financial statements, consolidated financial statements, interim consolidated financial statements and its report to the general shareholders' meeting. The Supervisory Board reviews the half-year financial reports, the quarterly financial information and the financial press releases to be published by the Company. The Supervisory Board presents its observations on the Management Board's report and the Company's parent company and consolidated financial statements to the general shareholders' meeting.

The Management Board presents the budget and investment plans to the Supervisory Board once every six months.

The Supervisory Board is informed by the Management Board of any exceptional circumstances, as needed.

In addition, pursuant to Article 4.4 of the Supervisory Board's rules of procedure, the Management Board communicates the following information to the Supervisory Board and to its special committees as needed:

- generally, any document or information regarding the Company or the Group whose preparation by the Management Board or whose publication is required under applicable regulations or necessary to properly inform the market, at the time they are prepared and prior to publication;
- within ninety days of the reporting date of the Company's parent company financial statements, the certified consolidated financial statements, including a statement of financial position, an income statement, a statement of cash flows and notes to the financial statements, and the Company's certified parent company financial statements, including a statement of financial position, an income statement and notes to the financial statements, accompanied by the Statutory Auditors' reports;
- twice per year, a summary table of the breakdown of the Company's securities;
- once per month, a summary of the key financial and operational information regarding the Company and the Group;
- at least once per quarter and, in any event, each time the Supervisory Board asks it to do so or when it deems it useful, a review and analysis of the business of the Company and the Group;
- within two (2) months of the reporting date for the first half of the year, the Management Board presents to the Audit Committee, then to the Supervisory Board for verification and auditing purposes, the Company's consolidated financial statements and the related half-year management report;
- within two months of the close of the financial year, the Management Board will present to the Audit Committee, then to the Supervisory Board for verification and auditing purposes, the parent company and consolidated financial statements and the related management report;
- the management forecasts and analysis report on those forecasts mentioned in Articles L. 232-2 and L. 232-3 of the French Commercial Code, within eight days of their preparation and after being reviewed by the Audit Committee;

- the Company's and the Group's annual budget and mid- and long-term investment and financial plan. The Supervisory Board has the right to request that the Management Board communicate a monthly monitoring report thereon;
- the Management Board informs the Audit Committee of any significant changes planned in the chain of shareholding control or in the percentages or types of control exercised over the Company's subsidiaries and/or consolidated entities;
- pursuant to the Audit Committee's rules of procedure, at least once per year, the Management Board presents to the Audit Committee its policy for managing and monitoring all types of risk to which the Company and the Group are exposed, as well as the programs and resources implemented, along with a report on the effectiveness of the Group's internal control, internal audit and risk management systems.

The Management Board must provide to the Supervisory Board all other information and all other documents that it deems useful for the Supervisory Board to perform its duties; in particular, the Management Board must communicate to the Supervisory Board, at any time and promptly, all information regarding the Company or the Group, if its importance or urgency so requires.

The Board's rules of procedure also stipulate that Supervisory Board members may request additional training on the specificities of the Company and the companies it controls, their businesses and their business sectors, and may also obtain information periodically or hear from members of the Management Board or the Executive Committee. Lastly, the rules also stipulate that Board members will, in general, receive a periodic, steady flow of information about the Company's results, activities and developments.

How the Supervisory Board operates

Supervisory Board meetings are convened by the Chairman or, if he or she is unable, by the Vice-Chairman, and by any means, including verbally.

However, the Chairman must convene a meeting when at least one member of the Management Board or at least one third of Supervisory Board members submit a reasoned request to do so in writing within fifteen days of receipt of such request. If the request goes unanswered, its authors may convene the meeting themselves by setting the agenda for the meeting.

Meetings are held at the Company's registered office or at any other location stated in the notice of meeting. The Chairman of the Supervisory Board chairs the meetings. If the Chairman is absent, the Vice-Chairman chairs the meeting. In the event that both are absent, the meetings are chaired by a Board member designated by the Board.

The deliberations of the Supervisory Board are valid only if at least half of its members are present or represented. Decisions are made by a majority vote of the members present or represented. In case of a tie, the Supervisory Board's Chairman has the casting vote; if the person chairing a meeting is not the Chairman of the Supervisory Board, such person does not have a casting vote.

Members participating in Supervisory Board meetings by video conference or other means of telecommunication allowing them to be identified and thus confirm their attendance are deemed to be present, under the conditions provided by the applicable legal and regulatory provisions.

The Board meets at least four times a year according to a schedule mutually agreed to before the end of the previous financial year that may be modified during the year if so requested by several members of the Board or if significant events so warrant. The purpose of the meetings is to examine the quarterly report that the Management Board must present to it, as needed by the Audit Committee, and to verify and audit the documents and information provided by the Management Board.

The Board may meet at any other time if it is in the Company's interest. In particular, in the event of exceptional transactions, Board members may be required to arrange telephone meetings. The frequency and length of meetings must be such that they allow for the review and in-depth discussion of matters falling under the Supervisory Board's responsibility.

At each meeting, the members of the Supervisory Board are provided with a set of documents allowing them to deliberate with enough information to reach a fully informed decision. The documents are sent to the members of the Supervisory Board by email several days in advance of regular Board meetings. The full set of documents is provided at the beginning of the meeting and the main items are generally presented in the meeting and commented on during the presentation.

For special Supervisory Board meetings, the documents are sent, if possible, by email with enough time to allow the Board members to discuss the items on the agenda submitted to them. Moreover, paper copies of the documents may also be provided upon request.

Pursuant to the rules of procedure of the Supervisory Board and the rules of procedure and charters of its committees, certain matters are reviewed by the various committees, according to their specialization, before being presented and submitted to the Supervisory Board for approval. These matters may include (i) for the Audit Committee, the review of the financial statements, the internal control procedures, the work of the Statutory Auditors, and financial transactions; (ii) for the Appointments, Compensation and Governance Committee, the appointment of new members to the Supervisory Board and Management Board, the composition of the committees and the compensation of corporate officers; and (iii) for the Corporate Social Responsibility (CSR) Committee, determining the Group's CSR strategy, commitments and approach, forecasting CSR issues, opportunities and risks, and issuing CSR policy recommendations. The respective chairs of the various committees present the minutes of their work meetings to the Supervisory Board during its meetings.

Company managers may also be invited to Supervisory Board meetings to present special reports and/or answer questions from Board members depending on the matters discussed and the specialties of said people.

The minutes of Supervisory Board meetings are prepared and copies or excerpts are provided and certified as provided by law. The minutes of each meeting are formally approved during the following meeting.

Supervisory Board's work in 2021

5 meetings (face-to-face and conference calls) 1 strategy day	Average meeting duration: 3 hours Attendance rate: 94%

Governance and risks

- Approval of the compensation policy for corporate officers in respect of 2021, submitted to shareholders for approval on May 20, 2021, as part of the Say on Pay procedure.
- Review of the reports on corporate governance and internal control prepared by the Chairman of the Supervisory Board for the 2020 financial year and monitoring of regulations on market abuse, corporate governance and compensation.
- Review of the composition of the Supervisory Board and the independence of its members.
- Review of the regulated agreements and commitments with regard to the new assessment procedure for conventional agreements entered into at arm's length and authorization to sign them in accordance with Article L. 225-86 of the French Commercial Code.
- Review of the Company's risk prevention program as it applies in particular to corruption and cybercrime.
- Review of the regular reports submitted by the Appointments, Compensation and Governance Committee.
- Update of the Audit Committee's rules of procedure.
- How the Supervisory Board operates.

General shareholders' meeting

- Preparations for the annual general shareholders' meeting on May 20, 2021, which was held in camera due to the Covid-19 public health crisis.
- Review of the Management Board's report on the Group's management and operations for financial year 2020.
- Approval of the reports to be presented to the shareholders.
- Verification of the information provided to shareholders and participation in the general shareholders' meeting.

Strategy and financing

- Review and approval of the Group's industrial and marketing strategy, planned acquisitions and intra-group restructuring.
- Review and approval of the Group's financing policy: refinancing of the RCF (senior credit facility) and EMTN bonds.
- Review and approval of the budget.

Financial performance

- Audit of the parent company and consolidated financial statements for financial year 2020, the results and financial statements for the first half of 2021, the 2021 quarterly financial information, and the 2021 half-year financial report and related financial communications.
- Examination of provisional management documents.
- Review of the Audit Committee's regular reports.
- Impacts of the Covid-19 public health crisis.
- Operational and financial forecast.

Corporate social responsibility

- Review of the Group's CSR policy, along with risks and opportunities.
- Review of the CSR Committee's reports, particularly on key tasks (review of the disclosure of non-financial performance, climate strategy, communication with rating agencies)

Employee bonus share and share ownership plan

- Implementation of the Elis Group's second employee share ownership plan, "Elis for All 2021."
- Delivery of bonus share plans for 2018 (Executive Committee) and 2019 (employees).
- Review of the performance conditions of the current bonus share plans in the context of the Covid-19 pandemic, submitted to shareholders for approval on May 20, 2021, as part of the Say on Pay procedure.

Special projects during financial year 2021

- No Supervisory Board member was assigned any special projects in 2021 other than those entrusted to him or her under the bylaws and applicable rules of procedure.

Shareholdings of members of the Supervisory Board

Pursuant to the recommendations of the AFEP-MEDEF Code, the Company's bylaws and the rules of procedure of the Supervisory Board stipulate that:

- every member of the Supervisory Board must be a personal shareholder and hold at least 500 shares during their entire term of office;
- Supervisory Board members are required to increase the number of shares they hold in order to bring the total to the equivalent of one year of their compensation at the time of their reappointment (Article 2.9 of the Supervisory Board's rules of procedure).

The shares acquired by the members of the Supervisory Board must be held as registered shares.

As at the date of this universal registration document, each of the members had met these requirements (see page 54 above).

The provisions relating to the number of shares that have to be held by a member of the Supervisory Board are not applicable to the members representing employees and shareholder employees. Nonetheless, each member of the Supervisory Board representing shareholder employees must hold, either individually or through an employee shareholding mutual fund created as part of the Group's employee savings plan, at least one share or a number of shares in such fund equal to at least one share.

Assessment of the Supervisory Board's operations

In accordance with the provisions of the AFEP-MEDEF Code and its rules of procedure (Article 8), the Supervisory Board devotes one agenda item each year to a review of its operations. In addition, a comprehensive assessment of the Supervisory Board is performed every three years by the Appointments, Compensation and Governance Committee with the assistance of an outside consultant.

Thus during the first quarter of 2021, the Supervisory Board undertook a comprehensive assessment of its operations. During the Supervisory Board meeting on March 8, 2021, the Appointments, Compensation and Governance Committee, with the assistance of an outside consultant, presented its self-assessment of the Supervisory Board and its committees with the aim of taking stock of their operations and the areas of improvement it identified.

Procedures: the outside consultant interviewed each member of the Supervisory Board, the Chairman of the Management Board and the Chairman of the Appointments, Compensation and Governance Committee, and distributed a questionnaire to the members of the Supervisory Board.

The assessment examined the following topics:

- quality and composition of the Board;
- monitoring of the corporate culture;
- limitation of shareholders' primacy;
- consideration of CSR in governance;
- analysis of the Company from an activist's perspective.

At the March 8, 2021, meeting, the Appointments, Compensation and Governance Committee, with the assistance of the outside consultant, presented to the Supervisory Board the results of this assessment and in particular:

- alignment of governance with the Company's business model for greater involvement by the Supervisory Board in the Company's strategy, particularly on CSR topics;
- composition of the Board: thoughts on broadening the Supervisory Board's skill set;
- structure and process: finding a balance between the roles of the CSR Committee and the Supervisory Board;
- monitoring of the Group's corporate culture.

Other areas of improvement:

- desire of Board members to get feedback on their contribution to the Board's work;
- establishment of targeted monitoring of diversity and risks.

2.1.4 Supervisory Board committees

The Supervisory Board is assisted in its work by three special committees: an Audit Committee, an Appointments, Compensation and Governance Committee, and a new committee set up by the Supervisory Board at its meeting on March 3, 2020, the Corporate Social Responsibility (CSR) Committee.

These committees are in charge of examining the questions that the Supervisory Board or its Chairman refers to them and issuing proposals and recommendations, as applicable, in their areas of expertise.

The rules governing the operation and powers of each committee are described in the rules of procedure of each committee. These rules are approved by the Supervisory Board.

Composition of the Supervisory Board committees

The composition of the Supervisory Board committees is presented on page 54 above.

Each committee may have a maximum of seven members (Article 9 of the Supervisory Board's rules of procedure). Committee members are appointed on a personal basis and may not be represented at meetings by another party. They are chosen freely by the Supervisory Board, which ensures that the committees include independent members according to the independence criteria adopted by the Supervisory Board.

The committee members' terms of office are equal to their terms of office as members of the Supervisory Board, with the understanding that the Supervisory Board may modify the composition of the committees at any time and, consequently, end the term of office as a committee member.

In accordance with the AFEP-MEDEF Code, the Supervisory Board considers that all members of the Audit Committee have specific financial expertise, as stipulated by the provisions of Article L. 823-19, paragraph 2 of the French Commercial Code, proven by their professional experience and training, which are presented above. Antoine Burel has chaired the Audit Committee since March 6, 2019.

Upon appointment, all members of the Audit Committee will receive information on the specific aspects of the Company's accounting, finances, and operations.

Each committee chair possesses the requisite qualifications, particularly with regard to their main role and executive appointments held within other large corporations.

The secretarial duties for the Audit Committee's work may be performed by any person appointed by the Committee's chair. For the Appointments, Compensation and Governance Committee, this is the Group's Human Resources Director; for the CSR Committee, it is the Group's CSR Director.

Roles, responsibilities and work of the committees

Roles and responsibilities of the Audit Committee	Main work carried out in 2021 5 meetings Attendance rate: 100%
› Monitoring the process for preparing financial information. › Monitoring of the statutory auditing of the parent company and consolidated financial statements by the Company's Statutory Auditors. › Selection of the Statutory Auditors and monitoring of their independence. › Monitoring of the effectiveness of internal control, internal audit and risk management systems for financial, non-financial and accounting information. › Approval of audit services other than the independent audit. › Review of the internal audit department's program and objectives and internal control methods and procedures. › Monitoring of the system for preventing and detecting risks of corruption and influence peddling.	**Work relating to the review of the financial statements** › Review of the key points of the financial statements for 2020 and for the first half of 2021. › Review of draft press releases on the annual and half-year results. › Review of the Statutory Auditors' work and the results of the audits carried out, their recommendations and the follow-up to the statutory audit. › Approval of services other than the independent audit. › Review of the Group's financing policy: refinancing of the RCF (senior credit facility) and EMTN bonds. **Work relating to internal control** › Monitoring of internal audit activity, including the 2021 audit plan and department schedule. › Monitoring of the effectiveness of internal control and the progress of action plans, particularly the plan to simplify the legal organizational chart. › Review of the Group's main risks through the presentation of the Group's risk map. › Review of the anti-corruption framework put in place by the Group (compliance) and its anti-cybercrime framework. › Review of the Group's General Data Protection Regulation (GDPR) policy. › Review of the Group's cybersecurity policy.

Roles and responsibilities of the Appointments, Compensation and Governance Committee	Main work carried out in 2021 6 meetings Attendance rate: 100%
› Issuing proposals for appointments of independent members of the Supervisory Board, the Management Board and Board committees and analyzing the candidacy of non-independent members of the Supervisory Board. › Annual assessment of the independence and multiple offices held by the members of the Supervisory Board. › Determining the principles and criteria for determining, structuring and awarding the elements of compensation of corporate officers and proposing them to the Supervisory Board. › Review and proposal of special compensation relating to special projects that may be assigned, as applicable, by the Supervisory Board to some of its members. › Review of the executive succession plan.	**Work relating to governance** › Review of the Board's membership (diversity, complementarity of backgrounds, independence, gender balance, concurrent appointments, employee representation, etc.). › Recommendations of criteria for selecting members of the Supervisory Board, recommendation to reappoint three Board members (Florence Noblot, Joy Verlé and Anne-Laure Commault) and to appoint a member of the Supervisory Board representing employees to the Appointments, Compensation and Governance Committee. › Defining the procedures for the annual assessment of the Board and its committees and coordinating the self-assessment, with the assistance of an outside firm. › Review of the succession plan for corporate officers of the Company and the Group's main subsidiaries. These plans, which are regularly reviewed, plan for several succession scenarios: unforeseen succession in the event of incapacity, resignation or death; early succession (mismanagement, non-performance); and planned succession (retirement, expiration of term of office). To that end, the committee works with the general management team and the Human Resources Department to ensure that the plan is consistent with the practices of the Company and the market, provides support and training for high-potential internal candidates, and monitors key positions likely to become vacant. › Review of the Group's human resources policy, in particular with regard to organization, compensation, employee relations and talent management. **Work relating to compensation** › Analysis of the 2020 performance of executive corporate officers and recommendation to the Supervisory Board on variable compensation for financial year 2020. › Recommendations for determining the compensation policy for executives and corporate officers for 2021: setting of targets and weighting of compensation for the 2021 financial year. › Recommendations on the compensation policy for the members of the Supervisory Board for 2021. › Recommendations on the implementation as of 2021 of a supplemental retirement plan for members of the Executive Committee, including members of the Management Board. **Performance share plan** › Recommendations on the performance criteria of plans whose vesting periods ended in 2020 and 2021, given the current health crisis. › Recommendations on performance share plans implemented in 2021. › Examination of the principles and procedures for the allocation of performance shares introduced in 2021 for executives and corporate officers (Management Board and Executive Committee) and certain Group managers. › Recommendations on how to define the Group scope that should be taken into account when publishing pay ratios.

Responsibilities of the Corporate Social Responsibility (CSR) Committee	Main work carried out in 2021 2 meetings Attendance rate: 100%
› Assisting the Supervisory Board with monitoring issues relating to the Company's CSR strategy, both in terms of defining it and implementing it. › Discussing the Group's CSR commitments and approach and identifying stakeholder expectations. › Ensuring that the Group is fully prepared for major CSR issues, risks and opportunities. › Making recommendations for CSR policy and the Group's achievements in this area.	› CSR vision and strategy within the Group. › Review of risks and opportunities. › Review of the Group's CSR objectives and progress. › Analysis of rating agencies' criteria and responses to provide. › The Group's action plan on climate issues.

Committee operations

Audit Committee (Article 2 of the Audit Committee's rules of procedure)

The Audit Committee may make decisions either during physical meetings or by telephone or video conference, under the same conditions as the Board, after being convened by its chair or secretary and provided that at least one half of the members are participating in the meeting. Committee members cannot give a proxy to another member to represent them.

The recommendations issued by the Audit Committee are adopted by a simple majority of the members present. In case of a tie, the committee's chair has the casting vote.

Calls to meetings must include an agenda and may be transmitted verbally or by any other means.

The Audit Committee meets as often as needed and, in any event, at least twice per year when the annual financial statements and the half-year financial statements are being prepared.

Appointments, Compensation and Governance Committee (Article 3 of the Appointments, Compensation and Governance Committee's rules of procedure)

The Appointments, Compensation and Governance Committee meets as often as needed and at least once per year prior to the Supervisory Board meeting called to assess the independence of the Supervisory Board's members based on the criteria adopted by the Company and, in any event, prior to any Supervisory Board meeting called to set the compensation of the members of the Management Board or the Supervisory Board.

The Appointments, Compensation and Governance Committee may make decisions in person, by telephone or by video conference, under the same conditions as the Supervisory Board, after being convened by its chair or secretary and provided that at least one half of the members are participating in the meeting. Committee members cannot give a proxy to another member to represent them. Calls to meetings must include an agenda and may be transmitted verbally or by any other means.

The Appointments, Compensation and Governance Committee makes its recommendations by indicating to the Supervisory Board the number of favorable opinions collected. As part of the selection process for Supervisory Board members, the Committee may use the services of a specialized firm.

It may also use other methods for choosing candidates when making its selection. It then recommends one or two candidates to the Chairman of the Supervisory Board and the Chairman of the Management Board. In all cases, the Management Board Chairman is involved in the Committee's work to select Supervisory Board members.

The Committee must also ensure that the Supervisory Board regularly assesses how it operates and proposes improvements.

Corporate Social Responsibility (CSR) Committee (Article 2 of the Rules of Procedure of the Corporate Social Responsibility Committee)

The CSR Committee may make decisions either during physical meetings or by telephone or video conference, under the same conditions as the Board, after being convened by its chair or secretary and provided that at least one half of the members are participating in the meeting. Committee members cannot give a proxy to another member to represent them.

The recommendations issued by the CSR Committee are adopted by a simple majority of the members present. In case of a tie, the committee's chair has the casting vote.

Calls to meetings must include an agenda and may be transmitted verbally or by any other means.

The CSR Committee makes its recommendations by indicating to the Supervisory Board the number of favorable opinions collected.

The CSR Committee meets as often as needed and, in any event, at least once per year, prior to the Supervisory Board meeting called to review the Company's annual results.

2.1.5 Stock Market Code of Ethics

The Supervisory Board adopted a Stock Market Code of Ethics whose purpose is to reiterate the legal and regulatory provisions that apply to the distribution and use of information relating to the Company, particularly inside information. The code summarizes the regulatory requirements regarding the prevention of insider misconduct by corporate officers, managers, executives and other insiders and lays out rules concerning restrictions on trading in the Company's or the Group's securities, particularly by introducing "closed periods" and disclosure requirements for securities trading. These provisions will be reiterated annually to all of the members of the Supervisory Board and information will periodically be provided in the event of significant changes.

Details of transactions in the Company's securities carried out by members of the Management Board and Supervisory Board in 2021 can be found in chapter 7, section 7.2.3 "Share transactions carried out by executives and associated persons" of this 2021 Universal Registration Document.

The Company has also introduced an internal procedure to qualify and manage inside information. A dedicated committee has been set up for this purpose.

This code is given to each member of the Supervisory Board and every insider, who undertake to abide by it under all circumstances during their entire term of office or while serving in their positions within the Group.

A compliance officer was appointed to handle potential questions.

The Code was updated by the Supervisory Board at its meeting on December 10, 2020 following a change in the stock market ethics officer.

2.1.6 Disclosure statements on the members of the Management Board and the Supervisory Board

As at the date of this universal registration document, and to the best of the Company's knowledge:

- there are no family ties between the aforementioned members of the Company's Management Board and Supervisory Board;
- no member of the Company's Management Board or Supervisory Board has been convicted of fraud or sentenced or publicly sanctioned by a legal or regulatory authority in the past five years;
- no member of the Company's Management Board or Supervisory Board has been an executive or corporate officer of a company that has declared bankruptcy or been placed in liquidation or receivership in the past five years;
- no member of the Company's Management Board or Supervisory Board has been prohibited by a court from serving as a member of an administrative, management or supervisory body or from being involved in the management or conducting the business of a public company in the past five years;
- no current or potential conflicts exist between the duties of any of the members of the Management Board and the Supervisory Board to the Company and their own private interests or other duties.

2.1.7 Management of conflicts of interest

In order to prevent conflicts of interest between a member of the Supervisory Board and the Management Board or any Group company, the Appointments, Compensation and Governance Committee monitors the independence of the members with respect to the criteria of the AFEP-MEDEF Code and discusses this topic during its meetings at least once per year.

To prevent and manage conflicts of interest, Article 10 of the Supervisory Board's rules of procedure stipulates that, in a situation in which the interests of the Company and the direct or indirect personal interests of a member of the Supervisory Board or of a shareholder or group of shareholders he or she represents are or may be in conflict, the member of the Board concerned must inform the Supervisory Board as soon as he or she becomes aware of such conflicts and accept any consequences with respect to performing his or her duties.

As appropriate, he or she must either:

- abstain from voting in the corresponding deliberations and from participating in the discussions of the Supervisory Board relating to the conflict of interest situation for the period during which the member is in a conflict of interest situation; or
- resign as member of the Supervisory Board.

Failure to comply with these rules of abstention or resignation could give rise to liability on the part of the Supervisory Board member.

2.1.8 Regulated agreements

Regulated agreements that were signed and/or remained in effect in 2021

In accordance with the provisions of Article L. 225-88-1 of the French Commercial Code, at its meeting on March 8, 2022, the Supervisory Board conducted its annual review of the regulated agreements signed in 2021 or authorized during previous financial years and that remained in effect in 2021.

New regulated agreements signed in 2021

In 2021, as part of the regulated agreements procedure, the Supervisory Board authorized the signature of a supplemental retirement insurance policy for members of the Management Board and the Executive Committee between the Company and Predica (of the Crédit Agricole Group) – a shareholder that holds more than 10% of the voting rights and is represented on the Supervisory Board by Magali Chessé. This agreement has a one-year term that may be renewed for additional one-year periods.

The main terms of this agreement are presented in the Statutory Auditors' special report on regulated agreements, which is included in chapter 6 of this universal registration document (section 6.5).

Regulated agreements authorized in previous years and in effect in 2021 / conventional agreements

In accordance with Article L. 22-10-29 of the French Commercial Code and the criteria adopted as part of the procedure for evaluating conventional agreements approved by the Supervisory Board at its meeting on March 3, 2020, and detailed below, at its meeting on March 8, 2022, the Supervisory Board assessed whether the agreements currently in effect still met the criteria that had led it to reclassify them as conventional agreements entered into at arm's length.

In this regard, note that at its meeting on March 3, 2020, the Supervisory Board opted to classify intra-group agreements and parent company guarantees or counter-guarantees granted by the Company as conventional agreements entered into at arm's length. At its meeting on March 8, 2021, the Supervisory Board confirmed this classification. Hence no regulated agreement authorized in previous financial years remained in effect in 2020 or 2021.

As a reminder, the agreements classified as conventional agreements in 2021 are as follows:

- intra-group loan agreement between the Company and its subsidiary M.A.J. for €50 million, signed on June 28, 2019;
- intra-group refinancing loan agreement between the Company and its subsidiary M.A.J. for €335,669,698.59, signed on April 24, 2019;
- intra-group loan agreement between the Company and its UK subsidiary Berendsen Ltd (formerly Berendsen plc) for a maximum amount of €1 billion, signed on September 18, 2017
- a current account agreement between the Company and its subsidiary M.A.J. for a current limit of €1 billion, originally signed in 2002,
- intra-group loan agreement between the Company and its subsidiary M.A.J. for €87.7 million, signed in February 2015. This intra-group loan will be fully repaid in February 2022.

In addition, parent company guarantees for the benefit of the UK subsidiary Berendsen Ltd (and sub-subsidiaries) and sub-subsidiaries of M.A.J. are in place.

In addition, it should be noted that since the entry into force of Order 2014-863 of July 31, 2014 on August 3, 2014, the agreements entered into by the Company and its subsidiaries that are wholly owned, directly or indirectly, are excluded from the scope of regulated agreements and therefore are not discussed in this section, nor in the Statutory Auditors' special report.

Ultimately, as part of its annual review of the agreements, at its meeting on March 8, 2022, the Supervisory Board noted that no previously authorized regulated agreement had remained in effect in 2021 and that the agreements classified as "conventional" still met the criteria set out in the procedure for evaluating conventional agreements.

Agreements entered into by a company controlled by the Company as defined by Article L. 233-3 of the French Commercial Code

(Article L. 225-37-4, as referred to in Article L. 225-68 of the French Commercial Code)

To the best of the Company's knowledge, no agreement has been made, directly or through an intermediary, between, on the one hand, and as applicable, one of the members of the Company's Management Board or Supervisory Board or one of the Company's shareholders holding more than 10% of the voting rights and, on the other hand, a company controlled by the Company as defined by Article L. 233-3 of the French Commercial Code.

Service agreements between members of the administrative, management or supervisory bodies and the Company and its subsidiaries

As at the date of this corporate governance report and to the best of the Company's knowledge, there are no:

- service agreements binding members of the Management Board or the Supervisory Board;
- pacts or agreements signed with the shareholders, customers, suppliers or other parties under which any of the members of the Supervisory Board or Management Board were appointed to their positions;
- service agreements signed by the Company or its subsidiaries and any of the members of the Management Board or the Supervisory Board.

Assessment procedure for conventional agreements entered into at arm's length

In accordance with Article L. 22-10-29 of the French Commercial Code, the Supervisory Board has set up an internal procedure to regularly assess whether agreements described as "conventional agreements entered into at arm's length" actually meet the relevant criteria.

This procedure formalizes the process used by the Company to assess whether an agreement entered into by the Company qualifies as a conventional agreement entered into at arm's length. This procedure is followed prior to signing any agreement that could be classified as a regulated agreement, and upon any amendment to or renewal of such an agreement. If no amendments are made, an assessment may be carried out where there may be evidence that the classification criteria should be revised. Elis's legal department is responsible for the classification and assessment of conventional agreements. To that end, it may consult anyone with the facts needed for classification and ask anyone with the necessary legal, financial or technical expertise to help assess whether the agreement is ordinary in nature. As part of this assessment, the department may also seek out the Statutory Auditors' opinion on the agreements. The findings from the assessments will be reported to the Supervisory Board at least once a year.

2.2 COMPENSATION OF CORPORATE OFFICERS

In accordance with Article L. 22-10-26 of the French Commercial Code, the compensation policy for corporate officers for 2022 as set by the Supervisory Board at its meeting on March 8, 2022, on the recommendations of the Appointments, Compensation and Governance Committee is presented below.

Therefore, pursuant to Articles L. 22-10-26 and R. 22-10-18 of the French Commercial Code, the following are described below:

- the general principles of the compensation policy applicable to all corporate officers, together with the related disclosures; and
- the individual disclosures resulting from this policy for each corporate officer.

No element of compensation, of any kind whatsoever, may be paid or awarded by the Company, nor may any commitment corresponding to elements of compensation, allowances or benefits that are or may be owed as a result of the assumption, termination or change of duties or subsequent to the exercise thereof, be made by the Company, unless it is in accordance with the compensation policy approved by the shareholders.

2.2.1 Compensation policy

The compensation policy for the Company's corporate officers is determined by the Supervisory Board on the recommendation of the Appointments, Compensation and Governance Committee. It is subject to shareholder approval pursuant to applicable legal provisions. It is reviewed by the Appointments, Compensation and Governance Committee and then by the Supervisory Board at the beginning of each year.

When determining and reviewing the compensation policy for executive and non-executive corporate officers, the Supervisory Board, on the recommendation of the Appointments, Compensation and Governance Committee:

- relies on compensation studies carried out by specialized firms analyzing market practices in general, and specifically the practices of a panel of companies considered the most comparable, especially in terms of market capitalization, business sector and international environment. The Appointments, Compensation and Governance Committee will propose changes to the panel as the Group, its businesses, its market capitalization and the companies in the panel evolve;
- ensures that the principles that govern the compensation of Management Board members are aligned with the Group's strategic priorities and tailored both to the Group's financial performance and to the personal performance of each Management Board member.

The compensation policy for members of the Management Board takes into account the principles of:

- **balance,** ensuring that no element of compensation is disproportionate;
- **company performance,** ensuring that the compensation of Management Board members is closely linked to the Group's performance, mainly through annual variable compensation dependent on the achievement of targets based on quantitative and qualitative criteria relating to the Group's performance and strategy;
- **alignment** of management interests with shareholders' interests, ensuring that the performance criteria associated with long-term compensation are ambitious, complementary and stable;
- **competitiveness**, taking into account both the level of responsibility of the executive concerned and market practices;
- **compliance** with the governance rules recommended by the AFEP-MEDEF Code adopted by the Group.

Companies in the panel used to determine the compensation policy for corporate officers

Alten, Altran, Bic, CGG, Eramet, Eutelsat, Faurecia, GTT, Imerys, Ingenico, JC Decaux, Korian, Nexans, Orpea, Plastic Omnium, Rémy Cointreau, Rexel, Soitec, Spie and Tarkett

The role of and the work carried out by the Appointments, Compensation and Governance Committee when determining the compensation policy for corporate officers and analyzing the performance of members of the Management Board, and measures taken to avoid or manage conflicts of interest, are described in sections 2.1.4 and 2.1.7, respectively, of this report on corporate governance.

Elements of the Management Board's compensation policy and related disclosures

(Article R. 22-10-18 I and II of the French Commercial Code)

The Appointments, Compensation and Governance Committee conducted a comprehensive review of the compensation policy for members of the Management Board for 2022 and considered potential adjustments. The compensation policy is subject to a three-year review, with the last review of the fixed compensation having taken place in 2017 for implementation in 2018.

Because 2021 was disregarded due to the Covid-19 pandemic, the Appointments, Compensation and Governance Committee reexamined the fixed compensation of the executive corporate officers with advice from a specialized independent expert. To that end, the Committee relied on the aforementioned panel of companies, which has not changed. The analysis of this benchmark led the Appointments, Compensation and Governance Committee to suggest that the fixed compensation of the members of the Management Board be adjusted for 2022.

In addition, for the purpose of determining the compensation policy for executive corporate officers, the compensation and employment conditions of salaried employees were taken into account, particularly for the following measures:

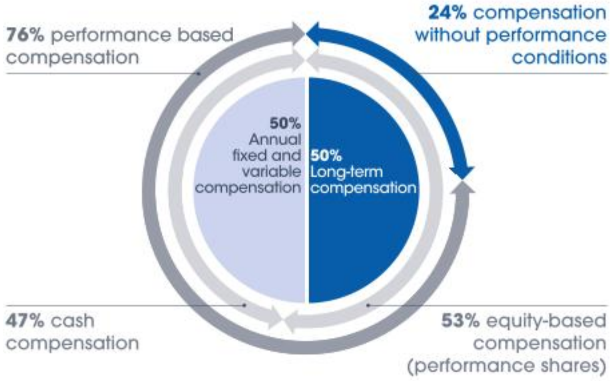
- increase in the number of people eligible for the performance share plan (see chapter 6, section 6.1, Note 5.4 to the consolidated financial statements of this universal registration document); and
- continued development of an employee stock ownership policy, with the launch in 2022 of a third plan, "Elis for All," with favorable terms for eligible employees (discount and matching contribution).

Compensation structure

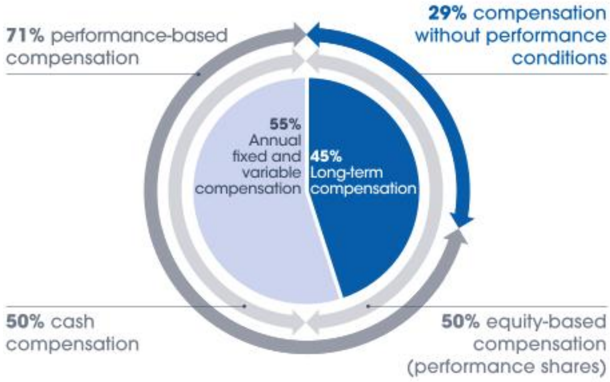
The compensation of the Chairman and members of the Management Board is composed of cash compensation, consisting of a fixed portion as well as an annual variable portion directly linked to their individual performance and their contribution to the Group's performance, equity-based compensation in the form of a share award whose vesting is subject to the fulfillment of performance conditions assessed over several consecutive financial years, and a defined benefit retirement plan governed by Article L. 137-11-2 of the French Social Security Code and subject to performance criteria. This compensation structure is consistent with the one offered to the Group's senior executives. Each of the compensation components is complementary and meets different objectives. Together they form a balanced package.

For the 2022 financial year, the Supervisory Board, at its meeting on March 8, 2022, resolved that the amount of fixed compensation for each member of the Management Board, which had not changed since January 1, 2018, would be increased. Therefore, most of it remains subject to the fulfillment of the performance criteria.

CHAIRMAN OF THE MANAGEMENT BOARD



MEMBERS OF THE MANAGEMENT BOARD



The compensation structure for members of the Management Board, the amount of each component, the quantitative and qualitative nature of the collective and individual criteria used to determine the annual variable portion and long-term compensation, which include financial and non-financial elements aligned with the Group's strategy, as well as the complementarity and continuity of those criteria, ensure consistency with the Company's performance.

This motivating compensation structure, a significant portion of which is based on and thus encourages individual and financial performance, contributes to and furthers the Company's development.

Fixed compensation

The Supervisory Board determines the fixed compensation of the Chairman and of each member of the Management Board by taking into account the scope and complexity of their responsibilities, their respective experience and expertise, the market practices for the same or similar roles (external competitiveness), and changes to employee compensation (see the above disclosures on the compensation policy for corporate officers, describing the decision-making process followed to determine the compensation and the role of the Appointments, Compensation and Governance Committee).

This fixed portion is stable over several years and may only be adjusted every three years, unless an earlier adjustment is considered necessary due to special circumstances justifying a change (change in scope, major difference compared to the reference panel, etc.), which would be explained by the Supervisory Board and announced publicly. This fixed portion serves as the basis for determining the variable compensation of the Chairman and members of the Management Board.

For the 2022 financial year, the Supervisory Board, at its meeting on March 8, 2022, resolved that the amount of fixed compensation for each member of the Management Board, which not changed since January 1, 2018, would be increased as follows:

Full name	Role	Fixed compensation *(in euros)*
Xavier Martiré	Chairman of the Management Board	900,000 (vs. 800,000 previously)
Louis Guyot	Member of the Management Board Chief Financial Officer	448,000 (vs. 400,000 previously)
Matthieu Lecharny	Member of the Management Board Deputy Chief Operating Officer	336,000 (vs. 300,000 previously)

Variable compensation

The annual variable compensation of the Chairman and members of the Management Board is meant to involve executives in the Group's short-term performance. In accordance with the AFEP-MEDEF Code, this element of compensation corresponds to a percentage of their annual fixed compensation, which is as follows (the policy has not changed):

	Target variable portion Percentage of fixed compensation	Maximum variable portion Percentage of fixed compensation
Chairman of the Management Board	100%	170%
Members of the Management Board	70%	119%

Performance criteria

The indicators used for determining the variable portion and the level of the targets to be achieved are defined at the beginning of the reference period to which they apply.

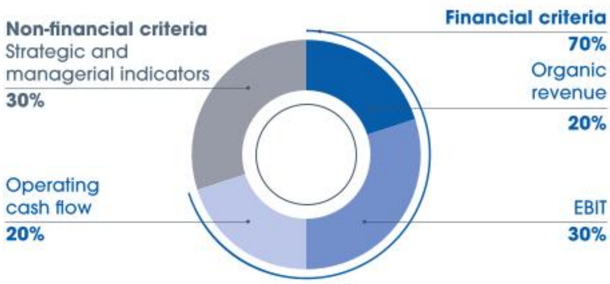
The targets are determined based on the Group's **key financial, non-financial and qualitative indicators** in line with the Group's activities, strategy and goals.

For each of the financial and non-financial indicators, a trigger threshold below which no compensation is paid, a target achievement level, and a maximum level reflecting outperformance relative to the targets set are defined. Only outperformance relative to the financial indicators can give rise to a bonus amount higher than the target level.

With regard to performance measurement through financial indicators, the variable portion is achieved if an indicator is equal to the target. The variable portion ranges from 0 to 200% if the indicator is around the target value.

The quantitative targets (accounting for 70% of variable compensation) based on financial indicators are set based entirely on the objectives approved by the Supervisory Board. The targets are subject to a trigger threshold whereby no sum is due for a particular criterion if the level of performance does not reach this minimum threshold. The financial performance indicators, their targets and their weighting will remain the same for each member of the Management Board (including the Chairman). The types of financial indicators used have not changed since 2015. Nevertheless, the Appointments, Compensation and Governance Committee recommended a slight adjustment to the first criterion (revenue) to further attach it to the concept of value creation, and it used "organic revenue," which is defined as the revenue from the previous year increased by the percentage of organic growth for the year.

Qualitative targets based on non-financial indicators (accounting for 30% of variable compensation) are individualized according to the responsibilities of each member and may be based on a qualitative and quantitative assessment of the member's performance. Of the non-financial indicators, at least one indicator is based on quantitative logic informed by one or more quantifiable factors determined each year according to the Group's scope, strategy, objectives, and priorities, and tailored to the responsibilities of each member of the Management Board.



The Supervisory Board deemed that the criteria adopted best reflected the overall performance of the business in terms of growth, profitability and cash flow, corresponded to the metrics used to monitor the Company (organic revenue, EBIT, and operating cash flow) and were consistent with the targets discussed annually with the Board, which are also in line with the guidance communicated regularly to the market. These non-financial criteria remain aligned with the strategy and current targets for non-financial and operational performance.

BREAKDOWN OF THE FINANCIAL AND NON-FINANCIAL INDICATORS USED TO DETERMINE THE ANNUAL VARIABLE COMPENSATION OF XAVIER MARTIRÉ, LOUIS GUYOT AND MATTHIEU LECHARNY FOR 2022, TOGETHER WITH THE WEIGHTING OF EACH INDICATOR

Variable portion *(as a % of target variable)*	Target % of target variable	Min	Target	Max
Chairman and members of the Management Board		**0**	**100**	**170**
Financial indicators	70	0	70	140
Organic revenue	20	0	20	40
EBIT	30	0	30	60
Operating cash flow	20	0	20	40

Xavier Martiré	Target % of target variable	Min	Target	Max
Non-financial indicators	**30**	**0**	**30**	**30**
Acceleration of the CSR strategy	7.5	0	7.5	7.5
Description of the climate strategy and formulation of the climate plan	7.5	0	7.5	7.5
Organic growth acceleration plan	7.5	0	7.5	7.5
Deleveraging	7.5	0	7.5	7.5

Louis Guyot	Target % of target variable	Min	Target	Max
Non-financial indicators	**30**	**0**	**30**	**30**
Implementation of CSR financial communications	6	0	6	6
Risk control in Latin America	6	0	6	6
Integration of acquisitions into the systems	6	0	6	6
Enforcement of the refinancing roadmap	6	0	6	6
Deleveraging	6	0	6	6

Matthieu Lecharny	Target % of target variable	Min	Target	Max
Non-financial indicators	**30**	**0**	**30**	**30**
Expansion of the CSR policy in Southern Europe and Latin America	6	0	6	6
Incorporation of cost increases in prices across all scopes	6	0	6	6
ICS growth and health and well-being relaunch in Spain	6	0	6	6
Growth excluding healthcare in Brazil	6	0	6	6
Identification of targets in Asia and Pest Control outside France	6	0	6	6

The Supervisory Board deemed that the financial and non-financial indicators on which the targets for the annual variable compensation of the Chairman and members of the Management Board were based, as well as their weighting, reflect the direct link between the compensation of Management Board members, the changes in the Group's results, and overall performance. In so doing, they contribute to the objectives of balance, performance and competitiveness of the compensation policy for corporate officers, as well as to the Group's performance.

Furthermore, taking financial elements and criteria aligned with the Group's strategy into account when choosing the criteria used to calculate the annual variable portion of corporate officers' compensation also contributes to the Group's performance.

Performance level

At its meeting on March 8, 2022, the Supervisory Board decided to use the same methods for calculating whether targets were achieved and changes in variable compensation in 2022. The variable portion ranges from 0 to 200% when the indicator is around the target value.

The trigger threshold and expected level of achievement of the financial indicators (organic revenue, EBIT and cash flow) are strategic and financially sensitive information that cannot be made public. However, at the end of the performance evaluation period, Elis will disclose the level of performance achieved for each of the criteria. With regard to targets, these are in line with the guidance regularly communicated to the market by management, and on which analysts' consensus recommendations are based.

Payment conditions

Annual variable compensation may only be paid if it has previously been approved by the shareholders by an ex-post vote provided for in new Article L. 22-10-34 of the French Commercial Code.

Long-term equity-based compensation

For several years, the Group has pursued a dynamic policy of involving employees in the Company's performance by awarding long-term equity-based compensation in the form of performance shares, intended to encourage members of the Management Board to consider a long-term perspective when taking action and to align management interests with those of shareholders.

Accordingly, performance shares are granted each year to several hundred employees, including members of the Management Board, based on the recorded performance (see Note 5.4 to the consolidated financial statements for the year ended December 31, 2021 in chapter 6 of this universal registration document).

While determining the compensation policy for executive corporate officers for 2022, the Supervisory Board on March 8, 2022, on the recommendation of the Appointments, Compensation and Governance Committee, maintained the principle of awarding long-term equity-based compensation in the form of performance shares for each member of the Management Board. It defined the award and vesting arrangements for this element of compensation as follows:

Amount of equity-based compensation

The rights granted to the Chairman and members of the Management Board in accordance with the 38-month authorization given by the general shareholders' meeting on June 30, 2020 (27th resolution) may not represent more than 0.6% of the Company's share capital. For information, the percentage allocated to members of the Management Board under said resolution represented 0.2% of the share capital at December 31, 2021.

To determine the number of shares to be granted to the Chairman and members of the Management Board, the Appointments, Compensation and Governance Committee examines the fair value of said instruments and then defines an allocation amount to ensure a balance between the various elements of compensation and benefits of any kind (fixed, annual variable and long-term compensation).

Accordingly, at the Supervisory Board meeting on March 8, 2022, on the recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board maintained the principle whereby the maximum proportion of performance shares that can be granted annually to the members of the Management Board (including the Chairman) is set at 1.25 times their annual compensation (fixed + maximum variable). Note that in 2021, this ratio was 0.5.

Duration of the vesting period of the shares granted

The performance shares will only vest for Management Board members after a minimum vesting period of **three years**.

Vesting conditions of the shares granted

Continuous service

Vesting of the shares is subject to continuous service with the Group from the date of the share grant and throughout the entire vesting period (except under special circumstances). In the event members of the Management Board leave the Group during the vesting period for reasons other than dismissal for gross negligence or willful misconduct, said members may, on a proposal from the Appointments, Compensation and Governance Committee, in accordance with the recommendations of the AFEP-MEDEF Code, retain their rights to outstanding performance shares as at the date of departure, subject to the fulfillment of the performance conditions; in such cases, the overall grant will be prorated to take into account the employment of the corporate officer concerned with the Group during the vesting period;

Performance conditions

The vesting of the shares granted will be subject to the fulfillment of performance conditions based on economic and CSR criteria and stock market criteria, measured over a period of three consecutive financial years. These performance conditions apply to all shares granted. The CSR criterion is new as of 2022.

Type of performance criteria

The Supervisory Board will take care to select appropriate absolute internal and relative external criteria that are assessed over time.

- **Economic and CSR criteria:** these criteria may be identical to the financial and CSR criteria used to determine the annual variable portion of compensation.

  For the plan due to be implemented in 2022, the Supervisory Board decided to apply the same economic criteria used since 2015, namely revenue and EBIT. The Board considers these two criteria, assessed over a long period of time (three full financial years) and maintained for several plans, to be complementary, in line with the Group's objectives, and able to promote balanced, continuous growth over the long term. The criteria are ambitious but motivating for beneficiaries. For the CSR criterion, the Board relied on the bank credit work implemented in October 2021, the Group's first "sustainability linked" loan, and selected the environmental criterion for the loan: water consumption intensity.
- **External criterion:** positioning of the overall performance of Elis shares (TSR) relative to a benchmark index. For the plan due to be implemented in 2022, the chosen benchmark is the EuroStoxx 600.

Conditional vesting thresholds

- **Absolute internal criteria:** the expected level of performance for each of the absolute internal criteria applicable to the vesting of the shares granted is determined based on the business plan approved by the Supervisory Board, itself in line with the guidance communicated to the market and reflected in analysts' consensus recommendations. On this basis, the Board defines a given target, which is not made public for reasons of confidentiality.
- **External criterion:** the relative criterion is linked to the relative performance of the Company's share price compared with the EuroStoxx 600 index.

For the plan due to be implemented in 2022, the EuroStoxx 600 index is used to measure performance. The criterion will be met if the TSR of Elis shares is equal to or greater than the change in value of the EuroStoxx 600 during the performance evaluation period (20-day moving average).

Determination of the number of shares vested and performance measurement

The number of shares that have vested permanently at the end of the minimum three-year performance evaluation period is calculated by applying a coefficient to the number of shares granted that measures the performance of each of the criteria.

For the economic and CSR criteria, the Board set three thresholds: a minimum trigger threshold, a target threshold (that of the business plan) and an outperformance threshold. Below the trigger threshold, the criterion does not give entitlement to any shares. At the target threshold, it gives a theoretical entitlement to 25% of the shares, and at the outperformance threshold, to 37.5% of the shares. Between these boundaries, vesting is linear.

Regarding the stock market criterion, no share vests unless Elis's TSR is equal to or greater than the level of the EuroStoxx 600. If the target threshold is reached, the quota of vested shares is 25%. In the event of outperformance – the threshold of which is 5% above the target – the ratio may also reach 37.5%; it is also linear between the target and outperformance thresholds.

Once this calculation has been performed, a second limit is applied to take into account whether or not the target thresholds have been achieved. As such:

- if all 4 target thresholds have been achieved (or surpassed), the vested shares may not exceed 120% of the grant;
- if only 3 of the target thresholds have been achieved (or surpassed), irrespective of the deviation of the 4th criterion from the target threshold, the vested shares may not exceed 90% of the grant;
- if only 2 of the target thresholds have been achieved (or surpassed), irrespective of the deviation of the other 2 criteria from the target threshold, the vested shares may not exceed 80% of the grant;
- if only 1 target threshold has been achieved (or surpassed), irrespective of the deviation of the other 3 criteria from the target threshold, the vested shares may not exceed 70% of the grant;
- if no target threshold has been achieved, the vested shares may not exceed 60% of the grant;

As a result, it is not possible to hold more than 90% of the shares if a target is not reached, however narrowly.

Since the plans were set up in 2015, only one third of them have fulfilled all the criteria, which is a testament to the stringent standards.

Rules for the retention of shares vested as part of equity-based compensation

Each corporate officer has an obligation to retain shares on a plan-by-plan basis. The Supervisory Board sets the applicable rules, which are as follows:

- for the chairman of the Management Board, one third of the shares vested must be retained until his or her Company share portfolio reaches a value representing three times the amount of his or her annual fixed compensation;
- for the other members, one third of the shares vested must be retained until their Company share portfolios reach a value representing twice the amount of their annual fixed compensation.

Restrictions on the sale of vested shares

Members of the Management Board are subject to lock-up periods during which trading in the Company's securities is not permitted under the conditions provided in new Article L. 22-10-59 of the French Commercial Code on performance share grants. Members of the Management Board are also bound by more general rules on the prevention of insider trading, which impose restrictions on share transfers (closed periods related to financial publications). Furthermore, members have all stated that they have not used hedging instruments (see chapter 7 of this universal registration document).

Special compensation

For 2022, the Supervisory Board has maintained the principle whereby the Chairman and other members of the Management Board may be eligible for special compensation if warranted by extraordinary circumstances or events (for example, their significance to the Group, the commitment they require or the difficulties they pose). The Supervisory Board must justify its decision. In any event, the amount of special compensation may not exceed the maximum amount of the annual monetary compensation (fixed + maximum variable).

Such compensation may only be paid if it has previously been approved by the shareholders by an ex-post vote provided under Article L. 22-10-34 of the French Commercial Code.

Executive appointments and employment contracts held by members of the Management Board

The members of the Management Board are appointed by the Supervisory Board for a four-year term. As the terms of office of the members of the Management Board expire in 2022, the Supervisory Board, meeting on March 8, 2022, at the recommendation of the Appointments, Compensation and Governance Committee, renewed the said terms of office for a further period of four years (see section 2.1.2, above). Under Article L. 225-61 of the French Commercial Code and Article 12 of the Company's bylaws, the office of Chairman and member of the Management Board may be revoked either by the Supervisory Board or by the general shareholders' meeting on a proposal from the Supervisory Board. The removal of members of the Management Board does not bring about the termination of their employment contracts, which are subject to specific grounds for termination.

Furthermore, Louis Guyot and Matthieu Lecharny have open-ended employment contracts with the Company for their respective positions as Chief Financial Officer and Deputy Chief Operating Officer. These employment contracts terminate at the request of the employee or the Company, subject to three months' notice, except in cases of gross negligence or willful misconduct.

Elements of compensation related to termination or change in role

Termination benefits for the Chairman and members of the Management Board have remained unchanged since 2015. The general shareholders' meeting of May 18, 2018 had voted to renew these benefits under the commitments governed by the regulated agreements procedure. In connection with the reappointment of the Chairman and members of the Management Board in 2022, the Supervisory Board proposes that these benefits be renewed and submitted to the general shareholders' meeting on May 19, 2022, for an ex ante vote on the compensation policy for 2022:

Severance pay in the event of forced departure

The Chairman and members of the Management Board may receive severance pay if their respective duties are terminated in the event of their forced departure. On that basis, the Supervisory Board decided that dismissal constituted forced departure, as did non-reappointment by the Supervisory Board following a change of control or due to a recognized disagreement between the Supervisory Board and the member concerned, taking into account the profile of the members of the Management Board and their background with the Group (length of service and contribution to the Group's performance and transformation).

The amount of severance that may be due is capped at **18 months of total (fixed and variable) compensation** calculated based on the average compensation paid during the last two full years preceding the departure, subject to the fulfillment of the following performance conditions:

- revenue over a rolling 12-month period calculated at the last interim reporting date (December or June) prior to departure at > 90% of the budget for the rolling 12-month period approved by the Supervisory Board;
- EBIT over a rolling 12-month period calculated at the last interim reporting date (December or June) prior to departure at > 85% of the budget for the rolling 12-month period approved by the Supervisory Board.

No severance benefit is payable if no target is achieved, whereas if one target is achieved, two thirds of the benefit is payable (i.e., 12 months of average fixed and variable compensation) and if both targets are achieved, the benefit is payable in full.

The criteria used to measure the Company's performance and determine whether or not the benefit is payable are the same as those used to measure the Company's short-term performance when setting the annual variable compensation. As mentioned above, those criteria best reflect the Company's overall performance in terms of growth and profitability, and thus contribute to the performance targets for the executive compensation policy.

Severance pay will not be due if the member concerned is at fault or is soon to be eligible for retirement benefits at the date of forced departure.

Compensation relating to a non-compete clause

Considering the expertise acquired by the members of the Management Board, each member is subject to a conditional non-compete commitment for a one-year period in the case of the Chairman of the Management Board, and six months in the case of the other Management Board members. This commitment starts at the end of their term of office and/or employment contract (except in the event of retirement) and is intended to protect the Group's interests in the event of their departure.

If the Supervisory Board decides to implement said non-compete commitment, this will result in the staggered payment, during the entire period of the commitment, of non-compete benefits equal to 50% of the gross fixed and variable compensation received over the last full year prior to departure. The payment of these benefits is not subject to performance conditions.

Non-compete benefits will not be paid if, on the date of their departure, members exercise their retirement rights under Article R. 22-10-18 of the French Commercial Code

The total amount of benefits that may be received by the Chairman and members of the Management Board in the event of their departure from the Group (including compensation for the termination of their employment contract or any other benefit) may not exceed 24 months' compensation under any circumstances, in accordance with the recommendations of the AFEP-MEDEF Code.

No other commitment has been made by the Company to its corporate officers in the event their duties at the Company are terminated.

Benefits in kind

Each member of the Management Board is entitled to a company car, which represents a benefit in kind (see summary table 2, "Compensation of members of the Management Board" in section 2.2.2 of this report).

Under the compensation policy for Management Board members, at its meeting on March 8, 2022, the Supervisory Board agreed to maintain the principle of this benefit in kind in 2022.

In addition, the members of the Management Board benefit from the same insurance and health plan as that put in place by the Group for its other employees.

Supplemental retirement plan

The "top-hat" defined benefits plan in accordance with the provisions of Article L. 137-11-2 of the French Social Security Code (established by the PACTE law of May 22, 2019), intended for eligible members of the Executive Committee (including members of the Management Board), which entered into force on January 1, 2021, remains unchanged in its key features, which are:

- the beneficiaries are still entitled to receive annuities if they leave the company;
- annuities are calculated based on the current year's compensation (fixed and variable compensation paid);
- the right to receive annuities is subject to enhanced annual performance criteria. It is based on similar criteria to those used to determine the annual variable amount for members of the Management Board, namely the achievement of the annual budgeted revenue and EBITDA, equally weighted.

The criteria allow the Group's operational performance to be taken into account, while remaining proportionate to the responsibilities of the Executive Committee (and thus the Management Board) and relevant in view of the Company's interests and long-term strategy.

In order to ensure that the criteria are more objective and that beneficiaries are treated more equally, the basis for calculating annuity rights has been changed, with respect to that outlined in the 2021 compensation policy. Annual annuity rights are thus determined based on a theoretical life annuity that depends (i) not on the beneficiary's age but on the time remaining before the reference age for the liquidation of legal rights (65 years) and (ii) on the achievement of the above-mentioned performance criteria calculated on the basis of the following scale:

Time remaining before the beneficiary reaches the reference age for liquidation of legal rights	< 75% of the target	Between 75% and 100% of the target	> target
More than 20 years	0%	0%	0.1% (a)
More than 15 but less than 20 years	0%	Linear	1% (b)
More than 10 but less than 15 years	0%	Linear	2% (b)
More than 5 but less than 10 years	0%	Linear	2.5% (b)
Less than 5 years from the reference age (or after the reference age) of the plan	0%	Linear	3% (b)

(a) Previously set at 0%.
(b) Unchanged from 2021.

The target retirement age is set at 65.

The aggregate annual percentages applied for the same beneficiary, all employers combined, will be capped at 30%.

The additional pension rights thus obtained remain with the beneficiary, although the Company may terminate its commitment at any time.

Compensation paid by a Group company

Members of the Management Board receive no compensation for any corporate office held at a Group company.

Compensation policy applicable to new executives

In the event that a new corporate officer is recruited (Chairman or member of the Management Board), he or she will be subject to:

- the general fixed compensation policy for members of the Management Board approved by the shareholders, although the fixed compensation of the chairman of the Management Board may not, at the time of his or her appointment, exceed the amount awarded to his or her predecessor;
- the general annual variable compensation policy based on targets approved by the shareholders, provided that if a new corporate officer is recruited during the second half of a financial year:
  - performance will be evaluated on a discretionary basis on the proposal of the Appointments, Compensation and Governance Committee. In this case, the new member will receive as variable compensation at least the prorated target amount of the variable portion attributable to his or her predecessor, as voted on by the shareholders. This may not exceed 100% of the Chairman's fixed compensation or 70% of the fixed compensation of the other members of the Management Board;
  - any member who joins during the second half of the year will not be entitled to the variable portion linked to outperformance;
- the general long-term equity-based compensation policy for members of the Management Board, according to the same terms and conditions as those applicable to members of the Management Board (maximum award, vesting period, etc.) as approved by the shareholders;
- the general policy regarding special compensation approved by the shareholders;
- the general policy approved by the shareholders regarding the elements of compensation, allowances or benefits that may be paid as a result of termination or a change in role under the same conditions (amount, duration) as those approved by the shareholders for the compensation policy;
- the general policy regarding benefits granted to the chairman and members of the Management Board as approved by the shareholders;
- the general policy relating to the supplemental retirement plan, if eligible;
- may be entitled to a signing bonus to make up for the loss of benefits incurred by leaving a previous post held at a company outside the Group. This bonus may not exceed the amount of annual fixed compensation under any circumstances. The bonus must be specified and made public when it is set.

Summary table of commitments made to the members of the Management Board

(TABLE 11 – AFEP-MEDEF CODE AND TABLE 11 – AMF)

Members of the Management Board	Employment contract		Supplemental retirement plan[d]		Benefits due or potentially due upon termination or change in role		Non-compete benefits	
	Yes	No	Yes	No	Yes	No	Yes	No
Xavier Martiré Chairman of the Management Board Start of term of office: 09/05/2014 End of term of office: 09/05/2022		•[a]	•		•[b]		•[b]	
Louis Guyot Member of the Management Board Start of term of office: 09/05/2014 End of term of office: 09/05/2022	•[c]		•		•[b]		•[b]	
Matthieu Lecharny Member of the Management Board Start of term of office: 09/05/2014 End of term of office: 09/05/2022	•[c]		•		•[b]		•[b]	

(a) In accordance with the provisions of the AFEP-MEDEF Code, Xavier Martiré resigned from his position on February 11, 2015 and no longer has an employment contract with the Company.

(b) The commitments made by the Company to Xavier Martiré, Louis Guyot and Matthieu Lecharny in the event of their departure, the renewal of which was approved in 2018 when the members of the Management Board were reappointed, are set out in section 2.2.1 of this corporate governance report.

(c) Louis Guyot and Matthieu Lecharny have an employment contract with Elis.

(d) A supplemental retirement insurance contract with Predica in accordance with Article L. 137-11-2 of the French Social Security Code was implemented on January 1, 2021.

Elements of the compensation policy for members of the Supervisory Board and related disclosures (Article R. 22-10-18 I and II of the French Commercial Code)

The general shareholders' meeting on May 20, 2021 set the total amount allocated to the members of the Supervisory Board and its committees at €800,000.

The rules governing the allocation of this amount are reviewed at the beginning of each year by the Supervisory Board on the recommendation of the Appointments, Compensation and Governance Committee. These rules are based on an allocation formula that includes a fixed portion and a variable portion linked to the rate of attendance at meetings of the Supervisory Board and special committees, in accordance with the recommendations of the AFEP-MEDEF Code. This applies to all members of the Supervisory Board.

At its meeting on March 8, 2022, the Supervisory Board, on the recommendation of the Appointments, Compensation and Governance Committee, resolved to renew for 2022 the structure of the amounts of fixed and variable compensation for the Chairman of the Supervisory Board, the committee chairs and the members of the Supervisory Board as shown below:

Supervisory Board	Fixed amount (annual lump sum)	Variable amount (per meeting)
Chair	186,000	3,600[a]
Member and Vice-Chairman	18,000	3,600[a]

Board committees	Fixed amount (annual lump sum)	Variable amount (per meeting)
Chair	10,000	2,000[a]
Member	-	2,000[a]

(a) 50% of this amount for Board and committee meetings held by conference call.

As the fixed component of compensation allocated for the office of member of the Supervisory Board is determined on an annual basis, the amount allocated to each of the members is calculated on a prorated basis in the event of the appointment or termination of a Supervisory Board member for any reason during the financial year.

Current members of the Supervisory Board do not hold options or financial instruments giving access to the Company's share capital. Furthermore, the Company has made no other commitments to members of the Supervisory Board corresponding to elements of compensation or benefits due or potentially due upon termination or change in role.

2.2.2 Compensation allocated and paid to corporate officers

The elements of compensation mentioned in Article L. 22-10-9 I of the French Commercial Code are presented below. These include the total compensation and benefits of any kind paid in 2021 for the office held (which may also relate to a previous financial year), or granted in 2021 to all corporate officers for the office held (the Chairman and members of the Supervisory Board and the Chairman and members of the Management Board).

Please note that:

- elements of compensation paid in 2021 for the office held refer to cash elements actually paid, irrespective of the financial year they relate to. These consist of variable elements paid in 2021 for the 2020 financial year;
- elements of compensation awarded in 2021 for the offices held refer to share-based or cash elements, established in principle for the duties performed in 2021, but the number and/or amount of which is uncertain at the time of the grant and which are therefore subject, where appropriate, to an accounting valuation as at the grant date.

These elements of compensation were determined in accordance with the compensation policy as approved by the shareholders at the general shareholders' meeting on May 20, 2021.

Furthermore, the overall compensation structure, the amount of each component, the quantitative and qualitative nature of the shared and individual criteria used to determine the variable portion of the short- and long-term compensation of corporate officers, and the complementarity and continuity of those criteria, ensure compensation is consistent with Company performance.

At the next general shareholders' meeting, shareholders will be asked to vote:

- on the elements of compensation listed in Article L. 22-10-9 I of the French Commercial Code as a single resolution pursuant to Article L. 22-10-34 of the French Commercial Code, provided that, if the resolution is not approved, the compensation allocated to members of the Supervisory Board will be suspended; and
- on the fixed, variable and special elements of total compensation and the benefits of any kind paid or awarded to the Chairman of the Management Board, to the Chairman of the Supervisory Board, and to the members of the Management Board as separate resolutions pursuant to Article L. 22-10-34 of the French Commercial Code. It should be noted that the payment of the variable portion of monetary compensation is subject to the shareholders approving said element of compensation.

2

Disclosures concerning compensation awarded and paid to executive corporate officers

XAVIER MARTIRÉ, CHAIRMAN OF THE MANAGEMENT BOARD

Elements of compensation submitted for voting	Amounts paid during 2021 *(in euros)*	Amounts awarded for 2021 *(in euros)*	Description and comments
Fixed compensation	800,000*	800,000*	* Amount of Xavier Martiré's gross annual fixed compensation applicable since January 1, 2018 (excluding the exception in 2020 in light of the downward impact of the Covid-19 pandemic). This amount corresponds to the fixed compensation granted for 2021 as approved by the annual ordinary general shareholders' meeting on May 20, 2021.
Annual variable compensation	600,000* (75% of fixed compensation) Payment of this element of compensation approved by the shareholders at the general shareholders' meeting in 2021 (after review of the compensation policy regarding quantitative targets).	1,316,036** (164.5% of fixed compensation) Payment subject to the approval of this element of compensation by the shareholders at the general shareholders' meeting in 2022.	*** Compensation paid in 2021:** This includes the amount of variable compensation relating solely to 2020, since Xavier Martiré does not receive deferred variable compensation or multi-year variable compensation. This amount was paid in 2021 for the 2020 financial year in accordance with the 2020 compensation policy as reviewed. It was paid at the end of the general shareholders' meeting held on May 20, 2021, following the adoption of the 8th and 16th resolutions (approval rate: 96.97% and 87.91%). Please note that on an exceptional basis, in view of the Covid-19 health crisis, quantitative targets (which account for 70% of variable compensation) based on financial indicators were reviewed by the Supervisory Board at its meeting of March 8, 2021, on the recommendation of the Appointments, Compensation and Governance Committee and approved by the general shareholders' meeting on May 20, 2021. **** Compensation awarded for 2021:** Specific variable compensation targets were established by the Supervisory Board based on the recommendation of the Appointments, Compensation and Governance Committee at the beginning of the reference period to which they apply. The target amount of variable compensation is 100% of the amount of fixed compensation, capped at 170% in the event of outperformance. However, only performance linked to the financial indicators can lead to a bonus amount in excess of the target. The targets used to determine the 2021 annual variable compensation, the financial and non-financial indicators used, their weighting and the level of achievement are detailed below on pages 93 and 94.
Deferred variable compensation	0	0	This element of compensation is not applicable, as the compensation policy for the chairman of the Management Board for financial year 2021 does not provide for it.
Multi-year variable compensation	0	0	This element of compensation is not applicable, as the compensation policy for the chairman of the Management Board for financial year 2021 does not provide for it.
Special compensation	0	0	No amounts were paid in 2021 for previous financial years, nor awarded for 2021.

Elements of compensation submitted for voting	Amounts paid during 2021 *(in euros)*	Amounts awarded for 2021 *(in euros)*	Description and comments
Equity-based compensation	770,976*	1,547,977**	* Xavier Martiré acquired 63,717 performance shares upon delivery of plan no. 7-2018 on April 6, 2021 (0.03% of the share capital as at December 31, 2021). At its meeting on March 8, 2021, the Supervisory Board reviewed the performance tied to the vesting of the performance shares awarded to the members of the Executive Committee (including members of the Management Board) in 2018 and whose vesting period expired in 2021. It concluded that in light of the Covid-19 crisis that the Company was forced to contend with in recent months, a significant portion of the performance criteria of plan no. 7 could not be fulfilled for reasons beyond the Company's control. On the recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board and then the Management Board at their meetings on March 8, 2021, resolved that the Covid-adjusted A Objectives tied to revenue and 2020 EBIT, and the B Objectives tied to EBIT for Germany and the Berendsen synergies, had been achieved. The other B Objective tied to EBIT in the UK, and the TSR condition (share price), had not been met. As a result, 50% of the category A shares and 66% of the category B shares granted in 2018 to the members of the Executive Committee have vested. ** On March 10, 2021, Xavier Martiré was awarded 127,932 performance shares (0.06% of the share capital as at December 31, 2021). This award falls under the authorization granted by the Company's general shareholders' meeting on June 30, 2020 (27th resolution), and the authorization granted by the Supervisory Board at its meeting on March 8, 2021. **The valuation of the performance shares at the award date is not necessarily representative of their value at the vesting date, particularly if the performance conditions attached to their vesting are not met.** The vesting of the performance shares thus awarded is subject to continuous service at the vesting date and to performance conditions assessed over three consecutive financial years. The performance conditions attached to the performance shares awarded in 2021 are defined in reference to three quantitative criteria, including two absolute internal criteria based on consolidated revenue and consolidated EBIT determined according to the business plan and in line with the guidance communicated to the market, and one relative external criterion based on the performance of Elis's share price relative to a benchmark index.
			The confidential nature of the Group's absolute internal performance criteria prevents them from being disclosed. However, at the end of the performance evaluation period, Elis will disclose the number of vested shares and the level of fulfillment of the performance criteria applicable to the vesting of the shares.
			The number of fully vested shares will thus depend on the number of targets achieved, with the understanding that the fulfillment of the performance criteria is binary, such that if a criterion is not fulfilled, the portion of rights linked to that target is not due and the corresponding shares do not vest: › 34% if one of the targets is met; › 67% if two targets are met; and › 100% if all three targets are met.
Benefits of any kind	4,716	4,716	Xavier Martiré enjoys the use of a company car.
Signing bonus	-	-	None.

Elements of compensation submitted for voting	Amounts paid during 2021 *(in euros)*	Amounts awarded for 2021 *(in euros)*	Description and comments
Severance benefits	0	0	Xavier Martiré may be entitled to severance pay in the event of his forced departure. The renewal of this commitment was approved by the general shareholders' meeting on May 18, 2018 (6th resolution) as part of the regulated agreements procedure and remains in effect. The renewal of this commitment will be put to the vote of the general shareholders' meeting of May 19, 2022, in the context of the renewal of Xavier Martiré's term of office as Chairman of the Management Board. The compensation policy applicable to Xavier Martiré described in section 2.2.1 above sets out the procedures for evaluating performance in the event of forced departure.
Non-compete benefits	0	0	Xavier Martiré is subject to a non-compete agreement for a period of one year, in consideration for which, should it be implemented by the Board, he would receive a non-compete payment equal to 50% of the annual gross fixed and variable compensation paid for the last full financial year prior to his departure. This commitment was renewed and approved by the general shareholders' meeting on May 18, 2018 (6th resolution) as part of the regulated agreements procedure and remains in effect. The renewal of this commitment will be put to the vote of the general shareholders' meeting of May 19, 2022, in the context of the renewal of Xavier Martiré's term of office as Chairman of the Management Board. No benefit will be paid if the officer concerned exercises his retirement rights.
Supplemental retirement plan	0	0 *	No annuity has been paid/allocated to Xavier Martiré in 2021 as he still holds his position at Elis. For further information on this plan, see section 2.2.1 above, which outlines the terms of the benefit of supplemental retirement insurance as of January 1, 2021. * For information, the gross provision (excluding expenses) set aside by the Company for Xavier Martiré in 2021 for this purpose was €464,215.
Profit sharing	0	0	Not applicable.
Executive liability insurance	0	0	Applicable.
Compensation paid by companies included in the scope of consolidation as defined by Article L. 233-16 of the French Commercial Code	0	0	-

LOUIS GUYOT, MEMBER OF THE MANAGEMENT BOARD

Elements of compensation submitted for voting	Amounts paid during 2021 *(in euros)*	Amounts awarded for 2021 *(in euros)*	Description and comments
Fixed compensation	400,000*	400,000*	* Amount of Louis Guyot's gross annual fixed compensation applicable since January 1, 2018 (excluding the exception in 2020 in light of the impact of the Covid-19 pandemic). This amount corresponds to the fixed compensation granted for 2021 as approved by the annual ordinary general shareholders' meeting on May 20, 2021.
Annual variable compensation	210,000* (53% of fixed compensation) Payment of this element of compensation approved by the shareholders at the general shareholders' meeting in 2021 (after review of the compensation policy regarding quantitative targets).	452,213** (113% of fixed compensation) Payment subject to the approval of this element of compensation by the shareholders at the general shareholders' meeting in 2022.	*** Compensation paid in 2021:** This includes the amount of variable compensation relating solely to 2020, since Louis Guyot does not receive deferred variable compensation or multi-year variable compensation. This amount was paid in 2021 for the 2020 financial year in accordance with the 2020 compensation policy as reviewed. It was paid at the end of the general shareholders' meeting held on May 20, 2021, following the adoption of the 9th and 17th resolutions (approval rate: 96.7% and 87.91%). On an exceptional basis, in view of the Covid-19 health crisis, quantitative targets (which account for 70% of variable compensation) based on financial indicators were reviewed by the Supervisory Board at its meeting of March 8, 2021, on the recommendation of the Appointments, Compensation and Governance Committee and approved by the annual general shareholders' meeting on May 20, 2021. **** Compensation awarded for 2021:** Specific variable compensation targets were established by the Supervisory Board based on the recommendation of the Appointments, Compensation and Governance Committee at the beginning of the reference period to which they apply. The amount of variable compensation is 100% of the amount of fixed compensation, capped at 170% in the event of outperformance. However, only performance linked to the financial indicators can lead to a bonus amount in excess of the target. The targets used to determine the 2021 annual variable compensation, the financial and non-financial indicators used, their weighting and the level of achievement are detailed below on pages 93 and 94.
Deferred variable compensation	0	0	This element of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2021 does not provide for it.
Multi-year variable compensation	0	0	This element of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2021 does not provide for it.
Special compensation	0	0	No amounts were paid in 2021 for previous financial years, nor awarded for 2021.

Elements of compensation submitted for voting	Amounts paid during 2021 *(in euros)*	Amounts awarded for 2021 *(in euros)*	Description and comments
Equity-based compensation	325,998*	601,987**	* Louis Guyot acquired 26,942 performance shares upon the delivery of plan no.7-2018 on April 6, 2021 (0.01% of the share capital as at December 31, 2021). At its meeting on March 8, 2021, the Supervisory Board reviewed the performance tied to the vesting of the performance shares awarded to the members of the Executive Committee (including members of the Management Board) in 2018 and whose vesting period expired in 2021. It concluded that in light of the Covid-19 crisis that the Company was forced to contend with in recent months, a significant portion of the performance criteria of plan no. 7 could not be fulfilled for reasons beyond the Company's control. On the recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board and then the Management Board at their meetings on March 8, 2021, resolved that the Covid-adjusted A Objectives tied to revenue and 2020 EBIT, and the B Objectives tied to EBIT for Germany and the Berendsen synergies, had been achieved. The other B Objective tied to EBIT in the UK, and the TSR condition (share price), had not been met. As a result, 50% of the category A shares and 66% of the category B shares granted in 2018 to the members of the Executive Committee have vested. ** On March 10, 2021, Louis Guyot was awarded 49,751 performance shares (0.02% of the share capital as at December 31, 2020). This award falls under the authorization granted by the Company's general shareholders' meeting on June 30, 2020 (27th resolution) and the authorization granted by the Supervisory Board at its meeting on March 8, 2021. **The valuation of the performance shares at the award date is not necessarily representative of their value at the vesting date, particularly if the performance conditions attached to their vesting are not met.** The vesting of the performance shares thus awarded is subject to continuous service at the vesting date and to performance conditions assessed over three consecutive financial years. The performance conditions attached to the performance shares awarded in 2021 are defined in reference to three quantitative criteria, including two absolute internal criteria based on consolidated revenue and consolidated EBIT determined according to the business plan and in line with the guidance communicated to the market, and one relative external criterion based on the performance of Elis's share price relative to a benchmark index.
			The confidential nature of the Group's absolute internal performance criteria prevents them from being disclosed. However, at the end of the performance evaluation period, Elis will disclose the number of vested shares and the level of fulfillment of the performance criteria applicable to the vesting of the shares. The number of fully vested shares will thus depend on the number of targets achieved, with the understanding that the fulfillment of the performance criteria is binary, such that if a criterion is not fulfilled, the portion of rights linked to that target is not due and the corresponding shares do not vest: › 34% if one of the targets is met; › 67% if two targets are met; and › 100% if all three targets are met.
Benefits of any kind	2,032	2,032	Louis Guyot enjoys the use of a company car.
Signing bonus	0	0	-

Elements of compensation submitted for voting	Amounts paid during 2021 *(in euros)*	Amounts awarded for 2021 *(in euros)*	Description and comments
Severance benefits	0	0	Louis Guyot may be entitled to severance pay in the event of his forced departure. This commitment was renewed and approved by the general shareholders' meeting on May 18, 2018 (7th resolution) as part of the regulated agreements procedure and remains in effect. The renewal of this commitment will be put to the vote of the general shareholders' meeting of May 19, 2022, in the context of the renewal of Louis Guyot's term of office as member of the Management Board. The compensation policy applicable to Louis Guyot described in section 2.2.1 above sets out the procedures for evaluating performance in the event of forced departure.
Non-compete benefits	0	0	Louis Guyot is subject to a non-compete agreement for a period of six months, in consideration for which, should it be implemented by the Supervisory Board, he would receive a non-compete payment equal to 50% of the gross fixed and variable compensation paid for the last full financial year prior to his departure. This commitment was renewed and was approved by the general shareholders' meeting on May 18, 2018 (7th resolution) as part of the regulated agreements procedure and remains in effect. The renewal of this commitment will be put to the vote of the general shareholders' meeting of May 19, 2022, in the context of the renewal of Louis Guyot's term of office as member of the Management Board. No benefit will be paid if the officer concerned exercises his retirement rights.
Supplemental retirement plan	0	0*	No annuity has been paid/allocated to Louis Guyot in 2021 as he still holds his position at Elis. For further information on this plan, see section 2.2.1 above, which outlines the terms of the benefit of supplemental retirement insurance as of January 1, 2021. * For information, the gross provision (excluding expenses) set aside by the Company for Louis Guyot in 2021 for this purpose was €186,097.
Profit sharing	1,813*	4,580**	* Profit-sharing amount paid to Louis Guyot for 2020 under his employment contract. ** Provisional profit-sharing amount due to Louis Guyot for 2021 under his employment contract – definitive payment May 2022.
Executive liability insurance	0	0	Applicable.
Compensation paid by companies included in the scope of consolidation as defined by Article L. 233-16 of the French Commercial Code	0	0	-

MATTHIEU LECHARNY, MEMBER OF THE MANAGEMENT BOARD

Elements of compensation submitted for voting	Amounts paid during 2021 *(in euros)*	Amounts awarded for 2021 *(in euros)*	Description and comments
Fixed compensation	300,000	300,000*	* Amount of Matthieu Lecharny's gross annual fixed compensation applicable since January 1, 2018 (excluding the exception in 2020 in light of the impact of the Covid-19 pandemic). This amount corresponds to the fixed compensation granted for 2021 as approved by the annual ordinary general shareholders' meeting on May 20, 2021.
Annual variable compensation	157,500* (53% of fixed compensation) Payment of this element of compensation approved by the shareholders at the general shareholders' meeting in 2021 (after review of the compensation policy regarding quantitative targets).	342,209** (114% of fixed compensation) Payment subject to the approval of this element of compensation by the shareholders at the general shareholders' meeting in 2022.	*** Compensation paid in 2021:** This includes the amount of variable compensation relating solely to 2020, since Matthieu Lecharny does not receive deferred variable compensation or multi-year variable compensation. This amount was paid in 2021 for the 2020 financial year in accordance with the 2020 compensation policy as reviewed. It was paid at the end of the general shareholders' meeting held on May 20, 2021, following the adoption of the 9th and 18th resolutions (approval rate: 96.7% and 87.91%). On an exceptional basis, in view of the Covid-19 health crisis, quantitative targets (which account for 70% of variable compensation) based on financial indicators were reviewed by the Supervisory Board at its meeting of March 8, 2021, on the recommendation of the Appointments, Compensation and Governance Committee and approved by the annual general shareholders' meeting on May 20, 2021. **** Compensation awarded for 2021:** Specific variable compensation targets were established by the Supervisory Board based on the recommendation of the Appointments, Compensation and Governance Committee at the beginning of the reference period to which they apply. The target amount of variable compensation is 70% of the amount of fixed compensation, capped at 119% in the event of outperformance. However, only performance linked to the financial indicators can lead to a bonus amount in excess of the target. The targets used to determine the 2021 annual variable compensation, the financial and non-financial indicators used, their weighting and the level of achievement are detailed below on pages 93 and 94.
Deferred variable compensation	0	0	This element of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2021 does not provide for it.
Multi-year variable compensation	0	0	This element of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2021 does not provide for it.
Special compensation	0	0	No amounts were paid in 2021 for previous financial years, nor awarded for 2021.

Elements of compensation submitted for voting	Amounts paid during 2021 *(in euros)*	Amounts awarded for 2021 *(in euros)*	Description and comments
Equity-based compensation	266,829*	429,998**	* Matthieu Lecharny acquired 22,025 performance shares upon the delivery of plan no. 7-2018 on April 6, 2021 (0.01% of the share capital as at December 31, 2021). At its meeting on March 8, 2021, the Supervisory Board reviewed the performance tied to the vesting of the performance shares awarded to the members of the Executive Committee (including members of the Management Board) in 2018 and whose vesting period expired in 2021. It concluded that in light of the Covid-19 crisis that the Company was forced to contend with in recent months, a significant portion of the performance criteria of plan no. 7 could not be fulfilled for reasons beyond the Company's control. On the recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board and then the Management Board at their meetings on March 8, 2021, resolved that the Covid-adjusted A Objectives tied to revenue and 2020 EBIT, and the B Objectives tied to EBIT for Germany and the Berendsen synergies, had been achieved. The other B Objective tied to EBIT in the UK, and the TSR condition (share price), had not been met. As a result, 50% of the category A shares and 66% of the category B shares granted in 2018 to the members of the Executive Committee have vested. ** On March 10, 2021, Matthieu Lecharny was awarded 35,537 performance shares (0.01% of the share capital as at December 31, 2021). This award falls under the authorization granted by the Company's general shareholders' meeting on June 30, 2020 (27th resolution) and the authorization granted by the Supervisory Board at its meeting on March 8, 2021. **The valuation of the performance shares at the award date is not necessarily representative of their value at the vesting date, particularly if the performance conditions attached to their vesting are not met.** The vesting of the performance shares thus awarded is subject to continuous service at the vesting date and to performance conditions assessed over three consecutive financial years. The performance conditions attached to the performance shares awarded in 2020 are defined in reference to three quantitative criteria, including two absolute internal criteria based on consolidated revenue and consolidated EBIT determined according to the business plan and in line with the guidance communicated to the market, and one relative external criterion based on the performance of Elis's share price relative to a benchmark index.
			The confidential nature of the Group's absolute internal performance criteria prevents them from being disclosed. However, at the end of the performance evaluation period, Elis will disclose the number of vested shares and the level of fulfillment of the performance criteria applicable to the vesting of the shares. The number of fully vested shares will thus depend on the number of targets achieved, with the understanding that the fulfillment of the performance criteria is binary, such that if a criterion is not fulfilled, the portion of rights linked to that target is not due and the corresponding shares do not vest: › 34% if one of the targets is met; › 67% if two targets are met; and › 100% if all three targets are met.
Benefits of any kind	3,956	3,956	Matthieu Lecharny enjoys the use of a company car.
Signing bonus	0	0	-

Elements of compensation submitted for voting	Amounts paid during 2021 *(in euros)*	Amounts awarded for 2021 *(in euros)*	Description and comments
Severance benefits	0	0	Mathieu Lecharny may be entitled to severance pay in the event of his forced departure. This commitment was renewed and approved by the general shareholders' meeting on May 18, 2018 (8th resolution) as part of the regulated agreements procedure and remains in effect. The renewal of this commitment will be put to the vote of the general shareholders' meeting of May 19, 2022, in the context of the renewal of Matthieu Lecharny's term of office as member of the Management Board. The compensation policy applicable to Mathieu Lecharny described in section 2.2.1 above sets out the procedures for evaluating performance in the event of forced departure.
Non-compete benefits	0	0	Matthieu Lecharny is subject to a non-compete agreement for a period of six months, in consideration for which, should it be implemented by the Board, he would receive a non-compete payment equal to 50% of the gross fixed and variable compensation paid for the last full financial year prior to his departure. This commitment was renewed and approved by the general shareholders' meeting on May 18, 2018 (8th resolution) as part of the regulated agreements procedure and remains in effect. The renewal of this commitment will be put to the vote of the general shareholders' meeting of May 19, 2022, in the context of the renewal of Matthieu Lecharny's term of office as member of the Management Board. No benefit will be paid if the officer concerned exercises his retirement rights.
Supplemental retirement plan	0	0*	No annuity has been paid/allocated to Matthieu Lecharny in 2021 as he still holds his position at Elis. For further information on this plan, see section 2.2.1 above, which outlines the terms of the benefit of supplemental retirement insurance as of January 1, 2021. * For information, the gross provision (excluding expenses) set aside by the Company for Matthieu Lecharny in 2021 for this purpose was €288,431.
Profit sharing	1,813*	4,580**	* Profit-sharing amount paid to Matthieu Lecharny for 2020 under his employment contract. ** Provisional profit-sharing amount due to Matthieu Lecharny for 2021 under his employment contract – definitive payment in May 2022.
Executive liability insurance	0	0	Applicable.
Compensation paid by companies included in the scope of consolidation as defined by Article L. 233-16 of the French Commercial Code	0	0	-

Fulfillment of the performance conditions related to the annual variable compensation of members of the Management Board for financial year 2021

The amount of variable compensation for the 2021 financial year of each member of the Management Board is provided below in summary table 2, "Summary tables of compensation of members of the Management Board for 2021."

At its meeting on March 8, 2022, the Supervisory Board examined the level of fulfillment of the performance conditions relating to the annual variable compensation for 2021 of the Chairman of the Management Board and each member of the Management Board. It concluded that the level of achievement and performance of the financial and non-financial indicators used to determine this element of compensation was as indicated below.

Financial indicators

Type of target	Respective weighting of variable compensation *(as a percentage of variable compensation)*	Achievement level *(as a percentage of variable compensation)*	Amount *(in euros)* Xavier Martiré	Louis Guyot	Matthieu Lecharny	Justification
Revenue	20%	39%	312,036	109,213	81,909	Revenue of €3,048.3 million (up 8.6%, of which 7.4% on an organic basis). This figure greatly exceeds initial expectations (all of which were under €3 billion), thanks to opportunistic sales linked to new needs stemming from the Covid crisis, high customer retention buoyed by the good quality of service the company provided during the crisis, and a consistent pricing policy. Activity in the hotel sector was slower than anticipated at the start of the year, but recovered towards the end.
EBIT compared to budget	30%	60%	480,000	168,000	126,000	The Group's EBIT was €388.3 million, which represents a 12.7% margin, an improvement of 240 bps compared to 2020. This remarkable performance was achieved by pursuing operational excellence, raising the EBITDA margin to 34.5% – 90 bps higher than before the Covid crisis, thanks to tireless efforts in terms of fixed structure at the Group's head office, country head offices, and local management structures, but also thanks to continued operational progress in logistics and workshops. Close control of investments, notably in linen, has also helped to contain the amortization.
Operating cash flow compared to budget	20%	40%	320,000	112,000	84,000	Free cash flow amounted to €228.1 million, an improvement of €54 million compared to 2019, thanks in particular to: › the efforts put into the EBITDA, described above; › the control of expenditure, particularly in textiles, against the backdrop of rapidly recovering activity and the beginnings of inflation; › the considerable effort made on customer payments, resulting in a positive change in WCR.
TOTAL	**70%**	**139%**	**1,112,036**	**389,213**	**291,909**	

Non-financial indicators

Type of target	Respective weighting of variable compensation *(as a percentage of variable compensation)*	Achievement level *(as a percentage of variable compensation)*	Amount *(in euros)*	Justification
Xavier Martiré, Chairman of the Management Board				
Development of the CSR policy	7.5%	6%	48,000	› Establishment of a specialized CSR Committee within the Board › Recruitment of a CSR director who reports directly to the Chairman › Proposal for a SBT Say on Climate resolution at the general shareholders' meeting › Continuation of the CSR roadmap and progress across indicators
Cost variability and the Group's adaptation to the crisis	7.5%	7%	56,000	› Efforts begun in 2020 continued in 2021 › Structural and productivity gains are in progress › 2021 margin 90 bps higher than in 2019 despite a €235-million drop in revenue
Systematic integration of ROCE into investment decisions	7.5%	6%	48,000	› Processes have been enhanced for linen purchases, industrial capex and M&A. › The EBIT/capital employed ratio, as reported in chapter 5 of this document, has seen continuous structural improvement.
Transformation of EBITDA into cash flow	7.5%	6.5%	52,000	Free cash flow amounted to €228.1 million, an improvement of €54 million compared to 2019, thanks in particular to: › the efforts put into the EBITDA, described above; › the control of expenditure, particularly in textiles, against the backdrop of rapidly recovering activity and the beginnings of inflation; › the considerable effort made on customer payments, resulting in a positive change in WCR.
TOTAL	**30%**	**25.5%**	**204,000**	
Louis Guyot, member of the Management Board				
Group's refinancing roadmap	6%	5%	14,000	› Roadmap drawn up and presented to the Board › Flexible execution to capture market windows › Partial repayment of the 2023 bond by 2028, refinancing of the revolving credit line in the fall of 2021, before the markets closed
Systematic integration of ROCE into investment decisions	6%	5%	14,000	› Processes have been enhanced for linen purchases, industrial capex and M&A. › The EBIT/capital employed ratio, as reported in chapter 5 of this universal registration document, has seen continuous structural improvement.
Transformation of EBITDA into cash flow	6%	5%	14,000	Free cash flow amounted to €228.1 million, an improvement of €54 million compared to 2019, thanks in particular to: › the efforts put into the EBITDA, described above; › the control of expenditure, particularly in textiles, against the backdrop of rapidly recovering activity and the beginnings of inflation; › the considerable effort made on customer payments, resulting in a positive change in WCR.
Improving communication with CSR investors	6%	4%	11,200	› CSR is featured in all marketing communications and promotional activities: press releases, presentations, roadshows › Participation in CSR-specific roadshows › First sustainability-linked financing in 2021
Quality of monthly cash flow budgets in countries	6%	3.5%	9,800	› Monthly country budgets showing improvement › Some geographical regions needing improvement
TOTAL	**30%**	**22.5%**	**63,000**	
Matthieu Lecharny, member of the Management Board				
Growth in workwear in southern Europe	6%	6%	12,600	› +23% in 2021 › Sales teams are up and running and being expanded primarily through outsourcing
Development of Healthcare in Portugal	6%	2%	4,200	› Some specific targets
Growth excluding flat linen in Brazil	6%	5%	10,500	› 7% growth in workwear › Opening up of new cities to service "small accounts"
Cost variability	6%	6%	12,600	› Huge improvement in margins vs 2019 in southern Europe and Latin America
Market research in Asia	6%	5%	10,500	› Research completed
TOTAL	**30%**	**24%**	**50,400**	

Pay ratio between the level of compensation of the Chairman and members of the Management Board and the median and mean compensation of Elis employees

Pursuant to Article L. 22-10-9 paragraphs 6 and 7 of the French Commercial Code, the ratios between the level of compensation of each member of the Management Board and the Chairman of the Supervisory Board and the average and median compensation on a full-time equivalent basis for employees other than the corporate officers, plus the annual change in compensation, the Company's performance, the average compensation on a full-time equivalent basis for employees other than the members of the Management Board, and the aforementioned ratios during the last five financial years are presented below.

The Company calculated these ratios in accordance with the guidelines published by AFEP in February 2021. Furthermore, the Company has no employees other than corporate officers and, consequently, the calculation of the ratios at the level of the Company alone is impossible.

To calculate the ratios referred to in Article L. 22-10-9 of the French Commercial Code, the Company presents all the elements of compensation, and in particular, those applicable to all members of the Management Board, fixed and variable compensation, benefits in kind due for the financial years mentioned, as well as performance shares awarded for those same financial years. The valuation of the performance shares at the award date is not necessarily representative of their value at the vesting date, particularly if the performance conditions attached to their vesting are not met. It should be noted that due to members of the Management Board waiving a portion of their fixed compensation in November 2020, the amount used to calculate these ratios is greater than the amount actually paid. As such, the figures given in the table below correspond to those in Table 1 on page 88 of this universal registration document (for the years 2019 and 2020). With regard to employees, the compensation paid takes into account deductions related to furloughs, where applicable (for 2020).

In terms of scope, the Company included its subsidiary Elis Services, including employees from head office and supply chain. This scope constitutes a thousand people in France; is stable over the past five financial years and identical to what was contained in the 2020 Universal Registration Document.

Governance has been stable over this period: the four corporate officers concerned have retained identical responsibilities over the past five years.

Company's performance: Current net income attributable to owners of the parent	2021	2020	2019	2018	2017
	€223 M	€139 M	€256 M	€224 M	€163 M
Change YOY	60%	-46%	14%	37%	51%
Change in average employee compensation	7%	-3%	2%	18%	-8%
Change in median employee compensation	6%	-3%	5%	8%	1%
Xavier Martiré, Chairman of the Management Board					
Compensation and benefits due or paid for the financial year	3,656,775	2,759,503	3,491,573	3,707,976[b]	3,440,920[a]
Change YOY	32%	-21%	-6%	8%	-18%
Ratio to average pay	35.5	28.7	35.1	37.9	41.4
Change YOY	24%	-18%	-7%	-8%	-11%
Ratio to median pay	57.2	45.7	56.3	63.1	63.0
Change YOY	25%	-19%	-11%	0%	-18%
Louis Guyot, member of the Management Board					
Compensation and benefits due or paid for the financial year	1,460,828	1,149,588	1,402,091	1,546,699[b]	1,015,684[a]
Change YOY	27%	-18%	-9%	52%	12%
Ratio to average pay	14.2	11.9	14.1	15.8	12.2
Change YOY	19%	-15%	-11%	30%	21%
Ratio to median pay	22.9	19.1	22.6	26.3	18.6
Change YOY	20%	-16%	-14%	42%	11%
Matthieu Lecharny, member of the Management Board					
Compensation and benefits due or paid for the financial year	1,080,856	844,237	1,039,409	1,210,116[b]	763,053
Change YOY	28%	-19%	-14%	59%	-16%
Ratio to average pay	10.5	8.8	10.5	12.4	9.2
Change YOY	20%	-16%	-16%	35%	-9%
Ratio to median pay	17	14.0	16.8	20.6	14.0
Change YOY	21%	-17%	-19%	47%	-17%
Thierry Morin, Chairman of the Supervisory Board					
Compensation and benefits due or paid for the financial year	229,600	70,000	77,200	64,800	68,000
Change YOY	228%	-9%	19%	-5%	10%
Ratio to average pay	2.2	0.7	0.8	0.7	0.8
Change YOY	207%	-6%	17%	-19%	19%
Ratio to median pay	3.6	1.2	1.2	1.1	1.2
Change YOY	209%	-7%	13%	-11%	9%

2

Summary tables of executive corporate officers' compensation for 2021

TABLE 1: SUMMARY OF THE COMPENSATION, OPTIONS AND SHARES GRANTED TO MANAGEMENT BOARD MEMBERS FOR FINANCIAL YEARS 2020 AND 2021

The following tables present a summary of the compensation awarded and paid to Xavier Martiré, Louis Guyot and Matthieu Lecharny during the financial years ended December 31, 2020 and 2021:

(in euros)	**Financial year ended December 31, 2021**	Financial year ended December 31, 2020
Xavier Martiré, Chairman of the Management Board		
Compensation paid for the financial year[a]	1,404,716	1,945,006
Value of multi-year variable compensation granted during the year	0	0
Value of options granted during the year	0	0
Value of performance shares awarded during the financial year[b][c]	1,547,977	1,402,211
TOTAL	**2,952,693**	**3,347,217**
Louis Guyot, member of the Management Board		
Compensation paid for the financial year[a]	613,845	809,351
Value of multi-year variable compensation granted during the year	0	0
Value of options granted during the year	0	0
Value of performance shares awarded during the financial year[b][c]	601,987	545,306
TOTAL	**1,215,832**	**1,354,657**
Matthieu Lecharny, member of the Management Board		
Compensation paid for the financial year[a]	463,269	615,554
Value of multi-year variable compensation granted during the year	0	0
Value of options granted during the year	0	0
Value of performance shares awarded during the financial year[b][c]	429,998	389,507
TOTAL	**893,267**	**1,005,061**

(a) See details in table 2.

(b) The vesting of performance shares awarded in 2021 to executive corporate officers is contingent on the fulfillment of performance conditions and continuous service with the Group for the duration of the vesting period. The performance targets are defined in reference to three quantitative criteria linked to consolidated revenue, consolidated EBIT and the performance of the Company's share price relative to a benchmark index. Table 6 below, as well as Notes 5.4 and 4.2 to the 2021 consolidated financial statements and 2021 parent company financial statements, respectively, included in chapter 6, "Financial statements for the year ended December 31, 2021" of this universal registration document, detail the rules of the plan for performance shares granted in 2021 to the members of the Management Board.

(c) The value of the performance shares is equal to that used to prepare the consolidated financial statements for the year ended December 31, 2021, calculated in accordance with the requirements of IFRS 2 by an independent appraiser. The valuation model applied is based on the underlying price of the portion not subject to market conditions and on the Monte Carlo method for the portion that is subject to market conditions. It accounts for the data and assumptions prevailing at the grant date. This amount reflects the valuation of the performance shares at the award date, which is not necessarily representative of their value at the vesting date, particularly if the performance conditions attached to their vesting are not met.

TABLE 2: COMPENSATION OF MEMBERS OF THE MANAGEMENT BOARD

	Financial year ended December 31, 2021		Financial year ended December 31, 2020	
(in euros)	Amount awarded[(1)]	Amount paid[(2)]	Amount awarded[(1)]	Amount paid[(2)]
Xavier Martiré, Chairman of the Management Board				
Fixed compensation	800,000[(a)]	800,000[(a)]	750,000[(b)]	743,333[(c)]
Annual variable compensation	1,316,036[(d)]	600,000[(e)]	600,000[(e)]	1,194,380[(f)]
Special compensation				
Compensation allocated to members of the Supervisory Board	Not applicable	Not applicable	Not applicable	Not applicable
Retirement benefit	[(g)]			
Benefits in kind[(h)]	4,716	4,716	7,293	7,293
TOTAL	**2,120,752**	**1,404,716**	**1,357,293**	**1,945,006**
Louis Guyot, member of the Management Board				
Fixed compensation	400,000[(a)]	400,000[(a)]	390,000[(b)]	386,667[(c)]
Annual variable compensation	456,793[(d)]	211,813[(e)]	211,813[(e)]	420,215[(f)]
Special compensation				
Compensation allocated to members of the Supervisory Board	Not applicable	Not applicable	Not applicable	Not applicable
Retirement benefit	[(g)]			
Benefits in kind[(h)]	2,032	2,032	2,469	2,469
TOTAL	**858,825**	**613,845**	**604,282**	**809,351**
Matthieu Lecharny, member of the Management Board				
Fixed compensation	300,000[(a)]	300,000[(a)]	292,500[(b)]	290,000[(c)]
Annual variable compensation[(2)]	346,889[(d)]	159,313[(e)]	159,313[(e)]	322,637[(f)]
Special compensation				
Compensation allocated to members of the Supervisory Board	Not applicable	Not applicable	Not applicable	Not applicable
Retirement benefit	[(g)]			
Benefits in kind[(h)]	3,956	3,956	2,917	2,917
TOTAL	**650,845**	**463,269**	**454,730**	**615,554**

(1) Fixed compensation awarded to the members of the Management Board during the relevant financial year.
(2) Total compensation paid during the financial year, i.e., after applying the fulfillment condition to the variable compensation for the previous financial year.
(a) The fixed compensation of Xavier Martiré, Louis Guyot and Matthieu Lecharny for 2020 and 2021 was determined based on the market practices of international listed companies. This compensation has applied since January 1, 2018.
(b) However, for 2020, the compensation policy as approved by the ordinary general shareholders' meeting on June 30, 2020 as part of the say on pay procedure included, in recognition of the impact of the public health crisis, fixed compensation of €750,000 for Xavier Martiré (instead of €800,000), of €390,000 for Louis Guyot (instead of €400,000), and of €292,500 for Matthieu Lecharny (instead of €300,000), it being noted that this revision is not taken into account in calculating the variable portion (theoretical fixed compensation).
(c) Xavier Martiré, Louis Guyot and Matthieu Lecharny waived 10% of their fixed compensation for the month of November 2020 to support the efforts made by the Group during the second wave of the Covid-19 pandemic.
(d) The variable compensation for 2021 for each member of the Management Board is based on ambitious targets and predefined quantitative performance criteria, accounting for 70%, and qualitative performance criteria, accounting for 30%. These were set by the Supervisory Board on March 8, 2021, following the advice of the Appointments, Compensation and Governance Committee. The fulfillment condition corresponding to the 2021 targets approved by the Supervisory Board at its meeting on March 8, 2022 is 165% of the fixed compensation for Xavier Martiré, Chairman of the Management Board, 113% of the fixed compensation for Louis Guyot, and 114% of the fixed compensation for Matthieu Lecharny. Amount including the estimated amount of profit-sharing for financial year 2021 to be paid to Louis Guyot and Matthieu Lecharny as Elis employees (final payment in May 2022). These amounts include profit-sharing compensation of €4,580 paid to Louis Guyot and Matthieu Lecharny as employees.
(e) Amount including profit-sharing compensation of €1,813 paid to Louis Guyot and Matthieu Lecharny as Elis employees for financial year 2020.
(f) Amount of annual variable target-based compensation for financial year 2019, paid in 2020 to Xavier Martiré, Louis Guyot and Matthieu Lecharny.
(g) No annuity was paid/allocated to members of the Management Board in 2021 as they still held positions at Elis. However, a provision (excluding expenses) was recognized at December 31, 2021 for entitlements awarded in 2021 under the supplemental retirement plan, pursuant to Article L. 137-11-2 of the French Social Security Code, namely €464,215 for Xavier Martiré, €186,097 for Louis Guyot, and €288,431 for Matthieu Lecharny.
(h) Benefits in kind are measured for members individually and correspond to a company car.

TABLE 4: STOCK OPTIONS GRANTED DURING THE YEAR TO EACH MEMBER OF THE COMPANY'S MANAGEMENT BOARD BY THE COMPANY OR ANY GROUP COMPANY

None.

TABLE 5: STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH MEMBER OF THE MANAGEMENT BOARD

None.

2

TABLE 6: BONUS SHARES GRANTED TO EACH CORPORATE OFFICER DURING THE YEAR

Name of corporate officer	Plan no. and date of grant	Number of shares granted during financial year 2021	Value of performance shares[a] *(in euros)*	Vesting date[b][e]	Availability date[c]	Performance conditions
Xavier Martiré Chairman of the Management Board	2021 plan March 10, 2021	127,932, i.e., 0.057% of the share capital[d]	1,547,977.20	March 10, 2024	March 10, 2024	› Revenue compared to business plan › Consolidated EBIT compared to business plan › Change in the relative performance of the Elis share price (TSR) compared to the EuroStoxx 600 index over three financial years[e]
Louis Guyot Member of the Management Board	2021 plan March 10, 2021	49,751, i.e., 0.022% of the share capital[d]	601,987.10	March 10, 2024	March 10, 2024	› Revenue compared to business plan › Consolidated EBIT compared to business plan › Change in the relative performance of the Elis share price (TSR) compared to the EuroStoxx 600 index over three financial years[e]
Matthieu Lecharny Member of the Management Board	2021 plan March 10, 2021	35,537, i.e., 0.016% of the share capital[d]	429,997.70	March 10, 2024	March 10, 2024	› Revenue compared to business plan › Consolidated EBIT compared to business plan › Change in the relative performance of the Elis share price (TSR) compared to the EuroStoxx 600 index over three financial years[e]
TOTAL		**213,220, I.E., 0.09% OF THE SHARE CAPITAL(D)**				

(a) The value of the performance shares is equal to that used to prepare the consolidated financial statements for the year ended December 31, 2021, calculated in accordance with the requirements of IFRS 2 by an independent appraiser. The valuation model applied is based on the underlying price of the portion not subject to market conditions and on the Monte Carlo method for the portion that is subject to market conditions. It accounts for the data and assumptions prevailing at the grant date. This amount reflects the valuation of the performance shares at the award date, which is not necessarily representative of their value at the vesting date, particularly if the performance conditions attached to their vesting are not met.

(b) The free performance shares vest at the end of a three-year period from the grant date (vesting period), subject to continuous service throughout the vesting period and the achievement of performance targets measured over three consecutive financial years.

(c) At the end of the vesting period, the shares are immediately transferable, although members of the Management Board are still subject to the obligation to retain shares for the duration of their terms of office.

(d) On the basis of the share capital as at December 31, 2021.

(e) The vesting of these shares is subject to the fulfillment of economic and stock market performance conditions assessed over three financial years and to a condition of continuous service with the Group throughout the vesting period.

(f) The economic performance conditions are defined in relation to two absolute internal criteria linked to consolidated revenue and consolidated EBIT, determined in relation to the business plan approved by the Supervisory Board in line with the guidance communicated to the market.

(g) The relative criterion is linked to the relative performance of the Company's share price compared with the EuroStoxx 600 index.

(h) The number of fully vested shares will thus depend on the number of targets achieved, with the understanding that the fulfillment of the performance criteria is binary, such that if a criterion is not fulfilled, the portion of rights linked to that target is not due and the corresponding shares do not vest: For this plan, the vesting percentages are as follows:

- *0% if none of the targets is met;*
- *34% if one of the targets is met;*
- *67% if two targets are met; and*
- *100% if all three targets are met.*

Trigger threshold for the vesting of the shares: target achievement.

Target:

- *Economic criteria: performance at least on a par with the business plan (the expected level of absolute internal targets cannot be made public for business confidentiality reasons);*
- *Stock market performance: TSR of Elis shares ≥ change in value of the EuroStoxx 600 during the period from January 1, 2021, to December 31, 2023 (20-day moving average).*

TABLE 7: SHARES THAT VESTED DURING FINANCIAL YEAR 2021 FOR EACH MEMBER OF THE MANAGEMENT BOARD

Name of corporate officer	Plan no. and date of grant[(a)]	Number of shares vested during financial year 2021	Vesting date	Availability date[(b)]	Performance conditions
Xavier Martiré Chairman of the Management Board	Plan no. 7 April 6, 2018	44,248, i.e., 50% of the class A shares granted 19,469, i.e., 66% of the class B shares granted[(c)]	April 6, 2021	April 6, 2021	Class A: › Revenue compared to business plan › Consolidated EBIT compared to business plan › Change in the relative performance of the Elis share price (TSR) compared to the EuroStoxx 600 index over three financial years Class B: › EBIT margin UK compared to business plan › EBIT margin Germany compared to business plan › synergies created in connection with the Berendsen acquisition
Louis Guyot Member of the Management Board	Plan no. 7 April 6, 2018	17,208, i.e., 50% of the class A shares granted 9,734, i.e., 66% of the class B shares granted[(c)]	April 6, 2021	April 6, 2021	Class A: › Revenue compared to business plan › Consolidated EBIT compared to business plan › Change in the relative performance of the Elis share price (TSR) compared to the EuroStoxx 600 index over three financial years Class B: › EBIT margin UK compared to business plan › EBIT margin Germany compared to business plan › synergies created in connection with the Berendsen acquisition
Matthieu Lecharny Member of the Management Board	Plan no. 7 April 6, 2018	12,291, i.e., 50% of the class A shares granted 9,734, i.e., 66% of the class B shares granted[(c)]	April 6, 2021	April 6, 2021	Class A: › Revenue compared to business plan › Consolidated EBIT compared to business plan › Change in the relative performance of the Elis share price (TSR) compared to the EuroStoxx 600 index over three financial years Class B: › EBIT margin UK compared to business plan › EBIT margin Germany compared to business plan › operational synergies

(a) See Notes 5.4 and 4.2 to the consolidated financial statements and parent company financial statements, respectively, for the year ended December 31, 2021.

(b) At the end of the vesting period, the shares are immediately transferable, although members of the Management Board are still subject to the obligation to retain shares for the duration of their terms of office.

(c) The shares vested on April 06, 2021 and were subject to the fulfillment of performance conditions assessed over a period of three financial years. The performance conditions for the vesting of the shares were defined in relation to:

- *two absolute internal criteria linked to consolidated revenue and consolidated EBIT, determined in relation to the business plan, and an external criterion linked to the Elis share price relative to the EuroStoxx 600 index (class A); or*
- *two internal criteria linked to the EBIT margin in the UK and Germany, determined in relation to the business plan and to an internal operational synergies criterion (class B).*

Target performance:

- *internal criteria: performance at least on par with the business plan (classes A and B);*
- *Stock market performance: TSR of Elis shares > change in EuroStoxx 600 (class A);*
- *operational synergies (class B).*

Trigger threshold for the vesting of the shares: *target achievement.*

Amount paid: *in view of the exceptional impact of the health crisis, the Supervisory Board, at its meeting on March 8, 2021, on the advice of the Appointments, Compensation and Governance Committee, decided, in accordance with the applicable compensation policy approved by shareholders at the general shareholders' meeting of May 18, 2018 (for the 2018 plan), to adjust the performance criteria applicable to the 2018 plans for the Executive Committee (including members of the Management Board) as follows:*

- *for the class A shares allocated under the 2018 plan, adjustment of the performance criteria on the basis of new projections established by the Board, taking into account the impact of the health crisis (in terms of the volume of customer activity and fluctuations in the main exchange rates) on the Group's theoretical trajectory; and*
- *for the class B shares allocated under the 2018 plan, adjustment of the second performance criterion (EBIT margin Germany), considering that the target would have been achieved without the health crisis. The third criterion (operational synergies) had already been approved and disclosed; conversely, the first criterion (EBIT margin UK) is not deemed to have been met.*

As a result of this adjustment, the number of vested shares acquired by members of the Executive Committee (including members of the Management Board) under the 2018 performance share plan represents 50% of the number of class A shares and 66% of the number of class B shares initially allocated.

TABLE 8: HISTORY OF GRANTS OF STOCK OPTIONS AND OTHER FINANCIAL INSTRUMENTS GIVING ACCESS TO THE COMPANY'S SHARE CAPITAL SUBSCRIBED FOR BY THE MEMBERS OF THE MANAGEMENT BOARD

None.

TABLE 9: STOCK OPTIONS GRANTED TO THE TOP 10 EMPLOYEES WHO ARE NOT CORPORATE OFFICERS AND OPTIONS EXERCISED BY THEM

None.

TABLE 10: HISTORY OF BONUS SHARE GRANTS

See Note 5.4 to the Group's 2021 consolidated financial statements and Note 5.2 to the parent company financial statements for the year ended December 31, 2021, which are included in chapter 6, "Financial statements for the year ended December 31, 2021" of this universal registration document.

No bonus shares were granted to the members of the Supervisory Board.

In view of the exceptional impact of the health crisis, the Supervisory Board, at its meeting on March 8, 2021, on the advice of the Appointments, Compensation and Governance Committee, decided, in accordance with the applicable compensation policy approved by shareholders at the general shareholders' meeting of May 23, 2019 (for the 2019 plan), to adjust the performance criteria applicable to the 2019 plan for the Executive Committee (including members of the Management Board) as follows:

- the target linked to revenue for the 2019 plan for the Executive Committee is now: 2021 annual consolidated revenue > €2,910 million;
- the target linked to EBIT for the 2019 plan for the Executive Committee is adjusted to that of the 2020 employee plans, i.e., 2021 EBIT > €319 million
- the target linked to share price remains the same as that set by the 2019 plan for the Executive Committee.

Disclosures concerning compensation awarded and paid to non-executive corporate officers (Supervisory Board members)

Thierry Morin, Chairman of the Supervisory Board for 2021

Elements of compensation paid or awarded for the financial year ended December 31, 2021	Amount or valuation submitted for voting (in euros)	Description and comments
Fixed compensation	0	Not applicable, as the 2021 compensation policy for non-executive corporate officers does not provide for it.
Annual variable compensation	0	Not applicable, as the 2021 compensation policy for non-executive corporate officers does not provide for it.
Deferred variable compensation	0	Not applicable, as the 2021 compensation policy for non-executive corporate officers does not provide for it.
Multi-year variable compensation	0	Not applicable, as the 2021 compensation policy for non-executive corporate officers does not provide for it.
Special compensation	0	Not applicable, as the 2021 compensation policy for non-executive corporate officers does not provide for it.
Stock options, performance shares or any other element of long-term compensation	0	Not applicable, as the 2021 compensation policy for non-executive corporate officers does not provide for it.
Compensation allocated to members of the Supervisory Board	229,600[(a)]	In accordance with the compensation policy for non-executive corporate officers approved by the general shareholders' meeting on May 20, 2021, the amount of compensation allocated to the Chairman of the Supervisory Board and paid in 2021 (in installments) and 2022 to Thierry Morin for the 2021 financial year is composed of a gross fixed portion equal to €186,000, and a variable portion linked to his attendance at Supervisory Board meetings during the 2021 financial year. For 2021, the variable portion was set at €3,600 (gross) for each Supervisory Board meeting attended. This amount is reduced to €1,800 (gross) for meetings attended by conference call. For 2021, this variable compensation represents an amount of €21,600 (gross), based on an attendance rate of 100%. Thierry Morin will also receive an additional payment for his duties as a member of the Audit Committee and of the Appointments, Compensation and Governance Committee, the amount of which is based on attendance at meetings of said committees. Attendance at a meeting of each committee entitles members to compensation equal to €2,000. This amount is reduced to €1,000 for meetings held by conference call. For 2021, the portion related to Thierry Morin's attendance at committee meetings amounted to €22,000, reflecting his attendance rate of 100%.
Benefits of any kind	0	Not applicable, as the 2021 compensation policy for non-executive corporate officers does not provide for it.
Severance benefits	0	Not applicable, as the 2021 compensation policy for non-executive corporate officers does not provide for it.
Non-compete benefits	0	Not applicable, as the 2021 compensation policy for non-executive corporate officers does not provide for it.
Supplemental retirement plan	0	Not applicable, as the 2021 compensation policy for non-executive corporate officers does not provide for it.
Executive liability insurance	0	Applicable.

(a) Gross amount before 17.2% withholding tax and a 12.8% tax installment payment.

2

Other members of the Supervisory Board

The total compensation paid during the 2021 financial year or awarded for the 2021 financial year to each member of the Supervisory Board for their terms of office as members of the Supervisory Board and, where applicable, its special committees, is presented below in summary table 3 "Fees and other compensation granted to members of the Supervisory Board."

These elements are the only compensation paid during the 2021 financial year or awarded for the 2021 financial year to members of the Supervisory Board in accordance with the compensation policy applicable to them, as approved by the shareholders at the general shareholders' meeting on May 20, 2021.

As a reminder, the amount of fixed compensation awarded to the Chairman of the Supervisory Board and committee chairs was increased in 2021 by reducing the variable portion awarded to the latter from €3,000 to €2,000.

- Chairman of the Board: €186,000 (versus €36,000 in 2020)
- Chairman of a committee: €10,000 (no fixed portion in 2020)

No member of the Company's Supervisory Board has received compensation of any kind whatsoever from companies included in the scope of consolidation, as defined in Article L. 233-16 of the French Commercial Code.

Note that members of the Supervisory Board representing employees do not receive any specific compensation in exchange for their service.

Furthermore, the failure to implement the gender equality provisions applicable to Supervisory Boards in Article L. 225-69-1 of the French Commercial Code has led to the suspension of all payments of compensation allocated to Supervisory Board members. Payments, including any arrears accrued since the suspension, will resume only once the composition of the Supervisory Board is in compliance.

Article L. 225-45, paragraph 2 of the French Commercial Code did not apply in 2021.

TABLE 3: COMPENSATION RECEIVED BY MEMBERS OF THE SUPERVISORY BOARD

Non-executive corporate officer (Supervisory Board member)	Compensation for work and attendance at Board and committee meetings (*gross amounts* in euros*)				Other compensation (fixed, variable, special, benefits in kind)			
	2021 **		2020		**2021**		2020	
	Fixed	**Variable**	Fixed	Variable	**Fixed**	**Variable**	Fixed	Variable
Thierry Morin	186,000	43,600	36,000	34,000	0	0	0	0
Florence Noblot(a)	28,000	25,600	18,000	30,000	0	0	0	0
Philippe Delleur	18,000	18,000	18,000	18,000	0	0	0	0
Magalie Chessé(b)	0	0	0	0	0	0	0	0
Anne-Laure Commault	18,000	21,600	18,000	18,000	0	0	0	0
Joy Verlé	18,000	33,600	18,000	26,000	0	0	0	0
Antoine Burel	28,000	31,600	18,000	30,000	0	0	0	0
Amy Flikerski(c)	18,000	18,000	9,000	14,400	0	0	0	0
Fabrice Barthélemy(d)	28,000	33,600	9,000	10,800	0	0	0	0
Philippe Beaudoux(e)	0	0	0	0	0	0	0	0
Valérie Gandré(e)	0	0	0	0	0	0	0	0
TOTAL	**342,000**	**225,600**	**126,000**	**181,200**	**0**	**0**	**0**	**0**

(*) Before social security contributions of 17.2% and a withholding tax of 12.8% as a tax installment for Supervisory Board members who are French tax residents and a withholding tax for members who are not.

(**) New policy for the fixed and variable compensation awarded to the Chairman and members of the Supervisory Board in 2021 approved by the general shareholders' meeting of May 20, 2021 (10th and 11th resolutions).

(a) Florence Noblot was appointed Chair of the CSR Committee by the Supervisory Board on October 21, 2020. She had previously chaired the Appointments, Compensation and Governance Committee.

(b) Magali Chessé does not receive compensation for her service as a member of the Supervisory Board or of the Audit Committee, in accordance with the compensation policy applicable to entities of the Crédit Agricole group, (including Predica, a subsidiary of Crédit Agricole Assurances) and their representatives on Elis's Supervisory Board for attendance at meetings of the Supervisory Board and its committees from January 1, 2019.

(c) Amy Flikerski was appointed member of the Supervisory Board by the combined general shareholders' meeting on June 30, 2020.

(d) Fabrice Barthélemy was appointed member of the Supervisory Board by the combined general shareholders' meeting on June 30, 2020 and Chairman of the Appointments, Compensation and Governance Committee by the Supervisory Board at its meeting on October 21, 2020.

(e) Philippe Beaudoux and Valérie Gandré were appointed members of the Supervisory Board representing employees by the Group works council on November 2, 2020. They receive no compensation for this appointment.

2.2.3 Shareholder approval and presentation of resolutions relating to compensation (Say on Pay)

Pursuant to Article L. 22-10-26 II and Article L. 22-10-34 of the French Commercial Code, the compensation policy for corporate officers, as well as the elements of compensation to be paid or awarded to corporate officers, will be submitted for shareholder approval at the next general shareholders' meeting. The draft resolutions related to say on pay are presented below (note that the numbering of the draft resolutions is for reference only; the definitive numbering will be published in the notice of meeting that will appear in the French bulletin of mandatory legal announcements (Bulletin des annonces légales obligatoires – BALO)). The results of the shareholder voting will be published on the Company's website on the first business day after the vote.

Seventh resolution

Approval of the compensation policy applicable to the Chairman of the Supervisory Board for the year ending December 31, 2022

The general shareholders' meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board's report and the Supervisory Board's report on corporate governance provided for in Article L. 22-10-20 of the French Commercial Code and attached to the management report describing the compensation policy for corporate officers, namely the information relating to the corporate officers as a whole and to each corporate officer individually, approves, in accordance with Articles L. 22-10-26 and R. 22-10-18 of the French Commercial Code, the compensation policy applicable to the Chairman of the Company's Supervisory Board for the financial year ending December 31, 2022, as described in the Supervisory Board's report on corporate governance attached to the management report and presented in chapter 2 "Corporate governance" of the Company's 2021 Universal Registration Document.

Eighth resolution

Approval of the compensation policy applicable to members of the Supervisory Board for the year ending December 31, 2022

The general shareholders' meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board's report and the Supervisory Board's report on corporate governance provided for in Article L. 22-10-20 of the French Commercial Code and attached to the management report describing the compensation policy for corporate officers, namely the information relating to the corporate officers as a whole and to each corporate officer individually, approves, in accordance with Articles L. 22-10-26 and R. 22-10-18 of the French Commercial Code, the compensation policy applicable to the members of the Company's Supervisory Board for the financial year ending December 31, 2022, as described in the Supervisory Board's report on corporate governance attached to the management report and presented in chapter 2 "Corporate governance" of the Company's 2021 Universal Registration Document.

Ninth resolution

Approval of the compensation policy applicable to the Chairman of the Management Board for the year ending December 31, 2022

The general shareholders' meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board's report and the Supervisory Board's report on corporate governance provided for in Article L. 22-10-20 of the French Commercial Code and attached to the management report describing the compensation policy for corporate officers, namely the information relating to the corporate officers as a whole and to each corporate officer individually, approves, in accordance with Articles L. 22-10-20 and R. 22-10-18 of the French Commercial Code, the compensation policy applicable to the Chairman of the Company's Management Board for the financial year ending December 31, 2022, as described in the Supervisory Board's report on corporate governance attached to the management report and presented in Chapter 2 "Corporate governance" of the Company's 2021 Universal Registration Document.

Tenth resolution

Approval of the compensation policy applicable to members of the Management Board for the financial year ending December 31, 2022

The general shareholders' meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board's report and the Supervisory Board's report on corporate governance provided for in Article L. 22-10-20 of the French Commercial Code and attached to the management report describing the compensation policy for corporate officers, namely the information relating to the corporate officers as a whole and to each corporate officer individually, approves, in accordance with Articles L. 22-10-20 and R. 22-10-18 of the French Commercial Code, the compensation policy applicable to members of the Management Board for the financial year ending December 31, 2022, as described in the Supervisory Board's report on corporate governance attached to the management report and presented in chapter 2 "Corporate governance" of the Company's 2021 Universal Registration Document.

Eleventh resolution

Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code on compensation paid during the 2021 financial year or awarded for the 2021 financial year to all corporate officers in respect of their appointments to the Supervisory Board or the Management Board

The general shareholders' meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Supervisory Board's report on corporate governance referred to in Article L. 22-10-20 of the French Commercial Code, approves, pursuant to Article L. 22-10-34 of the French Commercial Code, the information referred to in Article L. 22-10-9(I) of the French Commercial Code on compensation paid during the 2021 financial year or awarded for the 2021 financial year to all corporate officers in respect of their tenure on the Supervisory Board or Management Board, as such information appears in the report on corporate governance attached to the management report, presented in chapter 2 "Corporate governance" of the Company's 2021 Universal Registration Document.

Twelfth resolution

Approval of the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to Thierry Morin, Chairman of the Supervisory Board, for the financial year ended December 31, 2021

The general shareholders' meeting, voting with the quorum and majority required for ordinary general shareholders' meetings, and having reviewed the Supervisory Board's report on corporate governance attached to the management report, approves, pursuant to Article L. 22-10-34, III of the French Commercial Code, the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to **Thierry Morin** in his capacity as Chairman of the Supervisory Board for the financial year ended December 31, 2021, as described in the Supervisory Board's report on corporate governance attached to the management report and presented in chapter 2 "Corporate governance" of the Company's 2021 Universal Registration Document.

Thirteenth resolution

Approval of the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to Xavier Martiré, Chairman of the Management Board, for the financial year ended December 31, 2021

The general shareholders' meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Supervisory Board's report on corporate governance attached to the management report, approves, pursuant to Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to **Xavier Martiré** in his capacity as Chairman of the Management Board for the financial year ended December 31, 2021, as described in the Supervisory Board's report on corporate governance attached to the management report and presented in chapter 2 "Corporate governance" of the Company's 2021 Universal Registration Document.

Fourteenth resolution

Approval of the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to Louis Guyot, member of the Management Board, for the financial year ended December 31, 2021

The general shareholders' meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Supervisory Board's report on corporate governance attached to the management report, approves, pursuant to Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to **Louis Guyot** in his capacity as member of the Management Board for the financial year ended December 31, 2021, as described in the Supervisory Board's report on corporate governance attached to the management report and presented in chapter 2 "Corporate governance" of the Company's 2021 Universal Registration Document.

Fifteenth resolution

Approval of the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to Matthieu Lecharny, member of the Management Board, for the financial year ended December 31, 2021

The general shareholders' meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Supervisory Board's report on corporate governance attached to the management report, approves, pursuant to Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to **Matthieu Lecharny** in his capacity as member of the Management Board for the financial year ended December 31, 2021, as described in the Supervisory Board's report on corporate governance attached to the management report and presented in chapter 2 "Corporate governance" of the Company's 2021 Universal Registration Document.

2.3 PARTICIPATION OF SHAREHOLDERS TO GENERAL SHAREHOLDERS' MEETINGS

Pursuant to Articles 23 and 24 of the Company's bylaws, general shareholders' meetings are convened and held as provided by law. Meetings are held either at the registered office or at another location stated in the notice of meeting. Shareholders must prove they have the right to attend the Company's general shareholders' meetings as provided by law.

All shareholders may participate in meetings either in person or by proxy. They may also participate in any meeting by voting by mail or online under the conditions provided by the legal and regulatory provisions in force.

The Management Board has the option to authorize proxy and vote-by-mail forms to be sent to the Company by remote transmission (including any electronic means) per the legal and regulatory provisions in force.

When used, electronic signatures may be considered a reliable process that satisfies the conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code. Upon the decision of the Management Board to use such means of telecommunications as published in the notice of meeting or in the meeting announcement, shareholders who participate in the meeting by video conference or by means of telecommunications that make it possible to identify them under the conditions provided by the regulations in force are deemed to be present for the purposes of quorum and majority.

Meetings are chaired by the Chairman of the Supervisory Board or, in the Chairman's absence, by the Vice-Chairman. If both are absent, the meeting elects its own Chairman.

Meetings minutes are prepared and copies or excerpts thereof are certified and issued in accordance with the law.

2.4 FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

(See chapter 7, section 7.2.3 of this universal registration document.)

2

2.5 SUMMARY TABLE OF THE DELEGATIONS OF AUTHORITY AND POWERS GRANTED TO THE MANAGEMENT BOARD

Type of delegation or authorization granted to the Management Board by the general shareholders' meeting	Maximum amount authorized *(in euros)*	Authorization date	Expiration date	Duration of the authori-zation	Use in 2021	To be renewed in 2022 (Y/N)
Capital increase through the issue of shares and/or any other securities giving access to the Company's share capital						
Capital increase through the capitalization of reserves; profits; share, merger or contribution premiums or other additional paid-in capital	130 million	June 30, 2020 (17th resolution)	August 31, 2022	26 months	April 6, 2021 May 2, 2021 June 29, 2021 August 1, 2021	Y
Capital increase through the issue of shares and/or any other securities giving access, immediately or in future, to the Company's share capital, with preferential subscription rights	110 million[(a)]	June 30, 2020 (18th resolution)	August 31, 2022	26 months	-	Y
Capital increase through the issue of shares and/or any other securities giving access, immediately or in the future, to the Company's share capital without preferential subscription rights, under a public exchange offer	22 million[(b)(c)]	June 30, 2020 (19th resolution)	August 31, 2022	26 months	–	Y
Capital increase through the issue of shares and/or any other securities giving access, immediately or in future, to the Company's share capital without preferential subscription rights, as part of an offering referred to in section II of Article L. 411-2 of the French Monetary and Financial Code	10% of the Company's share capital as at the date of the transaction per 12-month period[(c)(d)]	June 30, 2020 (20th resolution)	August 31, 2022	26 months	-	Y
Authorization, in the event of an issue of shares and/or securities giving access, immediately or in the future, to the Company's share capital without preferential subscription rights, to set the issue price[(f)]	10% of the Company's share capital as at the date of the transaction per 12-month period	June 30, 2020 (21st resolution)	August 31, 2022	26 months	–	Y
Increase in the number of shares or other securities to be issued in the event of a capital increase with or without preferential subscription rights	15% of the initial issue	June 30, 2020 (22nd resolution)	August 31, 2022	26 months	–	Y
Capital increase through the issue of shares and/or securities giving access, immediately or in the future, to the share capital in consideration for contributions in kind granted to the Company	10% of the Company's share capital at the time of the issue	June 30, 2020 (23rd resolution)	August 31, 2022	26 months	–	Y
Share buyback program						
Share buyback	10% of the Company's share capital Maximum purchase price per share: €30 Maximum purchase amount: 350 million	June 30, 2020 (17th resolution) May 20, 2021 (20th resolution)	December 31, 2021 November 20, 2022	18 months	Use outside of the liquidity agreement: yes[(e)] Use under the liquidity agreement:[(e)]	Y
Capital reduction through the cancellation of treasury shares	10% of the Company's share capital per 24-month period	June 30, 2020 (28th resolution) May 20, 2021 (22nd resolution)	December 31, 2021 November 20, 2022	18 months	–	Y

Type of delegation or authorization granted to the Management Board by the general shareholders' meeting	Maximum amount authorized *(in euros)*	Authorization date	Expiration date	Duration of the authori-zation	Use in 2021	To be renewed in 2022 (Y/N)
Transactions reserved for employees and corporate officers						
Grant of bonus shares, existing or to be issued, to Group employees and/or corporate officers	2.5% of the total number of Company shares at the grant date (0.6% of the share capital for executive corporate officers)	June 30, 2020 (27th resolution)	August 31, 2023	38 months	March 10, 2021 (g) August 30, 2021 (g)	N
Capital increase through the issue of shares and/or any other securities giving access to the Company's share capital reserved for employees who are members of a Company savings plan	5 million (h)	June 30, 2020 (24th resolution)	August 31, 2022	26 months	June 29, 2021	Y
Capital increase through the issue of ordinary shares or securities giving access to the Company's share capital reserved for employees	5 million (h)	May 20, 2021 (21st resolution)	November 20, 2022	18 months	June 29, 2021	Y

(a) Overall limit of capital increases with and without preferential subscription rights that may be carried out under the 18th to 20th and 22nd to 23rd resolutions adopted by the general shareholders' meeting on June 30, 2020.

(b) Overall limit applicable to capital increases without preferential subscription rights that may be carried out under the 19th and 23rd resolutions adopted by the general shareholders' meeting on June 30, 2020.

(c) Deducted from the overall limit of €110 million set by the 26th resolution adopted by the general shareholders' meeting on June 30, 2020.

(d) Deducted from the limit of €22 million set by the 19th resolution adopted by the general shareholders' meeting on June 30, 2020.

(e) See details in chapter 7, section 7.2.2 of this universal registration document.

(f) Under this authorization, should it be used by the Management Board, the issue price of the shares would be set in accordance with the following conditions:
- *The issue price of the shares will be at least equal to the closing price of the Company's shares on the Euronext Paris market on the last trading day preceding the date on which the price is set, potentially less a discount of up to 5%;*
- *The issue price of the securities giving access immediately or in the future to capital will be such that, for each share issued as a result of those securities being issued, the sum immediately received by the Company, plus any sum it might subsequently receive, is at least equal to the amount referred to in the paragraph above.*

(g) Used to cover the free performance share allocation plans whose vesting period expired in 2021 (See chapter 6 of this universal registration document and Note 5.4 and Note 4.2 to the 2021 consolidated and parent company financial statements, respectively).

(h) Not deducted from the overall limit of €110 million set by the 26th resolution adopted by the general shareholders' meeting on June 30, 2020.

2.6 SUPERVISORY BOARD'S OBSERVATIONS ON THE MANAGEMENT BOARD'S REPORT

To the Shareholders,

Our Company's Management Board has called a combined general shareholders' meeting, in accordance with the law and the Company's bylaws, to inform you of the position and activities of the Company during the financial year ended December 31, 2021, and to submit for your approval the financial statements for said financial year and the allocation of income.

We would like to remind you that in accordance with Article L. 22-10-20 of the French Commercial Code, the Supervisory Board must present to the annual ordinary general shareholders' meeting its observations on the Management Board's management report and the financial statements for the year under review, on which you are asked to vote.

We are informing you that the Management Board has provided the Supervisory Board with the parent company financial statements for 2021, the consolidated financial statements for 2021, and the Management Board's management report in accordance with Article L. 22-10-20 of the French Commercial Code.

Having verified and audited the parent company financial statements for 2021, the consolidated financial statements for 2021 and the Management Board's report, we believe that there are no specific matters to report regarding these documents.

The resolutions presented to you by the Management Board have been discussed and approved by the Supervisory Board.

Pursuant to the provisions of Articles L. 22-10-26, R. 22-10-18 and L. 22-10-34 of the French Commercial Code, the Supervisory Board has drawn up the resolutions pertaining, first, to the principles and criteria for determining, structuring and awarding the fixed, variable and special elements of total compensation and benefits of any kind attributable to Management Board and Supervisory Board members for the fulfillment of their duties, and second, to the elements of compensation due or awarded to members of the Management Board and to the Chairman of the Supervisory Board.

We hope that you will agree with all of the proposals made by the Management Board in its report and choose to adopt the resolutions submitted to you.

The Supervisory Board


Jarunee

3

Our environmental and corporate social responsibility AFR

Elis Toulouse

3.1 WHO IS ELIS?

Elis is a multi-service provider offering textile, hygiene and facility services solutions.

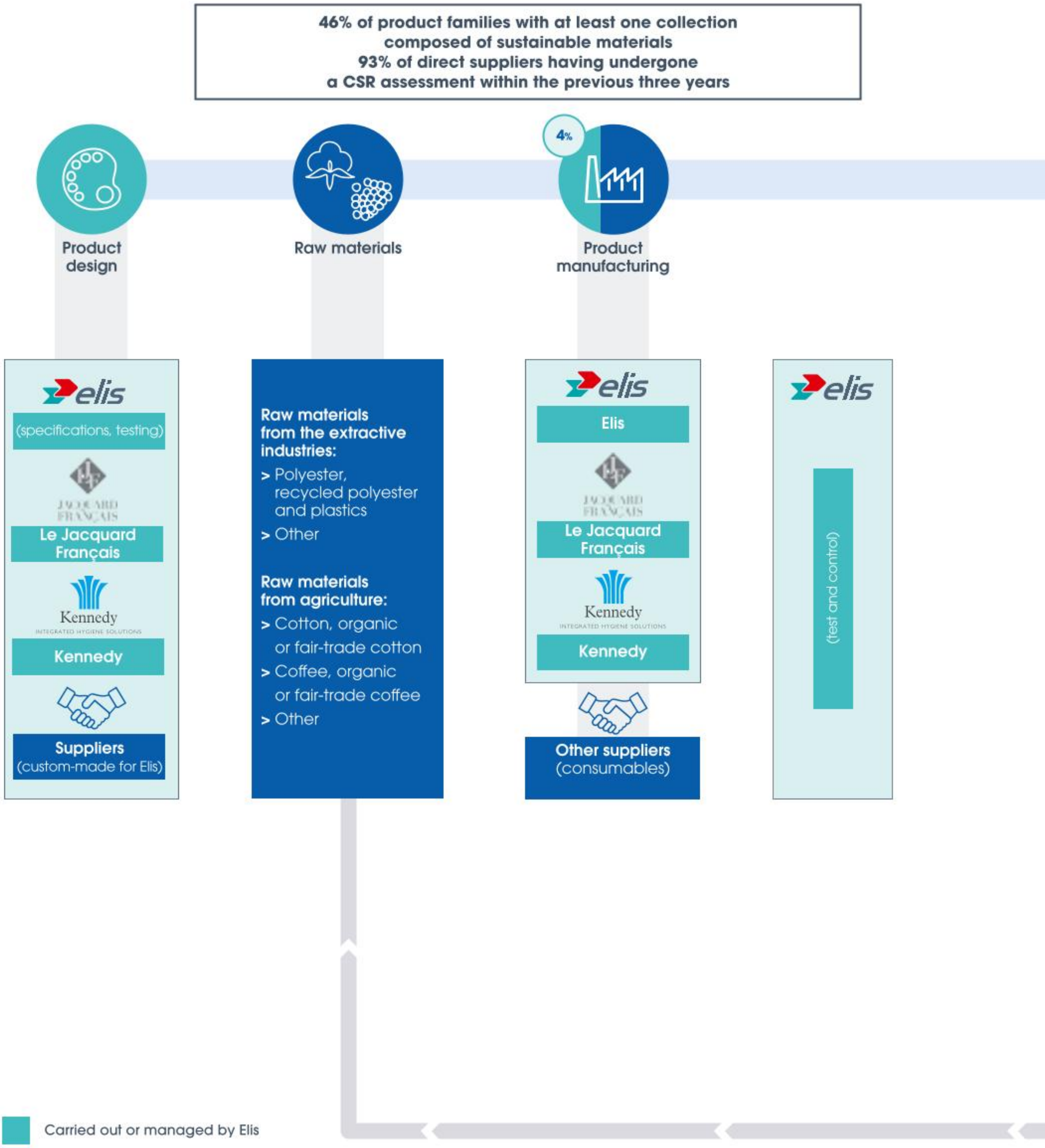
With our international scale and position as market leader comes a responsibility not only for our own people and customers, but also for the environment and society at large. Acting as a responsible company has long been fully integrated as part of Elis' business model and is fundamental to who we are,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

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 Elis' development and strategy. This reflects the fact that our multiservice business exemplifies the notion of a "circular economy," in which the take-make-dispose model of production is replaced by a system that maximizes the value of resources and significantly minimizes waste. At the same time, we genuinely involve our employees, ensuring a positive workplace environment in which diversity is promoted and ethics and integrity instilled in all we do.

To demonstrate our commitment to doing our part to create a more sustainable world for the benefit of society, the environment and our employees, in 2020 we formalized an ambitious program of actions running until 2025.

Xavier Martiré,
Chairman of the Management Board



Carried out or managed by Elis

Carried out by third parties

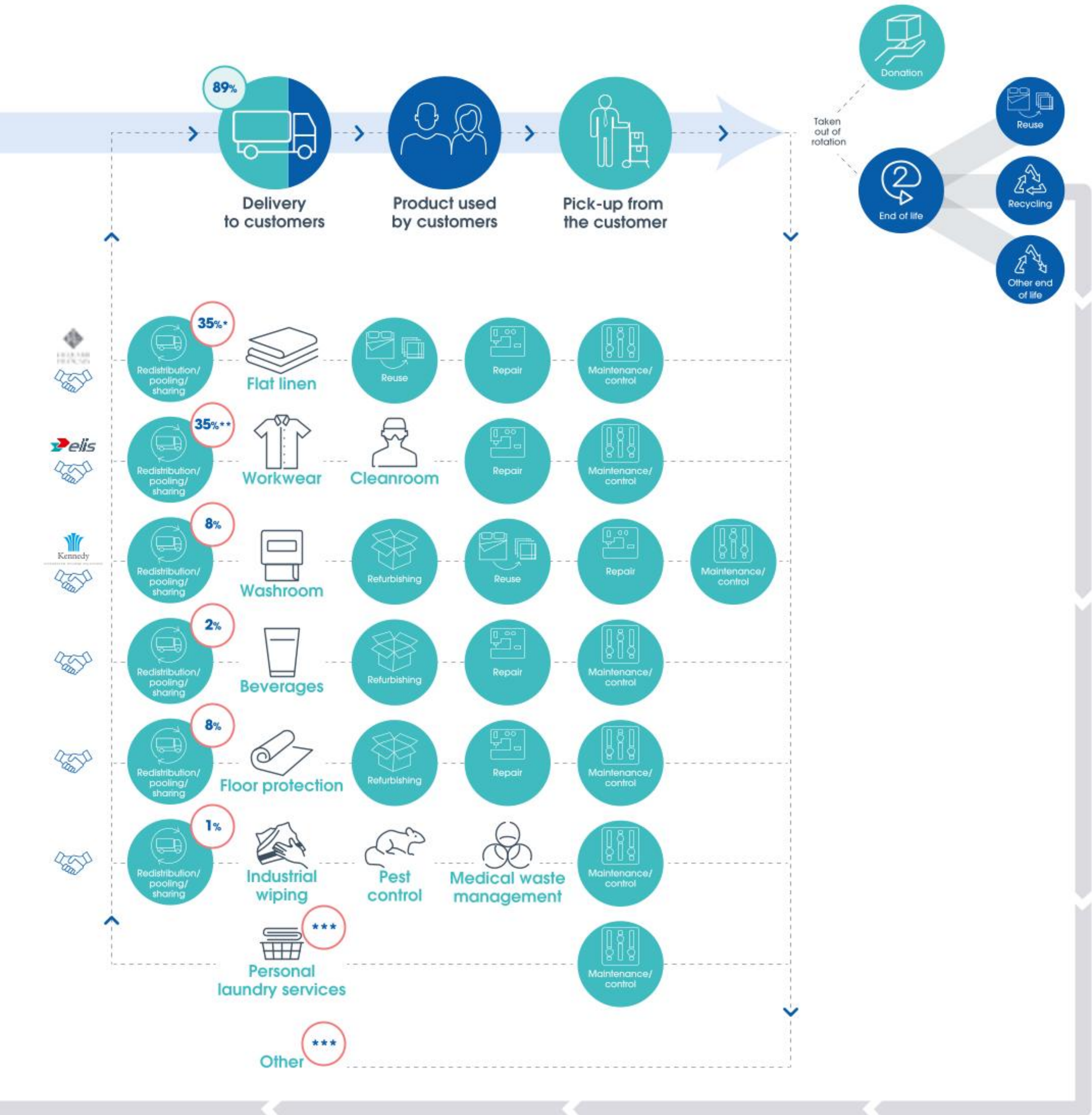
x Share of activities carried out by Elis

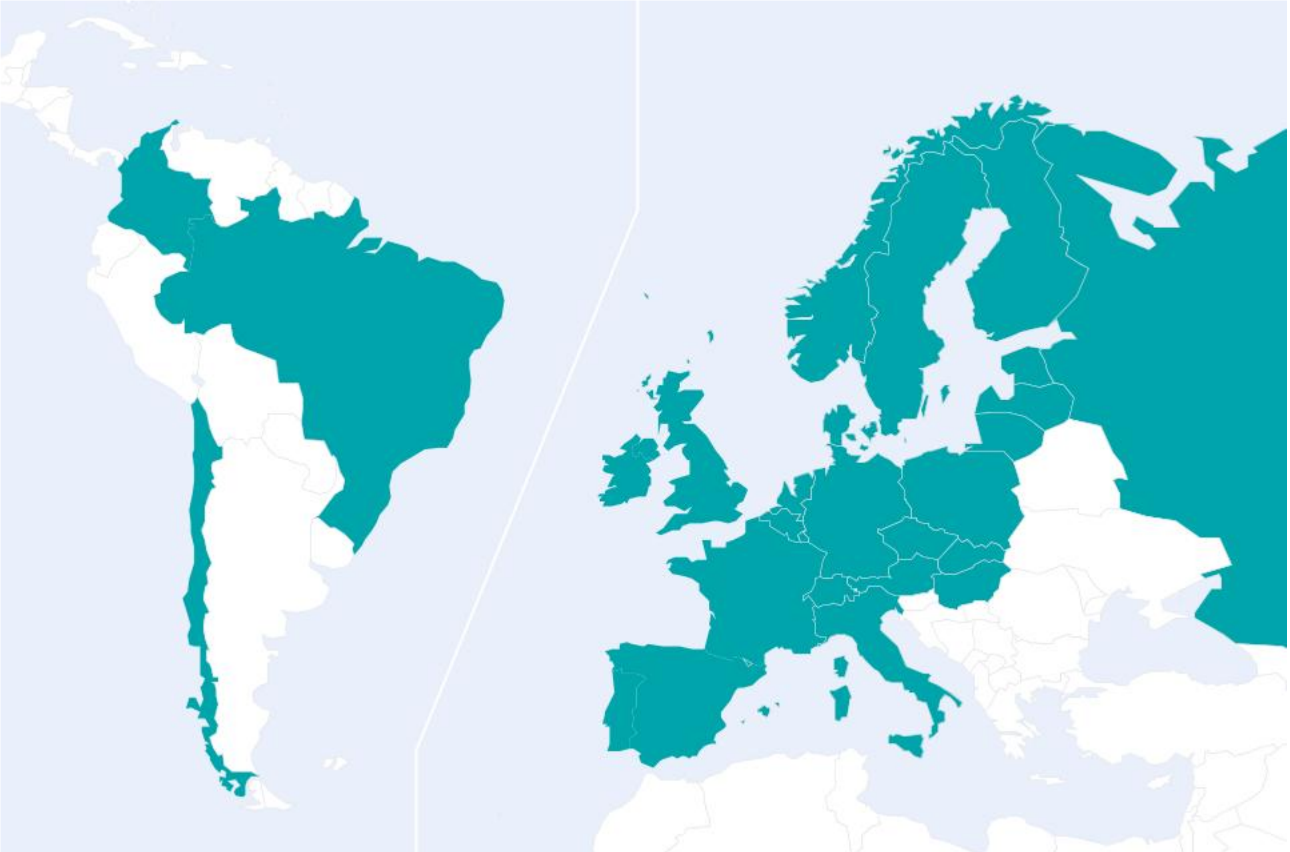
x Share of the Group's revenue from the product as a service business model

Revenue excluding the product-service system: *: 4%, **: 3%, ***: 2%

Group subsidiaries that do business directly with consumers or other customers

Share of revenue from the circular economy: 89%





Our facilities

425 sites: 320 laundries, 7 production sites, 83 logistics centers or warehouses, 15 offices

141 ISO 14001-certified sites, 73 ISO 45001 or OHSAS 18001 sites, 78 ISO 50001-certified sites and 30 Nordic Swan-certified sites

23% renewable energy (thermal and electrical)
Fleet mostly in-house (almost 90%), with 521 alternative vehicles

Our people

48,738 employees

53% of women in the permanent workforce
34% of women in executive or managerial role

Almost 60% of the workforce with more than three years of service, with 19% of employees having over 15 years

75% of the workforce in Europe, of which 25% in France
25% of the workforce in Latin America

Our values, the cornerstone of our corporate culture

Respect | Integrity | Responsibility | Exemplarity

Elis's corporate culture, steeped in its history as a family-owned company, is also built on the strong values of local management, mindful of people and long-term commitment.

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

3.2 OUR CSR STRATEGY

3.2.1 Embedded CSR governance and management

CSR governance structure in detail

Sustainability, or corporate social responsibility (CSR), can be a source of both risks and opportunities, and with that in mind 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 him.

The Executive Committee regularly takes up the issue of sustainability during its meetings, and particularly its main topics: climate strategy, energy performance and water consumption of the plants, diversity and inclusion, responsible product offer, development of the health and safety culture, and progress of the ethics action plans.

Since 2020 the Supervisory Board has had a special CSR Committee that helps it monitor and anticipate CSR issues as they relate to both setting its strategy and implementing it. The CSR Committee met twice in 2021, in July and December.

In addition, a report on the sustainable development program, its objectives and its performance is delivered at least once per year to the Supervisory Board and to shareholders during the general shareholders' meeting. Reports are also made regularly on specific aspects of CSR to the Supervisory Board, notably as part of the presentation of the Group's industrial strategy and strategy planning days.

To effectively coordinate the Group's CSR projects — especially its ambitious program running to 2025 — and to keep them moving forward, the CSR Director works closely with the members of the Executive Committee and their teams, who are put in charge of certain objectives:

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

	CSR Committee		Executive Committee	
PROGRESS AND PERFORMANCE MONITORING	› Assists the Supervisory Board with CSR topics › Reviews the Group's CSR directions and performance › Advises on the Group's CSR strategy in light of the main stakes, risks and opportunities		› Confirms the strategic directions for sustainable development › Monitors progress on strategic CSR projects › Reviews the performance and decides on action plans	
	› 2 meetings of the CSR Committee in 2021 (July/December) › CSR topics covered at 50% of the meetings of the Supervisory Board		› CSR topics covered at 6 meetings of the Executive Committee (55%)	
	Sustainable Development Department			
DEFINITION OF THE STRATEGY AND COORDINATION	› Defines and coordinates the Group's CSR strategy › Communicates and interacts with stakeholders › Engages employees › Analyzes and shares CSR trends › Leads cross-functional strategic projects › Supports the development of the Elis Foundation			
	Sponsors and their teams	**Human Resources Department**	**CSR & QHSE Coordinators**	**Elis sites**
IMPLEMENTATION	› Oversee and implement certain strategic CSR projects › Monitor and report on the associated performance	› Defines the HR strategy and its implementation in the regions and countries › Monitors and reports on the HR performance › Monitors emerging issues and stakeholder expectations	› Roll out and coordinate the CSR and QHSE strategy in the regions and countries › Support the sites and report on their performance › Ensure alignment with regulations › Analyze emerging issues and communicate with local stakeholders	› Apply the Group's standards › Implement projects › Communicate the Group's commitments to their customers › Relay the expectations expressed by stakeholders (mainly customers)

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 a product as a service business model, offering its customers the use of products, rather than selling the products themselves. 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 belief that Elis's long-standing experience in the circular economy and its related mindset, position it as a solution to address current environmental challenges and our planet finite boundaries.

This CSR strategy aligns with the Group's overall strategy, which is based on customer satisfaction and the ability to enter 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 main challenges and is built around the three pillars below.

The associated objectives 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.

CIRCULARITY: OUR MINDSET FOR MORE THAN 75 YEARS

CIRCULARITY AND EXEMPLARITY TO REDUCE OUR IMPACT ON THE PLANET

> Master circularity in everything we do
› Develop even further our circular approach on our Products, Services & Operations
› Bring our lower carbon and resources solutions to our customers
> Ecodesign our product & services to support our customers in their sustainability journey
> Be best in class in our day-to-day operations to limit our impact on the environment

EMPOWER OUR EMPLOYEES AND SUPPORT THEIR DEVELOPMENT

> Attract talents and support our employees development
> Ensure well being at work and drive for zero accidents
> Ensure equal opportunity for everyone

MAKE A POSITIVE IMPACT FOR THE SOCIETY

> Offer products and services that contribute to hygiene or to reduce resources consumption
> Contribute to our local communities and support the causes that we value
> Work responsibly along our value chain and engage on CSR to find solutions to today's CSR challenges

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 2021, including the indicators used, is discussed in Chapter 2, section 2.2.2, "Compensation allocated and paid to corporate officers", of the 2021 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 financial performance and results. In 2022, a criterion based on CSR performance will be introduced (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 kg of linen delivered over the period from 2018 to 2030 for its laundries in Europe;
- gender balance, with a commitment to increase the proportion of women in executive or managerial role to 42% by 2030.

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

Employee engagement and CSR awareness

The Group uses a variety of communication methods to engage and educate employees about sustainability: the Group intranet, a monthly newsletter that regularly covers CSR (in 2021, 90% of the newsletters contained at least one CSR news item), a quarterly magazine distributed to all employees, and more.

In addition, the Group regularly promotes the benefits of the circular economy among all its employees.

A range of initiatives were executed in 2021:

- education and information campaigns about climate issues during COP26, including, in Sweden, internal competitions, webinars, messages from the local management team and the provision of information and key resources;
- social activities tied to sustainability in order to educate people about environmental impact and diversity: the creation of a Christmas tree out of reused or recycled materials, a potluck lunch spotlighting culinary specialties from employees' regions, the installation and upkeep of a beehive, internal competitions to promote exercise, beach cleaning, linen donations to charities, athletic and charity challenges, etc.;
- introductory video about CSR topics, shared with the sales teams;
- an information campaign on existing CSR tools.

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, sustainable 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 sector. CSR is increasingly becoming a part of the processes used when identifying acquisition targets and signing agreements with them, as well as the integration processes. For example:

- whenever it acquires a new company, Elis 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 not included in the annual reporting. They will be included within two years at the most in order to ensure that the reporting is implemented and reliable.

3

3.2.3 Our CSR roadmap: clear and ambitious targets

The pillars of our strategy	Our stakes, sources of risk and opportunities	Our commitments and objectives	Progress as of 2021	Section	Contribution to the Sustainable Development Goals (SDGs)
Circularity and exemplarity to reduce our impact on the planet	Fighting and adapting to climate change	Reducing by 20% CO_2 intensity in the operations between 2010 and 2025	-19%	3.3.6	9 Industry, innovation and infrastructure; 13 Climate action
	Reducing our energy consumption	Improving the thermal efficiency of European laundries by 35% between 2010 and 2025	-22%	3.3.5	7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production
	Reducing our energy consumption	Accelerating the transition of the logistics fleet toward alternative vehicles	A fleet of 257 alternative logistic vehicles (compared with 134 in 2020)	3.3.5	11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action
	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	-40%	3.3.3	6 Clean water and sanitation; 12 Responsible consumption and production
	Further developping circularity & Reducing and properly managing our waste	Reuse or recycle 80% of our end-of-life textiles by 2025	72%	3.3.1 and 3.3.4	12 Responsible consumption and production; 17 Partnerships for the goals
	Eco-designing our products and services	Offer at least one collection composed of sustainable materials for each product family	46%	3.3.2	12 Responsible consumption and production
Empower our employees and support their development	Protecting our employees	Reducing the frequency of Group employees' accidents by 50% between 2019 and 2025	-6.3%	3.4.2	3 Good health and well-being
	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	5 Gender equality; 8 Decent work and economic growth
	Listening to, valuing our employees and ensuring their well-being at work	Expand the Group's Chevrons program	300 Chevrons (+30% compared with 2018)	3.4.1	8 Decent work and economic growth
Making a positive impact for the Society	Contributing to our local communities and supporting the causes that we value	Tripling the impact of the Elis Foundation by 2025	3rd class welcomed in September	3.5.4	4 Quality education
	Working responsibly with third parties	95% of direct suppliers to have undergone a CSR assessment within the previous three years	93%	3.5.3	8 Decent work and economic growth; 16 Peace, justice and strong institutions

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Beyond its engagement program, and given its circular economy model and operations model, the Group believes it has a major role to play in achieving UN Sustainable Development Goal (SDG) 12, "Ensure sustainable consumption and production patterns." »

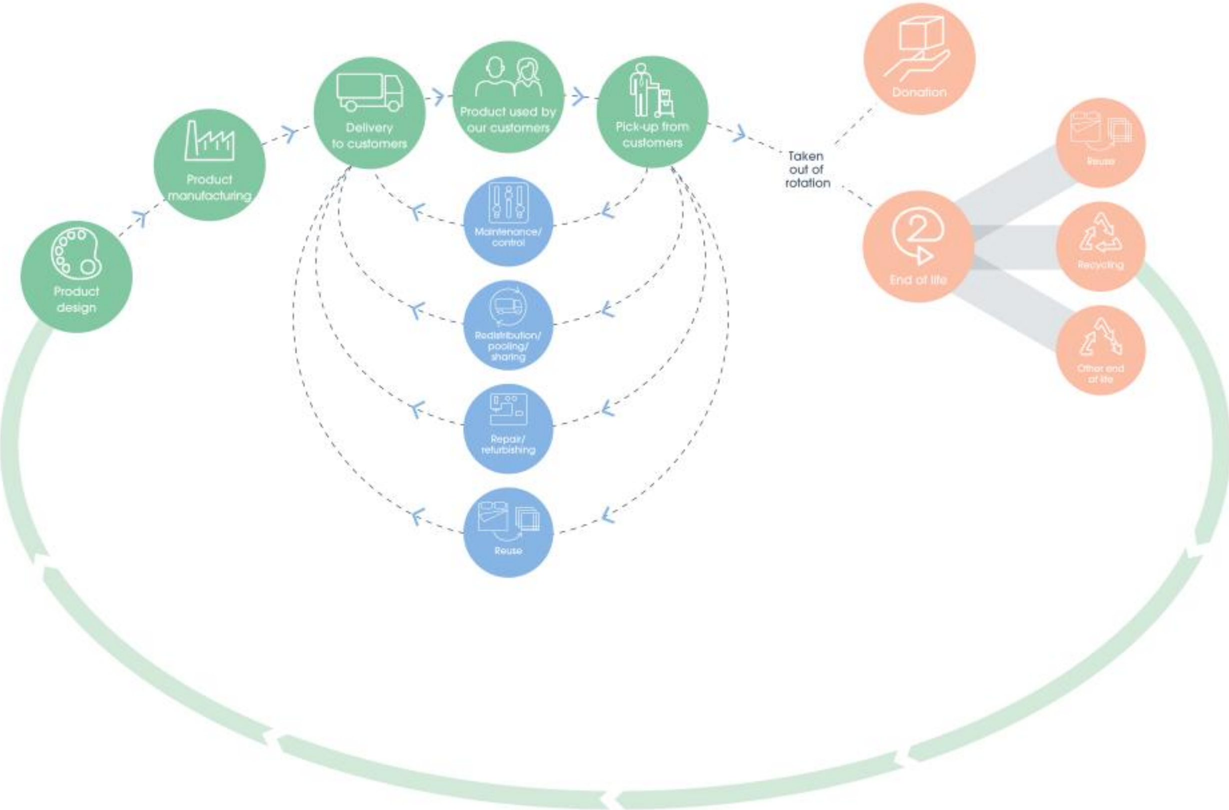
In addition, in Sweden and Denmark the Group has earned a certification recognizing its incorporation of the SDGs into the Company's processes: setting the strategy, contributing to the SDGs, implementing programs and tracking performance. These certifications were renewed in 2021.

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 use of a product rather than selling the product itself (product as a service business model). 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, primarily through reducing natural resources consumption and keeping products in use, is a sustainable solution to address current environmental challenges and our planet finite boundaries.

The Ellen MacArthur Foundation stresses that the circular economy is needed to achieve net zero emissions and that moving our business models toward a circular economy could reduce CO_2 emissions by nearly 10 billion tons (or 20% of global emissions).[(1)]

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

- to the simple purchase or use of products: by maximizing their use through sharing resources and optimizing industrial maintenance processes. The change in size of people wearing the clothes, the arrival or departure of employees, and changes of collection are common events within companies for which the product as a service system offers a solution. 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;
- 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.

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

- The use of reusable scrubs in healthcare facilities **reduces CO_2** emissions by 31% compared to disposable scrubs, **a figure that can go up to 62%** depending on actual consumption.

- The use of cloth roller towel dispensers **reduces CO2 emissions by as much as 29%** compared to disposable paper towels.

(1) *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: selecting materials and carrying out durability tests on them, analyzing the impacts of materials starting from the design phase, optimizing product designs to make products easier to repair;
- 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 in plants, such as with the Kangaroo® (Cleanroom) product line that 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 stock between different geographic areas, through product repair – or even refurbishing in certain cases – or through internal reuse (e.g. turning a hand towel into a rag);
- by working on product end-of-life, especially for textiles, by forging partnerships to increase knowledge and help build long-lasting industrial solutions.

Governance

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

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 the day-to-day linen management, maintenance and repair;
- the teams in charge of the operational management of textiles track the textile reuse or retirement rate;
- the CSR, environment and products and services teams identify new ways to reuse, recover or recycle products at the end of their life.

Policy: objectives and performance

Given that its business model is grounded in the product as a service system (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.

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

Reuse or recycle 80% of its end-of-life textiles

Key performance indicator		2019	2020	**2021**
Aligning over the long term with the product as a service business model and promoting its benefits among customers and product users (patients, employees, visitors, etc.)	Share of the Group's revenue from the product as a service business model	89%	88%	89%
Keep our products in use	Share of refurbished water fountains put back on the market (in France)	39%	45%	51%
Reuse or recycle end-of-life materials	Share of end-of-life textiles reused or recycled ***(2025 target: 80%)***		65%	72%

In 2021, the Group continued its initiatives related to the different pillars of the circular economy, supporting its KPI progress.

Being a product as a service company

Measures implemented

Rental

Grounded in 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 89% of the Group's revenue relies on these principles of the product as a service business model through its product rental and maintenance services. 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 client 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 lifespan by selecting quality products that meet expectations in terms of use, comfort and aesthetics.

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 makes up Elis's standard (pool linen), is monitored monthly in eight countries. The standard offering represents 68% 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 repersonalized and allocated to another wearer (in accordance with the legislation in force). Elis seeks to continually enhance and maximize this expertise on reusing workwear. At end-2021, the reuse rate was almost 40%.

In addition, the Group has set up linen markets in three countries. Plants can use them to trade linens that have been through small numbers of rotations. For example, if a collection is not being used in one plant, it can be used in another. Each plant lists the items it has available in a collaborative document. New ads are featured every month. In 2021, Elis introduced a data visualization tool that shows each plant's data and can be accessed by them all, thus helping plants to 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. Elis tracks the number of items made available and the number of items used.

More than 230,000 items were shared between plants through the linen market in 2021 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 their transition. In 2021, the Group helped more than 3.8 million wearers in their daily tasks.

The Covid-19 crisis, 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 and to guide its customers toward a return to reusable textile solutions with a smaller 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_2 emissions fell by 31% to 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 17,000 disinfectable duvets in healthcare institutions has made it possible to replace the production, transportation, maintenance and logistics for 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

Quality and life

Elis is meticulous when it comes to the materials that are used in its products. 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 sustainable and that exemplary 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 more sturdy, dries faster and stands up better to repeated washing. It also holds its color and original properties better. Elis 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 the resistance of products under industrial maintenance conditions before introducing them in order to make sure that they meet customers' needs in terms of longevity and durability, in accordance with applicable standards. By selecting products with characteristics that enable them to last a long time, the Group is helping to limit the consumption of resources and reduce the environmental impact of its products and services and that of its customers.

For example, this product approach has extended the life of some products in our Cleanroom business in Denmark by almost two years.

In addition, the Group strives to extend the life of its products and keep them in use through repair, reuse or refurbishing.

Repair

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 sustainable 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.

The Group may also make ad hoc repairs to flat linen, textile reels or mats. The Group also offers this service for nursing home resident laundry.

Reuse

In some countries, and whenever possible, the Group strives to repurpose its products internally. For instance, when the cotton reels for hand towels show too many imperfections, they are dyed blue and offered to customers working in more messy areas (e.g., heavy industry, mechanics, etc.).

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

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.), thus extending their lives.

This workshop collects end-of-life water fountains placed on the French market and certain hygiene appliances, for the French, Belgian, German and Luxembourg markets. A total of more than 30,000 end-of-life appliances are collected every year to be taken apart and refurbished whenever possible. In 2021, more than 5,000 water fountains were refurbished, and as a result Elis lowered the number of water fountains purchased on the French market by around 30%.

The Group pursues other refurbishing initiatives, such as in the mat business, with a workshop in Lettonie.

Outlook

The Group is exploring the possibility of replicating these models for other products and services.

Reuse or recycle end-of-life materials

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 3.3.4 "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 from cloth bags.

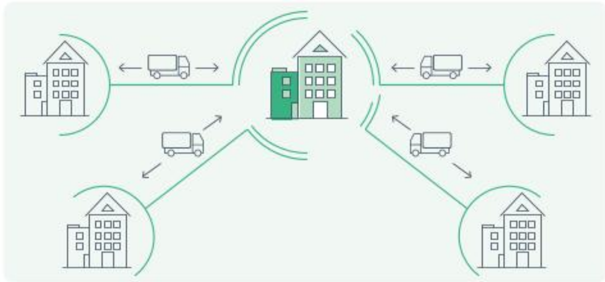
The Group uses limited quantities of consumables, and is continually looking to reduce them or find reusable alternatives. In this vein, Elis is taking steps aimed at reducing the quantity of plastic used to package certain workwear items – it is substituting plastic with cloth packaging and reducing the thickness of the plastic wrap purchased.

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 2021, the Group also 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.

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 laundry business) offers a solution where one customer's laundry room can be shared with other nearby facilities. This solution reduces the amount of equipment needed to wash residents' laundry and maximizes use.



Helping 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 circularity 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 and Sweden. In Sweden, the CSR Coordinator is leading 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;
- 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 Association Française des Entreprises Privées (AFEP), Groupement des Entreprises Industrielles de Services Textiles (GEIST), Association Française de l'Industrie des Fontaines à Eau (AFIFAE), Organisation pour le Respect de l'Environnement dans l'Entreprise (OREE) in France, and the European Textile Services Association (ETSA).

Within its associations and networks, the Group also engages in discussion 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 (e.g. ETSA was appointed Climate Pact Ambassador).

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").

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 subject to approval by the Executive Committee, or by the Operations Committee, which comprises representatives from all countries, during a presentation.

To ensure that the specific regulatory expectations or requirements of the Group's different markets are taken into account, Elis has set up a Country Product Board in 11 countries. This local decision-making body, which meets several times per year, brings together the different stakeholders (marketing, sales, operations, purchasing, supply chain and the industrial department) to make sure that all requirements are taken into account, such as those related to industrial maintenance or the provision of services at customers' sites.

Policy: objectives 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.

The Group is always trying to reduce the impact of its products and services, in particular by:

1. developing products with lower environmental impact thanks to eco-design practices;
2. using certified materials and products.

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

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

Key performance indicator		2019	2020	2021
Developing products with lower environmental impact thanks to eco-design	Share of product families with at least one collection composed of sustainable materials ***(2025 target: 100%)***		33%	46%

In 2021, the number of product families with at least one collection composed of sustainable materials increased following the introduction of new offerings (coffee beans, Kangaroo®, and so on) and the integration of the pest control business into the scope.

Developing products with lower environmental impact thanks to eco-design

Measures implemented

Ensuring the quality and sustainability of our products

The Group's business model is based on the concept of the product as a service and offering a range of high-quality, sustainable products and services, unlike traditional consumption models that may encourage disposable products or planned obsolescence. See section "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 shrink 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: the sustainability of Elis's hospital scrub rental-maintenance solution

In 2020, Elis finalized an LCA in partnership with strategic customers to compare the environmental impact of the Elis hospital scrub suits offering with competing single-use polypropylene products for France. This LCA was critically reviewed by a panel of experts and published in the scientific journal *Cleaner Environmental Systems* in late 2021.

The use of reusable hospital scrub suits results in a 31% reduction in climate change impact compared to disposable hospital scrub suits. This impact reduction can be as much as 62% depending on the level of over-consumption of disposable hospital scrub suits in a healthcare facility.

In the context of a shortage of disposable products during the Covid-19 crisis, Elis was able to guarantee continuity of service to its customers while offering them a more sustainable and local service solution. The relevance of this offering has enabled the Group to gain significant market share in this segment in France.

Cotton roll: the cotton solution that respects the environment

Wiping your hands with cotton is a responsible gesture. Indeed, a cotton reel can be washed up to 80 times before being recycled into rags. The production and use of cotton reels therefore have a limited impact on the environment compared to paper towels[(1)]

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

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

Thanks to its LCAs, the Group has identified the following main levers:

- choice of materials and their durability. The Group is especially committed to offering at least one collection made from sustainable materials in 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);
- consideration of the repair and recycling phases when designing new collections. For garments, for example, this involves avoiding when possible components that cannot be recycled easily (e.g. zippers, metal snap buttons, etc.).

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 alert system prevents shortages and thus optimizes the use of the various consumables.

In addition, in late 2021 the Group developed a coffee bean product without individual packaging and with less industrial processing, and an organic, fair-trade coffee product.

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

Our Pest Control business

Within the Pest Control business, the Elis Group seeks to take environmental issues 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 Mosquilock, Terre de Diatomée, etc.), or natural systems such as chickadee birdhouses for protection against processionary caterpillars.

Moreover, ever dedicated to its circular economy 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:

- reduction of waste at the source;
- maintenance of products;
- recyclability of materials used.

Outlook

Elis plans to continue its actions in line with its product strategy and its goal of being able to steer its customers toward increasingly sustainable choices.

Elis is also working on the implementation of eco-design tools, especially for napkins, for which an LCA has identified the key levers for improving environmental performance. This tool will make it possible to test different configurations (size, weight, material, composition) and offer optimized products to its customers.

Purchasing certified materials and products

Measures implemented

Concerned about its environmental and social impact and keen to help its customers become more sustainable, 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 and help reduce the environmental and social impact.

Some examples below:

Raw materials: textile

Elis encourages OEKO-TEX certification for the textiles delivered, in accordance with its Supplier Code of Conduct. This standard is a worldwide testing and certification system involving tests for harmful substances, including prohibited and regulated substances, chemicals that are known to pose health risks, and precautionary parameters relating to healthcare.

Raw materials: paper and wood

Washroom

- **GOOD: high-quality recycled paper:** Elis offers its customers in Northern Europe a specific range of recycled paper towels and toilet papers. This GOOD range of paper is made from recycled cellulose fibers found in food packaging cartons. These fibers are of equivalent quality to pure cellulose lining. Over 36,000 rolls of GOOD paper towels were ordered by Elis sites in 2021;
- **FSC-labeled paper for Southern Europe:** the Forest Stewardship Council is an environmental label whose purpose is to ensure that the production of wood or a wood-based product complies with procedures that ensure sustainable management of forests. Over 450,000 FSC-labeled paper towels were ordered by Elis sites in 2021.

Workwear

- **Lyocell fiber:** the TENCEL™ brand Lyocell fiber made its appearance in 2020 in two collections of workwear: TRENDY and REGENCIA (50% Lyocell/50% polyester blend). Made from wood grown in sustainably managed and FSC-certified forests, this fiber is recognized for its environmental performance. It also provides a very good level of comfort and softness for wearers.

Drawing on this experience, in 2021 Elis guided one of its healthcare customers in Sweden in developing a bespoke workwear collection with fabric that was a 50% Lyocell/50% polyester blend.

Raw materials: fair-trade or organic coffee and cotton

For 11 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 linens and workwear), and is committed via the Fairtrade/Max Havelaar label to pay 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 2019, 97,000 Fairtrade/Max Havelaar-labeled garments were in circulation in the Elis network, and 560 hospitality customers had chosen organic and fair-trade cotton for their bath linen.

Products: European Ecolabel, a label chosen for various product families

Flat linen

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 regarding 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

- **Paper:** Elis provides its customers with Ecolabel-certified paper products for hand towel dispensers, as well as toilet paper dispensers for the Aqualine and Fusion collections. In 2021, the Elis Group ordered 2.5 million Ecolabel-certified products (1.6 million for paper towels and 0.9 million for toilet paper).
- Elis also provides its customers with Ecolabel liquid and foam hand soaps. In 2021, 73,000 consumables were delivered.

Products: Cradle to Cradle certification, Fusion Collection

Fusion is a line of Cradle to Cradle-certified hygiene appliances. The Cradle to Cradle certificate promotes the design of products with a positive impact. It certifies the maintenance of raw materials throughout the multiple life cycles of the product and its components. Since 2019, Elis has installed more than 18,000 Cradle to Cradle-certified appliances from the Fusion line.

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. In addition to the positive impact of its circular economy model, for a long time, the Group has worked from day-to-day to limit its impact on ecosystems. In order to manage and minimize this impact, the Group provides its services directly. In 2021, subcontracting to third parties accounted for less than 0.5% of the services provided by the Group.

Governance

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

In the countries where Elis operates, the QSE 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 QSE 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.

Policy: objectives and performance

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

- promote its circular economy 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 reflected in the Group's CSR policy.

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

Reduce water consumption per kg of linen delivered by 50% between 2010 and 2025 (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 indicator		2019	2020	2021
Reducing the pressure on water resources	% reduction in water consumption per kg of linen delivered between 2010 and 2025 (European laundries) ***(2025 target: -50%)***	-41%	-36%	-40%
	% reduction in water consumption per kg of linen delivered between 2018 and 2030 (European laundries) ***(2030 vs. 2018 target: -30%)***	-15%	-9%	-14%
Ensuring the quality of wastewater discharge	% of wastewater treated before being discharged into the natural environment	100%	100%	100%

In 2021, the Group revived its long-standing 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. However, the Group is still suffering from the effects of limited operation at some plants due to the pandemic.

Reducing the pressure on water resources

Measures implemented

Water is a strategic global resource and a real sustainability challenge 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 consumption of water per kg of linen delivered. As such, consumption of water per kg of linen delivered decreased by 49% in laundries in France (the Group's birthplace) between 2007 and 2021 and fell by 40% in Europe between 2010 and 2021. Moreover, the Group has set itself a target: to reduce its water consumption per kg of linen delivered by 50% between 2010 and 2025. 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%).

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

Finally, through process optimization and its circular economy 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:

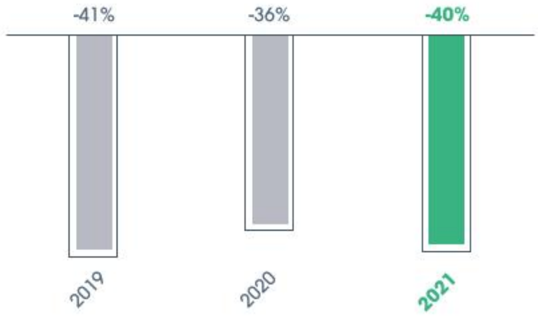
- best practices (for example, optimizing the amount of cleaning product used according to the actual weight of the textiles);
- new technologies (for example, types of cleaning product and active formulas, replacing machines with higher-performance ones);
- changes to its washing processes (for example, 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 laundry to progress through the different stages of the process by moving from one compartment to another, and to optimize water consumption.

In 2021, Elis continued the rollout of programs to optimize its washing processes by changing products or dosages, especially with emulsion cleaning product technology that ensures optimum dosages are used. Elis also continued to deploy its program to replace powdered detergents with liquid detergents, 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.).

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.) water used during the rinsing phase is reused for the laundry wetting stages and that water is reused by the different pieces of washing equipment for the pre-washing and washing 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 wastewater (workwear laundry). A water recycling project is planned for one site in Sweden in 2022.

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 it in the medium to long term, given the effects of climate change. This study identified about 30 sites (out of a total of 320 laundries) that are located in areas expected to be at risk of water stress in the long term. It should be noted that because these sites are in different geographical areas, a drought event disrupting the supply of water to all of these 30 sites is very unlikely to occur. The Group believes that in the event of drought, primarily in the summer, around a dozen sites spanning several different countries and regions could be affected by water usage restrictions. To date, the Group has only very occasionally been subject to water consumption restrictions.

In addition, the Group is taking action to reduce its water consumption in order to limit the pressure on this natural resource and thereby reduce 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 through its 3R approach (Reduce, Reuse and Recycle) and by rolling out existing best practices, identifying new technologies or better processes, making dedicated investments and training its teams.

The Group is continuing its water recycling trials. A plant dedicated to healthcare linen is currently starting up in Brazil.

Ensuring the quality of wastewater discharge

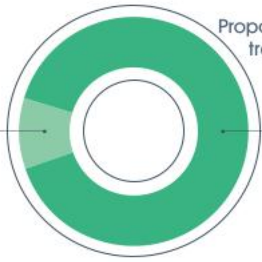
Measures implemented

Since the nature of wastewater from laundries is the same as household wastewater, the vast majority of Elis'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. Industrial discharge, pre-treated where necessary, is then treated by either a municipal water treatment plant or an on-site water 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 as at the end of 2021, Elis had 15 plants carrying out biological treatments and 5 physically and chemically treating wastewater before it is discharged into the natural environment, improving wastewater quality by 80% to 90%.

BREAKDOWN OF GROUP WASTEWATER BY DESTINATION (MILLIONS OF M^3)



Linen maintenance and use of cleaning products

The Group almost exclusively launders using water-based processes. In 2021, only 0.06% of the textiles delivered by Elis to its customers were laundered using a dry-cleaning process.

For linen washing, the Group mainly uses detergents 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 ensuring a reduced delivery frequency, all while minimizing risk. The storage of these products is regulated. The Elis Group uses only phosphate-free detergents.

Limiting our impact on biodiversity

Measures implemented

Eco-design, organic ranges and certification

With its experience in the circular economy, the Group uses eco-design principles adapted 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 a smaller impact on biodiversity may be preferred. For example:

- Elis encourages Oeko-Tex certification for all textiles. This label is a control and certification system that is the same throughout the world and that helps to limit the use of materials and substances that are harmful or of concern with regard to health;
- Elis provides its customers with a range of textile products made from organic cotton whose manufacture has a reduced impact on ecosystems;
- Elis has joined forces with Max Havelaar and Malongo on an environmental initiative that protects biodiversity by offering a range of organic, fair trade coffee.
- 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.).

Similarly, for its operations in Brazil, where biomass is the Group's main energy source, the wood used is certified by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA).

In addition, some of the Group's plants have ISO 14001 or Nordic Swan certification. These certifications take into account the issue of limiting impacts on the environment and biodiversity. There is more detail on this certification in section 3.3.5 "Minimizing our energy consumption".

Site engagement

Some Group sites also carry out initiatives to promote biodiversity or to raise employee awareness on the subject, for example by keeping beehives, maintaining green spaces for eco-grazing, or reintroducing and cultivating local plant species.

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 700 employees replanting 35,660 trees on a plot of 30 hectares.

In addition, during site construction or extension projects, flora and fauna studies are carried out to check for any possible environmental impact and identify any need for protection measures.

Controlling our other emissions and local pollution

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 levels of nitrogen oxides (NO_x), 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.

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. In addition, 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 the laundry by weight is washed with water, and only 0.06% is dry cleaned. The Group is working to identify and implement, where possible, alternatives based on washing with water for acquisitions or existing operations of this type.

In 2021, the costs of making these operations compliant totaled around €8.1 million, and environmental provisions and guarantees were €71.2 million. No fines were paid for environmental litigation in 2021.

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, from July 2021, 70 sites will be 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;
- creating dedicated areas for the offloading and storage of cleaning products;
- implementing containment measures for the storage of cleaning products;
- protecting groundwater withdrawal structures at sites that are fed by groundwater;
- training operators with regard to chemical hazards;
- requiring specific authorizations for certain types of operation;
- training maintenance managers in risks and pollution (conducted by the QSE 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 managing our waste

Context

The operations of industrial laundries generate little waste compared to other industries, thanks to their circular economy model. In 2021, the waste produced by the Group's sites, for all waste types combined, represented 2.4% of the textiles delivered to its customers (by weight) and amounted to 37,928 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 (more than 70% of products and services by weight) which end-of-life is a key issue in today's world.

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

Governance

The QSE 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."

In addition, in some countries, teams dedicated to end-of-life product management have been formed.

Policy: objectives 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 a target to:

Reuse or recycle 80% of its end-of-life textiles

Key performance indicator		2019	2020	2021
Recovering textiles at the end-of-life	Share of end-of-life textiles reused or recycled ***(2025 target: 80%)***		65%	72%
	Share of end-of-life textiles recovered		87%	81%
	Amount of textile waste sorted at source (tons)		5,217	6,370
Managing our waste	Total amount of waste generated (tons)	34,794	35,733	37,925
	Share of waste that is not hazardous	82%	81%	82%
	Share of waste that is hazardous (excluding medical waste management from this dedicated business line)	12%	11%	10%
	Share of waste recovered	65%	61%	60%
	Proportion of non-hazardous waste recovered	65%	63%	64%
	Proportion of hazardous waste recovered	67%	56%	42%

In 2021, the share of waste that is not hazardous 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%.

The share of the Group's waste that is recovered also remained relatively stable compared to 2020, amounting to 60%. In 2021, Elis recovered 64% of its non-hazardous waste and 42% of its hazardous waste. This slight decrease from 2020 is due in particular to the reduction in the hazardous waste produced by certain sites on account of process improvements.

In 2021, the Group improved its performance in terms of recycling or reuse of textiles sorted at source to 72%, mainly by reusing them as industrial wipes. This increase is mainly due to a favorable textile product mix (more flat linen) and the identification of new recycling markets in certain geographical areas (such as the Netherlands).

3

Recovering textiles at the end-of-life

Measures implemented

Recovery of textiles at the end-of-life

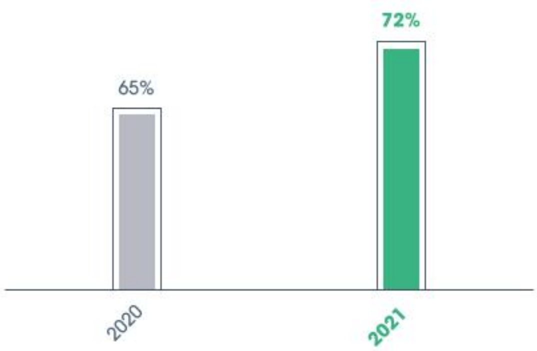
The recovery of textiles, particularly clothing after consumer use, is a challenge, with few existing, mature recycling channels and technologies. As a result, the Group is working in its different countries to identify the best recovery channels, to break new ground and to innovate and develop satisfactory 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 recycling, new innovative fibers, etc.). These pilots enable better understanding of technical and economic feasibility and the difficulties to be overcome, and inform the design phases of products so that they can be recycled more easily.

The reuse of textiles, where relevant, can help to extend the life of the materials and keep them in use with minimum processing.

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 textile volumes so that they can be directed toward the channels offering the best recovery solutions. As a result, in France (1,855 tons of textile waste), the Group reorganized the collection of waste from textiles sorted at source from all its laundry facilities at the end of 2021 (flat linen, workwear, personal protective equipment, mats), simplifying the collection process, centralizing flows, and increasing the proportion of textile articles sorted at source and the amount recovered (recycling, reuse and recovery in the form of solid recovered fuel). As such, flat linen is reused as rags, and the other products sorted at source will mainly be recovered as fuel, until the Group's recycling projects can accommodate the required volumes.

SHARE OF TEXTILES REUSED OR RECYCLED (%)



END-OF-LIFE TEXTILES SORTED AT THE SOURCE

Examples of recycling initiatives

In terms of workwear in France (1,851 tons of textile waste), the Group is running trials aimed at 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 Sweden and Denmark (which represent 6% of the Group's textile waste by weight), for several years, Elis has been working with an industrial group on the chemical recycling of cotton fibers blended with wood fibers for the manufacture of new synthetic cellulose fabrics. Some items, mostly cotton, white flat linen (towels, sheets and other plain white textiles) have therefore already been recycled. Furthermore, 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 market.

In the Netherlands (which represents 3% of the Group's textile waste by weight), since March 2021, all end-of-life workwear has been mechanically recycled into insulation material for the automotive sector. Chemical recycling projects are also under way. As such, all garments managed by the Group are recycled in this market.

Examples of reuse initiatives

Flat linen is mainly recovered in the form of rags, although other initiatives are under way to develop other (currently small-scale) opportunities. In Sweden and the Netherlands, for example, sheets, textile bobbins, hand towels and duvet covers are reused as reusable cloth bags or makeup remover pads. In Colombia, cotton items are also transformed into face cloths.

Haute couture collections and shows have also been organized in Sweden and Denmark using end-of-life workwear, which is helping to promote the circular economy and the reuse of materials. One show also notably took place at Paris Fashion Week.

In France, Le Jacquard Français is taking part in a project that creates works of art from waste and in which yarn waste from the sizing stage features prominently. In addition, a sale of third quality standard products by weight is held every year to maximize the value of the products, reduce waste and allow more people to enjoy Le Jacquard Français products.

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 growing 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:

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

The vast majority of the Group's waste is non-hazardous. This consists, in particular, of packaging and textile waste, and waste from 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 2021, 60% 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)

Laundries mainly use thermal energy and electricity to heat the water used for washing and to dry and iron laundry. Although Elis's sites do not consume huge amounts of energy compared to traditional industrial activities, the number of sites (320 laundries in 2021) does make the Group's energy consumption significant.

Regarding its vehicle fleet, the Group has nearly 9,000 vehicles (67% for deliveries and 33% for commercial use). The strategy of bringing logistics in-house continues to generate efficiency and productivity gains. The actions carried out in 2021 have thus ensured that the vast majority of distribution routes are now served in-house (89% 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.

Conscious of its energy consumption, the Group is committed to implementing an ambitious energy consumption reduction plan and transitioning toward energies that generate fewer greenhouse gas emissions in order to contribute to the fight against climate change.

Governance

The QSE 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."

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: objectives 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 thermal efficiency in its European laundries by 35% by 2025 and accelerating the transition of its logistics fleet to 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.

3

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

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

Accelerating the transition of the logistics fleet toward alternative vehicles

Key performance indicator		2019	2020	2021
Reducing energy consumption and achieving the energy transition of our operations	% reduction in thermal energy per kg of linen delivered since 2010 (European laundries) ***(2025 target: -35%)***	-22%	-18%	-22%
	Share of renewable thermal energy (biomass, biogas, etc.)	19%	23%	23%
	Share of renewable electricity		9%	8%
Reduce energy consumption and achieve the energy transition of our vehicles	Share of alternative vehicles – logistics fleet ***(2025 target: Accelerate the transition of the logistics fleet toward alternative vehicles)***		2.3%	4.3%
	Number of alternative vehicles[(a)] – whole fleet	87	258	521
	› *of which logistics*	47	134	257
	› *of which commercial*	40	124	264
	Kg of products delivered per liter of fuel[(b)]		37.1	42.7

(a) Alternative vehicles includes electric, biogas, biofuel and hybrid vehicles. In 2019 and 2020, LPG and NGV vehicles were also included.
(b) Kg delivered, all items: textiles, hygiene and well-being and all types of vehicles.

In 2021, the thermal energy consumption per kg of linen delivered at the Group's European laundries returned to levels seen previously, following a 2020 that was particularly impacted by the sanitary crisis. The shares of thermal energy and renewable electricity remained relatively stable in 2021, at 23% and 8% respectively.

In addition, the share of alternative vehicles in the logistics fleet continues to increase thanks to the programs implemented in 2021. Overall, the number of alternative vehicles (commercial and logistics fleets) doubled between 2020 and 2021 to 521. Deliveries efficiency has also markedly improved, reaching 42.7kg of products delivered per liter of fuel in 2021.

Reducing consumption and achieving the energy transition of our operations

Measures implemented

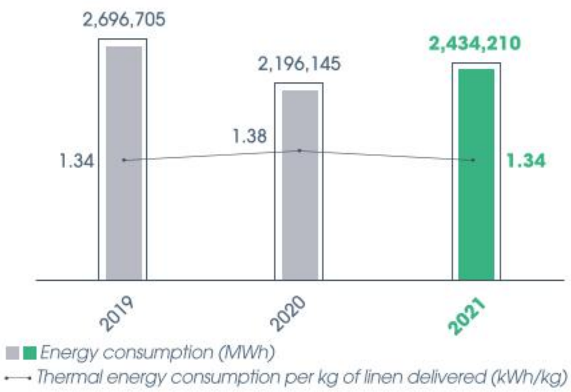
Energy efficiency

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:

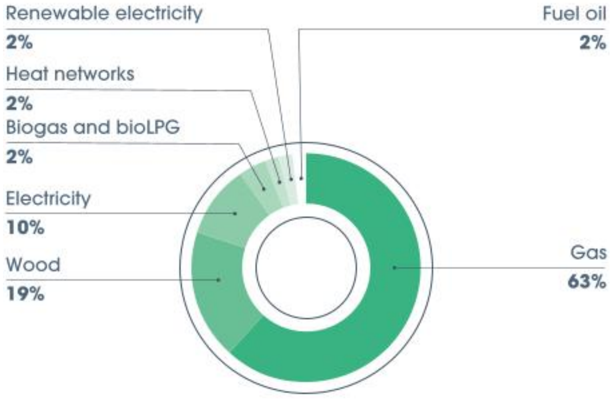
- optimizing the energy consumption of laundries: in-depth studies of possible angles for improvement, optimization of equipment settings (calenders, finishing tunnels, dryers, boilers), sharing of best practices, process adaptations (low-temperature washing), implementation of new technologies, integration 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, 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.

ENERGY CONSUMPTION AND ENERGY EFFICIENCY IN OPERATIONS (GROUP)



ENERGY CONSUMPTION BY TYPE OF ENERGY(1) (MWH)

BREAKDOWN OF ENERGY CONSUMPTION (AS A %)



In addition, some Group sites obtain certification to better communicate their commitment and raise awareness of these matters. To this end, in 2021, the Group had ISO 14001 environmental management certification for 141 sites (39% of its industrial sites), ISO 50001 energy management systems certification for 80 European sites and Nordic Swan certification for 30 sites.

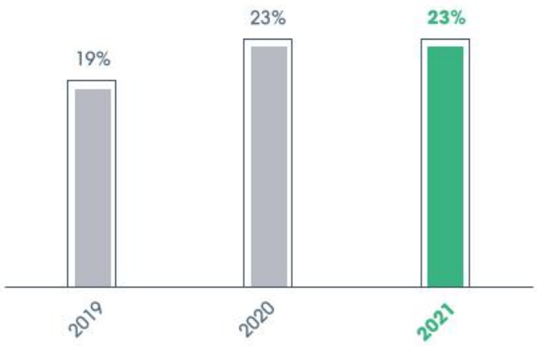
Energy transition

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: 8% of the Group's electricity consumption in 2021: 100% of the electricity in the Netherlands (wind power) and Sweden (hydropower);
- use of lower-carbon thermal energy: 23% of the Group's thermal energy consumption:
  - in Sweden, six sites were switched to biopropane in 2021. As a result, a total of 13 Swedish sites already use low-carbon energy: biogas, biofuels (88% of tonnage delivered in Sweden, 62% of Swedish sites),
  - in Brazil, a total of 30 sites use biomass energy (98% of tonnage delivered in Brazil, 81% of the sites in Brazil).

Some sites are also equipped with photovoltaic or thermal solar panels. In Europe, seven sites are now so equipped, and more will be soon.

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



Reducing energy consumption and kickstarting the energy transition of our vehicles

Transportation energy efficiency

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

- 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 goods vehicles. 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.

(1) Excluding fuel for vehicle fleets.

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. The tool has already been used on more than 120 daily routes in 2021 and the aim is for it to be used on nearly 2,000 daily routes 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 tells service agents when they are driving too fast and has the functionality to record 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.

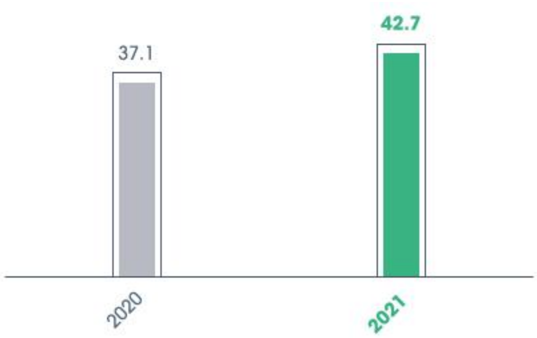
Regarding the **performance of the vehicle fleet**, the Group has a fleet replacement strategy that includes energy transition and city center access considerations.

The Elis Group actively monitors technological developments in respect of alternative energy heavy goods vehicles.

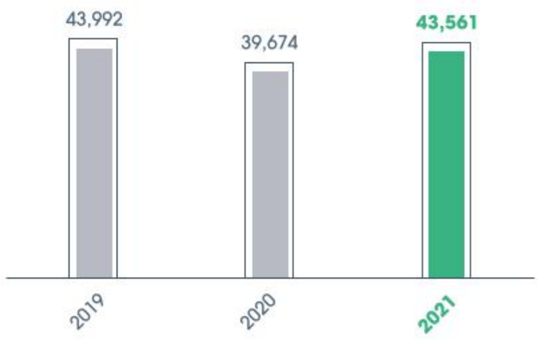
With regard to **fuel performance,** in order to better manage energy performance related to fuel consumption, the Group revised and optimized its logistics KPIs in 2021 for closer monitoring of its performance and is also reviewing its fleet management tool. Fuel performance improved markedly compared to 2020, reaching 42.7kg of products delivered per liter of fuel.

These 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 issues related to climate change and in order to anticipate the growing demand of customers and access issues 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 goods vehicle fleet (for example, trialing of the first biogas, electric and canola oil biodiesel heavy goods vehicles).

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.

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 aimed to cover technological developments in payload and range before a wider rollout is begun in 2022.

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 70% of vehicle replacements are carried out using electric vehicles. A framework agreement has also been put in place to install electric vehicle charging points at the sites. At the end of 2021, 40% of French sites were equipped with these.

Finally, with regard to the heavy goods vehicle 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 biodiesel solution with the commissioning of an Oleo100 tank and the modification of some fifteen heavy goods vehicles, as well as a trial of two biogas-powered heavy goods vehicles. These trials will also enable insight to be gained into biodiesel fueling stations and how they are operated;
- in Sweden: The Group is trialing three 100% electric heavy goods vehicles, allowing it to test this technology under specific climatic conditions.

In total, at the end of 2021, the Group had 521 alternative vehicles (124 electric, 80 biofuel, and 317 hybrids), double the number it had in 2020. In Sweden, 25% of the light utility vehicle fleet is powered by alternative energy (biofuels, biogas, electrics, and hybrids).

NUMBER OF VEHICLES (GROUP)

Number of vehicles (Group)	Diesel	Petrol	Hybrid	Electric	Biofuel – (biogas, biodiesel, ethanol)	Other (LPG, NG)
Commercial vehicles	2,328	386	186	76	2	8
Light utility vehicles	3,130	40	88	45	36	15
Heavy goods vehicles	2,565	15	43	3	42	1

Sub-contracted fleet

The Group's strategy seeks to bring its fleet in-house in order to better manage the associated issues and the quality of customer service. In 2021, the number of vehicles subcontracted is estimated to have been 11%.

Outlook

The energy efficiency actions started in 2021 will continue in 2022. As a result, the multilingual GLAD tool will be rolled out on a large scale in 2022 and 2023, with the aim of nearly 2,000 European routes being planned under GLAD by the end of 2022.

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 fitted at the Group's sites, and in particular to accelerate the replacement of commercial vehicles. In terms of utility vehicles, more than 50 new electric utility vehicles, of a type that will specifically enable loads and routes to be optimized, are planned.

Further trials of heavy goods vehicles will also continue with more than 10 electric heavy goods vehicles and about 15 canola oil-powered heavy goods vehicles being trialed in France in 2022.

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_2 emissions. The Group thereby reduced the intensity of its thermal energy consumption by 22% in its European laundries between 2010 and 2021 and has committed to driving the transition of its vehicle fleet. In 2021, the Group's CO_2 emissions per kilogram of linen delivered were 19% lower than in 2010, which is testament to the efforts made over many years.

Today, the Group wishes to commit to reducing its emissions in line with the Paris Climate Agreements to help keep the temperature increase below 1.5°C(1) compared to pre-industrial levels. As such, the Group will present its climate targets, which are aligned with the methodology of the Science Based Targets initiative, at the end of 2022. Once defined, these climate targets will be put to a shareholders' vote in a Say on Climate resolution. At the combined general shareholders' meeting on May 19, 2022 and without delay, the Group will propose, via an advisory resolution, that its shareholders support this step to which the Group intends to commit itself.

In 2021, the Group adopted the TCFD guidelines and included climate reporting in its non-financial performance statement.

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

(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).

Carbon footprint of the Elis Group

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: purchases, inbound transport, employee travel, etc. In 2021, the Group's Scope 3 emissions were estimated based on the carbon footprint calculated for France. Work is currently under way to establish a more specific assessment and reporting tool for activities that produce a lot of emissions. This work will, in particular, inform discussions around the Group's climate targets.

The Group's direct (Scope 1) and indirect emissions (Scope 2) represent 468,172 tons of CO_2, that is 24% of the Group's total emissions (Scope 1, 2 and 3).

BREAKDOWN OF THE GROUP'S GHG EMISSIONS

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

- purchases of goods and services: 70%;
- equipment purchases: 14%;
- employees' commuting: 8%;
- upstream fuel and energy (excluding Scope 1 and 2): 4%;
- upstream transport and distribution: 3%;
- other Scope 3 activities: 1%.

It should be noted that some activities were not considered to be significant in relation to the Group's business: processing and use of sold goods, franchising, use of leased assets (downstream) and investment.

Given its carbon footprint analysis, the Group is focusing its efforts to reduce greenhouse gas emissions in the following activities:

- the consumption of thermal energy and electricity in its operations;
- the fuel consumption of its vehicles;
- the development of more sustainable product ranges and increased recycling and reuse of products, primarily to reduce emissions in relation to goods and services purchased.

Risks and opportunities

The Elis Group regularly reviews its CSR stakes, risks and opportunities. Climate change risks are a key part of this assessment, which is set out in section 3.6.1 "Disclosure of non-financial performance" and in chapter 4 of this universal registration document. As such, the main risks related to climate change to date for the Group are as follows:

- loss of market share if it does not address the growing climate change expectations of its customers expressed in public or private invitations to tender;
- investments in new technologies (for example, renewable energy types, plants, boilers, vehicle types, etc.) to ensure the Group's energy transition may prove to be unsuitable or obsolete in the long term (due to improvements in scientific knowledge, new regulations, the emergence of new technologies, etc.);
- disruption of operations due to drought episodes or lack of water availability in areas with high water stress. Elis estimates that about 30 sites (out of a total of 320 laundries) are located in areas expected to be at risk of water stress in the long term.

Elis has also identified the following opportunities to date:

- increased demand for 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). 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 taking issues related to climate change into account more could thus create new opportunities for the Group;
- 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.
- the development of new transportation technologies with zero or reduced emissions (in use). These new technologies could, in fact, enable easier access to city centers, result in efficiency gains for delivery routes, and meet growing customer demand.

A strategy to overcome these challenges

The Group's strategy to address these risks and opportunities rests on three main pillars:

- reducing emissions from its activities and services through energy efficiency and the use of renewable energy;
- developing increasingly sustainable product offerings;
- reducing water consumption to increase the long-term resilience of its operations.

Governance

Climate protection is a core part of the Group's CSR policy with dedicated objectives within the framework of its program running until 2025.

The Group's CSR performance, including on climate-related matters, is also regularly presented and reviewed by the Executive Committee. The CSR Director, working closely with the other Group departments (Industrial Projects, QHSE, Product Offerings, etc.), is 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 and stakeholder engagement;
- supporting the operational teams in the implementation of the action plans.

The CSR program, which covers climate change, is presented to the Supervisory Board at least once a year, along with its objectives and the progress made against them. The CSR Committee, newly established by the Supervisory Board, met twice in 2021 and will meet three or four times in 2022. Climate change is one of the key topics overseen by this committee.

The Group's commitment on these matters is further reflected in the compensation policy applied to directors and members of the Executive Committee, many of whom have individual annual objectives related to sustainable development or climate (such as a reduction in energy consumption in operations).

Policy: objectives and performance

Through its CSR policy, Elis has made a commitment to continually reduce its direct and indirect carbon footprint, and in particular to reduce greenhouse gas emissions generated by its activities. In 2020, the Elis Group announced its new CSR program running until 2025. Several commitments have been made in order to mitigate and adapt to climate change:

Reduce CO_2 emissions intensity by 20% compared to 2010

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

Accelerating the transition of the logistics fleet toward alternative vehicles

Offer at least one collection made from sustainable materials in each product family

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

Reduce water consumption per kg of linen delivered by 50% between 2010 and 2025 (European laundries)

Key performance indicator		2019	2020	2021
Reducing our emissions globally	Direct CO_2eq. emissions (Scope 1) (Kt CO_2eq.)	474.8	381.2	413.8
	Indirect Co2eq.$_2$eq. emissions (Scope 2) (Kt CO_2eq.) – *location based*	71.1	58.6	54.3
	Indirect Co2eq.$_2$eq. emissions (Scope 2) (Kt CO_2eq.) – *market based*			76.4
	Other direct Co2eq.$_2$eq. emissions (Scope 3)[(a)] (Kt CO_2eq.)			1,500
Reducing emissions from our operations and vehicle fleet (Scope 1 and 2)	% reduction in CO_2 emissions intensity since 2010 ***(2025 target: -20%)***	-14%	-12%	-19%
	CO_2 emissions per ton of linen delivered (Scope 1+2 – kg CO_2 per ton of linen delivered)	310	319	294
	% reduction in thermal energy per kg of linen delivered since 2010 (European laundries) ***(2025 target: -35%)***	-22%	-18%	-22%
	Share of alternative vehicles[(b)] – logistics fleet ***(2025 target: Accelerate the transition of the logistics fleet toward alternative vehicles)***		2.3%	4.3%
	Number of alternative vehicles	87	258	521
	› *of which logistics*	*47*	*134*	*257*
	› *of which commercial*	*40*	*124*	*264*
	Share renewable thermal energy (biomass, biogas, etc.)	19%	23%	23%
	Share of renewable electricity		9%	8%
Reducing other emissions related to our products and services (Scope 3)	Share of product families with at least one collection composed of sustainable materials ***(2025 target: 100%)***		33%	46%
	Share of end-of-life textiles reused or recycled ***(2025 target: 80%)***		65%	72%
Reducing our use of water resources to increase our operational resilience in the face of climate change	% reduction in water consumption per kg of linen delivered between 2010 and 2025 (European laundries) ***(2025 target: -50%)***	-41%	-36%	-40%

(a) 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 2019 and 2020, LPG and NGV vehicles were also included.

In 2021, the Group reduced its CO_2 emissions per ton of linen delivered by 19% thanks to a return to historical performance for thermal efficiency, an increase in the share of renewable energies in the Group's mix, increased use of alternative vehicles and the impact of more favorable emissions factors. In 2022, the Group will propose targets for reducing its greenhouse gas emissions in line with the Paris Climate Agreements to help keep the temperature increase compared to pre-industrial levels below 1.5°C (Science Based Targets). Finally, two Group subsidiaries have a net zero emissions strategy: the United Kingdom (by 2045) and Sweden (by 2035). In 2022, the Group will be working to redefine its climate change strategy.

Elis communicates how it is addressing climate issues by responding to the Carbon Disclosure Project (CDP), a platform aligned with best practice in climate reporting (including the Task Force on Climate-realated Finacial Disclosure – TCFD). In 2021, the first year that this aspect of performance has been reported on, Elis scored a B rating in the CDP assessment.

In 2021, for the first time, the Elis Group also published indicators relating to European taxonomy on the two objectives of adapting to and mitigating climate change. 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, that is, 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. As a result, these two objectives do not significantly concern the Group in 2021; the Group has reported on individually eligible capital expenditure that represents 21% of its total capital expenditure (see section 3.6.2 "Taxonomy").

Finally, in 2021, the Group joined both the French Business Climate Pledge, through which it is committed, alongside hundreds of French companies, to fighting climate change, and the Ambition4Climate initiative, through which the Group shared practical projects that contribute to fight against climate change.

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 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 laundry care processes and the identification of the best transport technologies for the Group needs (see section 3.3.5 "Minimizing our energy consumption")).

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 issues 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 economy 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 made from sustainable materials in 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 change in size of people wearing the clothes, the arrival or departure of employees, and changes of collection are common events within companies for which the product as a service business model offers a solution. 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 "Being a 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 2021, the Group also 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

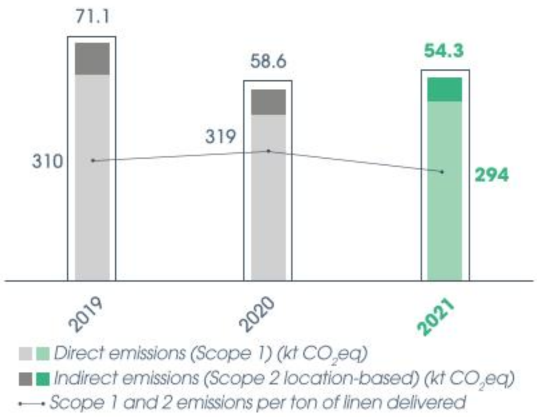
The involvement of employees in supporting change and transition is a major stake. Various ways of involving employees are used by the Group: team activities, presentations, aspirational or quantitative objectives, etc. These methods are set out in more detail in section 3.2.2. "Our strategy: commit to the planet, our people and society".

Reducing emissions from our operations and vehicle fleet (Scope 1 and 2)

The Group's emissions (Scope 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:

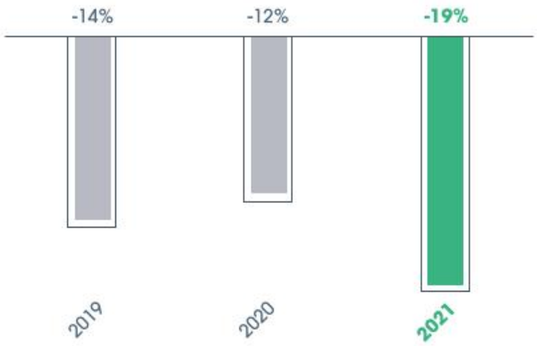
Tons of CO_2eq.	TOTAL	Europe	LATAM	Sites	Logistics
Direct emissions (Scope 1)	413,839	357,406	56,433	307,020	106,818
Indirect emissions (Scope 2 location-based)	54,333	46,717	7,616	54,277	56
Indirect emissions (Scope 2 market-based)	76,480	70,198	6,282	76,472	8

CO_2EQ EMISSIONS AND GROUP PERFORMANCE



CO_2 emissions per ton of linen delivered improved significantly in 2021 thanks to a return to historical performance for thermal efficiency, an increase in the share of renewable energies in the Group's mix, increased use of alternative vehicles and the impact of more favorable emissions factors.

% REDUCTION IN CO_2 EMISSIONS INTENSITY SINCE 2010



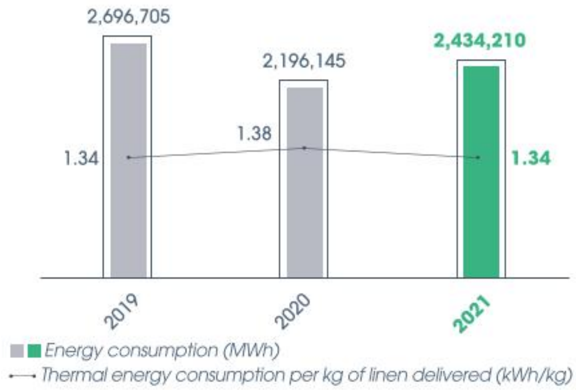
Energy consumption of our sites and energy transition

The Group's approach hinges on two main axes:

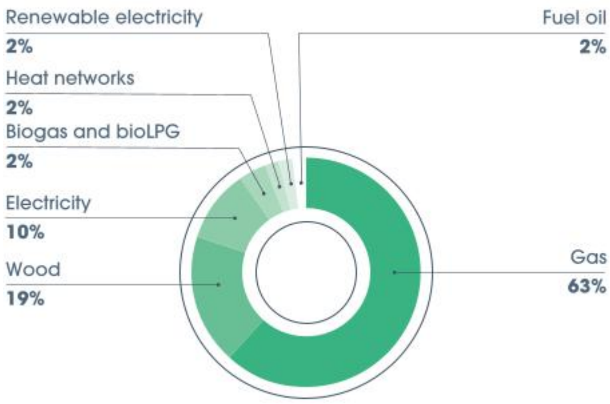
- continually improving the energy efficiency of its sites: implementation of new technologies and best practices, monitoring, performance reviews, etc.;
- transitioning the business toward renewable or lower-emissions energies.

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 (GROUP)



BREAKDOWN OF ENERGY CONSUMPTION (AS A %)



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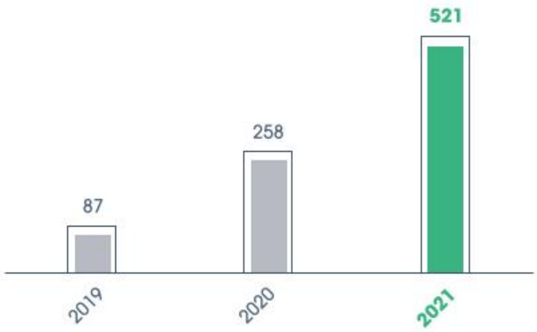
Energy consumption of our fleet and energy transition

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 2021, the number of alternative vehicles doubled compared to 2020, up to 521. Delivery efficiency has also markedly improved, reaching 42.7kg of products delivered per liter of fuel in 2021.

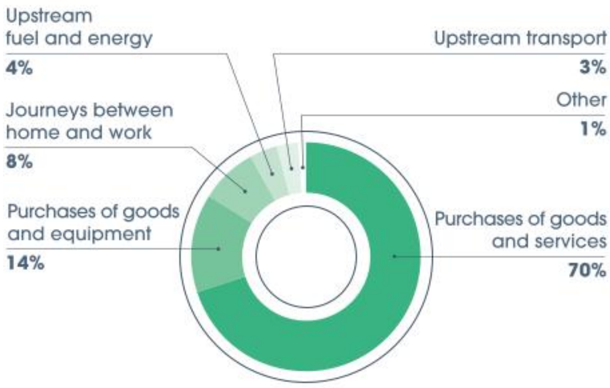
NUMBER OF ALTERNATIVE VEHICLES(1) – WHOLE FLEET



Reducing other emissions related to our products and services (Scope 3)

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. The Group's Scope 3 emissions were estimated based on the carbon footprint performed for France.

OTHER CO_2EQ EMISSIONS (SCOPE 3)



As such, purchases of goods and services is the main source of other indirect emissions (Scope 3). The Group is working in several ways to reduce its emissions:

- reducing the carbon footprint of its products and services, through the circular economy, eco-design, and the selection of lower-impact materials. The initiatives under way are detailed in sections 3.3.1 "Being a circular economy player", and 3.3.2 "Eco-designing our products and services";
- understanding the purchasing factors for laundry (traceability projects for laundry, end-of-life, etc.);
- recycling or reusing products at the end-of-life. In particular, the Group is carrying out pilot projects to make textiles recycled from end-of-life textiles; using recycled materials to help reduce emissions.

In 2021, the Elis Group received a B rating from the CDP, with regard to supplier engagement on climate change.

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.

(1) Alternative vehicles includes electric, biogas, biofuel and hybrid vehicles. In 2019 and 2020, LPG and NGV vehicles were also included.

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. 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).

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

- overseeing workforce planning;
- ensuring well-being at work and a good working environment;
- managing the annual performance cycle;
- providing for employee development and career management initiatives.

The objectives 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 for the present and the future. The HR support teams facilitate talent management, 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 the Elis business.

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 and diversity).

The quality, safety and environment (QSE) teams play a major role regarding employee safety. 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 a key responsibility of the company. 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 continuous dialogue between management and employees at every level. This is one of the main reasons why the Group favors human-size sites – in order to ensure that it can listen effectively to its employees. This continuous dialogue helps to prevent any social conflict that could arise. No large-scale social events have occurred in over 10 years, and there were zero strike days in 2021.

Policy: objectives and performance

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

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:

Expand the Group's Chevrons program

Key performance indicator		2019	2020	2021
Valuing our employees	Number of Chevrons in the Group	290	290	300
Ensuring fair and attractive compensation and benefits	Share of employees eligible for the employee share ownership scheme	87%		87%
	Share of managers who have been awarded performance shares	17%	17%	15%
Preventing absenteeism and reducing stress at work	Number of employees with perfect attendance *(%)*	46%	46%	35%
	Breakdown of absences (% of absences <7 days)	75%	67%	83%

Performance in 2020 and 2021 was impacted by the sanitary crisis. As such, absences increased in 2021, with many employees having to stay off work either to isolate or to look after children at home due to school closures, for example. The Group also achieved its objective of expanding the Chevrons program to new regions. Since 2018, Chevron numbers have grown by nearly 30%. 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 issues such as working conditions, training, career development, working time and safety via anonymous individual questionnaires. These surveys demonstrate the importance attached to corporate climate and the working environment at all levels.

The results of each employee survey are eagerly awaited and allow to determine areas of improvement specific to each site. The results are communicated to the employees by the management team together with the action plans defined in the response to the survey. This periodic measurement of employee 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.

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

- in France, surveys are conducted site by site, in turn, every two years;
- for all other countries (excluding Latin America), at the end of 2021 the survey was, for the first time, carried out simultaneously through a single questionnaire sent to all permanent employees. This survey will be repeated every two years;
- in Brazil, the employee survey is planned to be carried out during 2023.

The Group aims to repeat the survey every two years, and thus be able to monitor the improvement in satisfaction following rollout of the action plans.

Participation in the survey, which was conducted in all countries (excluding France and Latin America), was high, with 71.90% of the employees interviewed taking part and able to share their views. The overall satisfaction rate is 61/100.

Ensuring ongoing dialogue with employees via their representatives

At Group level in Europe, dialogue with employees takes place within the European Works Council, which has 28 members and represents 35,373 employees from 22 countries. In 2021, the discussions conducted by this body were about the management of the health crisis, its economic impacts and the actions taken to overcome it, as well as CSR actions and stakes.

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

In France, Elis has set up representation at various levels: Group, business and site. 95% of employees benefit from such representation.

Specific bodies are responsible for health and safety issues. 95% of employees in France are represented by such a body.

In addition, the Code of Ethics states de Group engagement on this matter and its support for freedom of association. Management teams are responsible for the quality of the employee dialogue in their respective areas and are assessed on its quality. At the end of 2021, the Group had not had any significant industrial disputes for more than 10 years and reported zero strike days for the year.

Improving employee conditions through collective agreements

Local agreements are in effect in the different Group subsidiaries. 70% of Elis employees are thus covered by a collective agreement. 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 dialogue with employee representatives and help to maintain the smooth operation of the business.

In France, Elis conducts this active negotiation policy at various levels: Group, company and site.

Outlook

The Group's engagement survey will be rolled out in 2023 in Brazil, enabling a standardized approach to the topic.

For the other regions, the results of the survey will be shared with employees and action plans will be implemented during 2022.

Valuing our employees

Measures implemented

Rewarding our employees' work: Club des Chevrons

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 (Le Club des Chevrons) 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. Following a year of disruption due to the health crisis, the Chevrons Club for European countries was able to meet again in November 2021 in Paris. Since 2018, Chevron numbers have grown by nearly 30%.

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, but also in Denmark, which organized a special day in July 2021 to mark one employee's 50 years of service.

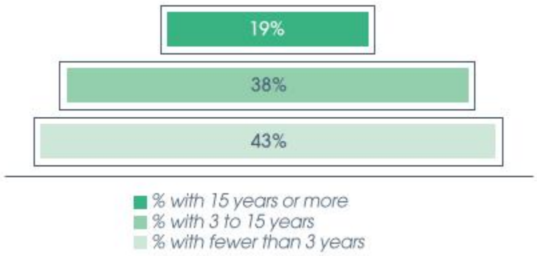
Recognizing the skills of our employees and supporting their development

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", has more detail on these points.

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 have more than three years of service, with 19% of employees having over 15 years.

BREAKDOWN OF STAFF BY LENGTH OF SERVICE



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.

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, which aim 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 some collective objectives and some individual ones. 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 the optional profit-sharing scheme in France.

If necessary, the Group also 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.

Elis has also committed to giving a share of the long-term financial performance and results of the company to its managers and employees, principally through long-term incentive plans. In order to recognize and retain them, Elis awarded performance shares to around 500 employees in 2021 (senior managers, talent and expert employees). The acquisition of shares pursuant to performance share plans is subject to performance conditions and continuous service. A CSR performance criterion will be introduced in 2022.

Employee share ownership plan

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 employee share ownership plan, Elis for all, in 16 countries. Employees participating in the collective savings plan can subscribe for Elis shares on preferential terms via a capital increase.

In 2021, a second launch took place in 17 countries (with 87% of Group employees therefore covered). 2021 saw a 35% increase in the number of subscribers. All employees in these countries, regardless of whether they are permanent or temporary, are eligible for this program as soon as they have more than three months of service.

As of December 31, 2021, the Group's employees held 1.79% of the share capital either directly or through a mutual fund.

Savings plans

In France, employees can access a collective 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 collective pension plan.

In other countries, some regions have developed schemes that allow employees to save with terms adapted to local legislation or to supplement their pension through voluntary contributions with favorable terms.

Favoring permanent contracts and limiting part-time employment

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, 2021, 13% of Elis Group employees were temporary, due in particular to the seasonal nature of part of the hospitality business.

Part-time contracts are limited. The number of part-time employees remains stable and is very low: less than 7% of the permanent workforce. Part-time contracts are mainly following the request of the employee. Full-time contracts also contribute to increasing employee loyalty and engagement

A practice of remote working during the health crisis

In the context of the health crisis, Elis set up adapted ways of working to allow business continuity while guaranteeing employee safety. These ways of working included, among which home-working for the teams able to work remotely, thus allowing them to continue to operate.

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, and management staff in particular, as part of this preventive action, and constitutes 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 support employees with regard to their concerns. The main areas of concern are housing, retirement and life changes.

In addition, an alert procedure, which takes into account cyberbullying, has been established. The alert procedure is described in more detail in section 3.5.5 "Continuing to integrate ethics into our business practices".

Preventing absenteeism

Measures implemented

Absenteeism is a reality that affects the Group and that can have an operational and financial impact. 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 2020, 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.

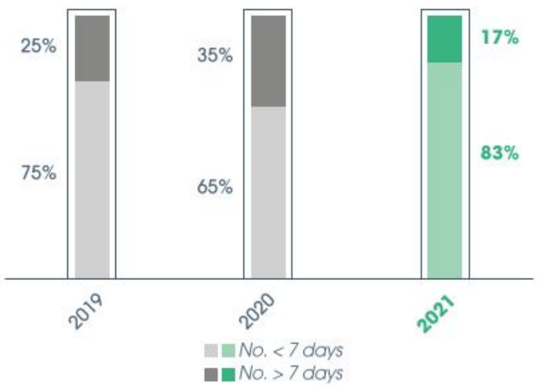
There is no international absenteeism strategy, as this issue is very much linked to the local context (for example, influenza is not a major concern in Brazil, Chile or Colombia, unlike in European countries). Policies are decided at the national level, based on each country's legislation and regulations, and sometimes by collective agreements for each sector.

The health crisis significantly impacted the number of employees with perfect attendance in 2021, which fell by 11 points. This was mainly due to absences caused by the health crisis. A large number of employees were forced to stay off work more regularly in 2021 due to isolation rules, school closures, etc.

Short-term absences as a proportion of all absences decreased. In our business, it is these unexpected and short-term absences that impact us the most.

NUMBER OF EMPLOYEES WITH PERFECT ATTENDANCE IN 2021

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;
- 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;
- tools for monitoring absences are made available to managers and training is offered to provide them with the skills and knowledge to deal with 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 work station layout/organization as well as the 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. For certain work stations, they 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 light utility vehicles. 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 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 4 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 impact that absences can have. 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 processing centers in order to replace an absent colleague. This is ensured by cross-functional training and job adjustments or modifications to documentation material, with the simplest positions being filled by employees on fixed-term contracts.

Absences related to the health crisis

Throughout 2021, management remained committed to implementing and adapting health measures at the sites. Work processes have been adapted to minimize the risks of contamination. Personal protective equipment has been made available to all employees.

Throughout 2021, these actions were maintained and adapted according to the circumstances.

3.4.2 Protecting our employees

Context

The health and safety of its employees and everyone else at its sites is paramount for the Group. To this end, the Group strives to offer a safe and healthy working environment. The analysis of the work stations' health and safety risks also allows the risk level to be identified, mitigation and reduction measures to be defined, and accidents, injuries and occupational diseases to be prevented. With its ongoing expansion and entries into new regions and markets, the Group aims to be a leader in terms of health and safety.

Policy: objectives and performance

The Elis Group's Health and Safety Policy, developed as part of its Quality, Health, Safety and Environment (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:

- 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, in 2020 the Group launched its 10 golden safety rules, the aim of which is to develop a culture of safety by encouraging the adoption of healthy habits and contributing to the creation of a safe work 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 workstation ergonomics, work-place hygiene and preventing business-specific risks.

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

Reducing the frequency of accidents by 50% between 2019 and 2025

Key performance indicator		2019	2020	2021
Analyzing the risks, and developing and communicating the Group's safety standards	Improvement in frequency since 2019 (%) ***(2025 target): -50%)***		-15.5%	-6.3%
	Frequency rate[(a)]	16.90	14.32	15.84
	Severity rate[(b)]	0.66	0.70	0.67
	Lost time accidents	1,529	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 × 1,000,000.

(b) Severity rate = Number of calendar days of lost work due to workplace accidents with lost work of more than 1 day, excluding commuting accidents/Total number of theoretical hours worked × 1,000.

In 2020 and 2021, hours not worked in connection with the partial shutdown due to the health situation were excluded from theoretical hours.

In 2021, workplace accidents remained lower than in the benchmark year, despite an increase this year due to the atypical operating conditions seen in 2020. This improvement in performance is explained by the Group's actions and initiatives, as detailed in the following sections.

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 operations. These assessments are updated regularly in accordance with local country regulations.

Based on the results, risk mitigation or reduction actions are defined and implemented to make the work environment safer.

A process of standardizing safety standards is under way

In 2021, Elis continued to implement its safety strategy. In each operating region, the cluster/country QSE teams work closely with the Group QSE 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.

The Group also launched a working group together with the cluster/country teams and the Group Maintenance Department to harmonize practices for facility operations with a view to defining a standard for equipment security and shutdown.

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 2021, Elis continued the rigorous monitoring of incidents within the Company 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 objective of reducing the accident frequency rate by 50% by 2025, this objective has been broken down by region according to the current maturity of each one.

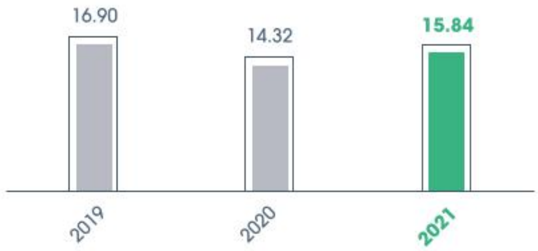
The Group's safety performance is thus monitored monthly for Elis employees (permanent or non-permanent — the Group having few temporary employees) through two indicators: the frequency rate (FR) of workplace lost-time accidents corresponding to the number of lost-time accidents per million hours worked and the severity rate (SR) corresponding to the number of days of lost work due to workplace accidents per thousand hours worked. The indicators allow a comparison to be made of changes at each site, in each region and in the Group as a whole. Group Management and the clusters/countries are informed of the results every month. The clusters/countries are responsible for informing their own organization of the results.

In addition, an analysis of the types of accidents is consolidated at Group level by activity (processing, maintenance, distribution, etc.), type of injury and type of risk (human, technical). This analysis helps to identify improvement actions to be strengthened in each country.

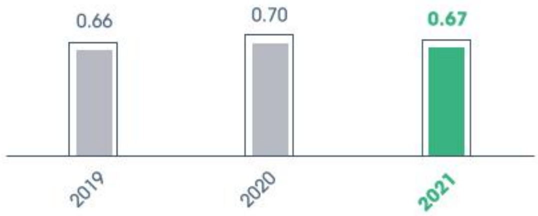
In 2021, 78% of workplace lost-time accidents were related to the risks of manual handling of loads (bags, water fountain bottles, mats, linen, workwear), slip trip and fall, mechanical handling of cages (laundry, pallet trucks) and contact with machinery (production or maintenance operations).

Actions are defined in each country and site of the Group in line with accident investigation to help reduce accidents.

FREQUENCY RATE FOR WORKPLACE ACCIDENTS INVOLVING ELIS EMPLOYEES



SEVERITY RATE FOR WORKPLACE ACCIDENTS INVOLVING ELIS EMPLOYEES



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 QSE 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 so as to adopt 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 continued in 2021 with the support of the QSE 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.

In addition, 73 Elis sites (in Sweden, Denmark, Norway, Poland, Ireland, Spain, Estonia, Finland and Czechia) have a health and safety management system certified according to either OHSAS 18001 (71 sites), or ISO 45001 (2 sites). These certifications relate to the production centers and may include service centers and offices (headquarters). Spain plans to certify all of its sites within three 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 "prepare for work" golden safety rule refers to the "stop, think, act" tool that will be rolled out. The purpose of this tool is to perform a rapid risk assessment of infrequent or unusual operations for which there are no specific instructions or operating procedures.

The handling and use of chemicals is required in the various Elis businesses. The Group plans to develop a safety standard regarding the management of related risks.

In addition, in order to facilitate the reporting of incidents and accidents and safety indicators in all its operations, the Group has acquired an IT tool to be used across all regions to manage safety indicators and harmonize information regarding incidents and ensure its reliability. This new tool, which will be rolled out in 2022, should provide a rapid and qualitative view of incidents at Group, country and site level.

Day-to-day health and safety training and activities

Measures implemented

Reinforcing the Elis safety culture by promoting safety

The 10 Elis golden safety rules are based on the Group's main business risks and identify key health and safety points.

At their launch in October 2020, the 10 golden safety rules were presented at country management committee level and then cascaded to site management and all operatives.

In 2021, the communications and activity plan defined at launch was implemented with:

- the 10 golden safety rules video;
- enhanced communication around one rule each month, through a training kit dedicated to each one, so that all employees can fully familiarize themselves with it and implement it into their own work environment;
- integration of the 10 golden safety rules into the onboarding of all new employees.

The rollout of the 10 golden safety rules will continue in 2022, with continued communication and assessment by the QSE cluster/country teams of how the rules are applied at sites.

The proper application of these rules by everyone will assist the Group in achieving its target of halving the accident frequency rate by 2025.

In addition, every new employee receives a safety induction, particularly at their work station, so that they have the key information about work station risks and the instructions to be followed for safe working.

In some countries, such as France, an annual reminder of workplace safety rules is given.

Depending on the work station occupied, operators receive additional regulatory training (electricals, driving vehicles, etc.) or training specific to the Elis business (use/handling of chemicals, etc.).

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 QSE 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, using 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 by the Elis site and the external company prior to the company coming on site in order to identify the risks inherent in its activities and the risks resulting from its interaction with the Elis business. This analysis enables the measures to be put in place by Elis or the external company to guarantee 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 the implementation of 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 QSE cluster/country teams define and support the improvement plans within their respective scopes of activity. Thus, in 2021, initiatives were continued or new ones were launched:

- For example, the United Kingdom:
  - continued its safety promotion campaign known as The Safety Premiership. Each month, several key safety criteria are examined (number of safety observations, number of health and safety committee meetings, and number of compliance checks) to promote and support safety in the plants on a daily basis. Consequently, more than 17,000 safety observations, 300 health and safety committee meetings and 300 compliance checks were carried out in 2021,
  - launched the Safety Forum, which aims to give a quick presentation of safety initiatives and solutions implemented by the different sites each quarter. The sites can then contact each other for further information;
- Denmark trialed five-minute ergonomics training sessions three times a week at one site to improve ergonomics. This measure will be extended to other sites in 2022;
- France:
  - continued its program of site visits by health and safety engineers to assess the safety procedures and assist the sites in identifying the priority improvement actions to be carried out,
  - initiated quarterly meetings with regional Directors and regional HR managers to review certain key indicators (accidents, fire, health and safety procedures/maturity matrix, golden safety rules) and to discuss specific actions to be strengthened in each region,
  - started a process for retraining the maintenance and production teams with regard to the safe operation of equipment and compliance with the new version of the procedure for the safe shutdown of equipment. This process will continue in 2022 with the application of this procedure and the drafting of operating procedures for all equipment throughout the centers,
  - implemented a Road Risk Prevention Plan in 2020, based in particular on a mobile training unit and coaching sessions for drivers of heavy goods vehicles;
- Brazil started an inventory of the hazardous energies present on each machine to create appropriate operating methods for each piece of equipment that tell operators and the maintenance team where to put locks and shutdown protocols before carrying out work.

3.4.3 Attracting and developing our employees

Context

Attracting and developing employees is a key issue 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 learnt over the long term. The Group thus invests in its teams to ensure their well-being and long-term development.

Policy: objectives 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 that Elis has. 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.

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 indicator		2019	2020	2021
Attracting the best talent	Hiring rate(a)	21%	20%	27%
	Share of young people in hires(a)(b)	30%	41%	43%
Developing our employees	Training days per employee(c)	1	1	1
	Share of managers promoted internally	36%	26%	16%

(a) New permanent hires added to the workforce as at December 31 in the year in question.
(b) 2019 under 27 age band changed in 2020 to under 30 for conformity with GRI.
(c) Many training sessions given were not included in the hours reported (for example, training through shared platforms).

The share of young people in hires increased in 2021 due to actions undertaken by the Group. The share of managers promoted internally decreased in 2021 as the health crisis affected the training programs. In addition, certain Group-level positions had been reviewed in 2019.

The hiring rate rose in 2021, primarily due to some employees with short-term contracts moving to permanent contracts.

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 also partnered with the Welcome to the Jungle website through a dedicated Group webpage containing its vacancies and videos presenting the Company, its business lines and its employees.

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, Elis teams, particularly in France, Germany, Sweden and Denmark, regularly take part in forums or organize site visits. In Denmark, for example, HR teams are working in partnership with Aalborg University, where employees and former graduates regularly speak to students about their careers. In France, Elis took part in the Art, Technology, Management (ARTEM) event: Ten students identified actions to improve Elis's image amongst students and young graduates. Elis is also a partner of Négociales, a competition organized by a network of 40 qualification centers in France, Belgium, Switzerland and Tunisia, which aims to enable students to work together and learn in trade negotiation settings that reflect real-life situations and that take place before a panel of professionals.

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 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 six-month placements, 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;
- *International Exchange Program:* young people are hired and trained in the Group's key business lines (in the production and commercial 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.

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 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 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 objective 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 onboarding programs, which range in duration from a few days for production operators, to several weeks for managers, are undertaken in each of the countries and allow new hires to learn more about Elis's values, culture, organizational structure and functions, and to build themselves an internal network.

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 specific challenges and opportunities where they are. This gives them the flexibility to quickly adjust their approach when labor market dynamics change and to promote internal mobility.

The Group offers a variety of training programs enabling employee development. 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 objectives 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 in 2021, the HR teams introduced the Expert Manager program. 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.

In France, the Group has chosen to run its own training center, with courses certified by Qualiopi. It offers everything a training organization would, and in particular provides programs validated by the business line teams. It runs several business line pathways to impart the Group's essential knowledge to employees.

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, offering and sales.

For sales, the courses prepare employees for doing business with the Group's different types of customer. 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 course is followed a few weeks later by in-depth training at the Group French training center to refine the employee's sales skills.

Training to improve sales techniques is ongoing and given in the field:

- at all times through a collaborative online platform that offers 25 sales modules and 37 product training modules. In 2021, nearly 6,000 modules were taken as a result;
- every day by managers trained in coaching who work with sales staff on objectives that they have set together;
- every month with meetings of regional sales managers organized by the Sales department, which enable teams to take a gaming approach on pre-selected themes.

In 2021, as in 2020, training of the Group's teams was affected by the health crisis but remained relatively stable. In addition, many training sessions given were not included in the hours reported (for example, training through shared platforms).

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 developing job mobility and internal career advancement 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.

The Elis Group 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 objectives and reviewing the year's performance: For operational roles, Elis aims to align individual contributions with the objectives of the organization by setting realistic individual objectives and reviewing achievement of them. For the individual review, each employee and their manager meet at the start of the financial year to discuss and agree on individual objectives. Achievement against these objectives is reviewed at the next annual meeting;
- reviewing skills: Each year, the employee reviews its 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 making the individual performance review for management staff digital 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, 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 making the individual performance review platform digital 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 France, a mobility committee meets from time-to-time to review the vacant positions and mobility requests of management staff.

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.

The Filière d'Excellence Disco (FED) program allows service agents to progress to management following a 16-month training program, with alternating periods of training and hands-on experience in the Company.

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 of Elis. Elis is committed to fostering harmonious and high-quality personal and professional relationships, regardless of seniority and function, with fairness and respect for all.

Policy: objectives and performance

The Group's non-discrimination and equal opportunities policy is outlined in its Code of Ethics. As such:

- Elis does not tolerate discrimination of any kind: the Group ensures that every employee can flourish in their work without being the subject of discrimination due to their gender, religion, race, age, sexual orientation, physical appearance, health status, disability or political orientation;
- Elis does not tolerate any behavior that may undermine a person's dignity and, in particular, any harassment of any kind;
- Elis seeks to promote diversity within its organization and sees the differences between its employees and business partners as a strength that is essential to the success of an international group;
- Elis promotes equal opportunities for every employee or candidate in terms of recruitment, access to training, compensation and social protection, and has a human resources policy that aims to encourage internal promotion, internal mobility and professional development through its training program. Only skills, experience and professional and personal abilities are taken into consideration.

The Elis **Code of Ethics** is the Group's common foundation in terms of non-discrimination, diversity and equal opportunities. Many countries have their own initiatives and sometimes local or national regulations that extend beyond the Code of Ethics, notably in areas like 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 equality in particular and has set itself the following target within its ambitious program running until 2025:

Reach 40% women in executive or managerial roles by 2025 (42% by 2030)

Achievement of this objective has been included in the Group's financing policy.

Key performance indicator		2019	2020	2021
Aiming for gender equality	Share of executive or management staff that are women ***(target: 40% by 2025 and 42% by 2030)***	33%	34%	34%
	Women share of managers hired	30%	30%	28%
Including people with disabilities and those with no/few qualifications	Share of employees with disabilities (France)	6.6%	6%	6.2%
Attracting young people	Share of young people in hires	30%	41%	43%

In 2021, the share of executive or management staff that are women remained stable, having grown continuously in the preceding years (24% in 2016). Consistent with its equal opportunities and non-discrimination policy, in 2021 the Group reported that the share of young people (43%) and female managers (28%) among its hires was stable.

Aiming for gender equality

Measures implemented

The share of women in the permanent workforce has remained stable in recent years, at about 53%. 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 positions held by women by 2025.

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, such as: 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; and increasing awareness among human resources and management teams, for example, with regard to identifying and breaking down stereotypes and decision-making biases.

In some countries, awareness is being raised among those in charge of recruitment or communications at universities and French grandes écoles to promote Elis's different business lines; particular attention is paid to under represented gender on final shortlists of candidates for positions.

In addition, in some countries, the Group has agreements on the subject, such as France on gender equality (2019) and Spain on an equal opportunities plan for women and men (2020).

With regard to the composition of the Supervisory Board, as at March 8, 2022 (excluding members of the Supervisory Board representing employees), the Group is aiming for equal representation. There are five women and four men on the Supervisory Board, or six women and five men when taking into account the members of the Supervisory Board representing employees.

Lastly, the Group has taken into account the provisions of the "Avenir professionnel" (Professional Future) law in France, which promotes gender equality. It has calculated and published its scores for the gender equality business index. According to the methodology for calculating this index, eight subsidiaries have a calculable index, and the average score obtained for all subsidiaries is 88.6/100 in 2021. Where needed, action plans will be implemented.

Promoting the inclusion of people with disabilities

Measures implemented

The Group promotes the employment and retention of people with disabilities through dedicated agreements but also through concrete actions.

In France, for example, measures were negotiated in 2019 with social partners to encourage the employment of people with disabilities.

Actions to increase awareness among managers and employees are undertaken.

The Elis Group employs 646 people with disabilities at its sites in France, which represents 6.2% of its permanent employees. Internationally, it is sometimes difficult to accurately identify the number of employees with disabilities, given local regulations.

The objective is to support the inclusion and work of people with disabilities with work station adaptations or the implementation of specific measures, as required. Home working solutions can be implemented on a case-by-case basis in order to continue the employment of people with severe disabilities. Actions are also being taken to include intellectually disabled people in the workplace: support from their mentor and specific monitoring by managers of intellectually disabled people if they work in industrial environments with stringent safety restrictions.

Elis also welcomes employees from Établissements et Services d'Aide par le Travail (ESAT), a French network that promotes employment for people with disabilities, providing on-the-job training in an ordinary work environment.

Elis has contracts for the supply of services from ESAT and entreprises adaptées (adapted businesses). These include services such as cleaning, treatment or repair of linen, repair of cages or hangers, purchase of supplies, and maintenance of green spaces. Some Le Jacquard Français products, including the covers from its new line of leather goods, are made by ESAT in France.

In Spain, the Group has created two specialized sites, where people with disabilities make up at least 70% of employees:

- a center in the Madrid region that employs 54 people, of whom 41 have disabilities;
- a center in the Basque Country that employs 27 people, of whom 19 have disabilities.

These centers are small laundries that process the laundry of hospital clients or care homes, but also the laundry of customers that requires a significant amount of manual processing.

Example of services provided by AD3, a Group subsidiary specializing in residential care laundry

ADAPEI 77 is an association that has 11 specialist care and nursing homes designed to house around 400 residents with motor or intellectual disabilities. In 2016, at the instigation of the association's Managing Director, 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 laundry 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 a policy of actively recruiting, both directly and indirectly (via purchasing), people with disabilities or far from the labour market. As such, nearly 10,000 washroom dispensers were assembled by people far from the labour market in 2021.

Outlook

A working group was set up at the end of 2021 to work on a common policy in this area and to therefore increase the commitment to the inclusion of people with disabilities.

Including those with no/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 agencies in the various cities where the Group operates, but also with other local recruitment channels ("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 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 on-the-job training. As a result, in 2021, the Taastrup center welcomed several women for six weeks as part of their development.

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.

Attracting young people

The Group's actions to attract young people are further detailed in section 3.4.3 "Attracting and developing our employees" and are based in particular on increased visibility in traditional media and in the media formats favored by younger generations, the development of targeted partnerships and the formation of specific career paths for young graduates.

Due to its corporate culture and values, the Group also offers fast-track courses 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 any other company and their supply chain, this a Group priority.

Policy: objectives 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 rank, whom they report to, 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 the 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. This document is based on the UNGC, ILO core conventions, the UK Bribery Act (UKBA) and the French Sapin II anti-corruption law, and covers human rights, working conditions, the protection of the environment and anti-corruption regulations.

Key performance indicator		2019	2020	2021
Respecting human and labor rights	Share of permanent employees located in countries with no human rights risks(a)	99%	98%	98%
	Share of revenue originating from countries with no human rights risks(a)	99%	99%	99%

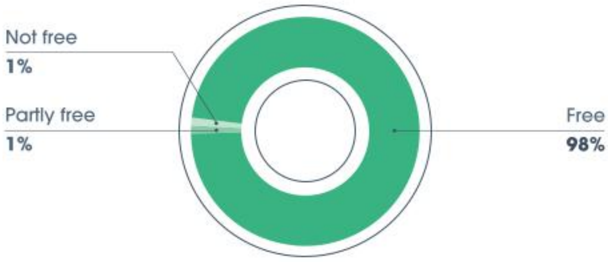
(a) Source: Freedom House.

Respecting human rights in our operations

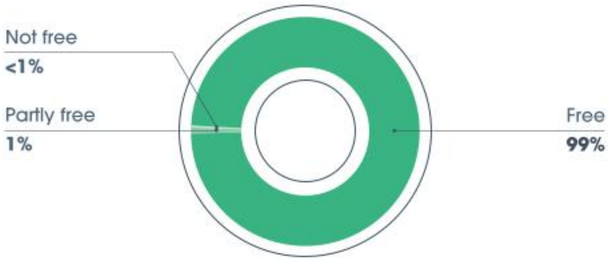
Measures implemented

According to Freedom House, the Group is mainly located in geographic areas with no human rights risks ("Free" status). 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[(1)]



BREAKDOWN OF REVENUE BASED ON HUMAN RIGHTS RISK[(1)]



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.

Alert procedure

In 2018, the Group established an outsourced alert system, which allows any violation of the provisions set out in the Elis Code of Ethics to be reported. This system is described in more detail in section 3.5.5 "Continuing to integrate ethics into our business practices".

No incidents were reported in 2021 through the alert system in relation to human rights violations.

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. As such, in 2021, the Group hired 406 young people on apprenticeship contracts, following successful apprenticeships, summer jobs or short-term contracts.

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 alert procedure, there are also local procedures in place to address such situations and measures for raising awareness.

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 agreed to for preventing psychosocial risks.

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, in France, some employees may be required to work at night, with such shifts 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 dialogue 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.

Restructuring

The Group's sites must continuously evolve in order to improve operational performance and the working conditions of its employees. Excluding the health crisis, which forced the Group to quickly put in place long-term cost-saving measures, it is mainly in the above context that the Group transfers activities and jobs to other sites, and provides support to do so.

(1) *Source: Freedom House.*

3.5 SOCIETY

3.5.1 Providing products and services that contribute to hygiene and reduce resource consumption

Context

The Elis Group provides products and services that contribute to hygiene. Accordingly, the Group provides products that protect employees from their environment (workwear in particular) and provides not only enhanced hygiene solutions for the most vulnerable members of society and the most sensitive environments but also solutions that meet the essential hygiene needs of customers, residents, patients, visitors and users of its products.

Based on its significant experience in the Healthcare sector (around 30% of its revenue), the Group has developed expertise in several countries that meets the specific needs of the world of healthcare and hygiene more generally and offers product ranges that address these issues.

In addition, due to its circular economy model based on the product as a service business model , the Group offers solutions to its customers that are less resource-intensive and thus lower-impact (see section 3.3.1 "Being a circular economy player").

Governance

Responding to the needs and issues of its customers is a priority for the Group. Aware of its expertise in hygiene, and in the face of current environmental and health 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: objectives and performance

Thanks to its extensive knowledge, the Group provides its customers and product users with solutions that contribute to hygiene and reduce resource consumption. The Group thus intends to bring safe and sustainable solutions to as many people as possible.

Key performance indicator		2019	2020	2021
Protecting workers	Share of revenue of the Workwear and Cleanroom businesses	34%	38%	38%
Bringing enhanced hygiene solutions to the most vulnerable members of society and the most sensitive environments	Number of residents served by Elis in the three main countries (Germany, France and Ireland)			114,270
Ensuring the provision of essential hygiene systems to customers, residents, patients, users and visitors	Share of revenue of the Washroom and Beverages businesses	9%	10%	10%
Providing solutions that are more responsible and help reduce consumption	Share of the Group's revenue from the product-service system	89%	88%	89%

In 2021, the Group maintained its commitment to offering products and services that contribute to hygiene and reduce resource consumption. These types of products and services represent a significant and ever-increasing part of the Group's business thanks to their continuing growth.

Protecting workers

Measures implemented

Hygiene and employee protection

Every day, Elis clothes several million workers in a hygienic manner while observing the applicable standards. As such, the Company enables millions of employees to work in optimum safety and comfort. 38% of the Group's 2021 revenue originated from this sector. In the Industry and Commerce and Services sectors, that represents more than 3.8 million wearers of our workwear.

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 laundry of their household.

Scrubs: reusable or disposable? Which is the most hygienic solution?

The public health crisis has reminded the Healthcare sector of the advantages of reusable textiles compared to disposable non-woven ones, especially when it comes to scrubs. For reusable textiles, hygiene is controlled and monitored, complying with the applicable regulations and reflecting Elis's expertise in industrial cleaning processes.

Elis' proximity solution enables continuity of service for its customers, thus limiting the risks of supply interruptions of products that are largely imported.

Product ergonomics contributing to the well-being of employees

Elis offers various products that improve workplace ergonomics and help to protect the health of its customers and users, such as:

- **Ergonomic 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 covers are designed so that making the bed is easier (reversible, straight opening across the width of the bottom and finger grips);
- **Regencia collection:** specially designed workwear for housekeepers that is more comfortable and uses Tencel fiber to regulate perspiration and neutralize odors.

Bringing enhanced hygiene solutions to the most vulnerable members of society and the most sensitive environments

Measures implemented

Our services for the most vulnerable people

For residents with disabilities, care homes and children's homes, it is essential to offer laundry care solutions to assist these more vulnerable people. The Group offers specific services through its laundry business for residents.

Concrete actions for maintaining laundry services during the Covid-19 crisis

When the pandemic hit, Elis was able to ensure continuity of service for its customers and help with last-minute emergencies thanks to the proximity of its centers, demonstrating greater responsiveness and adaptability than the supply chain for disposable products, which was affected by shortages, high demand, etc.

AD3, the Group entity responsible for processing residents' laundry, continued to provide this service during a time when families could no longer visit their relatives as often.

In Spain, some plants were able to take over the laundry function in establishments that faced major staff absence problems.

Our services for the most sensitive environments

The Group operates in sectors that have levels of specific requirements on certain aspects. This is particularly the case with the cleanroom businesses and with players in the Food, Pharmaceuticals, Micro-electronics, Life Sciences and Healthcare sectors.

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, very old, very young, disabled or ill people, require increased vigilance in terms of hygiene.

Ensuring the provision of essential hygiene systems to customers, residents, patients, users and visitors

Measures implemented

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 business had strong growth during the specific context of the health crisis.

Supporting customers during the Covid-19 pandemic

Elis has helped its customers reopen their businesses by creating special offerings. Naturally, the new offerings available include a special hand hygiene offering. This includes appliances for washing hands with soap and water followed by drying, or the dispensing of hand sanitizer on clean and dry hands for the disinfection of a wide range of viruses, including coronavirus, influenza, and hepatitis B and C. Guides have been created for all sectors to teach users of these appliances about hand hygiene.

In 2021, Elis continued to support its customers in a demanding health context, for example, by providing them with its No-Touch washroom appliance solutions, produced largely by its Kennedy subsidiary in the United Kingdom. These dispensers, together with the support provided by Elis in teaching users about hand hygiene, enable customers to protect their employees, customers and patients. In 2021, pedal systems were also offered for some dispensers.

In addition, the Group offers automatic clothing dispensers. 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 drop them off at the end of the day.

A service ensuring essential hygiene needs are met

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 reserve, continually helps to ensure an uninterrupted service for its customers and users. In 2021, the Group launched on its markets new products equipped with a reserve, notably soap and paper dispensers. The family of appliances with a reserve, as well as offering greater autonomy, also helps to reduce waste as consumables are used up completely.

Providing solutions that are more responsible and help reduce consumption

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 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 model, primarily through reducing the consumption of natural resources and keeping products in use, is a sustainable solution to address today's environmental challenges **and planet finite boundaries**.

The Elis model and its approach to addressing durability issues 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".

3.5.2 Satisfying and engaging our customers

Context

A Customer Experience Department was formed within Marketing in 2015, reflecting the Group's strengthened commitment to adopting an approach that places the customer at the heart of everything it does. This dedication 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 the CSR report, presentations to customers and films. 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 that the Group's 28 countries use the same tools.

Policy: objectives and performance

Customer satisfaction is one of the Group's priorities. The objective is to achieve an overall customer satisfaction rate of 87%. However, countries or branches may set themselves more ambitious local targets in the interests of continuous improvement. In 2021, the Group achieved its objective of 87%.

Furthermore, given the importance of partnerships on CSR to overcome current challenges, the Group intends to engage more with its customers on these issues, by sharing with them the Group's commitments in this area, the benefits of circular economy models, and by offering them more responsible alternatives.

Key performance indicator		2019	2020	2021
Satisfying our customers	Aim for a satisfaction rate of > 87%	87%	86%	87%

Satisfying our customers

Measures implemented

Keen to listen to customers as closely as possible, the Group uses different tools, within the Satisfelis program, that are adapted to the cultural differences and needs of certain types of clients:

- 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 agency meets their expectations.

There are three call centers within this unique program that are steering the work:

- one located in Villeurbanne, near Lyon, operated by Elis;
- two others, in Barcelona and London, which are managed by a long-standing partner.

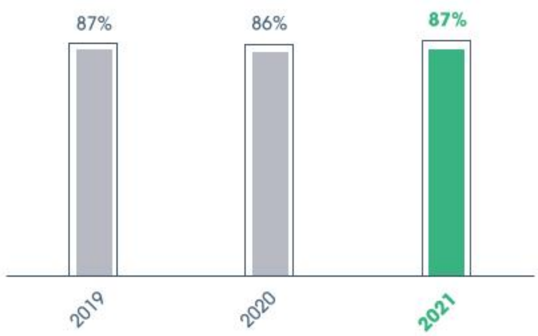
Agents at these call centers are impartial and are not paid based on the level of customer satisfaction in their surveys. Their role is key because they are responsible for listening to the voice of the customer as accurately and factually as possible. At the end of each survey, they take the time to add additional comments so that the feedback that the agencies receive is as detailed as possible.

Depending on the year, between 45,000 and 50,000 surveys are carried out around the world.

The performance indicators are:

- the satisfaction rate in the countries that are part of the telephone initiative;
- the Net Promoter Score (NPS), which measures how likely customers would be to recommend the company, in the countries that are part of the email initiative.

In 2021, according to these measures, the satisfaction rate was 87%.



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 the results for their customer portfolio by client or overall. This overview allows the stakeholder to check the quality of a service (for example, workwear) and the reasons for dissatisfaction highlighted.

For a more international overview, a Group analysis is carried out and communicated to all countries and top management. This central view helps to identify general trends and can lead to more crosscutting actions.

Outlook

The content of the Satisfelis program is improved every year to grow the return on everyone's investment in it. When customers take the time to respond to Elis's questions, it is essential that we take their feedback on board. These areas of improvement involve both optimizing the process and reviewing new subjects.

In 2022, the questionnaires for all countries will be adapted so as to more tangibly assess the quality of the service provided during each period.

Moreover, all the existing initiatives will be driven by a single indicator: the satisfaction rate. It is a simple, actionable indicator that can be adapted for cultural differences. Measuring the same indicator in all countries will give the Group a harmonized customer satisfaction rate.

Communicating responsibly and engaging our customers

Measures implemented

Converting our customers to the circular economy and more responsible solutions

The Group continually seeks to encourage its customers to switch to models product as a service economy (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 commercial presentations increasingly highlight the benefits of rental-maintenance compared to buying or single-use solutions. This mindset is part of the Group's DNA. For example, since the acquisition of its subsidiary in Brazil, the Group has gradually transferred its maintenance solution client 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 offer them more responsible product and service alternatives. As such, product presentations always incorporate a focus on elements related to sustainable development, such as organic fair-trade offerings, Ecolabels, the use of recycled fibers, reusable flasks, etc. Customers are consequently informed of the more sustainable options available to them.

Finally, educational tools (brochures, PowerPoint presentations, videos, etc.) have been developed to raise awareness and engage customers on CSR topics, such as: What is fair trade? What is organic cotton/coffee? How is polyester recycled into fabric?

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 more responsible solutions 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 for customers.

Communicating responsibly

In order to further engage with its stakeholders on sustainable development issues, the Group promotes its commitments on the topic, the benefits of circular economy models, and offers more responsible alternatives.

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.

The Group also strives to implement reponsible communication principles on a daily basis. The Group's communications teams received training in this area in 2021.

Outlook

The Group initiated work at the end of 2021 to analyze customer expectations with regard to sustainable development, not only to better meet these expectations but also to engage more with customers on these issues. Interviews with the sales forces will thus be carried out in some Group countries and tools will be developed.

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 and Procurement 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 2021, nearly 60% of the Group's purchases came from Europe.

The Group's purchasing is divided into three segments: direct (textiles and hygiene and well-being), indirect and industrial purchases. Indirect (energy, IT, etc.) and industrial (construction, machinery, etc.) purchases 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. The list of suppliers is broad and comprises "corporate" suppliers, which are managed centrally, and suppliers that are managed locally — that is, at the country level or the local-entity level. Elis purchases textile products and hygiene and well-being products mainly in Europe (37%), Asia (29%) and Africa (14%). In addition, the Group has a workwear plant in Europe (700,000 items per year) and a plant in France that makes table linen (Le Jacquard Français).

The risk analysis of the main suppliers is based on the geographic location of these suppliers in order to guarantee a stable business relationship grounded in the social, ethical and environmental responsibilities that form the pillars of the Supplier Code of Conduct.

Governance

The Group's Purchasing Director reports to the Group Engineering, Purchasing and Supply Chain Director, who is a member of the Executive Committee.

The purchasing structure and responsibility for it are managed at the Group level with the support of local buyers based in each country. The central purchasing team helps the buyers assess and monitor suppliers with regard to the ethical, social and environmental issues described in the Group's Supplier Code of Conduct.

Policy: objectives and performance

Elis strives to forge stable and long-term relationships with its suppliers by improving relationship management while ensuring the respect of human rights and labor rights, the protection of the environment and preventing corruption. Elis also abides by the ILO's eight fundamental conventions.

The standards imposed by the Group on its suppliers and subcontractors in terms of fair practices, human rights, health and safety, and environmental protection are set out in a Sustainable and Ethical Purchasing Charter. Standards like this Charter, other guiding documents and the measures derived from those help decrease the likelihood of an unethical event to occur. The Code of Conduct also encourages suppliers to consider environmental challenges and to implement recognized international certifications for social, environmental, quality or energy issues. Moreover, Elis encourages suppliers to get Oeko-Tex certification for all textiles delivered.

In this vein, the Group has set an objective to achieve by 2025:

95% of direct suppliers to have undergone a CSR assessment within the previous three years

Key performance indicator		2019	2020	2021
Implementing an integrated sustainable purchasing approach	Share of direct suppliers having undergone a CSR assessment within the previous three years ***(2025 objective: 95%)***	94%	92%	93%
	Share of Top 100 suppliers that have signed the Supplier Code of Conduct			78%
	Number of on-site CSR audits conducted during the year	16	14	28[(a)]

(a) In 2021, the on-site audits conducted for third parties are included.

In 2021, the Group maintained its performance, having assessed 93% of its direct suppliers within the previous 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 build strong relationships with Elis, some of them going back more than 20 years. These relationships are essential to the Group's long-term success and the satisfaction of its customers.

In 2021 in the Textile segment (flat linen and workwear), business relationships continued with third parties that were already bound by master agreements. Thus supplier portfolio was preserved, creating continuity. The strategy has remained similar with the hygiene and well-being segment. However, market developments and the enactment of the French Anti-Waste Law for a Circular Economy required the Group to seek three new suppliers to meet new customer demands.

A philosophy of partnership

The Group approaches its relationships with its suppliers – some of which it has been working with for over 20 years – as a partnership. When the Group and its suppliers work as partners, suppliers have the potential to help devise new solutions to respond to today's sustainability topics or support the Group in its 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 with the establishment and development of recycling procedures for its end-of-life products.

Master agreements, Code of Conduct and listing tool

Elis supplier requirements are formalized in the Supplier Code of Conduct, also known as the Sustainable and Ethical Purchasing Charter. This document is based on the UNGC, ILO fundamental conventions, UKBA (UK) or Sapin II law (France) and covers human rights, labor, the environment and anti-corruption regulations. This Supplier Code of Conduct applies to all suppliers (direct, indirect or industrial), whether new or existing.

When a master agreement is signed or renewed, every supplier is also asked to sign the Supplier Code of Conduct. To date, for direct purchases and the Group's Top 100 suppliers, 77% of third parties have signed the Code of Conduct.

In 2020, Elis deployed a software tool called the "Supplier On-boarding Claim system." Documents such as proof of the Oeko-Tex certification, a signed Supplier Code of Conduct, REACH commitments and more will eventually be available to monitor in this tool. The system will first be implemented for direct preferred suppliers and will notify them when documents are about to expire.

This Code is also integrated into the Purchasing Department's ISO 9001 documentation system, which accompanies its rollout among all tier-1 suppliers (i.e., suppliers with which a direct business relationship is established) and tier-2 suppliers (when Elis assigns the textile manufacturer to the clothing manufacturer – this applies to over 90% of cases for workwear for the Group's catalog suppliers).

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 joint strategy of continuous improvement on social, ethical and environmental practices.

Employee training

Four times per year, the purchasing team, joined by the local buyers, runs a seminar that includes a part on sharing new practices in the interest of managing the supply chain and, in particular, knowing suppliers. A methodology for sourcing new third parties that incorporated CSR aspects has been presented. This methodology does not supersede the mandated audits but it allows for an initial approval stage that confirms the continuation of the sourcing process.

In addition, during their first year on the job, the Purchasing Department managers complete an anti-corruption training organized by the Group's Compliance Department.

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 low, medium or high risk. The completed matrix dictates the conduct of an external on-site audit. 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 certifications.

External audits may be commissioned by Elis or on behalf of other third parties if the standards meet the Group's criteria. Sedex/SMETA or BSCI audits are accepted. The Group's goal is to conduct CSR assessments within the previous three years for 95% of suppliers of direct purchases.

To leverage the controls and ensure maximum coverage, suppliers are assessed first and foremost against the volume and criticality of the goods or services provided to Elis, following three-year cycles.

The process of CSR analysis of the Group's 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 Supplier 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, management of salaries and employee benefits, and environmental impact. In addition to this formal questionnaire, there are more specific aspects related to quality management and the enforcement of the Elis Group's Supplier Code of Conduct.

As part of its efforts to continuously improve, Elis subsequently ensures the implementation of action plans arising from these audits. A more precise monitoring procedure may be applied if the Elis Group's stringent standards are not met. When this occurs, corrective actions are established, a compliance plan with fixed deadlines is administered, and a new audit is planned to confirm compliance. The Group engages in regular dialog with suppliers about noncompliance and helps them devise corrective plans. The number of cases where audits have uncovered major noncompliance is very low, no doubt thanks to the lasting, cooperative relationships the Group maintains with its suppliers.

Any new supplier of items for any Elis service or product must have a satisfactory CSR assessment in order to be listed. The Elis Supplier CSR management policy and the Elis Supplier Management Process policy describe this selection procedure.

In 2021, Elis mandated 19 CSR audits, and nine audits were conducted on the initiative of third parties managed by an accredited organization. In addition, 11 direct suppliers earned SA 8000 or ISO 26000 certification.

More than 90% of the catalog workwear supplied by Elis is made with fabric that is known and approved by the Group, allowing the Group to completely manage the value chain from the textile manufacturer (tier 2 supplier) to the clothing manufacturer (tier 1 supplier).

Certified products

By engaging with suppliers able to offer certified products, the Group ensure a higher level of concerns of social and environmental aspects within its supply chain. This is discussed in greater detail in section 3.3 "Planet and products."

Outlook

As of 2020, all suppliers that are assessed through a CSR audit are monitored to ensure that the action plans that were created are implemented. In 2022, as part of its ongoing efforts to better assess its supply chain, the Group will add new questions about rising topics.

The markets where Elis operates are changing all the time. To keep up, Elis plans to further educate its teams on subjects such as certifications (topics, tools, etc.) in order to remain responsive and stay a step ahead of its markets and customer demands.

3.5.4 Contributing to our local communities and supporting the causes that we value

Context

The Elis Group is present in 28 countries and has more than 425 sites. The Group's operations are intrinsically designed to be as close as possible to its customers (generally within 30 to 100km) 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, etc.) and indirectly (through its contribution to the local economic fabric or its purchasing).

Governance

Governance with regard to human resources is detailed in section 3.4 "Our people".

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 areas and to support the causes they hold dear.

In addition, in 2019, the Group launched a Foundation in France, chaired by the Chairman of the Management Board.

Policy: objectives and performance

Aware of its strong local presence in its regions, the Group intends to support the transformation of its communities and support their development.

Moreover, the Elis Foundation, faithful to the Group's corporate culture, seeks to help young people with their education.

Thus, the Group has set itself the target of:

Tripling the impact of the Elis Foundation by 2025

In 2021, the Group continued its engagement with its communities and welcomed the third cohort to its Foundation.

Supporting social mobility through our foundation

Measures implemented

The Elis Foundation

The Elis Foundation, launched in 2019, is fundamentally rooted in the Elis 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. It aims to identify and support young, motivated, and outstanding people qualified to baccalauréat level to go on and achieve their academic dreams. As such, 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 regularly advice and support. This support is allocated for one year and may be renewed depending on school results, problems encountered or situation changes.

In 2021, the Foundation was able to bring together sponsors and mentees from these three years at the Group's headquarters in Saint-Cloud for a back-to-school cocktail party. This friendly gathering allowed everyone to meet up again after a year marked by the health crisis. The cocktail party also served as 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.

This young Foundation, which is currently only running in France, welcomed its third class in September 2021.

Outlook

With three 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 anchorage

Measures implemented

Our local economic footprint

Due to its economic model, its activities and its positioning, the Group's business operations cannot be relocated and contribute to the economic development of the 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 line, that more than four times the number of direct and indirect jobs were generated, of which more than 30% are in Europe.

This locally economic contribution approach is reflected, in particular, 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 per year).

Le Jacquard Français certified as a living heritage company

The Enterprise 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 country's Small Business Act of August 2, 2005 (Article 23), the label Enterprise 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 Minister 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 the Group can remain as close as possible to the needs and challenges faced by the regions in which it is located. This philosophy is reflected in particular in its support for its communities during difficult times. From donating linen to helping underserved populations, some examples of our actions in 2021 are detailed below:

- in France, to mark Breast Cancer Awareness Month in October, Le Jacquard Français donated a share of its in-store and online sales of pink products. In addition, following a charitable initiative run at the Group's headquarters, more than 1,000 meals were donated to Restaurants du Cœur, a charity that provides food to those in need;

- in Spain, one site donated 50 complete sets of sheets, throws and bath and hand towels that will form part of the welcome kits given to refugees, migrants and people at risk of social exclusion;
- in the Netherlands, 6,000 soap dispensers and 60,000 individual bottles of hand sanitizer were distributed to food banks as support for tackling the health crisis;
- in Sweden, teams are formed each year to organize Christmas gifts for children with cancer. This is in addition to regular donations of throws, clothing and towels to organizations that support homeless people and refugees;
- in Colombia, the Group gave more than 40 kg of clothing to an organization that supports families, young people and the elderly who are living in precarious situations. Other donations have also been made to firefighters, the police and hospitals. For example, more than 125 kg of clothing was donated to Mario Correa Rengifo Hospital to support it in the face of the health crisis;
- In Denmark, the Group offers its linen and laundry services to certain associations or certain events, such as the Red Cross summer camps. In addition, the Cleanroom business donates between 2,500 and 3,000 textile pieces every month to *Global Medical Aid*, which are then used in countries where there are lacking (for example, Burundi, Nepal, Sri Lanka, Kenya and Afghanistan).

Local sourcing

For direct purchases, and more specifically in the hygiene and well-being areas, local European sourcing is preferred, in particular in segments such as mats, dispensers and paper. In 2021, nearly 100% of direct hygiene and well-being suppliers were based in Europe. In the same year, Le Jacquard Français also repatriated the manufacture of its aprons to France, to an ESAT that it supports.

In terms of its direct purchases, Elis sources almost 40% of its purchases of workwear products from local European suppliers.

Nearly 40% of direct workwear suppliers are based in Europe

Almost 100% direct hygiene and well-being suppliers are based in Europe

3.5.5 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 of increasing expectations of the society, the regulator and the various stakeholders towards the economic operators, in the areas of ethics, transparency and the fight against corruption.

With a presence in 28 countries and international sales accounting for 68% of its consolidated sales revenue, Elis is subject to an increasing number of ethical regulations, including those relating to the fight against corruption, bribery, money laundering, modern slavery and human rights abuses. A description of the binding regulations to which the Group is subject is given in section 4.1.4, "Legal, regulatory and tax risks" of this universal registration document.

This multiplicity of issues and the need to take into account local requirements and expectations are integrated into the strategic direction of the Group, which is working to implement a compliance program that is adapted to each country, where appropriate, and that seeks to identify, prevent and mitigate the risks of corruption and bribery, based on core international legislation and applicable national legislation.

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 against corruption.

Governance and senior management's commitment

The Group's directors embody the Group's culture of integrity, and have, in particular, a "zero-tolerance" stance regarding all forms of corruption. This message is relayed to all Group management levels, in particular through to the Code of Ethics, which has a preface written by the Chairman of the Management Board.

The general direction and implementation of the anti-corruption and anti-bribery compliance program is reviewed and assessed by the Executive Committee. The Executive Committee has thus been directly involved in preparing and validating corruption and bribery risks mapping and identifying certain essential components of the compliance program, and can be asked to make certain operational decisions.

The implementation of the program is the responsibility of the Group's Legal Services Department. During the 2021 financial year, Elis chose to strengthen the resources mobilized for this matter and recruited a Group Compliance Manager, who reports directly to the Legal Director and Compliance Officer, in order to continue developing and improving the measures of detection and prevention of corruption, to supervise their measures across all the Group's businesses and employees, and to ensure appropriate reporting to the Company's management committees and, as shown below, Audit Committee.

As part of its mission, the Group's compliance division relies on a network of designated anti-corruption officers in each country where the Group is active. These officers are employees of the Group who hold an official position in the company hierarchy, and are either specifically dedicated to this matter (as is the case in some countries) or have other roles elsewhere within the Group. Regardless of their rank, officers have the powers and independence necessary to exercise their duties. Within this context, the Group compliance division ensures that anti-corruption officers are involved in updating the corruption risk map, oversee subjects that require the program to be adapted for the requirements of local regulations, conduct ethical incident investigations and assist local leaders in promoting ethical principles.

Finally, the Audit Committee, which derives its authority from the Supervisory Board, monitors the system for preventing and detecting corruption and bribery risks, ensures the effectiveness of the internal audit and control systems and tracks progress made with regard to action plans.

Fiscal matters are duly covered and managed by a Group tax division within the Finance 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: objectives and performance

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

For instance, for the former Berendsen Group, the program integrates the pre-existing compliance measures implemented pursuant specifically to the british anti-corruption regulations.

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 and bribery.

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, leaders 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 policies and procedures that make up the Group's compliance program complement the Code of Ethics in order to provide employees with practical tools to support them in the running of their operations and projects.

Within the meaning of the Group's general risk map, corruption risks were not identified as being amongst the most significant risks, on the one hand, as a result of the steps taken to combat the risks of corruption and bribery within the Group, in particular within Group countries considered to be sensitive, and on the other hand, given the limited share of activities and locations that may be considered sensitive from this point of view at Group level. During the 2021 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 8%.

In the area of taxation, the Group also endeavors to comply with local laws and this is part of a transparent approach with regard to the tax authorities.

Key performance indicator		2019	2020	2021
Ensuring Group compliance with Sapin II and other local laws	Number of incidents reported by a whistleblower	175	173	187
	Percentage of incidents that are relevant	57%	57%	52%
	Out of the number of relevant incidents, percentage of proven incidents	59%	52%	55%
	Percentage of proven incidents that have been subject to disciplinary action or a disciplinary reminder of any kind	88%	96%	93%

In 2021, of the 187 incidents reported, 52% were deemed relevant, and 55% of those were deemed proven. 93% 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 2021 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 program for the prevention and detection of corruption and bribery risks, seeking to prioritize regions where appropriate.

Risk mapping and assessment

Corruption and bribery risks are assessed using a dedicated mapping tool that has been used since 2017. The purpose of this mapping is to identify, assess and prioritize the risks of corruption and bribery 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.

At the end of 2021 financial year, 8% 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.

The map has been developed and is regularly updated with the assistance of the executive roles, thus contributing to its continuous improvement.

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 fight against corruption and bribery.

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 charters adopted by the Group are based, including the Supplier Code of Conduct, the Code of Conduct for Trading and Market Activities, and resources developed by the Group to combat the risk of corruption. These documents are available to the public on the Group's website (www.elis.com) under the heading "Our CSR policy".

The Code of Ethics has been formally agreed upon by all of the Group's senior managers and the heads of each Group's countries. 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 rank, whom they report to, 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, gifts and invitations given and received 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 Sustainable and Ethical Purchasing Charter, more often called the Supplier Code of Conduct, contains the standards that the Group applies to its suppliers and subcontractors regarding fair practices, human rights, health and safety, and environmental protection.

In particular, Elis endeavors to control the risks of corruption and bribery related to third parties:

- Elis prohibits its suppliers from subcontracting all or part of the contractual services awarded to them without its written consent. The Supplier Code of Conduct is automatically included as an appendix to the Group's framework agreements, and contracts with strategic suppliers considered to be high risk are subject to regular audits, including on compliance and anti-corruption aspects (see section 3.5.3 "Working responsibly with third parties");
- Elis incorporates ethical clauses whenever possible into its general terms and conditions of sale and its framework agreements with its customers;
- the Group is particularly attentive when it comes to merger and acquisition deals, and follows due diligence procedures on specific ethical and compliance matters whenever necessary.

With the objective of strengthening its third-party review system, and in the interest of continuous improvement, Elis is continuing with its approach of classifying third parties according to their risk level and of assessing those most at risk, and has incorporated compliance with international economic sanctions.

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 and bribery risks based on the results of the above-mentioned mapping receive training in the internal compliance framework, with priority given to the most sensitive regions and roles. These employees are primarily senior executives, head office and operational center managers, and members of the commercial and purchasing functions.

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. For this reason, some geographical areas are particularly prioritized, such as Brazil, France and the United Kingdom, where comprehensive training is carried out face-to-face and/or online, with such training being mandatory for certain categories of employees considered to be the most exposed to corruption risks.

Alert procedure

In 2018, the Group established an outsourced alert system, which allows any violation of the provisions set out in the Elis Code of Ethics to be reported. The alert procedure allows all employees, customers and suppliers to send a message (and/or a voice message) via a dedicated website, accessible 24 hours a day, 7 days a week, in all local 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, provided that alerts are submitted in good faith and are based on verifiable information.

All admissible alerts are investigated in accordance with the principles laid down in the procedure for handling alerts, may give rise to sanctions, and are reported to the Audit Committee twice a year.

In the 2021 financial year, of the 187 incidents reported, 52% were deemed relevant, and 55% of those were deemed proven. 93% of the proven incidents were the subject of disciplinary action of various kinds.

Internal and accounting controls

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 system.

The Group compliance division ensures that the various measures of the anti-corruption scheme are implemented, providing support to local officers and monitoring the implementation of the action plans.

During the 2021 financial year, a structuring and formalization initiative was introduced jointly with the Internal Audit Department, with the objective of integrating specific controls related to ethics, anti-corruption and the alert system into the risk management system.

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 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 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 objectives 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 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.

	2019		2020		2021	
Geographic areas	EBIT (as a %)	Tax paid (as a %)[a]	EBIT (as a %)	Tax paid (as a %)[a]	EBIT (as a %)	Tax paid (as a %)[a]
Latin America	8.3%	17.6%	12.3%	20.3%	9.2%	15.9%
UK & Ireland	3.3%	1.1%[b]	-3.9%	3.8%[b]	2.5%	5.8%[b]
Southern Europe	4.6%	3.7%	-6.6%	2.8%	2.0%	-0.3%
Scandinavia & Eastern Europe	23.3%	24.8%[b]	29.5%	38.9%[b]	22.8%	30.3%[b]
France	45.7%	26.5%[b]	44.6%	12.4%[b]	46.4%	29.1%[b]
Central Europe	17.4%	26.3%	26.1%	21.9%	20.5%	19.1%
Other[c]	-2.5%	N/A	-2.0%	N/A	-3.3%	N/A

(a) Tax paid, excluding tax not based on net income (company value-added contribution (CVAE) in France and the regional tax on productive activities (IRAP) in Italy, for example).

(b) The tax paid per country includes the tax charge corresponding to the holding companies or manufacturing entities existing in the country, if applicable.

(c) Other = holding companies and manufacturing entities

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 its cybersecurity and protecting personal data and privacy.

The challenges 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. This is mainly the data of its employees and job applicants and data collected from customers, suppliers and stakeholders.

Governance

The strategic direction for cybersecurity is set by the Information Systems Department. Within the IT Department, the IT Security Department is responsible for shaping and implementing the security policy.

Elis is strenghtening 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 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: objectives and performance

The security policy addresses the major issues of IT security, particularly data protection, and outlines for each of them the overarching principles that must be applied. It conveys clear objectives, best practices and levels of control that are suited to the risks incurred — most notably, 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 prepared 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 storage 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 Group revisited and applied the Charter on Acceptable Use of Electronic Communication Technologies. This Charter outlines security measures and procedures for protecting personal data.

Employee education and training

Education initiatives focused on the principles of data protection are revamped regularly. In 2021, emphasis was placed on storage periods and email inbox management as well as continuing the education for IT Department staff.

The Group issues frequent reminders to employees about cybersecurity issues. 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 are provided for all the countries where Elis operates.

Outlook

To sustain its improvement of cybersecurity, Elis continues to expand its cybersecurity education and training plan with new e-learning tools and new content tailored to the various business lines.

Keeping our IT systems secure

Measures implemented

Prevention

Elis applies an IT system security risk management process and identifies, describes 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.

Elis is strengthening and standardizing the security of its infrastructure in order to reduce the risk of spread of cyberattacks and guarantee the IT system's availability and integrity, as well as the privacy of its services and data.

Detection

There are established mechanisms and a structure monitoring 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 another 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 apply 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 Disclosure of non-financial performance

Presentation of the business model

The Group's business model is set out in chapter 1, section 1.2 of this universal registration document.

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 stakes in 2021 to map its risks and opportunities.

This analysis, intended to assess the stakes for both the company and its stakeholders, took into account short-, medium- and long-term issues 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, on health and safety, and on the local population) and their likelihood of occurring.

This review of the stakes was based on interviews with key company personnel who are in direct contact with stakeholders, interviews with certain external stakeholders (investors in particular), an in-depth review of documentary evidence (ESG questionnaires, customer questionnaires, etc.) and the Group risk matrix established in 2020. This matrix was also presented to the Executive Committee, the CSR Committee and the Supervisory Board.

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 disclosure of non-financial performance 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-referencing the disclosure of non-financial performance risks and the sections of chapter 3

Elis presents its CSR strategy both to comply with regulatory requirements (such as the disclosure of non-financial performance or taxonomy, for example) and to meet the expectations of its stakeholders. Thus, policies, objectives, 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 stakes 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 stakes	Key performance indicator and outcomes	Section
Risk of strengthening stakeholder expectations in terms of climate change mitigation and of business disruption entailed by climate change	**Main risk** As a result of its activities, the Group is subject to climate change-related risks. On one hand, with regard to **transition issues** in order to limit its emissions and adapt to the growing expectation of its stakeholders and, on the other hand, with regard **to adaptation issues**. **Secondary risks** 1) risks related to **energy consumption** in operations, variability in direct and indirect costs due to carbon taxes, for example, or changes in regulations (vehicles); 2) risks related to changes in stakeholder expectations regarding **products and services** (materials used, recycling of products at the end-of-life, etc.). In addition, the Group's products are positioned as sustainable alternatives, usually consuming fewer resources and emitting less CO_2, due to the Group's implementation of circular economy principles; 3) risks related to **business disruption** due to the occurrence of natural events. Given the effects of climate change, it is possible that some extreme events will become more frequent (e.g., storms, floods) or that local climate conditions will be affected over the longer term (rising temperatures, more frequent droughts, fall in local water resources, etc.). In particular, the Group's business could be affected by the availability of water resources.	**Transversally:** › Fighting and adapting to climate change **1) Transition of direct operations** › Minimizing our energy consumption **2) Transition of products and services** › Eco-designing our products and services › Being a player in the circular economy › Reducing and managing our waste **3) Adaptation** › Optimizing our use of resources and minimizing our impact on ecosystems	**Transversally:** › Direct CO_2eq. emissions (Scope 1) › Indirect CO_2eq. emissions (Scope 2) – location based › Indirect CO2 eq. emissions (Scope 2) – market-based › Other direct CO_2eq. emissions (Scope 3) **1) Transition of direct operations** › CO_2 emissions per ton of linen delivered › % reduction in CO_2 emissions intensity since 2010 › Ratio of thermal energy consumption of European plants per kg of linen delivered; › % reduction in thermal energy per kg of linen delivered since 2010 (European laundries) › Number of alternative vehicles **2) Transition of products and services** › Share of product families with at least one collection composed of sustainable materials › Share of end-of-life textiles reused or recycled **3) Adaptation** › Water consumption of European laundries per kg of linen delivered › % reduction in water consumption per kg of linen delivered between 2018 and 2030 (European laundries)	3.3
Risk related to business disruption due to pressure on water resources	Water is a strategic global resource and a real sustainability challenge for communities, companies, and in particular for Elis. For Elis, the management of water resources presents a twofold challenge: › minimizing water consumption; › managing the impact of its discharges. Water supply is crucial to operating an industrial laundry, in large part due to the activity of washing laundry.	› Optimizing our use of resources and minimizing our impact on ecosystems	› Water consumption of European plants per kg of linen delivered › % reduction in water consumption per kg of linen delivered between 2018 and 2030 (European laundries)	3.3.3

Major risks	Detailed description of the risk	Associated stakes	Key performance indicator and outcomes	Section
Risk related to business disruption due to pressure on water resources	Unlike traditional modes of consumption, the rental and 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 and laundry service is able to substantially reduce water consumption compared to a solution based on purchasing and in-house laundering.			3.3.3
Risk related to the product portfolio not meeting customers' environmental expectations	Overall, given the stakes associated with resource consumption, climate change and exhausting 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 what happens to them at the end of their life. The Group has seen this issue arise for its own products as the expectations of the market and its customers grow in terms of: › the eco-design of products (incorporating recycled or alternative materials, design for recycling, etc.); › extending the lifespan of products (linked to circular economy principles); › the ability to recycle products; › the supply chain (production method, sustainability commitments, etc.). Given its business model, which is based on the circular economy, the Group offers products and services that have a reduced environmental impact and that encourage sustainable product use and a longer product lifespan compared with more traditional approaches. In addition, circular economy models are supported, in particular, by institutional stakeholders (e.g. Taxonomy).	› Eco-designing our products and services › Being a player in the circular economy › Reducing and managing our waste › Working responsibly with third parties	› Share of product families with at least one collection composed of sustainable materials › Share of end-of-life textiles reused or recycled › Share of direct suppliers having undergone a CSR assessment within the previous three years	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

Major risks	Detailed description of the risk	Associated stakes	Key performance indicator and outcomes	Section
Operational and reputational risk linked to a lack of diversity in our teams	The Group may experience difficulties implementing its equal opportunities and diversity strategies and actions, which could have regulatory consequences or affect its brand image and ability to attract employees.	Ensuring non-discrimination and equal opportunities	Share of executive or management staff that are women	3.4.4
Reputational risk for the Group linked to poor environmental and social practices in the value chain	The Group aims to comply with environmental and human rights regulations throughout the value chain. However, if a supplier were to breach these regulations, aspects including the reputation of the Group could be adversely affected in the long term.	Working responsibly with third parties	Share of direct suppliers having undergone a CSR assessment within the previous three years	3.5.3

Tax evasion, the fight against corruption and human rights are presented in this document in sections 3.4.5 "Respecting human and labor rights" and 3.5.5 "Continuing to integrate ethics into our business practices". However, these matters have not been identified as significant risks as at the date of this document.

In addition, some topics (food waste, sustainable and responsible food, lack of food security, respect for animal welfare and the use of conflict minerals) have not been included in this document, as they do not represent major challenges for the Group today.

Finally, matters 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[(1)] regulations are a key part of the European Commission's action plan with regard to sustainable finance and aim to redirect 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 such, in 2021, for the first time, the Elis Group published indicators relating to European taxonomy on the two objectives of adapting to and mitigating climate change.

In order to define the activities eligible under European taxonomy, the Group examined all economic activities eligible for taxonomy listed in the delegated regulation on the climate, with regard to the activities carried out by the Group in its various regions and subsidiaries.

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, that is, 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.

After a thorough review involving various Group functions (finance, sustainable development, QHSE, industrial projects, logistics, IT, etc.), it was concluded that the first two objectives do not significantly concern the Group. However, the Group anticipates that a significant part of its activities should fall within the scope of the regulation when it comes to the objective of transitioning to a circular economy, particularly with respect to its workwear rental-maintenance activities.

Indicators related to the share of activities eligible with regard to taxonomy 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 activities limited exposure to eligibility with respect to taxonomy relating to climate targets and the definitions of these indicators:

- the Group reported zero revenue from eligible activities;
- eligible operating expenditure was considered immaterial;
- eligible capital expenditure was 21% and consists exclusively of individually eligible capital expenditure not linked to Elis's commercial activity in the absence of eligible revenue.

SHARE OF TAXONOMY CAPITAL EXPENDITURE ELIGIBLE

(1) Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

Reporting methodology

In order to report and publish information on activities eligible for European taxonomy in 2021, 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.);
- reviewed its industrial investments, having previously identified the capital expenditure relating to activities eligible under the regulation in 2021 (individually eligible capital expenditure);
- conducted training sessions in its main languages with its key contacts in the various regions and subsidiaries;
- supplied its subsidiaries with a tool 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.

Individually eligible capital expenditure

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.

In addition, in view of the two objectives reported on in 2021, the Group chose to allocate its eligible activities to the climate change mitigation target. It should be noted that, with regard to the activities concerned, and irrespective of alignment criteria, these activities could have been allocated to the adaptation target.

Code	Activity	Amount of Capex *(in millions of euros)*	Percentage of Capex *(as a %)*	Mitigating climate change	Adapting to climate change
4.1	Electricity generation using solar photovoltaic technology	0.0	0.0%	✔	
4.14	Transport and distribution networks for renewable and low-carbon gases	0.0	0.0%	✔	
4.16	Installation and operation of electrically powered heat pumps	0.0	0.0%	✔	
4.21	Heat/cold generation using solar heating	0.0	0.0%	✔	
4.23	Heat/cold generation using gas-based fuel and renewable non-fossil liquids	0.9	0.1%	✔	
4.24	Heat/cold generation through bioenergy	0.2	0.0%	✔	
4.25	Heat/cold generation through the use of waste heat	7.2	1.1%	✔	
5.3	Construction, extension and operation of wastewater collection and treatment networks	1.3	0.2%	✔	
5.4	Renewal of wastewater collection and treatment networks	20.4	3.0%	✔	
6.5	Transport by motorbikes, passenger cars and light utility vehicles	16.7	2.4%	✔	
6.6	Road freight	0.0	0.0%	✔	
6.15	Infrastructure enabling low carbon intensity road transport and public transport	29.0	4.3%	✔	
7.2	Renovation of existing buildings	24.6	3.6%	✔	
7.3	Installation, maintenance and repair of energy-efficient equipment	10.2	1.5%	✔	
7.4	Installation, maintenance and repair of recharging stations for electric vehicles inside buildings (and in garages attached to buildings)	0.0	0.0%	✔	
7.5	Installation, maintenance and repair of instruments and mechanisms to measure, regulate and control the energy performance of buildings	0.2	0.0%	✔	
7.6	Installation, maintenance and repair of renewable energy-related technologies	0.2	0.0%	✔	
7.7	Acquisition and ownership of buildings	32.2	4.7%	✔	
8.1	Data processing, hosting and related activities	0.1	0.0%	✔	
CAPITAL EXPENDITURE ELIGIBLE FOR TAXONOMY		**143.1**	**21.0%**		
CAPITAL EXPENDITURE NOT ELIGIBLE FOR TAXONOMY		**539.3**	**79.0%**		
TOTAL CAPITAL EXPENDITURE		**682.4**	**100%**		

Explanations and main assumptions relating to capital expenditure

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 objectives, or of minimum social safeguards. The share of aligned activities within the meaning of taxonomy, which will be presented from 2022 onward, will therefore be lower than the share of eligible activities under the technical criteria adopted by Europe.

The main assumptions made by the Group in its reporting are as follows:

- activities 4.23 and 4.24: investments in eligible heat-generating devices (particularly from renewable energy) have been taken into account in their entirety, including if they fulfill additional functions (for example, drying laundry). 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;
- activity 7.7: investments associated with new buildings acquired or held by the Group in 2021 have been included, regardless of the energy performance of the building concerned;
- where several eligible activities could be selected for the relevant activity, the expenditure in question was reported in a unique 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.

In accordance with the European definitions, the key performance indicator for capital expenditure is defined as capital expenditure eligible for taxonomy (numerator) divided by total capital expenditure (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 – €555.1 million as shown in Note 6.2 to the 2021 consolidated financial statements), to intangible fixed assets (IAS 38 – €21.1 million as shown in Note 6.1 to the 2021 consolidated financial statements) and right-of-use assets (IFRS 16 – €71.1 million as shown in Note 6.4 to the 2021 consolidated financial statements). Additions resulting from business combinations are also included (€35.1 million as shown in Note 2.4 to the 2021 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 operating expenditure

In accordance with the European definitions, the key performance indicator for operating expenditure is defined as operating expenditure eligible for taxonomy divided by total operating expenditure. Total operating expenditure 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 and the exemption provided for in the regulation, the key indicator for operating expenditure was considered to be immaterial (<10% of the Group's operating expenses).

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 2021, Elis:

- maintained its gold medal in the EcoVadis assessment and improved its overall performance (scoring 72 compared to 70 in 2020). This assessment, based on the customer-supplier relationship, assesses companies on 21 issues grouped into 4 themes (Environment, Labor & Human Rights, Ethics and Sustainable Procurement). This medal positions Elis in the top 5% of the 75,000 companies evaluated by EcoVadis;
- achieved a score of B on the climate questionnaire conducted by Carbon Disclosure Project (CDP), a non-profit organization that carries out independent assessments (with ratings ranging from Leadership A to D-) 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 Elis Group also received a B score for its engagement with suppliers on climate change;
- had its performance recognized by the rating agency Gaïa, with a higher score (83 in 2021 - compared with 80 in 2020);
- improved its performance with MSCI, with a score of 6.7 in 2021 (compared with 5.6 in 2020).

In addition, some entities of the Group have received awards for their commitment to sustainable development. Sweden, for example, is a finalist competing for the Environmental Strategy Award, which aims to reward the best environmental strategy.

3

3.6.4 Details of Group performance

Summary of environmental information

	Unit	Group 2021	Group 2020	Group 2019
Scope				
Gross revenue of sites within the scope	Millions of euros	3,047.6	2,646.4	3,200.7
Number of sites included in the scope	Number of sites	425	425	419
General environmental policy				
ISO 50001 certified sites	Number of sites	78	81	81
ISO 14001 certified sites		141	143	139
% of industrial sites that are ISO 14001-certified[(a)]	as a %	39%		
Amount of compliance costs	Millions of euros	8.1	5.6	7.5
Amount of environmental provisions and guarantees	Millions of euros	71.2	72.1	70.7
Amount of compensation paid for environmental litigation	Millions of euros	0	0	0.03
Pollution prevention and waste management				
Total amount of waste generated	Tons	37,925	35,733	34,794
Share of waste recovered		60%	61%	65%
Amount of hazardous waste generated	Tons	6,766	6,958	6,367
Share of waste that is hazardous	as a %	18%	19%	18%
Proportion of hazardous waste recovered	as a %	42%	56	67
Amount of non-hazardous waste generated	Tons	31,159	28,775	28,428
Proportion of non-hazardous waste recovered	as a %	64%	63	65
Amount spent on waste treatment	Millions of euros	7.6	7.1	6.6
Amount generated through waste recovery	Millions of euros	1.0	0.7	1.20
Sustainable use of resources				
Total volume of water consumed	Millions of m^3	14.4	13.0	15.6
Water consumption in liters per kg of linen delivered (all Group sites)	L/kg	9.0	9.4	8.9
Proportion of public water	as a %	47	48.5	46
Proportion of groundwater	as a %	51	50.5	52
Proportion of surface water	as a %	2	1	2
Amount spent on water consumption	Millions of euros	11.2	10.5	12.2
Volume of industrial wastewater discharged	Millions of m^3	12.3	10.8	13.7
Volume of industrial wastewater treated	Millions of m^3	12.3	10.8	13.7
Proportion of industrial wastewater treated in municipal wastewater treatment facilities	as a %	90	92	90
Proportion of industrial wastewater treated in-house before discharge into natural environment	as a %	10	8	10
Total energy consumption (excl. vehicles)	MWh (HHV)	2,433,931	2,196,145	2,696,704
Electricity consumption	MWh	300,357	289,827	324,787
Consumption of renewable energy (thermal)	MWh (HHV)	497,458	435,649	454,655
Consumption of natural gas/propane/butane	MWh (HHV)	1,555,254	1,390,895	1,810,510
Consumption of fuel oil (excluding fuel for vehicles)	MWh (HHV)	43,497	50,658	64,276
Consumption of other energy sources	MWh (HHV)	40,471	29,116	42,477
Amount spent on energy consumption	Millions of euros	106.7	88.4	109.4
Total fuel consumption for vehicles (deliveries and services)	Thousands of liters	43,560.7	39,674.3	43,992.4
Gasoline consumption	Thousands of liters	933.0	594.3	773.6
Diesel consumption	Thousands of liters	42,178.0	38,749.4	43,068.1
Amount spent on fuel consumption	Millions of euros	43.6	35.6	50.6
Thermal energy consumption per kg of linen delivered (all Group sites)	kWh/kg	1.34	1.38	1.34
Fight against climate change				
Direct GHG emissions – Scope 1	Kt CO_2eq.	413.8	381.2	474.8
Indirect GHG emissions – Scope 2 (location-based)	Kt CO_2eq.	54.3	58.6	71.1
Indirect GHG emissions – Scope 2 (market-based)	Kt CO_2eq.	76.5		
Indirect GHG emissions – Scope 3	Kt CO_2eq.	1,500		
Total GHG emissions – Scope 1 and 2 (location-based)	Kt CO_2eq.	468.2	439.8	545.9

(a) Industrial sites are defined as production or manufacturing sites.

Summary of social information

	Unit	Group 2021	Group 2020	Group 2019
Total workforce	**Number of employees**	**48,738**	**44,496**	**48,173**
Permanent workforce		**42,292**	**40,171**	**41,701**
Permanent female workforce		22,292	21,297	22,073
Permanent male workforce		20,000	18,874	19,628
Permanent managers		3,592	3,209	3,147
Permanent female managers		1,213	1,082	1,027
Non-permanent workforce		**6,446**	**4,325**	**6,472**
Total workforce – France		12,385	11,575	13,235
Total workforce – Europe (excluding France)		24,135	21,611	23,652
Total workforce – Latin America		12,218	11,310	11,286
Permanent workforce aged 17 or under as at December 31		45	11	4
Permanent workforce aged 18-29 as at December 31				
Change in tranches in 2020 to be GRI-compliant				
**In 2019: Permanent workforce aged 18-26 as at December 31*		7,114	6,406	4,502*
Permanent workforce aged 30-49 as at December 31				
Change in tranches in 2020 to be GRI-compliant				
**In 2019, permanent workforce aged 27-49 as at December 31*		21,294	20,505	23,949*
Permanent workforce aged 50 and over as at December 31		13,839	13,249	13,246
Based on the social reporting scope				
Number of new permanent hires		**13,070**	**7,955**	**9,969**
Hiring rate in the permanent workforce				
New permanent hires as a proportion of workforce as at December 31	as a %	26.8	17.9	20.6
New permanent female hires	Number of employees	5,786	3,732	4,410
New permanent male hires	Number of employees	7,284	4,223	5,559
New permanent hires aged 17 or under	Number of employees	157	13	28
New permanent hires aged 18-29				
Change in tranches in 2020 to be GRI-compliant				
**In 2019: New hires aged 18-26*	Number of employees	5,424	3,262	2,906*
New permanent hires aged 30-49				
Change in tranches in 2020 to be GRI-compliant				
**In 2019: New hires aged 27-49 as at December 31*	Number of employees	5,970	3,811	5,687*
New permanent hires aged 50 and over as at December 31	Number of employees	1,519	869	1,261
New permanent hires in France	Number of employees	1,764	1,052	1,494
New permanent hires in Europe (excl. France)	Number of employees	5,458	2,294	4,230
New permanent hires in Latin America	Number of employees	5,848	4,609	4,245
Number of departures in the permanent workforce				
Permanent employees who leave the organization voluntarily	Number of employees	6,436	4,136	4,765
Turnover rate in the permanent workforce in France				
Hires and departures in the permanent workforce as a proportion of the workforce as at December 31	as a %	10.4	6.9	8.8
Turnover rate in the permanent workforce in Europe (excluding France)				
Hires and departures in the permanent workforce as a proportion of the workforce as at December 31	as a %	17.5	9.6	14
Turnover rate in the permanent workforce in Latin America				
Hires and departures in the permanent workforce as a proportion of the workforce as at December 31	as a %	34.7	28.1	25.6
Departures in the permanent workforce in France	Number of employees	817	548	838
Departures in the permanent workforce in Europe	Number of employees	2,998	1,841	2,395
Departures in the permanent workforce in Latin America	Number of employees	2,621	1,747	1,532
Departure rate				
Departures of employees who leave voluntarily as a proportion of the workforce as at December 31		13.21	9.30	11.43
Compensation	Euros			

	Unit	Group 2021	Group 2020	Group 2019
Fixed and variable compensation, collective and individual		**897,722,964**	**861,799,365**	**978,436,212**
Of which bonuses, collective compensation and discretionary profit-sharing		15,463,972	14,523,813	17,343,534.86
Organization of work	as a %			
Proportion of full-time permanent workforce		93.50	94.20	93.8
Proportion of part-time permanent workforce		**6.50**	**5.80**	**6.2**
Absenteeism rate		7.19	6.64	6.37
Number of absences shorter than seven days (paid or unpaid)	Number	106,561	78,518	48,246
Average number of training days per employee				
Number of training days in proportion to the permanent and non-permanent workforce	Number	1	1	1
Workplace accidents				
Number of fatal accidents		0[(a)]	0	0
Number of accidents with lost time		1,370	1,140	1,529
Frequency rate				
[Number of lost time accidents (excluding commuting accidents) relative to the number of worked hours during the year] x 1,000,000		15.84	14.31	16.90
Frequency rate in Europe (including France)		17.97	15.98	18.66
Frequency rate in Latin America		10.24	9.71	11.15
Severity rate				
[Number of calendar days off related to lost time accidents with more than 1 day off (excluding commuting accidents) relative to the number of worked hours during the year] x 1,000		0.67	0.70	0.66
Severity rate in Europe (including France)		0.85	0.87	0.77
Severity rate in Latin America		0.20	0.23	0.29

(a) In 2021, an 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, 2021.

A reporting protocol detailing the collection, calculation, and consolidation rules is updated annually and shared with key contributors.

Indicator reporting scope

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

Businesses acquired or formed in 2021 (MAB Industria e Comercio Eireli, BEPE Administradora de Bens Ltda, and Nortelav Lavanderia Industrial Ltda in Brazil, Scaldis Saint-Martin in Belgium, Arvo Protect BV in the Netherlands, Eliteq Sanidad Ambiental, S.L., Logralimp, S.L., and Lavanderia Lizzara, S.L. in Spain, Pure Washrooms Ltd in the UK, Pestguard Ltd. in Ireland, Chrisal Skadedyrsservice A/S in Denmark, Viga 65, Rentex-Service and Dionix in Russia, and Elis Supply Chain Centre Sp. Zoo in Poland) are excluded from the 2021 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 2023 reporting at the latest.

Where applicable, new entities related to acquisitions in previous years have been included in the 2021 reporting scope.

A few minor logistics sites have been excluded from the scope of environmental reporting.

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 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.

GRI cross-reference table

The Group has chosen to comply as necessary with the Global Reporting Initiative (GRI) framework and, as such, presents a cross-reference table with general and specific information related to its most material issues.

Major risks	Cross-referencing with specific GRI elements
Risks related to climate change	Energy (302), Emissions (305), Water and effluents (303), Materials (301)
Risks related to human resources (attraction and retention)	Employment (401)
Risks linked to human resources (diversity)	Diversity and Equal Opportunity (405)
Risks related to the value chain	Procurement Practices (204), Supplier Environmental Assessment (308) and Supplier Social Assessment (414)

GENERAL INFORMATION

GRI Source	Disclosure	Reference
102-1	Name of the organization	7.1
102-2	Activities, brands, products, and services	1.1; 1.3
102-3	Location of headquarters	7.1
102-4	Location of operations	1.1
102-5	Ownership and legal form	1.1; 7.1; 7.2
102-6	Markets served	1.1; 1.3
102-7	Scale of the organization	1.1; 6.1; 7.2
102-8	Organization's workforce	3.1
102-9	Organization's supply chain	3.2; 3.5.3
102-10	Significant changes to the organization and its supply chain	1.1; 5.1.2; 6.1.7 (Note 2.4); 4.1.3
102-11	Precautionary Principle	3.1, 3.2; 3.3
102-12	Charters, principles and other external initiatives	Code of Ethics, Sustainable and Ethical Purchasing Charter, CSR policy, QHSE policy
102-13	Membership of associations	1.1
102-14	Statement from senior decision-maker	3.1
102-16	Values, principles, standards, and norms of behavior	1.1, 3.1; 3.2; 3.5.3; 3.5.5
102-18	Governance structure	1.4, 3.2.1
102-40	List of stakeholder groups	3.2.2
102-41	Collective bargaining agreements	3.4.1
102-42	Identifying and selecting stakeholders	3.2.2
102-43	Approach to stakeholder engagement	3.2.2
102-44	Key topics and concerns raised	3.2.2
102-45	Entities included in the consolidated financial statements	3.6.5, 6.1.7 (Notes 2 and 11)
102-46	Defining report content and topic boundaries	3.6.6
102-47	List of material topics	3.6.6
102-48	Restatements of information	3.6.4
102-49	Changes in reporting	Appendices, chapter 3
102-50	Reporting period	January 1, 2021 - December 31, 2021
102-51	Date of most recent report	2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	3.6.4
102-54	Claims of reporting in accordance with the GRI Standards	3.6.6
102-55	GRI cross-reference table	3.6.6
102-56	External verification of the report	3.7

SPECIFIC ITEMS LINKED TO ELIS'S MAJOR RISKS

GRI Source	Disclosure	Reference
204 - Procurement Practices		
204-1	Proportion of spending on local suppliers	3.5.4
301 – Materials		
301-3	Reclaimed products and packaging materials	3.3.4 and 3.3.1
302 - Energy		
302-1	Energy consumption within the organization	3.3.5
302-2	Energy consumption outside of the organization	3.3.5
302-3	Energy intensity	3.3.5
303 - Water and Effluents		
303-1	Interactions with water as a shared resource	3.3.3
305 - Emissions		
305-1	Direct (Scope 1) GHG emissions	3.3.6
305-2	Energy indirect (Scope 2) GHG emissions	3.3.6
305-3	Other indirect (Scope 3) GHG emissions	3.3.6
305-4	GHG emissions intensity	3.3.6
308 – Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	3.5.3
401 – Employment		
401-1	New employee hires and employee turnover	3.4.3, 3.6.4
405 – Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	1.4, 2.1.2, 3.2
414 – Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	3.5.3

TCFD cross-reference table

The table for cross-referencing with the TCFD recommendations is presented below.

The Elis Group's response to the CDP also gives more detail on some of the items.

Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)	Cross-reference	
Governance	Description of the board's oversight of climate risks and opportunities	3.3.6
	Description of management's role in assessing and managing climate risks and opportunities	3.3.6
Strategy	Description of short-, medium- and long-term climate risks and opportunities	3.3.6
	Description of the impact of climate risks and opportunities on the company, its strategy and its financial planning	3.3.6
	Description of the resilience of the organization's strategy to different climate scenarios – notably, 2°C or below	3.3.6
Risk management	Description of the organization's processes to identify and assess climate risks	3.3.6, 3.6.1
	Description of the organization's processes to manage climate risks	3.3.6
	Description of how climate risk identification, assessment and management processes are integrated into the overall risk management processes	3.3.6
Performance and targets	Communication of company performance indicators to assess climate risks and opportunities in connection with strategy and risk management	3.3.6, 3.6.1
	Communication of Scope 1, Scope 2, and if applicable, Scope 3 emissions and the associated risks	3.3.6
	Description of the targets adopted by the company for managing climate risks and opportunities, and communication of performance with respect to those targets	3.3.6

Table for cross-referencing with the United Nations Global Compact

The Group also issues a Communication on Progress (CoP) each year, which is published on the United Nations website.

Category		Principles of the United Nation Global Compact	Sections
Human Rights	1	Business should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	3.4.5, 3.5.3, 3.5.5
	2	Businesses should make sure that they are not complicit in human rights abuses.	3.4.5, 3.5.3, 3.5.5
Labor rights	3	Business 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, 3.5.5
	4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	3.4.5, 3.5.3, 3.5.5
	5	Businesses should uphold the effective abolition of child labor.	3.4.5, 3.5.3, 3.5.5
	6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	3.4.4, 3.4.5, 3.5.3, 3.5.5
Environment	7	Business 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 more environmentally responsible technologies.	3.3
Fight against corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery.	3.5.3, 3.5.5

SASB cross-reference table

In light of the specific nature of Elis's activities, based on the circular economy model, the Group does not belong to any specific category defined by the *Sustainable Accounting Standards Board* (SASB). The Group has chosen the following two sectors as the most representative:

- Clothing, accessories and shoes;
- Household & Personal Products.

The cross-reference table is as follows:

Issue (SASB)	Topic (SASB)	Indicator (SASB)	Code	Section
Water and effluent management	Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each total 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	
Product Quality and Safety	Management of chemical substances contained in products	Discussion of processes to ensure compliance with the regulations on restricted substances	CG-AA-250a.1	The Supplier Code of Conduct applies to all Group suppliers (direct, indirect or industrial), whether new or existing. In addition, the framework 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.
		Discussion of processes for the assessment and management of risks and/or hazards associated with chemicals contained in products	CG-AA-250a.2	
	Product environmental, health and safety performance	Recipes of products containing substances classified by the REACH regulation as substances of very high concern (SVHC)	CG-HP-250a.1	Not applicable (due to its business model, the Group remains the owner of the product throughout its use).
		Recipes of products containing substances on the California DTSC Candidate Chemicals List	CG-HP-250a.2	Not applicable (not operating on the US market)
		Discussion of the 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
		Recipes of products designed using the principles of green chemistry	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
Life cycle and product design	Life cycle management of packaging	(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 over its life cycle	CG-HP-410a.2	3.3.1; 3.3.2; 3.3.3

Issue (SASB)	Topic (SASB)	Indicator (SASB)	Code	Section
Supply chain management	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 agreements	CG-AA-430a.1	Percentage of direct suppliers that have undergone a CSR assessment is shown in 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 developed by the Sustainable Apparel Coalition (SAC), or an equivalent environmental data assessment	CG-AA-430a.2	Percentage of direct suppliers that have undergone a CSR assessment is shown in 3.5.3
	Working conditions in the supply chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 which have undergone an audit in line with a labor code of conduct and (3) percentage of total number of audits carried out by a third-party auditor	CG-AA-430b.1	Percentage of direct suppliers that have undergone a CSR assessment is shown in 3.5.3
		Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	CG-AA-430b.2	Percentage of direct suppliers that have undergone a CSR assessment is shown in 3.5.3
		Description of principal risks relating to (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; 3.5.5
	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
Raw materials sourcing & Performance	Raw materials sourcing	Description of environmental and social risks associated with the sourcing of priority raw materials	CG-AA-440a.1	3.3.2; 3.3.3; 3.5.3; 3.5.5
		Percentage of raw materials certified by a third party in line with an environmental and/or social sustainability standard, broken down 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

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

(Financial year ended December 31, 2021)

In our capacity as the Statutory Auditor of Elis (the "Company") appointed as an independent third party and accredited by Cofrac (Cofrac Inspection Accreditation No. 3-1060, the scope of which is available at 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 (the "Disclosures" and the "Statement" respectively), prepared in accordance with the Company's procedures (the "Reporting Framework") for the financial year ended December 31, 2021, and 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

It is the responsibility of the Management Board 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 where applicable, the disclosures required under Article 8 of Regulation (EU) 2020/852 (green taxonomy);

› 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 applying the Company's aforementioned Reporting Framework.

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 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 (the "Disclosures") 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 evasion);

› 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, and international standard ISAE 3000 (revised) – Assurance engagements other than audits or reviews on 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 five people and took place between November 2021 and February 2022 over a total engagement period of approximately three weeks.

We were assisted in our work by our specialists in sustainability and corporate social responsibility. We conducted 10 interviews with the persons responsible for preparing the Statement, who were mainly from CSR 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 evasion;
- 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 an explanation of the reasons for not including the information required by the 2nd 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 some risks: "eco-designing our products" and "working responsibly with third parties," 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 entities – the Clisson site in France and the Fürstenwalde site in Germany;
- 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 entities, namely the sites at Clisson (France) and Fürstenwalde (Germany), and covers between 33% and 48% 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 8, 2022

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Bardadi Benzeghadi	Pascal Baranger
Partner	*Director, Sustainable Development Department*

Appendix: List of CSR information that we considered to be the most material

Key performance indicators and other quantitative results

- number of refurbished water fountains
- figures for GOOD (high-quality recycled paper)
- number of Fairtrade/Max Havelaar-labeled garments
- number of orders for paper with Ecolabel certification
- water consumption in liters per kg of linen delivered
- amount of waste generated
- number of alternative vehicles
- energy consumption
- ISO 14001 certification
- fuel consumption
- Scope 1 GHG emissions
- Scope 2 GHG emissions: market-based and location-based
- Scope 3 GHG emissions: France and extrapolation
- number of new hires
- number of managers promoted internally
- percentage of employees with disabilities (France)
- women share of managers hired
- number of CSR audits performed in 2021
- share of end-of-life textiles reused or recycled (2025 target: 80%)
- percentage of product families with at least one collection composed of sustainable materials (2025 target: 100%)
- percentage of water consumed per kg of linen delivered between 2018 and 2030 (2030 target: -30%)
- share of end-of-life textiles reused or recycled (2025 target: 80%)
- percentage reduction in thermal energy per kg of linen delivered (2025 target: 35%)
- percentage reduction in the rate of CO2 emissions from operations since 2010 (target: 20% reduction in Scope 1 and 2 emissions per ton of linen delivered between 2010 and 2025)
- hiring rate
- percentage of executive or management staff that are women (target: 40% by 2025 and 42% by 2030)
- percentage of direct purchases that have undergone a CSR assessment (target: 95%)

Qualitative information (actions and outcomes)

- linen market: tool for visualizing each plant's data
- "From Linear to Circular" working group in Sweden
- life-cycle assessment for the scientific review
- coffee product without individual packaging (introduced in 2021)
- water consumption verification program for heavy-duty tunnel washers, conducted on workwear and healthcare items
- reuse of water used during the rinsing phase
- reorganization of textile waste collection at end-2021
- Le Jacquart Français initiative
- GLAD tool
- code of conduct for suppliers
- participation in school forums
- referral program
- onboarding kit for new hires
- survey on percentage of women holding management positions
- initiatives in favor of people with disabilities in Germany
- ongoing relationships with third parties with whom there are framework agreements
- third-party evaluation audits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4

Risk management and internal control

4.1 RISK FACTORS AFR

The Group does business in France and abroad in a constantly changing economic and political environment. It is therefore exposed to risks that, if materialized, could have an adverse effect on its business, results, financial position, reputation or outlook, particularly in the current circumstances of an unprecedented health crisis.

Analyzing these risks and ways to manage them are an integral part of the Group's various decision-making processes.

As part of this analysis, a structured risk management process has been set up based on the following key steps: risk identification, prioritization, management and monitoring:

- the Group's main managers identify risks primarily through annual interviews;
- risks are then prioritized on a scale of 1 to 5 (sliding scale where 1 is the lowest and 5 is the highest) depending on how critical they are (a combination of their impact and likelihood of occurrence) and how well they are managed;
- risks are then managed by the Operations Committee, which is composed mainly of the deputy chief operating officers, regional directors and country directors;
- each risk identified is regularly monitored by the Executive Committee and reported to the Audit Committee twice per year.

As part of its risk management process, the Group conducts an annual review of its risk map. The map is updated when new risks are identified, a previously identified risk increases or is mitigated as a result of the action plans implemented or an improvement in the Group's ability to manage the risk, or when regulations change.

The incorporation of annual risk mapping into strategic planning meets the dual objective of closely involving management in managing risks and focusing on the action plans required to ensure the Group reaches its strategic and operational targets.

The mapping process identified 15 major risks assigned to the following categories:

- strategic risks;
- operational risks specific to the Group's business;
- financial risks;
- legal, regulatory and tax risks.

The material risks specific to the Group that, if materialized, could potentially have a material adverse impact on the Group and its business, financial position, results, or ability to achieve its objectives, and how those risks are managed, are described below. The potential net risk corresponds to the gross risk mitigated by the Group's ability to manage it through the preventive or precautionary measures implemented.

These risks are presented by category and listed in decreasing order of importance. The most significant risks in each category are listed first. Despite the Group's active risk identification and management policy, the Group cannot guarantee the total absence of risks other than those described above, or a lack of significant consequences if those risks were to materialize.

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.

Additional information on the environmental, social and societal risks and how they are managed are also provided in chapter 3 of this universal registration document.

SUMMARY OF SPECIFIC AND MATERIAL RISK FACTORS FOR THE GROUP

Strategic risks
Section 4.1.1 (pages 187-189)

- Risks related to a sharp drop in the number of visitors within the Hospitality sector
- Risks related to acquisitions, mergers and disposals
- Risks related to the competitive landscape
- Risks related to climate change and shifting of stakeholders expectations

Operational risks specific to the Group's business
Section 4.1.2 (pages 190-193)

- Risks related to IT systems
- Risks related to the Group's international operations
- Risks related to supply chain disruptions
- Risks related to the customer portfolio
- Risks related to industrial activities
- Physical risks related to climate change

Legal, regulatory and tax risks
Section 4.1.4 (pages 195-197)

- Risks related to disputes and litigation
- Risks related to compliance with antitrust regulations
- Risks related to restrictive regulations applicable to the Group or to some of its business sectors

Financial risks
Section 4.1.3 (pages 193-194)

- Liquidity risk
- Currency risk

4.1.1 Strategic risks

The strategic risks below are presented in decreasing order of importance. The greatest strategic risk is presented first.

Risks related to a sharp drop in the number of visitors within the Hospitality sector

Criticality 3

Description

In 2019, the Group generated 27% of its revenue from customers in the Hospitality sector. Over the long term, this sector is growing steadily, due to the continued growth in travel (business and tourism).

However, various crises may periodically affect the number of visitors to these establishments in significant and uniform proportions within a country, a region, or even worldwide. This was the case with the Covid-19 crisis, during which health-related restrictions led to a Group-wide drop of 55% in visits to hotels and restaurants in 2020, compared with 2019 (this drop fell to 45% in 2021). Over the longer term, climate change could affect population displacement and the tourism sector as a whole due to the increased frequency of major weather events as well as a change in populations' behaviors.

Other circumstances, whether similar or different in nature (weather, health or environmental events), which may result in the inability to travel, could also lead to a sharp drop in visits to hotels and restaurants.

These disruptions could affect the Group's business, revenue, future financial results and outlook.

Risk management

From an operational standpoint, the Group is used to being highly responsive when it comes to managing business downturns (such as, for example, after the November 2015 terrorist attacks in Paris), and has demonstrated its ability to variabilize all its costs:

- direct operating costs: logistics and workshops, specifically by reorganizing routes or reducing plant operating hours, in particular by making use of temporary contracts, annualized hours contracts for permanent employees and, where applicable, furlough schemes. Some consumables are directly variable (fuel, water, gas, cleaning product, washroom consumables, etc.);
- indirect operating costs: plant supervisory staff, sales forces, country headquarters and Group headquarters, either through furlough schemes where applicable, or through cost reduction plans.

The Group has also demonstrated its ability to scale back its investments:

- investments in linen are automatically impacted, particularly flat linen, two-thirds of which ensures the maintenance of the stock in circulation, which is greatly reduced in the event of a downturn;
- capital expenditure on plant capacity becomes irrelevant.

Lastly, the Group's operational teams are able to maintain a solid level of cash inflows, automatically ensuring a positive accounts receivable position in working capital.

The Covid-19 crisis provides a good example of the Group's ability to respond: although revenue fell by 14.5% in 2020 compared with 2019, the EBITDA margin increased by 20 bps, and free cash flow by €43 million. The same phenomenon was seen in 2021 when, despite a 7% drop in revenue from 2019, the EBITDA margin increased by 90 bps and free cash flow increased by €54 million from 2019.

In addition, to be able to adapt its products and services so it remains in step with changes in the markets and its environment, the Group keeps a close eye on the long-term outlook of the tourism business.

Risks related to acquisitions, mergers and disposals

Criticality 3

Description

As part of its development strategy, the Group has made numerous significant acquisitions. In 2021, a year still marked by the Covid-19 pandemic, it made 18 acquisitions of all sizes in a large number of regions. The Group had also previously made the following major acquisitions: Atmosfera, Indusal, Lavebras, Berendsen. It plans to continue this external growth, including by opening in new countries (between 2014 and 2021, external growth averaged 13% per year, with pre-Covid organic growth of nearly 3%; revenue generated outside France fell from 72% to 31% over the period). Thanks to its expertise in making and integrating acquisitions, the Group has made external growth one of the cornerstones of its strategy.

The implementation of this strategy presupposes that Elis can identify appropriate targets and growth opportunities at an acceptable cost and on acceptable terms.

In addition, the Group may be confronted with the need to obtain prior authorization for certain transactions from antitrust authorities. Due to its position in some markets, the Group may be faced with the impossibility of completing certain acquisitions or forced to complete them according to terms that make them less attractive.

Although the Group carefully studies each acquisition target, it cannot guarantee that their valuation and the assumptions will prove to be correct. Therefore, actual developments may differ significantly from expectations.

The Group could end up having to bear significant costs, delays or other operational or financial challenges in connection with the integration of its acquisitions. The synergies and other benefits expected may not materialize as expected. The acquired companies may also have trouble maintaining their existing customer base or generating the expected margins or cash flows.

Furthermore, the successful integration of acquired companies requires a high degree of involvement from the Group's central departments, which is likely to adversely affect the ability of these departments to carry out their day-to-day activities.

Despite conducting audits prior to any acquisition, there can be no guarantee that the documents and information provided to the Group during the due diligence process will be comprehensive, suitable or accurate. In particular, it is difficult to guarantee that the due diligence process will identify all the litigation risks of the acquired companies or all the risks related to possible breaches of regulations governing corruption and money laundering or the environment. If the Group fails to correctly identify certain risks, it could be exposed to significant undisclosed liabilities of the acquired companies. This could result in losses that may not be covered by the guarantees negotiated as part of the acquisition agreements.

Goodwill is the main asset on the Group's balance sheet (see Note 6.1 to the consolidated financial statements).

Furthermore, in accordance with IFRS, the Group evaluates and measures any potential goodwill impairment each year. In the event of an impairment loss, the amount of the impairment is recognized on the Group's income statement and cannot be reversed. Sensitivity to the assumptions used for impairment tests as at the date of this document is disclosed in Note 6.5 to the consolidated financial statements.

Risk management

The Group has a formal and centralized acquisitions process overseen by General Management, with contributions mainly from the team in charge of acquisitions and the Finance, Legal Affairs, Environment and Human Resources Departments. The process includes:

- a regular review of all potential Group acquisitions during acquisitions committee meetings, chaired by the Chairman of the Management Board and attended by the Group's Chief Financial Officer, Deputy Chief Operating Officer in charge of acquisitions and Chief Operating Officers;
- the formation of multidisciplinary teams to prepare acquisition projects and conduct due diligence on financial, legal, fiscal, social, regulatory and environmental matters. In particular, the Group routinely conducts environmental audits of its targets, especially at its laundry facilities;
- a regular review of acquisition opportunities by the Supervisory Board and the conditions for implementing and financing them.

In addition, Elis routinely develops an integration program for each acquisition coordinated by the acquisitions team and under the responsibility of the operational departments.

A performance review of the major acquisitions is carried out by the Finance Department jointly with General Management.

Risks related to the competitive landscape

Criticality 3

Description

The Group faces significant competition in each of its sectors and host countries:

- active competition in fragmented markets which empowers small, agile local players (several small Hospitality companies in the United Kingdom and Germany, as well as in Pest Control);
- major players, such as large cleaning or facility management companies, which offer a full range of services;
- new, disruptive digital players, such as Amazon Business or Loss Less Linen, which use technology to meet customers' needs for fast delivery or traceability;
- in-house solutions, such as inter-hospital laundries in hospitals.

The Group's failure to adapt successfully to these or other changes in the competitive landscape could have an adverse effect on its business, results, financial position or outlook.

Risk management

With a denser network in each country, the Group offers service reliability, allowing it to successfully meet this essential criterion for choosing a supplier. During the Covid-19 crisis, while some players in the sector sharply reduced or suspended their services, the Group continued to deliver to those customers who expressed a need.

In addition, the Group preempts this risk related to the competitive landscape by developing a range of unique and innovative solutions to counter competitors' offerings:

- sustainable positioning of its business, products and services. The Group has a sustainable development strategy based on the circular economy – which has been at the center of its business model for over 75 years – and it innovates every year to offer its customers more sustainable alternative solutions (see chapter 3, section 3.3 "Planet and products");
- traceability solutions to prove to our customers that staff have visited their premises and that services have been rendered, by wearer or piece of equipment, and even Internet of Things (IoT) solutions to monitor and improve toilet paper and soap consumption, etc.;
- responsiveness to new needs that may emerge, such as for workwear, scrubs, hand hygiene and disinfection of premises, which were identified during the Covid-19 crisis.

The Group also has an active monitoring system to identify new players or solutions and swiftly anticipate market trends.

Elis is seen as a partner rather than a supplier. As such, the digital tools put in place enable it to create new customer experiences that set it apart from its competitors.

Risks related to climate change and shifting of stakeholders expectations

Criticality 3

Description

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.

Growing consideration among all the Group's stakeholders – customers, current and future employees, investors and so on – for issues related to climate change could create a gap between the expectations of these stakeholders on the one hand and the Group's positioning in its actions in the fight against climate change (mitigation, emission reductions, etc.) as well as the adaptation of its products and services on the other.

The Group's failure to adapt successfully could have an adverse effect on its business, results or reputation.

Risk management

By offering customers the use of an item rather than the item itself, the Group is inherently helping to alleviate pressure on natural resources and to shrink its customers' environmental footprint.

For example:

- the use of reusable scrubs in healthcare facilities reduces greenhouse gas emissions by 31% to 62% compared to disposable scrubs, depending on actual consumption (source: Cleaner Environmental Systems);
- the use of cloth roller towel dispensers reduces greenhouse gas emissions by as much as 29% compared to disposable paper towels (source: ETSA).

In addition, the Group continually strives to lower its greenhouse gas emissions, and it is setting 2025 targets to reduce its direct and indirect footprint while supporting the development of more sustainable service offerings. As such, the Group is committed to:

- reducing the CO_2 emissions intensity of its operations by 20% compared to 2010;
- improving the thermal efficiency of its European plants by 35% compared to 2010;
- shrinking the carbon footprint of its vehicle fleet;
- offering at least one sustainable product in each range and recycling 80% of its textiles.

The Group's management of risks and opportunities related to the climate and its steady progress are discussed in greater detail in chapter 3, section 3.3.6 "Fighting and adapting to climate change." A Task Force on Climate-Related Financial Disclosures (TCFD) cross-reference table is also provided (section 3.6.6 "Cross-reference tables: GRI, TCFD, Global Compact, SASB").

4.1.2 Operational risks specific to the Group's business

The operational risks below are presented in decreasing order of importance. The greatest operational risk is presented first.

Risks related to IT systems

Criticality 4

Description

The Group has a range of information technology (IT) systems to manage the operations of its sites and central support services.

The sites' IT systems cover the customer order and supply processes, as well as activities related to production, distribution, service delivery and billing. These processes apply to all service lines (workwear, flat linen and health and well-being appliances).

The Group's central systems cover prospecting, purchasing, accounting and finance, human resources, communications tools, and the supply of digital services to customers.

The Group faces the following main risks:

- the risk of computer failure. IT systems are made up of multiple components, which, if any one of them were to fail, could lead to business interruption for a site or for the entire Group;
- the risk of cybercrime: through contamination (viruses) or hacking of IT systems, cybercrime can have serious consequences, including business interruption, data theft, ransom demands, data loss or infringement of intellectual property rights;
- the risk of obsolescence and IT system scalability. The multitude of IT solutions resulting from acquisitions and the obsolescence of some systems complicates process changes and the implementation of new services. They are also an added risk factor for computer failure and cybercrime.

Risk management

The Group is upgrading its hardware and updating its software to ensure their longevity. This obsolescence management policy is essential to reduce the risk of failure and cybercrime and to improve the scalability of IT systems.

Another fundamental part of managing this risk is the policy to standardize and integrate IT systems. It is easier to protect and upgrade IT systems if they are standardized and shared across the entire Group. The strategy is to ensure that IT systems, and particularly infrastructure, are gradually standardized across all countries.

Managing the risk of computer failure requires the implementation of a disaster recovery plan. The plan includes the management of backup procedures, the redundancy of critical systems and documentation and testing of recovery procedures. The recovery plan is focused on the Group's critical processes.

Preventing cybercrime risk is a priority, since the risk factors represent a growing threat. The priority is to protect production management systems, analyze vulnerabilities, detect any attacks and manage any incidents. Ensuring systems are secure requires an ongoing effort. The strategy is to pool resources and teams from different countries make actions more effective. The segmentation of the telecommunications network is another priority to limit the impact of an attack or the spread of contamination.

In order to protect itself, the Group follows a specific segregation policy for information access rights. Access privilege management is synchronized with the HR management systems to ensure that the information is correct. Constantly evolving threats have required the Group to strengthen the resources dedicated to information security with a specialized team and the recent and ongoing implementation of a Security Operation Center to detect and prevent cyber risks.

The Group is also implementing the recommendations required to ensure compliance with the general data protection regulation (GDPR).

Risks related to the Group's international operations

Criticality 4

Description

Elis operates in 28 countries and generates 69% of its consolidated revenue internationally. Notes 3.1 and 3.3 to the consolidated financial statements describe how much each geographic area and the Group's main countries contributed to revenue in 2020 and 2021. Due to the international scope of its activities, the Group is exposed to a certain amount of risk that is beyond its control.

Political, social or economic upheaval in countries where the Group generates a significant share of its revenue, such as the potential consequences of the Covid-19 crisis, for example, could affect its business and performance.

Any such event or perception could have a material adverse effect on the Group's business, results, financial position or outlook.

In addition, the management of decentralized international business requires compliance with the legislative and regulatory framework in many different jurisdictions, especially in terms of tax, labor, competition and environmental legislation.

Risk management

Liaising with General Management, the Group's operating departments are continuously analyzing the Group's exposure to activity in less stable countries. The Group has also set up a unit to ensure that the Group's activities and procedures comply with all applicable rules.

In addition, the Group monitors legislation, either directly or through its local advisers. This enables it to learn as much as possible about the scope of any changes that could occur.

In addition, the Group is fully prepared to implement, through a crisis management system, the necessary measures to safeguard its assets and its ability to operate, to adapt to changes in the situation, and to plan, through appropriate measures, for a return to a more normal context for its staff, its business, and commercial demand.

Risks related to supply chain disruptions

Criticality 4

Description

The Group relies on a select number of suppliers in order to conduct its business. These suppliers are located in Europe, North Africa, and Asia.

A supplier evaluation procedure puts them into six categories. The first two categories represent our supplier base and are as follows:

The "PCO: Preferred Corporate" category is the list of go-to suppliers. Suppliers in this category are under a centrally managed group master agreement. They operate in a number of countries.

The "PLO: Preferred Local" category is the list of suppliers under the control (master agreement and management) of the Purchasing Department (centrally in the case of purchases over €500,000, locally if under that amount). Suppliers in this second category are material at the country level.

A change in the relationship with any of its partners, such as a change in business conditions (price, non-renewal of the contract or possible insolvency of a supplier) could have a material adverse effect on the Group's business, performance or outlook.

The Group may also face supply risks or sharp increases in supply costs, or be adversely affected by various events or measures, especially events such as pandemics (Covid-19), conflicts (Ukraine and the impact on energy prices, for example), major weather events (particularly those related to climate change), strikes, import quotas, taxes and customs duties, unexpected spikes in volume, or the insolvency of a supplier, subcontractor or service provider.

In addition, the Group's suppliers could refuse to fill orders if the negotiated pricing terms were no longer acceptable. Textile prices are fixed for one year in exchange for binding estimates. Sharp fluctuations in the price of cotton or other raw materials or resources required for the manufacture of such textiles could make the situation unacceptable to Group suppliers.

The foregoing could have a material adverse effect on the Group's business, profitability or outlook.

In cases of captive suppliers (a monopoly or oligopoly situation), such as the partnership with Malongo for coffee or the suppliers of industrial laundry or traceability equipment, the Group could face supply disruptions, resulting in a risk to its business, performance or outlook.

Risk management

The Group has a centralized purchasing department supported by local buyers in countries with significant purchasing volumes. The Group coordinates and has procedures in place to ensure operating guidelines are followed. This does not yet extend to countries in Latin America.

The central purchasing department is responsible for supplier selection and manages a list of the Group's approved suppliers. Approved suppliers are regularly audited on their innovation and non-financial indicators and challenged to improve them. They also have to compete regularly for contracts to ensure that our prices remain competitive.

The Group regularly seeks out and approves new suppliers to prevent these risks from occurring and to have solutions that can keep pace with its development.

Meanwhile, and since the integration of Berendsen, the marketing department has been working on a plan to streamline the Group's offering. The plan is intended to significantly reduce the number of products listed and therefore reduce the number of suppliers.

The Group has a supply chain unit that centralizes and manages procedures related to goods. It has several warehouses in Europe to facilitate deliveries to laundries. The Group keeps the best-selling from its catalog in stock, thereby reducing the risk of an inventory shortage due to operational uncertainties in the supply chain.

For its workwear business, the Group has its own design centers in Sweden and France, a garment production facility in Estonia and workshops for garment customization and repair. These internal operations make the Group more flexible and agile.

Within the supply chain, a service-level improvement program has been launched. This includes projects to improve the forward planning of purchases, thereby facilitating inventory management and volume forecasting for suppliers and making Elis more attractive as a customer.

A logistics agreement is appended to the framework agreement, which includes a plan to ensure adequate supply.

The Group signs framework agreements with key suppliers for purchases of industrial equipment, production inputs such as cleaning products and general purchases. These agreements are closely monitored, allowing the Group to secure its procurement and supply arrangements over the long term.

With regard to possible increases in supply costs, the Group may use forward purchase arrangements to hedge some of the costs liable to increase, particularly energy costs.

The Group may use forward purchase arrangements to hedge some of the costs liable to increase, particularly energy costs.

The duty of care section of this chapter and the components discussed in section 3.5.4 "Working responsibly with third parties" of chapter 3 of this universal registration document delve more deeply into how supply chain risks are managed.

Risks related to the customer portfolio

Criticality 3

Description

The Group's organic growth rests on its ability to win new contracts and build customer loyalty over the long term.

The Group must be able to respond to various calls for tender or customer requests with a unique, innovative offering.

Contract expirations are critical junctures. Even when contracts have an automatic renewal clause, they may be terminated at the expiration of the stated term (contracts are usually valid for an initial four-year term). These contracts may also be terminated by the customer before the end of the stated term by paying a termination fee (which usually equals almost the entire residual value of the contract, calculated on the basis of the time remaining had the contract not been canceled), unless the Group has not complied with the terms of the contract. The loss of several contracts at the same time, particularly those with key accounts, could have a material adverse effect on the Group's business, results, financial position or outlook, and its reputation.

Additionally, this could have a material adverse effect on the Group's ability to win new contracts from other customers.

Customer satisfaction is the key to loyalty, which makes it possible for the Group to stay in business. Any customer dissatisfaction is a risk factor.

Risk management

The Group prioritizes customer relationship management. The Group's customer base is extremely diverse in terms of size, sectors and profiles, such that the Group's dependence on its customers is limited in each of the sectors in which it operates.

The Group's largest 10 clients represent less than 10% of consolidated revenue. The largest single contract accounts for less than 1% of the Group's revenue.

In 2020, the Group launched a program called HiFi, designed to closely monitor all expiring French contracts and consisting in particular of training for all operational managers working directly with customers. The aim of this program is ensure follow-up on customer satisfaction and provide the teams concerned with the necessary tools to sustain the customer relationship over time. This HiFi program is shared with all Group countries so that they can adapt it locally.

Customer satisfaction is a valuable KPI for our teams, especially when it comes to handing out bonuses. The entire Group is therefore entirely focused on customers and loyalty. In the context of the Covid-19 epidemic, a specific process was implemented in 2020 to measure the satisfaction of Group customers and to use this indicator as a management tool.

Lastly, customer attrition rates are monitored at the Executive Committee level across all operating regions to ensure a timely and effective responsive.

Risks related to industrial activities

Criticality 2

Description

The Group's processing centers (almost 320 laundries) present a certain number of safety risks due to the flammable nature of textiles, the toxic nature of substances used to process them and the potential for malfunctions affecting industrial facilities and equipment. Fire is one of the main [industrial] risks related to the Group's business. The main causes of fires are related to the presence of cotton lint and processes that use heat (ironing, drying, etc.).

The Group may also be held liable for accidents involving its activities or products. More broadly, the occurrence of such events could have a material adverse effect on the Group's business, results, financial position or outlook.

Risk management

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. Starting in July 2021, 70 sites will be inspected per year;
- introducing and implementing organizational standards specific to laundry risks.

Physical risks related to climate change

Criticality 2

Description

The Group is inherently exposed to natural risks at its different sites. Given the effects of climate change, it is possible that some extreme events will become more frequent (e.g., storms, floods) or that local climate conditions will be affected over the longer term (rising temperatures, more frequent droughts, fall in local water resources, etc.). The Group's business could be disrupted by these weather events, and that could have an adverse effect on the Group's business, results, financial position or outlook.

In particular, although such a scenario is unlikely given the diversity of the geographic areas where the Group operates, it is possible that water resources could become extremely scarce at all sites at the same time. The availability of water resources is therefore a major criterion for some of the Group's business activities, such as industrial laundries.

Risk management

As of now, the Group has observed few occurrences of extreme events affecting its business.

Regarding the risk of scarcity of water resources, in 2021 the Group conducted an analysis to identify the sites that are currently suffering the effects of water scarcity or that may face it in the coming years in light of the impact of climate change. This study identified around 30 sites (out of a total of 320 laundries) located in areas subject to a high risk of water stress.

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. This process to reduce its withdrawal use is based on the principles of the circular economy and particularly the 3Rs: Reduce, Reuse and Recycle.

Finally, the density of the geographic coverage has enabled the Group to boost its resilience and agility, such that if a critical event were to put one site out of commission, another one could operate in its place.

The management policy for this risk is presented in a general way in chapter 3, section 3.3.6 "Fighting and adapting to climate change" of this universal registration document.

4.1.3 Financial risks

The financial risks below are presented in decreasing order of importance. The greatest financial risk is presented first.

Liquidity risk

Criticality 2

Description

Given its level of debt, the Group must always have financial resources available, not just to finance its day-to-day operations but also to maintain its investment capacity. The Group, whose gross financial debt as at December 31, 2021 totaled €3,305.6 million, borrows on banking and capital markets. This exposes it to liquidity risk in the event of the partial or total closure of these markets. Furthermore, the bank financing and private placement agreements described in Note 8.3 "Gross debt" to the 2021 consolidated financial statements contain a single restrictive clause pertaining to consolidated financial ratios: the Group's net debt (as defined in the agreement and described in Note 8.5 "Net debt") to pro forma EBITDA (as defined in the agreement and described in Note 3.2 "Earnings") of the acquisitions finalized in the last 12 months and after the Group's synergies (leverage ratio) must be lower than 4.00x at December 31, 2021, and then 3.75x on the dates of the subsequent half-yearly tests. As at December 31, 2021, the total net leverage ratio was 2.96x.

As at December 31, 2021, the Group was complying with all covenants. The maturities of the Group's financial liabilities can be found in Note 8.1 to the 2021 consolidated financial statements.

Risk management

The Group manages its available cash balances prudently and has set up one or more cash management agreements in all the main countries in which it operates and where local regulations allow it to do so. These agreements are designed to optimize and facilitate the daily physical transfer of cash to Elis SA.

Moreover, the Group manages liquidity risk by constant monitoring the duration of its financing arrangements, the permanence of its available credit facilities, and the diversification of its resources. The Group's financial policy involves spreading the maturities of its long-term debt out over time in order to limit the annual amount to be refinanced.

Consequently, in 2021 this prudent financial policy enabled the Group to begin the partial refinancing of its 2023 debt obligations through a new bond issue of €200 million maturing in 2028, whose funds went entirely toward the partial buyback in the same amount of the bond line maturing in 2023 with a total initial amount of €650 million. In addition, in November 2021 Elis signed a new €900 million syndicated revolving credit facility, undrawn as at December 31, 2021. This new credit facility, which matures in five years (November 2026) and has two single-year extension options ("5+1+1" years), replaces the two existing revolving credit lines of €500 million and €400 million taken out in January and November 2017, respectively. It provides the Group with a significant cash buffer in the event that access windows to capital markets are temporarily closed, particularly in relation to short-term debt (NEU CP), as was the case for several weeks in the second quarter of 2020 at the height of the Covid-19 crisis.

For more details, see the paragraph "Liquidity risk" in Note 8.1 ("Financial risk management") to the 2021 consolidated financial statements, included in chapter 6 "Financial statements for the year ended December 31, 2021" of the 2021 Universal Registration Document.

Currency risk

Criticality 1

Description

Because the Group operates in 28 countries, Group entities may be exposed to a transactional currency risk in their operations. However, since rental and maintenance services tend to be sold locally, the Group's entities do not have significant transactional currency exposure. Transaction risk is mainly linked to the purchase of goods (particularly linen) or services in currencies other than the functional currency of the Group's purchasing entities. Exchange rate fluctuations for these purchases in foreign currencies could therefore adversely affect the Group's results.

In addition, the financing needs of non-eurozone foreign subsidiaries covered by intra-group loans/borrowings expose some Group entities to financial currency risk (linked to the change in value of financial receivables or payables denominated in currencies other than the functional currency of the borrower or lender), which could adversely affect the Group's results.

Lastly, when the Group prepares its consolidated financial statements, it must translate the financial statements of its non-eurozone subsidiaries into euros at the applicable exchange rates (62% of revenue is in euros, 8% in South American currencies, 15% in Nordic currencies, and 10% in pounds sterling). As a result, the Group is exposed to fluctuations in exchange rates, which have a direct accounting impact on the Group's consolidated financial statements. This creates a risk relating to the translation into euros of non-euro area subsidiaries' balance sheets and income statements. The Group's earnings and financial ratios could thus be affected by changes in exchange rates.

Risk management

Transactional currency risk is managed centrally by the Finance Department as part of a dedicated management policy and a centralized currency risk management agreement. Foreign currency flows of operating entities are hedged as part of the annual budget process for subsidiaries with recurring foreign currency flows via forward derivative instruments.

Financial currency risk is mainly hedged through currency swaps as part of a hedging policy implemented by the Finance Department.

The currency risk associated with the translation of subsidiaries' financial statements is not covered by a specific hedging policy.

For more details, see the paragraph "Market risk" in Note 8.1 ("Financial risk management") to the 2021 consolidated financial statements, included in chapter 6 "Financial statements for the year ended December 31, 2021" of the 2021 Universal Registration Document.

4.1.4 Legal, regulatory and tax risks

The legal, regulatory and tax risks below are presented in decreasing order of importance. The greatest legal, regulatory and tax risk is presented first.

Risks related to disputes and litigation

Criticality 4

Description

In the normal course of its business, the Group is involved in or may be involved in administrative, legal or arbitration proceedings that could result in the Group or one of its companies facing a claim for a significant amount or administrative, civil or criminal penalties. The Group is also subject to tax, customs and administrative audits that could result in substantial administrative penalties.

If the Group decided to merge certain companies, including those likely to be subject to such penalties (to take advantage of tax benefits, for example), those same penalties would apply to the whole of the new entity after the merger, and not just to the sanctioned company.

Moreover, the Group could be held liable for the acts of some of its employees. As part of the Group's business, its employees provide services on customers' premises. As a result, the Group could be the subject of claims for safety breaches or damage to the property, premises or agents of a customer, or for spreading infections in healthcare facilities.

For details about material disputes or contingent liabilities that the Group currently faces, including ongoing proceedings in Brazil, see Note 7.2 to the 2021 consolidated financial statements (in chapter 6 of this universal registration document). Among these significant disputes, the Company is dealing with investigations or proceedings related to the award or performance of a number of public-sector contracts in Brazil. Penalties incurred include fines and exclusion from public procurement (the impact of which could be material given the substantial contribution of public-sector contracts to the Company's revenue in Brazil). Thus, in Brazil, the Company is facing a major tax dispute involving substantial amounts (approximately R$353 million, or approximately €57 million). As far as Elis is aware and as at the date of this universal registration document, other than those listed above and described in Note 7.2 to the 2021 consolidated financial statements, there are no other governmental, arbitration or legal proceedings or any other disputes that are currently ongoing in which the Company or its subsidiaries on an individual basis are involved and which could materially affect its position.

Generally, it is nevertheless possible that in the future, new proceedings that may or may not be connected with those described above and currently underway could be brought to the Company's attention or initiated against Atmosfera and its subsidiaries or other Group companies in Brazil, including Lavebras and its subsidiaries.

The occurrence of one or more of the above events could have a material adverse effect on the Group's image, business model, activities, strategy, results, financial position or outlook.

Risk management

The Group closely monitors the status of ongoing disputes and litigation. It has introduced reporting rules to enable the Group's Legal Department to be informed promptly when a material dispute arises and to optimize its management and the understanding of the associated risks and possible consequences. A provision is also allocated in the parent company and consolidated financial statements whenever this is possible and necessary.

To manage and monitor the main disputes and proceedings to which it is party, the Group relies on a network of lawyers and advisers chosen by the Group's legal department and regarded as experts in their field.

The Group views customer satisfaction and following best business and ethical practices as playing a part in limiting the number of disputes to which the Group could be exposed. Therefore, it pays close attention on a day-to-day basis to customer satisfaction and the implementation of best practices.

Risks related to compliance with antitrust regulations

Criticality 4

Description

The Group is subject to national, European and international competition laws and regulations that might be breached by Group employees who do not follow the Group's instructions on preventing price fixing or concerted practices between competitors. In addition, the Group occasionally faces claims from third parties asserting that, due to its position as a leader in certain markets, some of its business practices could be considered abusive (e.g., excessive and predatory pricing or price gouging) and a barrier to competition in the markets concerned. Further still, the Group may also face antitrust investigations or proceedings involving companies acquired by the Group that were initiated prior to the acquisition or relating to events prior to the acquisition.

Any investigations or proceedings initiated by the relevant authorities in connection with these events could result in fines and other significant penalties (including the alteration of some of the Group's business practices). These actions and fines could also be followed by action taken by existing or former customers seeking compensation for alleged losses.

In addition, especially as part of merger control, the relevant authorities, courts, and some governments could take steps or make decisions aimed at maintaining or increasing competition in certain markets, to the detriment of the Group's economic and financial interests.

The occurrence of one or more of the above events could have a material adverse effect on the Group's image, business model, activities, strategy, results, financial position or outlook.

Potential exposure to major antitrust cases is described in Note 7.2 to the 2021 consolidated financial statements (see the paragraph on "Inquiry by DIRECCTE" in chapter 6 of this universal registration document). To the Company's knowledge, there have been no other governmental, arbitration or legal proceedings, including any pending or threatened proceedings, over the past 12 months that have or are likely to have a material adverse effect on the Group's financial position or profitability.

Risk management

The Group's Code of Ethics reaffirms the obligation to comply with local laws and lays down the internal principles that reflect competition law. The Code of Ethics is formally accepted by the Group's main managers, who pledge to uphold its principles and advocate them to their teams.

The implementation of principles relating to competition law is covered in training sessions for the staff concerned in countries considered to be at risk.

In France, in accordance with Decision No. 07-D-21 of the French Competition Authority of June 26, 2007, which imposed a penalty for specific anti-competitive practices, and as part of a compliance program, the Group has adopted internal guidelines regarding compliance with antitrust laws and regulations and has set up a training program and a whistleblowing mechanism for the staff concerned. In addition, mandatory annual compliance reports are prepared and made available to the French antitrust authorities.

Moreover, the Group periodically carries out a critical analysis of its business practices in its most sensitive markets to ensure that they are consistent with applicable regulations.

Acquiring companies according to the process described in the "Risks related to acquisitions, mergers and disposals" section above also provides some control over the risks associated with merger control. The involvement of the various teams concerned in the back and forth and discussions with the relevant authorities and courts and in the analysis of any conditions that could potentially be imposed is meant to ensure that those conditions are the least unfavorable possible and that they can be reasonably implemented.

Risks related to restrictive regulations applicable to the Group or to some of its business sectors

Criticality 3

Description

The Group is subject to complex and restrictive regulations for some of its operations or due to the operations of some of its customers in highly regulated sectors. This includes transportation in connection with medical waste management, personal protective equipment (PPE), "cleanroom" (lint-free) workwear, pest control, beverages (water fountains and coffee machines) and certain environmental standards. The industrial wiping business also presents specific regulatory risks.

For example, the Group could be held liable and face penalties, fines, claims for personal injury or property damage, and even negative publicity if it failed to meet the applicable standards or if such failure directly or indirectly harmed individuals or legal entities.

In addition, the introduction of stricter laws and regulations could have an adverse impact on the long-term growth of the services or sectors concerned and on the level of demand from customers operating in those sectors.

Furthermore, the Group, due to its geographic coverage, is subject to a large and growing number of regulations aimed at combating the risk of corruption and influence peddling (such as French Law 2016-1691 of December 9, 2016, referred to as the "Sapin II" law, and the UK Bribery Act), money laundering and modern slavery (UK Modern Slavery Act), or risks in the area of human rights, fundamental freedoms, and health, safety and the environment (French Law 2017-399 of March 27, 2017 on the duty of care of parent companies and ordering companies). These regulations require that prevention and compliance programs be implemented and usually provide for severe penalties if these programs are not implemented or if the proscribed behavior takes place. If the Group's compliance programs are deemed insufficient by the relevant authorities, this could lead to significant penalties being imposed, as well as extremely negative publicity.

The occurrence of one or more of these events could have a material adverse effect on the Group's business, results, financial position or outlook.

Risk management

A growing portion of the Group's technical and financial resources are being directed at efforts to comply with standards. For example, the compliance monitoring and management of Group departments involved in healthcare activities (especially the supply of healthcare linen, certain types of workwear classified as PPE, cleanroom workwear and beverage services) are carried out using ISO 9001- and/or RABC-certified quality management systems (QMS). Specific monitoring of relevant legislation is also carried out for the industrial wiping business.

The Group has also allocated special resources to the rollout of its pest control services to ensure that they meet relevant standards. As part of the development of this business in new geographic regions, a preliminary study is being carried out to gauge and assess the applicable regulatory framework.

In general, the Group regularly monitors the regulatory landscape to identify the binding regulations that apply to it and, where appropriate, adapt to them under optimum conditions given the various factors that must be taken into account.

Where necessary, the Group – usually assisted by local legal advisers – makes sure that internal compliance programs tailored to the Group's operations have been set up to satisfy the conditions imposed by the regulations concerned. Where appropriate, these programs attempt to prioritize the most critical situations or geographic regions. The units set up to tackle the risks of corruption and influence peddling and fulfill the duty of care of parent companies and ordering companies are described in section 4.2 "Elis Group's internal control and risk management system" and section 4.4 "Vigilance plan," respectively, of this chapter.

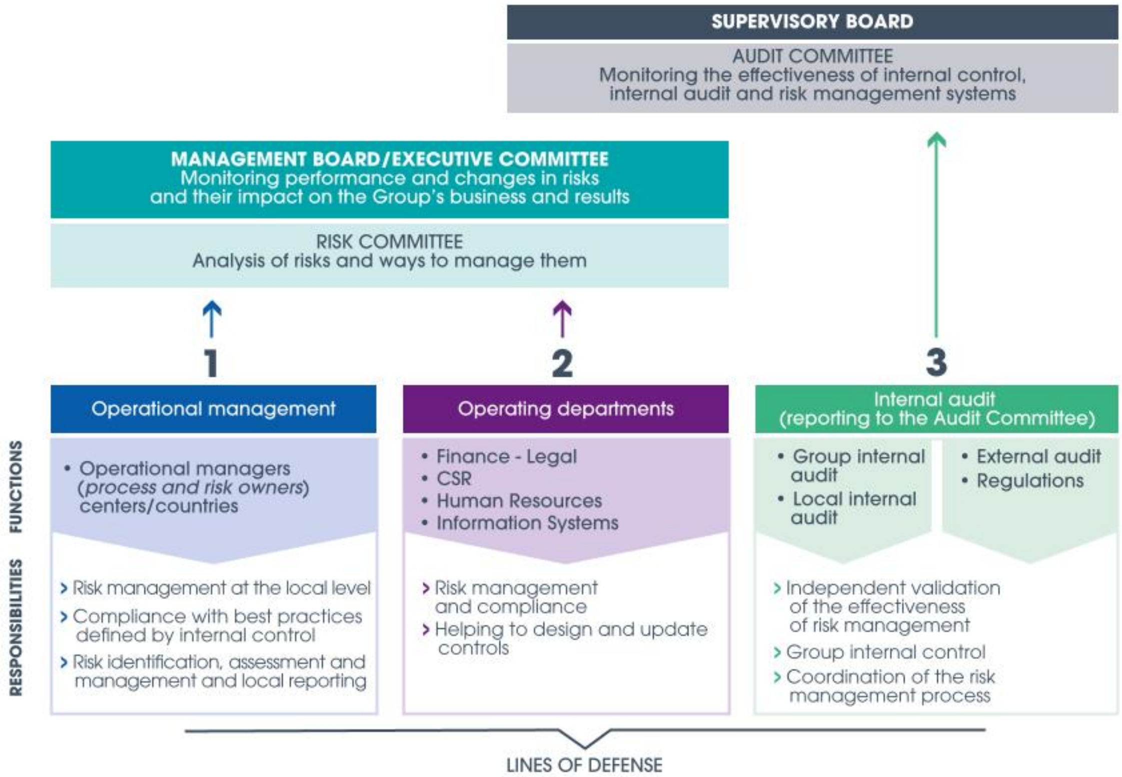
4

4.2 ELIS GROUP'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AFR

This section describes the Group's internal control and risk management system, implemented in accordance with the AMF reference framework published in July 2010. The AMF framework draws on French and European legislative and regulatory requirements and on best practices and international internal control and risk management standards, in particular ISO 31000 and COSO II.

Risk management process

The risk management process ensures that risks are identified and managed at all organizational levels of the Group.



Scope of internal control and risk management

The Group's internal control and risk management system, which is set up to ensure the reliability of its parent company and consolidated financial statements, covers all controlled companies within the Group's scope of consolidation.

Definition of internal control and risk management

The Group's internal control and risk management framework is based on a set of resources, policies, behaviors, procedures and adapted actions aimed at ensuring that the necessary measures are taken in order to manage:

- business activities, the effectiveness of operations and the efficient use of resources;
- risks that may have a material impact on the Group's assets or the reaching of its objectives, whether of an operational or financial nature or related to compliance with laws and regulations.

Internal control and risk management are defined as processes conducted by the Management Board under the oversight of the Supervisory Board and implemented by the Executive Committee and all staff.

Regardless of its quality and the degree to which it is applied, it cannot provide an absolute guarantee that the objectives in the following categories will be reached:

- compliance with applicable laws and regulations;
- application of instructions and guidelines set out by the Management Board;
- proper functioning of internal processes, especially processes for safeguarding assets;
- reliability of financial and accounting information.

The likelihood of achieving these objectives is subject to the limitations inherent in any internal control system, and in particular:

- human error or malfunctions while making or applying decisions;
- cases of deliberate collusion between several people making it possible to elude the control system in place; or
- cases where the implementation or maintenance of control would be costlier than the risk it is supposed to mitigate.

Furthermore, in pursuing the aforementioned objectives, companies face events and uncertainties that are out of their control, such as unexpected changes in the market, competition, or geopolitical situation, forecasting errors, or incorrect estimates of the impact of these changes on the organization.

Environment of internal control and risk management

The Group's internal control and risk management framework is based on a decentralized organizational structure with a clear definition of responsibilities, in particular through job descriptions, delegations of powers and organizational charts shared with all departments. It includes principles and values governing the behavior and ethics of all employees, as presented in the Group's Code of Ethics. It is also based on human resource management that ensures employees have the necessary skills, act in ethical ways and remain engaged.

Code of Ethics

The Group's ethical principles are set out in the Group Code of Ethics, distributed initially in 2012 to all Group employees and revised in 2018. The Code is available on the Group's website (www.elis.com) in the "Our CSR policy" section.

The Code of Ethics contains the Group's commitments and rules of conduct towards its main stakeholders, namely its employees, its customers and consumers, its commercial partners and its competitors, the environment and civil society.

The internal control charter

In 2015, the Elis Group established a Group internal control charter which presents internal control, its components and its limits to all managers. It also reminds them that internal control concerns everyone, from the Executive Committee to each and every one of the Group's employees.

Management remains operationally in charge of internal control and must be proactive in the tasks and controls that it carries out or delegates.

Human resources policy

The quality of human resources, the diversity of employee profiles, and management cohesion are key factors in the Group's success.

Elis therefore ensures that its various subsidiaries pursue human resources policies suited to their respective situations and the challenges they face, while also meeting the best local standards. The principles of subsidiary autonomy and accountability still apply, but the Group ensures that the policies implemented are consistent and align with Elis's centrally defined values and actions.

In terms of labor relations policy, subsidiaries abide by high standards of employee dialogue and involvement in the Company, while the Group supports employee dialogue through employee representative bodies.

As regards executives and senior managers, Elis is involved directly in the management of the Group's key men and women in order to guarantee consistency between subsidiaries. The Group therefore develops cross-functional training programs and performs yearly people reviews of subsidiaries' management resources. Elis thereby ensures that these management resources are suited to the current and future challenges faced by its subsidiaries. These reviews translate into promotions and transfers between departments, as well as external hires when necessary to acquire new skills.

Furthermore, the Group has developed cross-functional tools for assessing individual performance and the external competitiveness of compensation packages. In this regard, one of the duties of the Appointments, Compensation and Governance Committee is to make recommendations in light of market practices on the compensation paid to members of the Executive Committee, including members of the Management Board, as well as that of the main directors.

Coordination and oversight of internal control and risk management

The Group's risk management and internal control process is coordinated by the Management Board, under the oversight of the Supervisory Board, with the assistance of the Audit Committee. The Audit Committee's task is to ensure the quality of the risk management and internal control system and to monitor issues relating to the preparation of and controls on accounting and financial information.

The operating departments of each of the Group's subsidiaries are responsible for risk management and internal control. The role of central support services is to define the framework in which subsidiaries fulfill their risk management and internal control responsibilities, and to coordinate the whole system.

Responsibilities for control activities

Control activities are performed first by subsidiaries' functional and operating departments and then by central support services.

Monitoring the management of internal control procedures is primarily the responsibility of the Audit Committee and the Risk Management and Internal Audit Department.

Audit Committee

The composition and operations of the Audit Committee are detailed in the Supervisory Board's report on corporate governance (see chapter 2 of this universal registration document).

The Audit and Internal Control Department

The Audit and Internal Control Department reports to the Group's Administrative and Finance Department. It informs the Management Board, the Administrative and Finance Department, and the Audit Committee of the main results of its work (preparation of the audit plan in connection with the risk review, internal control system, audits, monitoring of action plan implementation, etc.).

The operating procedures for internal audits are described in the Audit Charter.

The Audit and Internal Control Department assesses how the internal control and risk management procedures are working and makes recommendations to improve their effectiveness. It also monitors internal control best practices.

The Audit and Internal Control Department initiates, coordinates and reviews procedures formalized by the operating departments.

The role of the Audit and Internal Control Department is to provide independent, objective assurance and support services that help to create added value and improve the degree of control of the Group's operations at all of its subsidiaries and in all of its business segments. Internal audit helps the organization to achieve its targets by using a regular and methodological approach to assess its management, control and corporate governance processes, and by making suggestions to improve their effectiveness.

Internal audit also helps to ensure that all management, control and corporate governance processes are appropriate and guarantee that:

- risks are identified and managed appropriately;
- executives' and employees' actions comply with applicable rules, standards, procedures, laws and regulations;
- resources are acquired and used efficiently;
- material financial, management and operating information is accurate, reliable and issued in a timely manner;
- the targets defined and validated by the Executive Committee are met.

Internal audit activities are performed in concert with the Audit Committee, and the Statutory Auditors present their recommendations upon completion of their internal control review.

The annual audit plan is prepared by the Audit and Internal Control Department using a risk-based approach and takes into account specific requests from the Executive Committee and operating departments.

The Audit and Internal Control Department presents a report to the Audit Committee at least twice per year on progress made on the audit plan as well as the monitoring of action plans.

Internal control and risk management analysis

Overall risk management and internal control system

The overall risk management and internal control system has several components, the most important of which are:

- managing operational risks;
- managing Group risks at various levels (entities, operational departments and subsidiaries);
- monitoring the preparation of accounting and financial information;
- internal audit, which assesses how the internal control and risk management system works and makes recommendations in order to improve it;
- preventing and combating fraud and corruption.

The risks to which the consolidated subsidiaries that carry out most of the Group's activities are exposed are handled through specific control procedures forming part of the following operating processes:

- investment decisions and monitoring of fixed assets;
- purchasing decisions and monitoring of trade payables;
- monitoring of inventories and production costs;
- monitoring of work in progress (workshops, work sites and IT projects);
- selling decisions and monitoring of trade receivables (credit and collections);
- monitoring of petty cash and bank transactions;
- payroll validation and monitoring of employee benefits;
- accounting entries relating to transactions and monitoring of monthly account closings; and
- monitoring of IT access and protection of data and hardware.

Group risk map

The Group has mapped the main risks to which it is exposed. The risk map is updated annually with the main "risk owners" by incorporating new potential risks and monitoring the action plans.

The risks have been identified by the main managers of the Group and prioritized based on their criticality and how well they are managed.

Material, Group-specific risks and the way each of these risks is managed are described in section 4.1 above.

Risk management at the local level

Each subsidiary's management team ensures that risk management and internal control procedures are properly applied. It is the duty of each operational manager to ensure that risk exposure is consistent with the guidelines issued by the management teams of the divisions concerned. The quality and effectiveness of the controls carried out at operating subsidiaries are then reviewed during assessments conducted by the Internal Audit Department, which informs the divisional management teams of the results.

Assessment of internal control and monitoring of action plans

Internal control self-assessment questionnaires

The Group has set up self-assessment questionnaires on the main activities carried out at the Group's headquarters, in each country and at each processing and service center. Self-assessment is one of the key components of the Group's risk management and internal control system. In Elis's northern European countries, self-assessment questionnaires on financial and accounting processes were introduced in 2019.

For 2021, the following activities were self-assessed in France and abroad: central finance and accounting, finance and accounting at the sites, production, sales, maintenance, logistics, textiles and human resources.

During the self-assessment, the operational staff were asked to assess the level of internal control using key controls considered "imperative" to effectively conduct their business, in order to identify areas of improvement and to implement corrective actions.

The questionnaire relating to the central finance and accounting process (for Group and countries) takes into account the AMF reference framework and, in particular, its application guide. It includes about 50 key controls for the Group.

The objectives of this process, which is repeated each year, are as follows:

- to create a trade knowledge base for operational staff members;
- to allow sites to assess how well they are managing Elis's "imperatives";
- to identify areas for improvement and initiate action plans;
- to identify local best practices;
- to help improve operational efficiency;
- to create a management tool (assessment of current situation, identification and monitoring of action plans).

These self-assessment questionnaires are reviewed annually by the Audit and Internal Control Department, as well as by the support functions during visits to the sites and foreign subsidiaries. The exercise consists of assessing how well the "imperatives" are being applied. This approach makes it possible to:

- immediately and independently identify any gaps between the prescribed key control and how effectively it is being implemented;
- create a map of any remaining points requiring attention (by business line, geographic region, subsidiary and nature of shortcoming);
- define action plans to correct the gaps identified.

The results of the review, together with the main action plans, are presented to the Audit Committee, which ensures that the corrective measures taken are effective.

Monitoring of action plans

One of the responsibilities of the Audit and Internal Control Department is to assess how well the internal control and risk management system works and make recommendations to improve its operating procedures, if needed.

The assignments laid out in the annual audit plan are presented and approved by the Audit Committee. The aim is to examine all of the Group's sites in France as well as those of its foreign subsidiaries at least once every two years. In 2021, 51 assignments, all business lines combined, were carried out.

The management teams of the audited sites comment on the audit reports, which are then sent to the Group's Executive Committee, the managers at headquarters and the managers of the audited sites or countries. After the final presentation of the findings, and once a concerted action plan has been agreed upon, the sites or subsidiaries concerned must address any shortcomings quickly according to a set timetable.

The audited entities are responsible for implementing the action plans. The Audit and Internal Control Department monitors the implementation of the action plans.

This is carried out at least on a quarterly basis and the findings are reported to the Audit Committee twice a year.

The Group has created a monitoring database containing all of the action plans relating to the various types of assignments carried out. The aim is to monitor over time the action plans the operational departments outlined after receiving their recommendations and to compile and share the best practices identified.

Efforts to combat fraud

Preventing and combating fraud is a major issue for the Group and all of its employees, especially as it relates to cyber crime, described in section 4.1.2 above in connection with risks related to IT systems. As such, and given its decentralized organizational structure, the Group is working to improve its measures for preventing and combating fraud, with the specific aim of protecting its assets. In 2021, this meant sending regular alerts primarily to the Group's operational entities to raise awareness about the economic risks of fraud.

The fight against corruption and influence peddling

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

A description of the actions implemented under this program appears in chapter 3, section 3.5.5 "Continuing to integrate ethics into our business practices" of this 2021 Universal Registration Document.

Tax policy

The Group's approach and the actions it has undertaken regarding tax policy are outlined in chapter 3, section 3.5.5 "Continuing to integrate ethics into our business practices" of this 2021 Universal Registration Document.

Internal control relating to the preparation of accounting and financial information

The Audit Committee monitors the preparation and control of accounting and financial information and ensures the high quality of the risk management and internal control system in order to facilitate the Supervisory Board's control and monitoring duties.

Building on how the Management Control Department is organized, the Group has set up a system allowing for the internal circulation of relevant, reliable information that helps all staff to carry out their duties in a timely fashion. The Company has also set up budget procedures, reporting procedures and procedures for the preparation of full- and half-year consolidated financial statements. Monthly reporting documents from subsidiaries are sent each month to the chief financial officers or managers of each country concerned and to the Group's Consolidation Department.

Role of the Statutory Auditors

The role of the Statutory Auditors is to certify the regularity, accuracy and fair presentation of the Group's parent company and consolidated financial statements on an annual basis and deliver a report on the Group's half-year consolidated financial statements.

While performing their assignment, the Statutory Auditors present the Audit Committee with a summary of their work and the accounting methods used to prepare the financial statements.

During the audit of the financial statements, the Statutory Auditors present the Audit Committee with a report highlighting the key aspects of the scope of consolidation, the results of the statutory audit, in particular the accounting methods selected and, where applicable, the misstatements found and material weaknesses in internal control identified during their work.

The Statutory Auditors' main recommendations regarding these weaknesses in internal control are incorporated by the management teams concerned into an action plan and a monitoring procedure that are presented to the Audit Committee and General Management at least once per year.

The audit assignments are divided between Mazars and PricewaterhouseCoopers Audit, the Company's Principal Statutory Auditors.

4.3 GROUP INSURANCE

4.3.1 Policy on insurance

The Group's policy on insurance is coordinated by the Property & Insurance Department, whose role is to identify the main insurable risks and to quantify their potential consequences. The aim is to:

- keep the level of some risks to a minimum by implementing prevention measures in collaboration with other Group departments;
- partially or fully cover risks by taking out insurance policies. This section deals with exceptional risks with high potential impact and low frequency, and risks relating to the services provided (claims from third parties and customers).

The Property & Insurance Department is assisted by the Group's various departments, each Group entity in France and each Group subsidiary outside France in obtaining the information needed to identify and quantify insured and insurable risks and in mobilizing the necessary resources to ensure business continuity in the event of a loss. The Insurance Department negotiates with major insurance and reinsurance providers to arrange the coverage that is best suited for insuring those risks.

Furthermore, specialized firms appraise the real value of the operating premises and their contents. The sites are visited regularly, on average every four years, so that the values declared to the insurers are as close as possible to the real values of the properties and their contents.

For some local entities, specific policies are put in place to meet local legal obligations or to obtain necessary local coverage, such as automotive insurance.

Insurance policies are purchased according to the level of coverage needed, based on reasonable estimates, to deal with the occurrence of liability risks, property and casualty risks or other risks. That analysis takes into account the assessments made by the insurers as the underwriters, and by brokers and the Group as specialists in the insurance market and experts on the business and the risks involved.

4.3.2 Insurance programs

The Group's insurance programs are taken out with leading insurers.

The Group has international insurance programs with master property and casualty, liability, environmental liability and fraud policies. This insurance coverage is supplemented by local policies taken out on the Group's recommendation in all countries where it is mandatory or customary to do so.

The Group-level insurance programs aim to cover business activities when local policies are insufficient or do not apply.

The insurance policies taken out by the Group contain:

- exclusion riders, which are uninsured perils, meaning things that cannot be insured under insurance law. These exclusion riders are the same for insurance policies provided by all insurance companies. However, where legally possible and where appropriate given the risk concerned, the Group takes out additional policies to insure against these perils; and
- coverage limits and deductibles, the amounts of which are set and reviewed on renewal according to changes in the Group's risks.

The Group's "property and casualty" insurance program primarily covers the Group's buildings, property, additional costs and potential operating losses, in particular those of its processing centers.

The Group has total coverage of €150 million per claim, with deductible levels that vary based on the nature of the insured sites.

The Group's general liability insurance program was set up for all Group entities to cover damage, injury or loss caused to third parties, arising in the course of the Group's business or due to goods/services and products delivered to third parties.

The Group has total coverage of €80 million per claim per year, with deductible levels that vary based on the type of damage, injury or loss caused to third parties.

The Group's executive liability insurance program protects both managers (as individuals) and the Company (as a legal entity), in connection with the Company's management and executive actions.

An automobile fleet program has been set up for France to insure all of the fully owned vehicles and vehicles under long-term leases. All foreign entities have local coverage.

Several transportation insurance (marine cargo) policies are intended to cover merchandise imported by the Group's Purchasing and Procurement Department and dispatched by road, sea or air, as well as some of the Group's exports.

4.4 VIGILANCE PLAN AFR

4.4.1 Purpose of the vigilance plan

In accordance with French Law 2017-399 of March 27, 2017 on the duty of care of parent companies and ordering companies, the vigilance plan includes reasonable vigilance measures to identify risks and prevent serious violations of human rights and fundamental freedoms, and harm to the health and safety of individuals and the environment, resulting from:

- the activities of the Company and the companies it controls, directly or indirectly;
- the activities of subcontractors or suppliers with whom an established commercial relationship is maintained.

In the interest of complete transparency, the Group has chosen to distinguish between these two areas in the presentation of the various measures[1] of the vigilance plan already implemented.

4.4.2 Risk map

The elements presented below constitute the Group's response to Measure 1 "Risk mapping for risk identification, analysis and prioritization."

Risks resulting from the Company's activities

In the area of risk management and internal control, the 2016–2020 cycle began with an update of the risk map at the Group level with the assistance of various departments, in particular Human Resources (HR), Quality, Safety and Environment (QSE), and Purchasing and Procurement. Through working groups, self-assessments of processing centers, as well as analyses of criticality and which risks are effectively managed, the main CSR risks were prioritized under four main categories: strategic, operational, financial and compliance. The risk map is updated annually with the main risk owners. The Group's internal control and risk management system enables the prevention and monitoring of identified risks. Risk prevention is managed by each risk owner using appropriate processes, the main measures of which are detailed below.

The Elis Group has formalized its commitments under the Code of Ethics based on the Group's values of integrity, responsibility and exemplarity in its commercial environment, respecting each of its employees, reducing its impact on the environment and the continuous improvement of its performance.

The non-financial performance statement (see chapter 3 of this universal registration document) is also a way to raise awareness and, through the use of performance indicators, a tool for monitoring and reviewing the actions implemented and their results.

Risks resulting from the activities of subcontractors or suppliers

Since October 2019, the Sustainable and Ethical Purchasing Charter, known as the Supplier Code of Conduct, has been in effect within the Group. The Charter contains the standards the Group applies to its suppliers and subcontractors regarding fair practices, human rights, health and safety, and environmental protection. It is routinely appended to the Group's framework agreements.

By auditing its strategic suppliers, with the aim of managing the value chain, the Group can verify compliance with and enforcement of the Supplier Code of Conduct. This measure covers over 90% of direct expenditure.

(1) Article L. 225-102-4.-I. of the French Commercial Code requires a five-point vigilance plan.

4.4.3 Other measures of the vigilance plan

Activities of the Company and its subsidiaries	Activities of suppliers and subcontractors
Measure 2: **Procedures for regularly assessing the situation in light of the risk map**	
› Signature of the UN Global Compact and annual reporting of corporate social responsibility results. › Self-assessment in France of human resource and safety processes as part of the Group's risk management and internal control system. › Periodic employee surveys in 25 countries. › Annual quantification and consolidation of the impacts of production sites (see sections 3.3 and 3.5.1 of chapter 3 of this universal registration document). › Periodic energy efficiency and resource utilization audits of production sites (see sections 3.3.2, 3.3.3 and 3.3.4 of chapter 3 of this universal registration document). › Systematic environmental audits during laundry facility acquisitions (see section 3.3.1 of chapter 3 of this universal registration document). › Identification and assessment of risks and processes implemented for specific Elis activities through the ISO 9001 quality management system certification.	› Upstream evaluation of all potential new suppliers against the requirements of the Sustainable and Ethical Purchasing Charter (see IN53). › Listing contingent on a satisfactory CSR assessment according to a standard analysis grid (see PR39). › Mapping of tier 1 suppliers and weavers as tier 2 suppliers; › Identification of at-risk suppliers. › Periodic CSR assessment of suppliers against the requirements of the Sustainable and Ethical Purchasing Charter. › CSR audits of at-risk suppliers by an independent third party.
Measure 3: **Appropriate actions to mitigate risks or prevent serious harm**	
› Update of the Group Code of Ethics and distribution to all employees. › Anti-corruption compliance program within the Group and its main subsidiaries. › Assessment of corrective actions resulting from employee surveys and their integration into the risk management system (see section 3.2.1 of chapter 3 of this universal registration document). › Implementation of a policy to promote diversity and the fight against discrimination through diversity advisers and annual training. › Annual review and approval of the QHSE and energy policy and associated targets by the Chairman of the Management Board; › Annual review of the priority preventive action plan (see section 3.2.3 of chapter 3 of this universal registration document). › Fire prevention program in partnership with the Group's insurer. › Annual training in best environmental practices for all new technical managers (see section 3.3.1 of chapter 3 of this universal registration document). › Annual resource impact reduction targets (water, energy).	› Listing subject to triple validation using a written procedure (applicant, segment purchasing manager and purchasing directors) and to the systematic and binding signature of the Sustainable and Ethical Purchasing Charter by all new suppliers; › Strict supervision of the use of subcontracting, which requires written agreement from the Group. › Training of buyers in the charter principles and supplier evaluation procedures. › Involvement of suppliers in achieving performance objectives, particularly those relating to the environment.
Measure 4: **A whistleblowing mechanism that collects alerts related to the existence or occurrence of risks, established in conjunction with the representative trade unions at the Company**	
› Reporting channels set up by networks of contact persons in Human Resources, and Quality, Safety and Environment. › In the event of an incident, the HR and QSE departments are responsible for defining the corrective actions to be implemented and establishing long-term preventive measures; › Duty of vigilance and duty to alert of employee representatives vis-à-vis the Human Resources Department. › Procedure for receiving and handling alerts related to the creation of a whistleblowing mechanism.	› Centralization and standardization of purchasing departments and deployment of tracking tools throughout the value chain; › Development of long-term supplier relationships through "Corporate" and "Local" buyers, including mobilization of their own networks of suppliers and regular dialogue. › Suppliers' duty to inform the Group about any incident that may have an impact on Elis's service or the products delivered.

Activities of the Company and its subsidiaries	Activities of suppliers and subcontractors
Measure 5: **System for monitoring the measures implemented and assessing their effectiveness**	
› Annual review of the actions taken following the self-assessment of production sites by the Audit and Internal Control Department and the departments concerned. › Internal audit by the Audit and Internal Control Department of imperative safety requirements. › 40 safety inspections per year as part of the insurance program; › Monitoring of the management indicators related to performance and environmental compliance. › Action and improvement plans developed based on the results of internal and external audits and inspections, as well as employee surveys. › Assistance provided to operational staff for their improvement plans through support functions (HR, QSE, etc.).	› Action plans developed according to the results of external audits based on critical and major non-compliances identified (see PR40). › Compliance deadlines imposed by management. › Systematic follow-up audits in case of non-compliance (see PR40). › Delisting in the event of non-compliance with the required corrective measures. › Annual economic review of business activity to measure suppliers' CSR coverage.

4.4.4 Actions implemented in 2021

In 2021, the Group continued the actions described above as part of its continuous improvement and risk management strategy.

The management of CSR risks related to the value chain of the products distributed by the Group is one of the criteria on which the longevity of the business relationship with third parties is based. As of 2021, more than 75% of the Top 100 suppliers in direct purchasing have signed the Code of Conduct, thus guaranteeing mutual commitment to fair practices, human rights, health and safety, and environmental protection.

At the same time, continuous CSR audits of third parties ensure compliance with and enforcement of the Code of Conduct. This measure covers over 90% of expenditure related to direct purchases. The measures are discussed in chapter 3, section 3.5.3 of this universal registration document, with a detailed description of the system and its results.

5

Comments on the financial year 2021

5.1 HIGHLIGHTS ON THE FINANCIAL YEAR 2021 AFR

5.1.1 Sharp recovery in activity in 2021 in all our business lines and regions

In 2021, Elis once again proved the strength of its model, with business gradually recovering after 2020 was marred by the onset of the pandemic and a major slowdown in the entire global economy.

- Healthcare, Industry, and Commerce and Services activity for the year was about 5% above the 2019 level;
- the trend was driven by (i) changing needs in terms of hygiene, traceability, and responsible products and services; (ii) a better retention rate due to the high quality of service maintained during the crisis; and (iii) strong sales momentum;
- Hospitality activity gradually recovered over the course of the year and, in December, was down by just 15% compared to 2019;
- the continued improvement in plant productivity and the savings achieved in the second half of 2020 significantly and sustainably reduced Elis's cost base, which helped improve EBITDA margin in 2021;
- the improvement in profitability ratios, record free cash flow, and the significant reduction in debt enabled Elis to resume dividend payments.

Note 2.7 to the Group's consolidated financial statements for the financial year ended December 31, 2021 draws the connection between the impact of the Covid-19 pandemic and the figures of the financial year.

5.1.2 Major acquisitions

The major acquisitions the Group completed during the financial year were:

- Scaldis in Belgium and France;
- Pestguard in Ireland;
- PureWashrooms in Great Britain;
- Chrisal in Denmark;
- Blesk inCare Textile in Russia.

Detailed information on these transactions is given in Note 2.4, "Acquisitions in 2021", to the Group's consolidated financial statements for the financial year ended December 31, 2021.

5.1.3 Financing

On September 23, 2021, as part of its EMTN (Euro Medium Term Notes) program, Elis carried out a €200 million bond issue maturing in 2028 and offering a fixed annual coupon of 1.625%. These bonds are fungible and form a single series with the existing €350 million of bonds maturing in 2028, which were issued on October 3, 2019. The income from these bonds was allotted to the partial redemption of the €650 million February 2018 bond issue maturing in 2023 and offering a fixed annual coupon of 1.875%. This operation, which continues the Group's active refinancing strategy, extended the average maturity of its debt.

On November 9, 2021, Elis signed a new €900 million syndicated revolving credit facility with a group of 13 customer-driven retail banks. This new credit facility, which matures in five years (November 2026) and has two single-year extension options ("5+1+1" years), replaces the two existing revolving credit lines of €500 million and €400 million respectively taken out in January and November 2017. This refinancing secures and extends the Group's liquidity profile. This new credit facility includes a margin adjustment mechanism linked to the achievement of annual targets for two of the Group's core sustainable development indicators:

- water consumption, which the Group is committed to reducing by 30% per kg of linen delivered over the period from 2018 to 2030 for its laundries in Europe;
- gender balance, with a commitment to increase the proportion of women in executive or managerial role to 42% by 2030 (34% in 2020).

Further information on these transactions is provided in Notes 8.1 and 8.3 to the Group's consolidated financial statements for the financial year ended December 31, 2021.

5

5.2 GROUP RESULTS AFR

The Group's consolidated financial statements for the financial year ended December 31, 2021 were prepared in accordance with IFRS as adopted by the European Union. Audit procedures have been performed on the consolidated financial statements.

5.2.1 Key Performance Indicators for financial year 2021

- Revenue of €3,048.3 million (up 8.6%, of which 7.4% on an organic basis).
- EBITDA margin up 70 bps to 34.5% of revenue.
- EBIT margin up 240 bps to 12.7% of revenue.
- Net income from ordinary operations up 60.4% to €222.7 million.
- Net current earnings per share up 56.4% to €0.97 (number of shares on diluted basis)
- Free cash flow (after lease payments) of €228.1 million.
- A €135.4 million reduction in net debt for the year and leverage at 3.0x at December 31, 2021.

5.2.2 Analysis of revenue and EBITDA by operating segment

REVENUE BY GEOGRAPHIC REGION

(In millions of euros)	2021	2020	Change	Organic change
France	953.8	867.8	9.9%	9.9%
Central Europe	735.3	704.2	4.4%	2.5%
Scandinavia and Eastern Europe	498.9	474.0	5.2%	3.1%
United Kingdom and Ireland	364.2	305.1	19.4%	12.8%
Southern Europe	235.9	198.2	19.0%	19.0%
Latin America	234.1	213.4	9.7%	14.1%
Other	26.1	43.5	-40.1%	-41.0%
TOTAL	**3,048.3**	**2,806.3**	**8.6%**	**7.4%**

Percentage change calculations are based on actual figures.
"Other" includes manufacturing entities and holding companies.

Activity recovered sharply in 2021 in all our business lines and regions Elis's annual revenue rose by 8.6%, of which 7.4% on an organic basis.

In France, revenue was up 9.9% (entirely on an organic basis). Our Healthcare, Industry, and Commerce and Services activities were driven by strong sales momentum in workwear and by customers' increased need for hygiene products and services. Hospitality activity has rebounded since May. Tourism activity was strong during the summer vacation period and business hospitality picked up in major cities starting in September; there was a very slight slowdown in December due to the emergence of the Omicron variant.

In Central Europe, revenue was up 4.4% (up 2.5% on an organic basis) and organic growth was positive in all countries in the region. Momentum was strong in workwear: Poland, Germany, Czech Republic and Belux delivered very robust growth, driven by business in the agri-food and pharmaceutical sectors. In Germany, Healthcare activity was strong with care homes, but leveled off with hospitals in the second half of the year after a particularly buoyant first half.

In Scandinavia & Eastern Europe, the region's revenue was up 5.2% (up 3.1% on an organic basis). The high percentage of customers in the Industry and Commerce & Services segments helped this region weather the crisis. The rebound was therefore not as significant as in other regions that were harder hit in 2020. Sales momentum remained very strong in workwear in the Baltic states and Russia; these two regions saw double-digit organic growth for the year.

In the United Kingdom & Ireland, the region's revenue was up 19.4% (up 12.8% on an organic basis). Elis continued to gain market share in the Healthcare segment by winning new contracts. In 2021, Industry and Commerce & Services were about 15% below pre-crisis levels, as they continued to be adversely affected by low levels of activity among QSR and contract catering customers. Lastly, Hospitality began to rebound, with dynamic domestic tourism and the partial resumption of international travel.

In Southern Europe, the region's revenue was up 19.0% (entirely on an organic basis). Business in the Hospitality segment (more than 60% of the region's total revenue in 2019) rebounded sharply. The summer season was particularly strong in Spain. Workwear activity benefited from strong sales momentum and the rapid growth in outsourcing in light of the pandemic and our customers' need for greater traceability and hygiene.

In Latin America, the region's revenue was up 9.7% (up 14.1% on an organic basis). The Group was able to expand its offering to support its customers (mainly in public and private healthcare and in the agri-food industry). As a result, it won some temporary contracts (isolation gowns, worth about €6 million for the year) and permanent contracts (healthcare garments, increase in the number of changes, growth in outsourcing). In addition, we raised our prices significantly at the end of the year due to the high inflation the region has experienced since the second half of 2021.

The sharp decrease in "Other" revenue indicates a return to normalcy after sales of hygiene appliances peaked in 2020 (soap and gel dispensers, hand wiping appliances, etc.) for our UK-based Kennedy subsidiary.

EBITDA

(In millions of euros)	2021	2020 restated	Change
France	**373.7**	**329.9**	**13.3%**
As a % of revenue	*39.1%*	*38.0%*	*110 bps*
Central Europe	**240.5**	**231.0**	**4.1%**
As a % of revenue	*32.6%*	*32.7%*	*-10 bps*
Scandinavia & Eastern Europe	**191.9**	**184.4**	**4.1%**
As a % of revenue	*38.5%*	*38.9%*	*-40 bps*
UK & Ireland	**112.1**	**88.7**	**26.3%**
As a % of revenue	*30.8%*	*29.0%*	*170 bps*
Southern Europe	**67.7**	**45.7**	**48.0%**
As a % of revenue	*28.7%*	*23.0%*	*560 bps*
Latin America	**77.8**	**72.1**	**7.8%**
As a % of revenue	*33.2%*	*33.8%*	*-60 bps*
Other	**(11.6)**	**(4.3)**	**-169.3%**
TOTAL	**1,052.1**	**947.6**	**11.0%**
As a % of revenue	*34.5%*	*33.8%*	*70 bps*

Percentage change calculations are based on actual figures.
"Other" includes manufacturing entities and holding companies.

In 2021, Group EBITDA was €1,052.1 million. The EBITDA margin was up 70 bps to 34.5% of revenue.

In France, after proving highly resilient in 2020 (stable margin despite the crisis), EBITDA margin reached 39.1% (+110 bps) in 2021. The sharp business recovery in 2021, combined with the very significant cost adjustment measures implemented in 2020, at both the plant and headquarters level, led to strong operating leverage.

In Central Europe, EBITDA margin was virtually unchanged versus 2020. At 32.6%, it was 100 bps above the pre-crisis level.

In Scandinavia & Eastern Europe, EBITDA margin fell by 40 bps to 38.5% due to an unfavorable mix effect amid the recovery in hospitality activity. The margin in the region nonetheless remained quite high and was virtually on par with the 2019 level.

In the United Kingdom & Ireland, EBITDA margin was up 170 bps compared with 2020 and stood at 30.8%. Achieving this margin level demonstrates the success of the plan to streamline the former Berendsen operations in the United Kingdom, despite the pandemic and high inflation.

In Southern Europe, EBITDA margin was up 560 bps compared with 2020 and stood at 28.7%. It was thus very close to its pre-crisis level, even with Hospitality business still below the 2019 level. The ongoing rebound in business toward pre-crisis levels will help further improve the region's margin.

In Latin America, EBITDA margin fell by 60 bps compared with 2020 to stand at 33.2%, but remained nearly 300 pbs above the 2019 level. Some highly profitable temporary contracts (isolation gowns, worth about €6 million in revenue in 2021) signed at the beginning of the pandemic at particularly high margins expired and were converted into long-term contracts with standard margins. This caused margin to decline slightly in the region in 2021.

5.2.3 Income statement analysis for the financial year ended December 31, 2021

The table below shows certain line items from the income statement for the financial years ended December 31, 2020 and December 31, 2021.

(In millions of euros)	2021	2020 restated	Change	Change (%)
Revenue	**3,048.3**	**2,806.3**	**242.0**	**8.6%**
Cost of linen, equipment and other consumables	(517.5)	(527.9)	10.4	-2.0%
Processing costs	(1,127.8)	(1,018.6)	(109.1)	10.7%
Distribution costs	(470.9)	(424.8)	(46.1)	10.8%
Gross margin	**932.1**	**834.9**	**97.1**	**11.6%**
Selling, general and administrative expenses	(581.7)	(544.8)	(36.9)	6.8%
Net impairment on trade and other receivables	8.4	(13.7)	22.1	-161.4%
OPERATING INCOME BEFORE OTHER INCOME AND EXPENSES AND AMORTIZATION OF INTANGIBLE ASSETS RECOGNIZED IN A BUSINESS COMBINATION	**358.8**	**276.4**	**82.3**	**29.8%**
Amortization of intangible assets recognized in a business combination	(81.0)	(93.9)	12.9	-13.7%
Goodwill impairment	-	-	-	N/A
Other operating income and expenses	(16.1)	(64.5)	48.4	-75.1%
OPERATING INCOME	**261.7**	**118.0**	**143.6**	**121.7%**
Net financial income (expense)	(90.5)	(88.4)	(2.2)	2.4%
INCOME (LOSS) BEFORE TAX	**171.1**	**29.7**	**141.5**	**477.0%**
Tax	(56.6)	(27.0)	(29.6)	109.7%
INCOME FROM CONTINUING OPERATIONS	**114.6**	**2.7**	**111.9**	**4,180.8%**
Income from discontinued operations, net of tax	-	-		
NET INCOME (LOSS)	**114.6**	**2.7**	**111.9**	**4,180.8%**

Revenue

The Group's consolidated revenue rose by €242.0 million, or 8.6%, from €2,806.3 million for the year ended December 31, 2020 to €3,048.3 million for the year ended December 31, 2021.

This increase in revenue is mainly due to organic growth (7.4%) and external growth (1.2%). See section 5.2.2 of this chapter.

Cost of linen, equipment and other consumables

Cost of linen, equipment and other consumables fell by €10.4 million (or 2.0%), from €527.9 million for the financial year ended December 31, 2020 to €517.5 million for the financial year ended December 31, 2021. This slight decrease can be attributed to the slowdown in depreciation of linen and equipment following the decrease in related investments in 2020 and 2021, offset by a slight increase in washroom consumables due to growth in the business.

Processing costs

Processing costs increased by €109.1 million (or 10.7%), in connection with higher volumes processed as a result of the pick-up in activity.

Distribution costs

Distribution costs increased by €46.1 million (or 10.8%), due to higher volumes.

Gross margin

The gross margin increased by €97.1 million, or 11.6%, from €834.9 million for the year ended December 31, 2020 to €932.1 million for the year ended December 31, 2021. All direct expenses increased, offset by a favorable inertia effect for linen depreciation, which continued to decline.

Selling, general and administrative expenses

Selling, general and administrative expenses increased by €36.9 million, or 6.8%, from €544.8 million for the year ended December 31, 2020 to €581.7 million for the year ended December 31, 2021. This increase is mainly the result of higher overheads in line with the growth in revenue.

Operating income before other income and expenses and amortization of intangible assets recognized in a business combination

Operating income before other income and expenses and amortization of intangible assets recognized in a business combination increased by €82.3 million, or 29.8%, from €276.4 million for the year ended December 31, 2020 to €358.8 million for the year ended December 31, 2021.

Amortization of intangible assets recognized in a business combination

Amortization of intangible assets recognized in a business combination decreased by €12.9 million, or 13.7%, from €93.9 million for the year ended December 31, 2020 to €81.0 million for the year ended December 31, 2021. This decrease is mainly explained by the end of the amortization schedule for the Berendsen brand following a rebranding.

Goodwill impairment

No goodwill impairment losses were recognized for the financial years ended December 31, 2020 and December 31, 2021.

Other operating income and expenses

Other operating income and expenses decreased by €48.4 million from a net expense of €64.5 million for the year ended December 31, 2020 to a net expense of €16.1 million for the year ended December 31, 2021.

For 2021, these consisted mainly of €5.1 million in costs related to acquisitions and earnout adjustments, €6.4 million in restructuring costs, and a €5.8 million provision for a loss-making contract in Denmark.

Net financial income (loss)

Net financial expense increased by €2.2 million, from an expense of €88.4 million for the year ended December 31, 2020 to an expense of €90.5 million for the year ended December 31, 2021. This was due mainly to an increase in interest expense on borrowings, offset by a significant improvement in foreign currency translation gains and losses (see Note 8.2 to the Group's consolidated financial statements for the financial year ended December 31, 2021).

Tax

Income tax expense increased by €29.6 million, from €27.0 million for the year ended December 31, 2020 to €56.6 million for the year ended December 31, 2021. This line item includes €5.7 million for the French company value-added contribution (CVAE) and the Italian regional tax on productive activities (IRAP). The increase in 2021 is due mainly to the rise in income before tax (also see Note 9 to the Group's consolidated financial statements for the financial year ended December 31, 2021).

Income from discontinued operations, net of tax

No income from discontinued operations was recognized for the financial years ended December 31, 2020 and December 31, 2021.

Net income (loss)

Net income increased by €111.9 million, from €2.7 million for the financial year ended December 31, 2020 to €114.6 million for the financial year ended December 31, 2021 for the aforementioned reasons.

Net income from ordinary operations

Net income from ordinary operations amounted to €222.7 million in 2021, an increase of 60.4% over 2020.

5.2.4 Group cash and equity

Consolidated cash flows

The table below summarizes the Group's cash flows for the financial years ended December 31, 2020 and December 31, 2021:

(In millions of euros)	2021	2020 restated
Net cash from operating activities	961.6	847.6
Net cash flows from investing activities	(655.4)	(582.1)
Net cash flows from financing activities	(281.2)	(290.2)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**25.0**	**(24.8)**

Cash flows from operating activities

The table below breaks down the Group's cash flows from operating activities for the financial years ended December 31, 2020 and December 31, 2021:

(In millions of euros)	2021	2020 restated
Cash flow before finance costs and tax	**1,034.7**	**886.8**
Change in inventories	1.0	(13.0)
Change in trade, other receivables and contract assets	(76.8)	114.5
Change in other assets	2.8	2.4
Change in trade and other payables	35.3	(57.7)
Change in contract and other liabilities	45.5	(20.3)
Other changes	0.1	2.7
Employee benefits	2.3	(1.9)
Tax paid	(83.2)	(65.8)
NET CASH FROM OPERATING ACTIVITIES	**961.6**	**847.6**

The change in trade and other receivables is explained by the mechanical effect of the decline in revenue at the end of 2021 on trade and other receivables.

The change in trade and other payables is mainly explained by the increase in accounts payable due to the decrease in trade payables in line with the improvement in activity.

The change in contract and other liabilities is explained mainly by the increase in tax, employee-related and other liabilities (€35.9 million) and the rise in contract liabilities (€12.2 million), both of which are related to the recovery in activity (see Note 4.9 of the Group's consolidated financial statements for the financial year ended December 31, 2021).

Cash flows from investing activities

The table below breaks down the Group's cash flows from investing activities for the financial years ended December 31, 2020 and December 31, 2021:

(In millions of euros)	**2021**	2020 restated
Acquisition of intangible assets	(21.1)	(16.0)
Proceeds from sale of intangible assets	-	0.1
Acquisition of property, plant and equipment	(552.8)	(483.2)
Proceeds from sale of property, plant and equipment	3.8	5.3
Acquisition of subsidiaries, net of cash acquired	(86.9)	(87.6)
Proceeds from disposal of subsidiaries, net of cash transferred	0.0	0.5
Changes in loans and advances	1.0	(1.3)
Dividends from equity-accounted companies	0.0	0.0
Investment grants	0.5	0.0
NET CASH FROM INVESTING ACTIVITIES	**(655.4)**	**(582.1)**

Net investments during the year (€569.5 million) included capital expenditure, IT, and items for rent (linen and hygiene and well-being appliances).

They increased sharply in line with the pick-up in revenue and in the major capital expenditure programs, representing 18.7% of revenue in 2021.

Acquisition of subsidiaries corresponds to the acquisitions made throughout 2021 (see Note 2.4 to the Group's consolidated financial statements for the financial year ended December 31, 2021).

The table below shows inflows/outflows for 2020 and 2021:

(In millions of euros)	**2021**	2020 restated
Linen purchases	(406.7)	(343.2)
Purchases of other items for rental/laundry/maintenance services	(26.9)	(27.4)
Other acquisitions of property, plant and equipment and intangible assets	(140.2)	(128.5)
Asset disposals	3.8	5.4
Investment grants	0.5	0.0
OUTFLOWS/INFLOWS RELATING TO PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	**(569.5)**	**(493.7)**

Cash flows from financing activities

The table below breaks down the Group's cash flows from financing activities for the financial years ended December 31, 2020 and December 31, 2021:

(In millions of euros)	**2021**	2020 restated
Capital increase	10.3	(0.0)
Treasury shares	7.3	(1.3)
Dividends paid	-	-
Change in borrowings[(a)]	(141.7)	(146.6)
› *Proceeds from new borrowings*	*776.1*	*868.6*
› *Repayments of borrowings*	*(917.8)*	*(1,015.2)*
Lease liability payments – principal	(89.4)	(73.4)
Net interest paid (including interest on lease liabilities)	(74.6)	(64.1)
Other cash flows related to financing activities	6.8	(4.8)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(281.2)**	**(290.2)**

(a) Net change in credit lines.

Lease payments are presented, in accordance with IFRS 16, in cash flows from financing activities, broken down between interest (recorded as financial expenses) and principal payments (presented on a separate line).

Equity

Equity attributable to owners of the parent company totaled €2,807.7 million as at December 31, 2020 and €3,013.1 million as at December 31, 2021. The change in Group equity in 2021 was due mainly to earnings for the year (net income and other comprehensive income).

Off-balance sheet commitments

The Group's off-balance sheet commitments are presented in Notes 2.6 and 8.9 to the Group's consolidated financial statements for the financial year ended December 31, 2021.

5.2.5 Borrowing needs and financing structure

Financing needs

The Group's financing needs arise mainly from its working capital requirement, capital expenditure (including acquisitions and linen purchases), and financial expense hedging.

The Group's main regular source of liquidity is cash flow from operating activities. Its ability to generate cash from operating activities in the future depends on its future operating performance. To some extent, that performance depends in turn on economic, financial, competition, market, regulatory, health and other factors, most of which are not under the Group's control. The Group uses its various financing sources and cash and cash equivalents to cover its ordinary financing needs. Its cash is mainly held in euros. The main ways the Group uses cash are:

Capital expenditure and investment in textiles

Part of the Group's cash flow is allocated to financing its capital expenditure (excluding acquisitions), which breaks down into the following categories:

- industrial capital expenditure, which includes investments in:
  - intangible assets (mainly relating to information and technology systems),
  - investments in property, plant and equipment: major projects (land and buildings), vehicles (trucks, vans, carts), facilities and equipment (washing machines, general services, etc.). It therefore covers investments for both growth (new plants or to increase capacity) and maintenance (equipment replacement);
- investments in hygiene appliances; and
- expenditure on linen, which varies according to the level of activity and the schedule for providing linen to the Group's customers, since most customers are under contract for rental-maintenance services. Growth investments thus make up a large percentage of this expenditure because of the initial outlay required to set up a new customer.

The Group's gross capital expenditure (before grants) for the financial years ended December 31, 2019, 2020 and 2021 (excluding acquisitions) totaled €682.3 million, €499.2 million, and €573.8 million, respectively, and are divided up in all Group countries. After the decline in 2020 due to the pandemic's impact on activity and on the Group's level of expenditure, the increase in 2021 stemmed from the pick-up in business and in the major capital expenditure programs.

The European market for the rental and maintenance of textile products and hygiene and well-being appliances remains relatively fragmented, and there are interesting consolidation opportunities in the foreign countries where the Group already operates.

For acquisitions outside France, the Group evaluates the relevant markets of other countries with the aim of carrying out targeted acquisitions. The Group relies in particular on the following indicators for the basis of these evaluations: favorable business environment, geopolitics, population, per capita GDP, GDP growth, the Tourism sector, the Healthcare sector and the presence of international companies as potential customers. The Group's objective is to become one of the leading service providers in each country in which it operates and in each of its market segments.

In recent years, the Group has finalized numerous acquisitions, especially in 2021, with several acquisitions made in regions where the Group currently has operations (for a description of the acquisitions made in financial years 2020 and 2021, see Note 2.4, "Changes in scope of consolidation", to the Group's consolidated financial statements for the financial year ended December 31, 2021).

Net interest paid

The Group paid financial interest (net of financial income) of €64.1 million for the year ended December 31, 2020 and €74.6 million for the year ended December 31, 2021. There are two main reasons for this approximately €10 million increase: first, approximately €4.6 million is due to the cost of the partial redemption carried out by the Company in September 2021 (€200 million) concerning the bonds issued in February 2018; and, second, approximately €5.4 million is due to a positive calendar effect in 2020 related to a coupon payment representing only six months of interest on the bonds maturing in 2025 and 2028 and issued in October 2019, for a total amount of €850 million (versus a coupon representing a full year of interest for these two bonds paid in 2021).

Financing structure

The table in Note 8.3 to the Group's consolidated financial statements for the financial year ended December 31, 2021 breaks down the Group's gross debt as at December 31, 2020 and December 31, 2021. The financing policy is set out in Note 8.1 to the Group's consolidated financial statements.

5.2.6 Definitions and reconciliation of alternative performance measures to IFRS indicators

These alternative performance measures are meant to facilitate the analysis of Elis's operating trends, financial performance and financial position and to provide investors with additional information that the Management Board believes to be useful and relevant regarding Elis's results. These indicators, generally, have no standardized meaning and therefore may not be compared to similarly labeled indicators used by other companies. As a result, none of these indicators should be considered separately from, or as a substitute for, the Group's consolidated financial statements and related notes prepared in accordance with IFRS.

Organic growth

Organic growth in the Group's revenue is calculated excluding (i) the impacts of changes in the scope of consolidation of "major acquisitions" and "major disposals" (as defined in the Document de Base) in each of the periods under comparison, as well as (ii) the impact of exchange rate fluctuations.

EBITDA, EBIT

The definitions of EBITDA and EBIT are given in Note 3.2. "Segment information – Earnings" to the Group's consolidated financial statements for the financial year ended December 31, 2021.

Net income from ordinary operations

Net income from ordinary operations corresponds to net income or loss excluding extraordinary items which, due to their type and unusual nature, cannot be considered as intrinsic to the Group's current performance:

(in millions of euros)	2021	2020
NET INCOME (LOSS)	**114.6**	**2.7**
Amortization of intangible assets recognized in a business combination[(a)]	65.3	74.3
IFRS 2 expense[(a)]	25.9	13.4
Accelerated amortization of bridge loan issuing costs[(a)]	2.1	0.1
Breakage costs related to refinancing[(a)]	3.3	-
Other operating income and expenses, including:	11.5	48.2
› Litigation[(a)]	(0.2)	0.6
› Additional costs directly related to Covid-19[(a)]	-	16.5
› Restructuring costs[(a)]	4.8	25.2
› Costs related to acquisitions and earnout adjustments[(a)]	3.7	4.6
› Other[(a)]	3.1	1.4
NET INCOME FROM ORDINARY OPERATIONS	**222.7**	**138.8**
Attributable to:		
› owners of the parent	222.6	138.8
› non-controlling interests	0.1	(0.0)
Net current earnings per share *(in euros)*:		
› basic, attributable to owners of the parent	1.00	0.63
› diluted, attributable to owners of the parent	0.97	0.62

(a) Net of tax effect.

Free cash flow

Free cash flow is defined as EBITDA less non-cash items and changes in working capital, purchases of linen, capital expenditure (net of disposals), tax paid, financial interest paid and lease liabilities payments.

(in millions of euros)	2021	2020
EBITDA	**1,052.1**	**947.6**
Non-recurring items and changes in provisions	(14.1)	(55.2)
Acquisition and disposal expenses	(1.6)	(4.2)
Other	(1.6)	(1.4)
Cash flow before finance costs and tax	**1,034.7**	**886.8**
Net capex	(569.5)	(493.7)
Change in working capital requirement	10.1	26.6
Net interest paid (including interest on lease liabilities)	(74.6)	(64.1)
Tax paid	(83.2)	(65.8)
Lease liability payments – principal	(89.4)	(73.4)
FREE CASH FLOW (after payment of lease liabilities)	**228.1**	**216.3**

Leverage

Financial leverage corresponds to the financial covenant as defined in the new bank financing agreement signed in 2021: Leverage ratio = net financial debt (as defined in the agreement and described in Note 8.5 "Net Financial Debt" to the Group's consolidated financial statements)/pro forma EBITDA (as defined in the agreement and described in Note 3.2 "Earnings" to the Group's consolidated financial statements) of the acquisitions finalized during the last 12 months after synergies.

Historical leverage is the leverage reported by the Group for prior years and calculated for the purposes of the previous bank financing that has now been repaid: Total net leverage ratio is equal to [Net financial debt, less current accounts held for employee profit-sharing and accrued interest not yet due, plus unamortized debt issuance costs and finance lease liabilities as measured under IAS 17 if the standard continued to apply] divided by [Pro forma EBITDA of acquisitions finalized during the last 12 months after synergies and excluding the impact of IFRS 16].

Net financial debt was therefore €3,145.6 million at December 31, 2021. The Group's pro forma EBITDA for 2021 after synergies amounted to €1,061.2 million (equal to the published 2021 EBITDA of €1,052.1 million, increased by €5.9 million to account for acquisitions made in 2021 as if they had taken place on January 1, 2021 – see Note 2.4 to the Group's consolidated financial statements for the financial year ended December 31, 2021 – plus €3.2 million for estimated potential synergies for 2021-22).

The Leverage ratio was therefore 3.0x at December 31, 2021 (historical leverage was 3.3x at December 31, 2021, versus 3.7x at December 31, 2020).

ROCE

Return on capital employed (ROCE) before tax is an indicator of investment performance:

(in millions of euros)	2021	2020
EBIT (I)	**388.3**	**291.5**
Capital employed at beginning of period (II)	4,627.3	4,877.7
ROCE (BEFORE TAX) = (I)/(II)	**8.4%**	**6.0%**

	As at January 1	
(in millions of euros)	2021	2020
TOTAL ASSETS	**7,862.4**	**8,198.0**
Employee benefit assets	(34.1)	(32.1)
Cash and cash equivalents	(137.6)	(172.3)
Intangible assets recognized in the Group's last LBO (net of deferred tax)	(1,536.8)	(1,537.5)
SUBTOTAL (III)	**6,153.8**	**6,456.1**
TOTAL EQUITY AND LIABILITIES	**7,862.4**	**8,198.0**
Equity	(2,808.3)	(2,958.1)
Employee benefit liabilities	(108.9)	(117.1)
Borrowings and financial debt	(3,066.6)	(3,116.3)
Bank overdrafts and current borrowings	(352.0)	(428.1)
SUBTOTAL (IV)	**1,526.5**	**1,578.4**
Capital employed at beginning of period (II)=(III)-(IV)	**4,627.3**	**4,877.7**

5.3 EVENTS AFTER THE REPORTING PERIOD AFR

Significant events that occurred between the reporting date and the approval date of the financial statements are described in Notes 2.9 and 12 to the Group's consolidated financial statements for the financial year ended December 31, 2021.

5.4 RECENT DEVELOPMENTS

On March 9, 2022, Elis announced the acquisition of a one-hundred-year-old private group, a leader on the Mexican market, which mainly supplies flat linen and workwear to customers in the Healthcare market (11 production sites, 12 distribution centers and a clothing workshop, over 2,600 employees, and revenue of €74 million in 2021). The acquisition will be subject to approval from the Mexican competition authority and it should take place no later than July 2022.

On March 14, 2022, Moody's announced that it had raised the outlook on the Ba2 corporate family rating to "positive" from "stable." This decision reflects not only the Group's strong operational performance during the pandemic but also the gradual recovery that Moody's expects to see in the hospitality sector.

On March 17, 2022, Elis closed its acquisition of a 100% interest in Textileservice Jöckel ("Jöckel") in Germany, following the agreement signed on February 15, 2022. Details of this can be found in Note 2.9 to the Group's consolidated financial statements for the year ended December 31, 2021.

5.5 OUTLOOK AFR

The outlook is based on the Group's strategy, which has four main components:

- consolidation of the Group's positions through organic growth and acquisitions;
- regularly entering new markets in new or existing geographic regions;
- continued improvement of the Group's operational excellence; and
- offering new products and services at limited marginal cost.

Outlook 2022

The continued recovery in business activity, the success of Elis's new commercial offerings, alongside the impact of the pandemic on our clients' needs (increased demand for hygiene products and increased consumption of workwear) allow us to anticipate organic revenue growth of between +13% and +15% in 2022. The underlying working hypothesis is that activity in Hospitality and Catering, which continued to improve in January and February 2022, will be -20% lower in the first half of 2022 compared to 2019, and the activity will continue to improve in the second half of 2022.

The Group has no presence in the Ukraine and only a limited presence in Russia (revenue of approx. €20 million).

In the context of very high inflation of energy prices, the EBITDA margin for 2022 is expected to be around 33.5%, assuming that the gas price for 2022 (PEG Nord) stabilizes at the average price recorded since the start of the year (as at 8 March) – i.e. €100/MWh (to put matters into perspective, the average monthly price never exceeded €30/MWh between January 2010 and July 2021). Should the gas price remain much higher than €100/MWh in the first half of 2022, we will make changes to our prices this summer, applying a +1% increase for every €30 above €100/MWh.

The EBIT for 2022 is expected to be around €500 million due to the limited increase in depreciation and amortization in 2022.

The net current earnings per share in 2022 is expected to rise by nearly 40%, to around €1.35.

2022 free cash-flow (after payment of leases) is expected to be around €200 million, owing to the impact of the strong recovery of activity on working capital requirements and the increase in investment in linen in line with inflation, the effect of which began to be felt in the second half of 2021 (increased price of cotton and transport costs).

The financial leverage is expected to be around 2.6x at December 31, 2022, compared to 3.0x at December 31, 2021.

Medium-term outlook

In all regions in which we operate, the Healthcare, Industry and Commerce & Services activities are reaping the rewards of the success of our new commercial lines and changes in our customers' needs in Workwear and Hygiene & well-being (organic growth of around +5% in 2021 in these 3 markets).

This dynamic, which is a direct result of the need generated by the pandemic for greater hygiene and traceability, for responsible products and services, and for greater supply chain security, is likely to take root in the long term and provide long-lasting organic growth to Elis's revenue.

At the end of the crisis, Elis's normative organic growth (i.e. excluding the effect of the recovery in the Hospitality sector) should be greater than +3.5%.

The drop in EBITDA margin that we expect to see in 2022 should be reversed in 2023: mechanically if gas prices drop, or by our own price rises which we will implement in the second half of 2022.

The goals presented in this paragraph do not under any circumstances imply any commitment by the Group, nor are they provisional data, estimates or forecasts for income as defined by Delegated Regulation (EU) 2019/980, as amended, or by AMF or ESMA recommendations regarding forecasts. This is of particular note given the uncertainties and risk factors likely to arise during the period. Section 4.1 ("Risk Factors") of this universal registration document presents the risks and uncertainties to which the Group is exposed that could have a material adverse effect on the assumptions, goals and outlook set out above.

5.6 FUTURE INVESTMENTS

The Group intends to continue its investment policy along the same lines as in the past, namely investments relating to its everyday activities comprising capital expenditure to maintain and improve its facilities (plant, equipment, IT and rented hygiene appliances) as well as investments in textile products for rent to customers, on the one hand, and on the other hand, external growth (acquisition) opportunities with attractive profiles in terms of return on investment and meeting the criteria of its acquisition strategy.

As at the date of this universal registration document, the Group has not entered into any significant firm commitments regarding its future investments, except the commitment related to the acquisition in Mexico, which is described in section 5.4 of this chapter.

5.7 RESEARCH AND DEVELOPMENT ACTIVITIES AFR

The Elis Group allocates resources to its industrial, marketing and IT departments to continuously improve the company's processes, products and services.

The Group's research and development activities are detailed in the "Focus on Innovation" section in chapter 1 of this universal registration document.

The Company has no other research and development activities.

5.8 ELIS'S RESULTS AFR

The Company's annual financial statements for the financial year ended December 31, 2021 were prepared in the same manner and using the same methods as in previous years. Note 2, "Accounting policies*" to the annual financial statements specifies that there was no impact from the first-time application of the amendment by the French accounting standards setter (Autorité des Normes Comptables* – ANC) to its recommendation no. 2013-02 of November 7, 2013, published on November 5, 2021, on the change in method used to allocate defined-benefit rights to service periods.

Elis generated an operating loss of €26.9 million for the 2021 financial year, versus a loss of €21.1 million in 2020.

The increase in the operating loss is due mainly to:

- fees and debt issuance costs (which are fully expensed in the financial year in which they are incurred) resulting from a higher amount of refinanced debt than in the previous financial year, up €4.5 million;
- compensation paid to executives.

Net financial expense totaled €39.0 million in 2021 versus an expense of €35.0 million for 2020. The increase in the financial loss stemmed mainly from early redemption penalties for the €200 million tranche of the EMTN program that was refinanced during the year.

Non-recurring income showed an expense of €5.6 million composed primarily of the amortization of the Berendsen acquisition costs of €5.4 million.

Elis posted a consolidated income tax benefit of €22.4 million (compared to €20.7 million in 2020). This benefit arose from tax consolidation, since the tax paid by the subsidiaries was higher than the tax owed by the tax group of which Elis is the parent company, amounting to, €20.5 million, and from the €1.8 million tax credit awarded in the judgment of January 14, 2021.

Elis's equity totaled €2,746.2 million, a decrease of €33.3 million compared to December 31, 2020, due to losses during the financial year as described in Note 4.1 to the Company's financial statements.

5.9 FIVE-YEAR FINANCIAL SUMMARY AFR

Financial year Type of information *(in euros)*	2017	2018	2019	2020	2021
I. Financial position at the financial year-end					
› share capital	219,370,207	219,927,545	221,297,797	221,819,430	224,076,007
› number of shares issued	219,370,207	219,927,545	221,297,797	221,819,430	224,076,007
› number of bonds convertible into shares					
II. Results of operations					
› revenue excl. tax	566,299	1,005,480	1,005,480	1,005,480	1,045,912
› net income (loss) before tax, depreciation, amortization and provisions	(85,195,401)	(81,200,450)	(103,380,084)	(60,322,556)	(65,275,887)
› income tax expense	27,990,088	26,846,894	36,127,575	20,707,690	22,353,949
› net income (loss) after tax, depreciation, amortization and provisions	(58,908,721)	(64,875,081)	(70,323,741)	(42,796,153)	(49,066,015)
› amount of earnings distributed	0	0	0	0	0
III. Per share data					
› net income (loss) after tax, but before depreciation, amortization and provisions	(0.26)	(0.37)	(0.47)	(0.27)	(0.29)
› net income (loss) after tax, depreciation, amortization and provisions	(0.27)	(0.29)	(0.32)	(0.19)	(0.22)
› dividend per share	0.00	0.00	0.00	0.00	0.00
IV. Employees					
› number of employees	3	2	2	2	2
› payroll expenses	2,506,992	3,442,019	3,263,588	3,361,711	2,476,325
› employee benefits (social security, etc.)	716,203	965,034	1,890,025	894,124	1,355,753

5.10 LEGAL, FINANCIAL AND TAX INFORMATION ABOUT THE COMPANY AFR

5.10.1 Significant equity investment in France

The Company did not acquire any companies in France during the financial year.

5.10.2 Injunctions or fines for anticompetitive practices

None[1].

5.10.3 Additional tax information

During the financial year ended December 31, 2021, the Company:

- recognized €21,152 in sumptuary expenses that were not deductible from taxable income as defined in Article 39-4 of the French Tax Code (lines WE and WF of the tax return);
- did not exclude any general expenses from the expenses that can be deducted from income taxable pursuant to Articles 39-5 and 223 quinquies of the French Tax Code;
- added back €694,335 for directors' compensation exceeding the deductible threshold of €457 per Board member.

(1) *Article L. 464-2 I of the French Commercial Code stipulates that when injunctions or fines for anticompetitive practices are imposed by the French competition authorities (Autorité de la concurrence), said authority can ask for its decision or the excerpt thereof to be included in the Management Board's report.*

5.10.4 Information about payment terms for customers and suppliers

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, the balance of net trade payables at the end of the financial year (excluding accrued expenses) was €2,612,234.

INVOICES RECEIVED OR ISSUED BUT UNPAID AND PAST DUE AT THE CLOSING DATE OF THE FINANCIAL YEAR (TABLE PROVIDED FOR IN ARTICLE D. 441-4-I)

	Article D. 441-4 I para. 1: Invoices received, unpaid and past due at the financial year-end						Article D. 441-4 I para. 2: Invoices issued, unpaid and past due at the financial year-end					
Number of invoices concerned *(in thousands of euros)*	0 days (for information only)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	**Total (1 day or more)**	0 days (for information only)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	**Total (1 day or more)**
(A) By aging category												
Number of invoices concerned	20	5	4	0	3		14	5	2	2	9	
Aggregate invoice amount (incl. VAT)	(2,520)	(53)	(38)	-	(1)		2,553	209	59	65	159	
Percentage of total amount of purchases (incl. VAT) for the year	-96.5%	-2.0%	-1.5%	-	0%							
Percentage of revenue (incl. VAT) for the year							83.8%	6.9%	1.9%	2.1%	5.3%	
(B) Invoices excluded from (A) relating to disputed or unrecognized receivables and payables												
Number of excluded invoices												
Aggregate amount of excluded invoices (incl. taxes)												
(C) Standard payment terms used (contractual or legal terms – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment terms used to calculate late payments	Contractual or legal payment terms						Contractual payment terms: 15th of the following month					

5.10.5 Dividends

Dividend policy

The Company will determine the amounts of any future dividend distributions on the basis of various factors, including the Company's general business conditions and in particular its strategic objectives, financial position, the opportunities it wishes to pursue and the applicable statutory provisions.

The next annual general shareholders' meeting will be asked to approve the payout of a dividend of €0.37 per share, i.e. €82.9 million, based on the number of existing shares as at December 31, 2021 (excluding treasury shares), with the option of payment in Elis shares. This amount is in line with levels of dividends paid out before the pandemic.

Dividends paid in the past three financial years

The Company did not pay any dividends in the financial years ended December 31, 2019, 2020 and 2021. However, amounts deducted from its additional paid-in capital account were paid out in 2019.

Time frame for claiming dividends

Dividends not claimed within five years from the payment date are time-barred and must be paid over to the French government.

5.10.6 Other information

In accordance with Article L. 232-1 of the French Commercial Code, it is hereby specified that the Company had no branches as at the date of filing of this universal registration document.

In addition, the Company has not granted any inter-company loans within the meaning of Article L. 511-6 of the French Monetary and Financial Code.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Financial statements for the year ended December 31, 2021

6.1 CONSOLIDATED FINANCIAL STATEMENTS AFR

6.1.1 Consolidated income statement

(in millions of euros)	Notes	12/31/2021	12/31/2020 restated [(a)]
Revenue	**3.1/4.1/4.2**	**3,048.3**	**2,806.3**
Cost of linen, equipment and other consumables		(517.5)	(527.9)
Processing costs		(1,127.8)	(1,018.6)
Distribution costs		(470.9)	(424.8)
Gross margin		**932.1**	**834.9**
Selling, general and administrative expenses		(581.7)	(544.8)
Net impairment on trade and other receivables		8.4	(13.7)
Operating income before other income and expenses and amortization of intangible assets recognized in a business combination	**3.2**	**358.8**	**276.4**
Amortization of intangible assets recognized in a business combination	4.5	(81.0)	(93.9)
Goodwill impairment	6.1	-	-
Other operating income and expenses	4.6	(16.1)	(64.5)
Operating income		**261.7**	**118.0**
Net financial income (expense)	8.2	(90.5)	(88.4)
Income (loss) before tax		**171.1**	**29.7**
Tax	9	(56.6)	(27.0)
Income from continuing operations		**114.6**	**2.7**
Income from discontinued operation, net of tax		-	-
NET INCOME (LOSS)		**114.6**	**2.7**
Attributable to:			
› owners of the parent		114.5	2.7
› non-controlling interests		0.1	-
Earnings (loss) per share (EPS) *(in euros)*:			
› basic, attributable to owners of the parent	10.3	0.51	0.01
› diluted, attributable to owners of the parent	10.3	0.51	0.01
Earnings (loss) per share (EPS) from continuing operations *(in euros)*:			
› basic, attributable to owners of the parent	10.3	0.51	0.01
› diluted, attributable to owners of the parent	10.3	0.51	0.01

(a) See Note 1.4.

6.1.2 Consolidated statement of comprehensive income

(in millions of euros)	Notes	12/31/2021	12/31/2020 Restated [a]
NET INCOME (LOSS)		**114.6**	**2.7**
Gains (losses) on cash flow hedges, before tax	8.8	6.1	(1.1)
Cash flow hedge reserve reclassified to income	8.8	-	0.4
Total change in cash flow hedge reserve, before taxes		**6.1**	**(0.7)**
Related tax	8.8	(1.7)	0.2
Net change in the cost of hedging, before tax	8.8	0.0	0.9
Related tax	8.8	0.1	(0.2)
Effects of changes in foreign exchange rates - net translation differences		**29.8**	**(174.1)**
Other comprehensive income (loss) which may be subsequently reclassified to net income		**34.2**	**(173.9)**
Actuarial gains (losses) on defined benefit plans, before tax		**21.2**	**12.3**
Related tax		(6.5)	(2.2)
Other comprehensive income (loss) which may not be subsequently reclassified to income		**14.7**	**10.1**
Other comprehensive income		**48.9**	**(163.9)**
TOTAL COMPREHENSIVE INCOME (LOSS)		**163.5**	**(161.2)**
Attributable to:			
› owners of the parent		163.4	(161.2)
› non-controlling interests		0.1	0.0

(a) See Note 1.4.

The change in hedge reserve reflects the change in fair value of derivatives eligible for hedge accounting. Details are presented in Note 8.8 "Derivative financial instruments and hedges."

Translation reserves arise from the translation, during consolidation, of assets and liabilities of Group entities denominated in foreign currencies as described in Note 2.3 "Foreign currency translation."

Actuarial gains and losses arising on the remeasurement of employee benefits reflect the effect of changes in assumptions (obligation discount rate, salary increase rate, retirement benefit increase rate and expected return on plan assets) used to measure defined benefit plan obligations.

6.1.3 Consolidated statement of financial position

Assets

(in millions of euros)	Notes	12/31/2021	12/31/2020 Restated (a)	01/01/2020 Adjusted (a)
Goodwill	6.1	3,817.0	3,743.6	3,795.6
Intangible assets	6.2	750.1	806.4	869.5
Right-of-use assets	6.4	439.2	438.6	410.8
Property, plant and equipment	6.3	1,910.9	1,886.1	1,998.5
Other equity investments		0.1	0.2	0.2
Other non-current assets	8.7	64.7	64.4	69.0
Deferred tax assets	9	31.5	36.6	23.2
Employee benefit assets	5.3	51.8	34.1	32.1
TOTAL NON-CURRENT ASSETS		**7,065.5**	**7,010.1**	**7,198.9**
Inventories	4.7	138.8	137.3	124.8
Contract assets	4.3	38.1	27.6	36.2
Trade and other receivables	4.4	600.7	517.0	632.4
Current tax assets		17.1	13.6	11.8
Other assets	4.9	18.9	18.8	21.1
Cash and cash equivalents	8.4/8.5	160.0	137.6	172.3
Assets held for sale		0.4	0.4	0.7
TOTAL CURRENT ASSETS		**974.0**	**852.3**	**999.2**
TOTAL ASSETS		**8,039.5**	**7,862.4**	**8,198.0**

(a) See Note 1.4.

Equity and liabilities

(in millions of euros)	Notes	12/31/2021	12/31/2020 Restated (a)	01/01/2020 Adjusted (a)
Share capital	10.1	224.1	221.8	221.3
Additional paid-in capital	10.1	2,531.6	2,575.6	2,646.4
Treasury share reserve		(1.6)	(11.2)	(10.1)
Other reserves		(322.6)	(366.1)	(192.2)
Retained earnings (accumulated deficit)		581.5	387.6	291.8
Equity attributable to owners of the parent		**3,013.1**	**2,807.7**	**2,957.2**
Non-controlling interests	**2.5**	**0.7**	**0.6**	**0.8**
TOTAL EQUITY		**3,013.8**	**2,808.3**	**2,958.1**
Provisions	7.1	87.7	83.9	85.8
Employee benefit liabilities	5.3	105.9	108.9	117.1
Borrowings and financial debt	8.3/8.5	3,084.5	3,066.6	3,116.3
Deferred tax liabilities	9	282.9	302.3	317.2
Lease liabilities	6.4	367.0	368.3	343.7
Other non-current liabilities	8.7	33.1	20.9	8.4
TOTAL NON-CURRENT LIABILITIES		**3,961.0**	**3,951.0**	**3,988.5**
Current provisions	7.1	12.6	14.8	17.0
Current tax liabilities		28.2	25.5	23.7
Trade and other payables	4.8	262.9	221.3	288.5
Contract liabilities	4.3	74.9	62.7	71.5
Current lease liabilities	6.4	86.2	79.0	63.7
Other liabilities	4.9	378.7	347.7	359.0
Bank overdrafts and current borrowings	8.3/8.5	221.1	352.0	428.1
Liabilities directly associated with assets held for sale		-	-	-
TOTAL CURRENT LIABILITIES		**1,064.6**	**1,103.1**	**1,251.4**
TOTAL EQUITY AND LIABILITIES		**8,039.5**	**7,862.4**	**8,198.0**

(a) See Note 1.4.

6.1.4 Consolidated statement of cash flows

(in million of euros)	Notes	12/31/2021	12/31/2020 Restated [a]
CONSOLIDATED NET INCOME (LOSS)		**114.6**	**2.7**
Tax	9	56.6	27.0
Net financial income (expense)	8.2	90.5	88.4
Share-based payments		24.4	12.9
Depreciation, amortization and provisions	4.5	745.6	752.0
Portion of grants transferred to income	4.5	(0.6)	(0.3)
Net gains and losses on disposal of property, plant and equipment and intangible assets		0.7	4.2
Other		2.9	(0.1)
CASH FLOWS BEFORE FINANCE COSTS AND TAX		**1,034.7**	**886.8**
Change in inventories	4.7	1.0	(13.0)
Change in trade and other receivables and contract assets	4.4	(76.8)	114.5
Change in other assets	4.9	2.8	2.4
Change in trade and other payables	4.8	35.3	(57.7)
Change in contract liabilities and other liabilities	4.9	45.5	(20.3)
Other changes		0.1	2.7
Employee benefits		2.3	(1.9)
Tax paid		(83.2)	(65.8)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**961.6**	**847.6**
Acquisition of intangible assets		(21.1)	(16.0)
Proceeds from disposal of intangible assets		-	0.1
Acquisition of property, plant and equipment		(552.8)	(483.2)
Proceeds from disposal of property, plant and equipment		3.8	5.3
Acquisition of subsidiaries, net of cash acquired	2.4	(86.9)	(87.6)
Proceeds from disposal of subsidiaries, net of cash transferred		0.0	0.5
Changes in loans and advances		1.0	(1.3)
Dividends earned		0.0	0.0
Investment grants		0.5	0.0
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(655.4)**	**(582.1)**
Capital increase	10.1	10.3	0.0
Treasury shares		7.3	(1.3)
Dividends paid :			
› to owners of the parent		0.0	0.0
› to non-controlling interests of consolidated companies		-	-
Change in borrowings [b]	8.3	(141.7)	(146.6)
› Proceeds from new borrowings	8.3	776.1	868.6
› Repayments of borrowings	8.3	(917.8)	(1,015.2)
Lease liability payments - principal	6.4	(89.4)	(73.4)
Net interest paid (including interest on lease liabilities)		(74.6)	(64.1)
Other cash flows related to financing activities		6.8	(4.8)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(281.2)**	**(290.2)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**25.0**	**(24.8)**
Cash and cash equivalents at beginning of period		137.6	170.8
Effect of changes in foreign exchange rates on cash and cash equivalents		(2.7)	(8.4)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8.4**	**159.9**	**137.6**

(a) See Note 1.4.
(b) Net change in credit lines.

6.1.5 Consolidated statement of changes in equity as at December 31, 2021

(in millions of euros)	Notes	Share capital	Additional paid-in capital	Treasury share reserve	Cash flow hedge reserve	Cost of hedging reserve	Translation reserve	Equity component of convertible bonds	Legal reserve	Retained earnings (accumulated deficit)	**Owners of the parent**	Non-controlling interests	**Total equity**
Balance as at December 31, 2020 restated [(a)]		**221.8**	**2,575.6**	**(11.2)**	**(2.1)**	**1.2**	**(409.8)**	**37.8**	**6.8**	**387.6**	**2,807.7**	**0.6**	**2,808.3**
Cash increase in share capital	10.1	1.1	9.3	-	-	-	-	-	-	-	10.3	-	10.3
Amounts paid to shareholders	10.2	-	-	-	-	-	-	-	-	-	-	-	-
Issue of convertible notes		-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments		-	-	-	-	-	-	-	-	24.4	24.4	-	24.4
Changes in treasury shares		-	-	7.2	-	-	-	-	-	-	7.2	-	7.2
Acquisition of NCI without a change in control		-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary - NCI		-	-	-	-	-	-	-	-	-	-	-	-
Other changes	10.1	1.2	(53.3)	2.4	-	-	-	-	9.3	40.3	-	-	0.0
Net income (loss)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**114.5**	**114.5**	**0.1**	**114.6**
Other comprehensive income		-	-	-	4.4	0.1	29.8	-	-	14.7	48.9	-	48.9
TOTAL COMPREHENSIVE INCOME (LOSS)		**-**	**-**	**-**	**4.4**	**0.1**	**29.8**	**-**	**-**	**129.2**	**163.4**	**0.1**	**163.5**
BALANCE AS AT DECEMBER, 31 2021		**224.1**	**2,531.6**	**(1.6)**	**2.2**	**1.3**	**(380.0)**	**37.8**	**16.0**	**581.5**	**3,013.1**	**0.7**	**3,013.8**

(a) See Note 1.4.

6

6.1.6 Consolidated statement of changes in equity as at December 31, 2020

(in millions of euros)	Notes	Share capital	Additional paid-in capital	Treasury share reserve	Cash flow hedge reserve	Cost of hedging reserve	Translation reserve	Equity component of convertible bonds	Legal reserve	Retained earnings (accumulated deficit)	Owners of the parent	Non-controlling interests	Total equity
Balance as at December 31, 2019		**221.3**	**2,646.4**	**(10.1)**	**(1.6)**	**0.6**	**(235.8)**	**37.8**	**6.8**	**290.3**	**2,955.7**	**0.8**	**2,956.6**
IAS 19 - IFRS IC decision	1.4	-	-	-	-	-	-	-	-	1.5	1.5	-	1.5
Ajusted balance as at January 1, 2020		**221.3**	**2,646.4**	**(10.1)**	**(1.6)**	**0.6**	**(235.8)**	**37.8**	**6.8**	**291.8**	**2,957.2**	**0.8**	**2,958.1**
Cash increase in share capital		-	-	-	-	-	-	-	-	-	-	-	-
Amounts paid to shareholders	10.2	-	-	-	-	-	-	-	-	-	-	-	-
Issue of convertible notes		-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments		-	-	-	-	-	-	-	-	12.9	12.9	-	12.9
Changes in treasury shares		-	-	(1.1)	-	-	-	-	-	-	(1.1)	-	(1.1)
Acquisition of NCI without a change in control		-	-	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary - NCI		-	-	-	-	-	-	-	-	-	-	-	-
Other changes	10.1	0.5	(70.8)	-	-	-	-	-	-	70.2	0.0	-	0.0
Net income (loss)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.7**	**2.7**	**0.0**	**2.7**
Other comprehensive income		-	-	-	(0.5)	0.6	(174.1)	-	-	10.1	(163.9)	-	(163.9)
TOTAL COMPREHENSIVE INCOME (LOSS)		**-**	**-**	**-**	**(0.5)**	**0.6**	**(174.1)**	**-**	**-**	**12.8**	**(161.2)**	**0.0**	**(161.2)**
BALANCE AS AT DECEMBER 31, 2020 (RESTATED)		**221.8**	**2,575.6**	**(11.2)**	**(2.1)**	**1.2**	**(409.8)**	**37.8**	**6.8**	**387.6**	**2,807.7**	**0.6**	**2,808.3**

6

6.1.7 Notes to the consolidated financial statements

Elis is an international multi-service provider, offering textile, hygiene and facility services solutions in Europe and Latin America. The Group serves hundreds of thousands of customers of all sizes in the Hospitality, Healthcare, Industry, and Commerce and Services sectors. Elis is a joint-stock corporation governed by a Management Board and a Supervisory Board, listed on the Euronext market in Paris. Its registered office is located at 5, boulevard Louis-Loucheur, 92210 Saint-Cloud, France.

The IFRS consolidated financial statements of the Elis Group for the 12-month period ended December 31, 2021 were approved by the Management Board on March 8, 2022 and reviewed by the Audit Committee on March 4, 2022 and the Supervisory Board on March 8, 2022.

INDEX FOR THE NOTES

NOTE 1 ACCOUNTING POLICIES

1.1 Basis of preparation

The Elis Group's consolidated financial statements include the financial statements of Elis and its subsidiaries. The Elis Group refers to Elis, the parent company of the Elis Group, and the companies included in the scope of consolidation (see Note 2 "Scope of consolidation and significant events of the year" and Note 11 "Related party disclosures").

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, with the main exception of:

- derivative financial instruments and offsetting assets, contingent liabilities and financial liabilities representing a price adjustment, recognized in a business combination, which are measured at fair value;
- liabilities (assets) related to employee benefits, which are measured at the fair value of plan assets less the present value of defined benefit obligations, as limited by IAS 19;
- assets held for sale, which are measured at the lower of the carrying amount and the fair value, less cost to sell.

The consolidated financial statements are presented in millions of euros, unless otherwise stated.

1.2 Accounting standards applied

The accounting policies used to prepare the consolidated financial statements comply with the IFRS standards and IFRS IC interpretations as adopted by the European Union as at December 31, 2021 and available on the following website: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en

The accounting policies adopted are identical to those used to prepare the consolidated financial statements for the year ended December 31, 2020 except for the following standards, amendments and interpretations effective for annual periods beginning on or after January 1, 2021.

Main standards, amendments and interpretations with mandatory application from January 1, 2021

- Covid-19-Related Rent Concessions amendment to IFRS 16 after June 30, 2021;
- Interest Rate Benchmark Reform amendments to IFRS 9, IAS 39, and IFRS 7 - Phase 2;
- Extension of the temporary exemption from applying IFRS 9 (Proposed amendments to IFRS 4).

These amendments which have been mandatory since January 1, 2021 have no material impact on the Group.

Moreover, the Group has noted the final agenda decisions by the IFRS Interpretations Committee (IFRS IC) issued during the financial year, only one of which had a material impact for the Group:

- following the final agenda decision relating to the attribution of plan benefits to periods of service, and more specifically to retirement benefits in France, the Group recognized a decrease in its actuarial liability of €2.0 million (before tax) as at January 1, 2020. Pursuant to IAS 8, the impact of this retrospective change in application is presented in Note 1.4 "Restatements of prior years' financial information".

Standards that have been published but have not yet entered into force

- Main standards, amendments and interpretations adopted by the European Union as at December 31, 2021 but not mandatory as at January 1, 2021:
  - Amendments to IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment", IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", and Annual Improvements to IFRS Standards 2018–2020;

  The Group does not plan to apply this standard prior to its required effective date in the European Union.
- Main standards, amendments and interpretations that have been published but not yet adopted by the European Union as at December 31, 2021:
  - Amendments to IAS 1 "Presentation of Financial Statements" to clarify the classification of liabilities as "current" or "non-current";
  - IAS 1 amended by "Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)";
  - Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors": "Definition of Accounting Estimates";
  - Amendments to IAS 12 "Income Taxes": Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
  - IFRS 17 "Insurance Contracts".

The Group has identified only one impact of these new standards, limited to the presentation of deferred tax assets and liabilities related to leases, and does not expect to be impacted by IFRS 17 "Insurance Contracts".

1.3 Critical accounting estimates and judgments

The preparation of consolidated financial statements requires the Elis Group to make estimates and assumptions that affect the carrying amount of assets, liabilities, income and expenses and the disclosures in some of the notes to the financial statements. The Elis Group reviews these estimates and judgments on a regular basis, taking into consideration past experience and other factors deemed relevant in light of economic conditions.

Amounts reported in future financial statements may differ from current estimates due to changes in assumptions or if conditions vary from those anticipated.

Critical accounting estimates and assumptions

Recoverable amount of goodwill and intangible assets with indefinite useful lives

The Group performs annual impairment tests on goodwill and intangible assets with indefinite useful lives (brands) in accordance with IAS 36 Impairment of Assets. The recoverable amount of cash-generating units is calculated on the basis of their value in use. These calculations require the use of estimates. The estimates used, together with an analysis of assumption sensitivity, particularly for goodwill, are presented in Note 6.5 "Impairment losses on non-current assets."

Allocation of the acquisition price in business combinations

Business combinations are accounted for using the purchase accounting method: this means that, at the date on which control is acquired, the identifiable assets, liabilities and contingent liabilities acquired or assumed are measured at fair value. One of the most significant estimates when accounting for an acquisition is the determination of the fair value and the assumptions used to determine it. While the fair value of some acquired items, such as property, plant and equipment, can be accurately measured (using the market price), others are more complex to measure, such as intangible assets or contingent liabilities. These measurements are generally made by independent experts who base their work on assumptions and must estimate the effect of future events that are uncertain at the acquisition date.

Employee benefit liabilities

The present value of employee benefit obligations is computed on an actuarial basis using various assumptions. The discount rate is one of the assumptions used to calculate the net cost of retirement benefits. Any change in the assumptions affects the carrying amount of the employee benefit liabilities.

The Group sets the appropriate discount rate at the end of each reporting period. This is the interest rate applied to calculate the present value of future disbursements necessary to meet retirement benefit obligations. To determine the appropriate rate, the Group takes into account the interest rates on high-quality corporate bonds (Iboxx Corporate AA 10+ for France) in the currencies in which benefits are to be paid and with a term comparable to the estimated average maturity of the corresponding obligation.

Note 5.3 "Employee benefit assets/liabilities" provides further details on the matter.

Defining terms of leases with renewal options

The Group defines the lease term as the non-cancellable period of the lease as well as any period covered by an option to extend the lease if it is reasonably certain that such option will be exercised, or any period covered by a lease termination option if the Group is reasonably certain it will not exercise this option.

Under some of its leases, the Group has the possibility of extending the period during which the assets are leased. The Group uses its own judgment to determine whether it is reasonably certain that it will exercise a renewal option. In other words, it takes any relevant factors that provide an economic incentive to exercise the renewal option as well as the Group's five-year strategic investment plan into account.

Provisions

The Group records provisions, mainly for disputes and environmental compliance:

- Provisions for environmental compliance: Provisions for environmental compliance are assessed based on experts' reports and the Group's experience. The Group's Quality, Safety and Environment Department conducts an assessment of the sites concerned, monitors the progress and costs of the sites being cleaned up and ensures that appropriate provisions are updated in line with the studies carried out and the progress of the clean-up measures;
- Provisions for disputes: some subsidiaries of the Group may be involved in regulatory, legal or arbitration proceedings that may, given the potential uncertainties, have a material impact on the Group's financial position, as described in Note 7.2 "Contingent liabilities." The Group's legal team keeps track of ongoing proceedings, regularly reviews their progress and assesses the need to establish adequate provisions or change their amounts, if events occurring in the course of the proceedings require a reappraisal of the risk. The decision to set aside a provision for a risk and the amount of the provision to be recorded is based on a case-by-case assessment of the risk, management's estimate of the unfavorable nature of the outcome of the proceedings in question (probable nature) and the ability to reliably estimate the related amount.

Accounting consequences of climate change

The Group tries to take climate risks into account as much as possible in the reporting assumptions and to integrate their potential impact in the financial statements where appropriate. In particular, the Group has examined the potential impact of climate risks on:

- the estimated useful life of property, plant and equipment used to calculate depreciation. The Group has ensured that these are consistent with the carbon neutrality commitments made in the United Kingdom and Sweden;
- assumptions for asset impairment testing: historically, the Group has generally been able to pass on cost increases to customers, in particular through price escalation clauses included in customer contracts;
- provisions for environmental compliance: the Group has not been led to change the way in which it establishes these provisions (see Note 7.1).

Furthermore, the Group has a €900 million syndicated revolving credit facility (see Note 8.3), where costs are indexed to achievement of ESG objectives.

Critical judgments in applying accounting policies

Recognition of assets related to rental-maintenance services

Rental-maintenance agreements are generally considered service agreements that do not transfer rights of use for the asset to the customer (mainly due to the substantive substitution right for textiles). Accordingly, items subject to rental-maintenance service agreements are recognized as non-current assets.

Accounting classification for the French business tax (cotisation sur la valeur ajoutée des entreprises – CVAE)

According to the Group's analysis, the French business tax (CVAE) meets the definition of income tax in paragraph 2 of IAS 12 Income Taxes. Total current and deferred amounts of CVAE are therefore presented in the line item "Income tax expense."

1.4 Restatements of prior years' financial information

The following tables present adjustments related to the income statement, the statement of financial position, and the statement of cash flows as at December 31, 2020, compared to the previously published financial statements as at December 31, 2020.

IFRS 3 "Business combinations"

IFRS 3 requires previously published comparative periods to be retrospectively restated for business combinations (recognition of the final fair value of the assets acquired and the liabilities and contingent liabilities assumed when this fair value was provisionally determined at the previous balance sheet date).

The changes are mainly related to the final measurement of customer relationships using the excess earnings method, relating to the acquisitions in Brazil and Ireland during the second half of 2020. The measurements were performed with the methods usually applied by the Group, with the involvement of experts where necessary. The final fair value of assets and liabilities acquired in a business combination in 2020 is disclosed in the "Acquisitions in 2020" section of Note 2.4 "Changes in scope of consolidation."

IFRS IC Agenda Decision "Attributing Benefit to Periods of Service (IAS 19)"

In its new interpretation, applicable by the Group for the preparation of these consolidated financial statements, the IFRS IC considers that since, on the one hand, no benefits are acquired in the event of departure before retirement age and, on the other hand, the benefits are capped at a specified number of years of service (N), it is the last N years of the employee's career in the company that confer the benefit at the time of departure. This decision, which was applied retroactively on January 1, 2020, concerns retirement benefits in France and reduces the actuarial liability by €2 million (€1.5 million adjustment to equity net of deferred tax) as well as increasing the service cost for future years. Its application does not have a material impact on the Group's results for the year ended December 31, 2020.

Reclassification of costs for customer care

Since 2021, the costs related to customer care, previously classified as distribution costs, have been reclassified to general and administrative costs. This reclassification now allows for a better separation of costs specifically related to inbound and outbound logistics to our customers in the "distribution costs" aggregate.

CONSOLIDATED INCOME STATEMENT

(In millions of euros)	12/31/2020 published	IFRS 3	IAS 19 IFRS IC	Reclassification	12/31/2020 restated
Revenue	**2,806.3**	**-**	**-**	**-**	**2,806.3**
Cost of linen, equipment and other consumables	(527.9)	-	-	-	(527.9)
Processing costs	(1,018.7)	0.0	-	-	(1,018.6)
Distribution costs	(466.9)	(0.0)	-	42.1	(424.8)
Gross margin	**792.8**	**0.0**	**-**	**42.1**	**834.9**
Selling, general and administrative expenses	(502.7)	0.0	-	(42.1)	(544.8)
Net impairment on trade and other receivables	(13.7)	-	-	-	(13.7)
Operating income before other income and expenses and amortization of intangible assets recognized in a business combination	**276.4**	**0.0**	**-**	**-**	**276.4**
Amortization of intangible assets recognized in a business combination	(93.0)	(0.9)	-	-	(93.9)
Goodwill impairment	-	-	-	-	-
Other operating income and expenses	(64.1)	(0.4)	-	-	(64.5)
Operating income	**119.3**	**(1.3)**	**-**	**-**	**118.0**
Net financial income (expense)	(88.4)	0.0	-	-	(88.4)
Income (loss) before tax	**30.9**	**(1.3)**	**-**	**-**	**29.7**
Tax	(27.1)	0.1	-	-	(27.0)
Income from continuing operations	**3.9**	**(1.2)**	**-**	**-**	**2.7**
Income from discontinued operations, net of tax	-	-	-	-	-
NET INCOME (LOSS)	**3.9**	**(1.2)**	**-**	**-**	**2.7**
Attributable to:					
› owners of the parent	3.9	(1.2)	-	-	2.7
› non-controlling interests	(0.0)	-	-	-	(0.0)
Earnings (loss) per share (EPS) *(in euros)*:					
› basic, attributable to owners of the parent	€0.02				€0.01
› diluted, attributable to owners of the parent	€0.02				€0.01
Earnings (loss) per share (EPS) from continuing operations *(in euros)*:					
› basic, attributable to owners of the parent	€0.02				€0.01
› diluted, attributable to owners of the parent	€0.02				€0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions of euros)	12/31/2020 published	IFRS 3	IAS 19 IFRS IC	12/31/2020 restated
NET INCOME (LOSS)	**3.9**	**(1.2)**	**-**	**2.7**
Gains (losses) on cash flow hedges, before tax	(1.1)			(1.1)
Cash flow hedge reserve reclassified to income	0.4			0.4
Total change in cash flow hedge reserve, before taxes	**(0.7)**	**-**		**(0.7)**
Related tax	0.2			0.2
Net change in the cost of hedging, before tax	**0.9**			**0.9**
Related tax	(0.2)			(0.2)
Effects of changes in foreign exchange rates – net translation differences	**(174.1)**	**0.0**		**(174.1)**
Other comprehensive income (loss) which may be subsequently reclassified to income	**(173.9)**	**0.0**	**-**	**(173.9)**
Actuarial gains (losses) on defined benefit plans, before tax	12.3			12.3
Related tax	(2.2)			(2.2)
Other comprehensive income (loss) which may not be subsequently reclassified to income	**10.1**	**-**	**-**	**10.1**
Other comprehensive income	**(163.9)**	**0.0**	**-**	**(163.9)**
TOTAL COMPREHENSIVE INCOME (LOSS)	**(160.0)**	**(1.2)**	**-**	**(161.2)**
Attributable to:				
› owners of the parent	(160.0)	(1.2)	-	(161.2)
› non-controlling interests	(0.0)	-	-	(0.0)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

(In millions of euros)	12/31/2020 published	IFRS 3 appropriation as at the acquisition date	IFRS 3 change between the acquisition date and the balance sheet date	IFRS 3 translation differences	IAS 19 IFRS IC	12/31/2020 restated
Goodwill	3,765.9	(22.3)	(0.5)	0.6	-	3,743.6
Intangible assets	782.5	25.4	(0.9)	(0.6)	-	806.4
Right-of-use assets	438.6	-	-	-	-	438.6
Property, plant and equipment	1,883.8	2.6	(0.1)	(0.2)	-	1,886.1
Other equity investments	0.2	-	-	-	-	0.2
Other non-current assets	64.4	-	-	-	-	64.4
Deferred tax assets	36.6	-	-	-	-	36.6
Employee benefit assets	34.1	-	-	-	-	34.1
TOTAL NON-CURRENT ASSETS	**7,006.2**	**5.6**	**(1.5)**	**(0.2)**	**-**	**7,010.1**
Inventories	137.3	(0.0)	-	-	-	137.3
Contract assets	27.6	-	-	-	-	27.6
Trade and other receivables	519.1	(2.3)	-	0.2	-	517.0
Current tax assets	13.6	-	-	-	-	13.6
Other assets	18.8	(0.0)	-	0.0	-	18.8
Cash and cash equivalents	137.6	(0.0)	-	0.0	-	137.6
Assets held for sale	0.4	-	-	-	-	0.4
TOTAL CURRENT ASSETS	**854.4**	**(2.3)**	**-**	**0.2**	**-**	**852.3**
TOTAL ASSETS	**7,860.6**	**3.3**	**(1.5)**	**(0.0)**	**-**	**7,862.4**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

(In millions of euros)	12/31/2020 published	IFRS 3 appropriation as at the acquisition date	IFRS 3 change between the acquisition date and the balance sheet date	IFRS 3 translation differences	IAS 19 IFRS IC	12/31/2020 restated
Share capital	221.8	-	-	-	-	221.8
Additional paid-in capital	2,575.6	-	-	-	-	2,575.6
Treasury share reserve	(11.2)	-	-	-	-	(11.2)
Other reserves	(366.2)	-	-	0.0	-	(366.1)
Retained earnings (accumulated deficit)	387.2	0.0	(1.2)	-	1.5	387.6
Equity attributable to owners of the parent	**2,807.3**	**0.0**	**(1.2)**	**0.0**	**1.5**	**2,807.7**
Non-controlling interests	**0.6**	**-**	**-**	**-**	**-**	**0.6**
TOTAL EQUITY	**2,808.0**	**0.0**	**(1.2)**	**0.0**	**1.5**	**2,808.3**
Provisions	83.7	0.2	-	(0.0)	-	83.9
Employee benefit liabilities	111.0	-	-	-	(2.0)	108.9
Borrowings and financial debt	3,066.6	-	-	-	-	3,066.6
Deferred tax liabilities	299.4	2.5	(0.1)	(0.0)	0.5	302.3
Lease liabilities	368.3	-	-	-	-	368.3
Other non-current liabilities	23.5	(2.6)	-	0.0	-	20.9
TOTAL NON-CURRENT LIABILITIES	**3,952.5**	**0.1**	**(0.1)**	**(0.0)**	**(1.5)**	**3,951.0**
Current provisions	14.5	0.4	-	(0.0)	-	14.8
Current tax liabilities	25.5	-	-	-	-	25.5
Trade and other payables	221.3	0.2	(0.2)	(0.0)	-	221.3
Contract liabilities	62.7	-	-	-	-	62.7
Current lease liabilities	79.0	-	-	-	-	79.0
Other liabilities	345.1	2.6	(0.0)	(0.0)	-	347.7
Bank overdrafts and current borrowings	352.0	0.0	(0.0)	(0.0)	-	352.0
Liabilities directly associated with assets held for sale	-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	**1,100.1**	**3.2**	**(0.2)**	**(0.0)**	**-**	**1,103.1**
TOTAL EQUITY AND LIABILITIES	**7,860.6**	**3.3**	**(1.5)**	**(0.0)**	**-**	**7,862.4**

CONSOLIDATED STATEMENT OF CASH FLOWS

(In millions of euros)	12/31/2020 published	IFRS 3	IAS 19 IFRS IC	12/31/2020 restated
CONSOLIDATED NET INCOME (LOSS)	**3.9**	**(1.2)**	**-**	**2.7**
Tax	27.1	(0.1)		27.0
Net financial income (expense)	88.4	(0.0)		88.4
Share-based payments	12.9			12.9
Depreciation, amortization and provisions	751.0	1.0		752.0
Portion of grants transferred to income	(0.3)			(0.3)
Net gains and losses on disposal of property, plant and equipment and intangible assets	4.2			4.2
Other	(0.1)	(0.0)		(0.1)
CASH FLOW BEFORE FINANCE COSTS AND TAX	**887.1**	**(0.3)**	**-**	**886.8**
Change in inventories	(13.0)			(13.0)
Change in trade and other receivables and contract assets	114.5			114.5
Change in other assets	2.4			2.4
Change in trade and other payables	(57.6)	(0.2)		(57.7)
Change in contract and other liabilities	(20.3)			(20.3)
Other changes	2.7			2.7
Employee benefits	(1.9)			(1.9)
Tax paid	(65.8)			(65.8)
NET CASH FROM OPERATING ACTIVITIES	**848.0**	**(0.5)**	**-**	**847.6**
Acquisition of intangible assets	(16.0)			(16.0)
Proceeds from sale of intangible assets	0.1			0.1
Acquisition of property, plant and equipment	(483.2)	-		(483.2)
Proceeds from sale of property, plant and equipment	5.3			5.3
Acquisition of subsidiaries, net of cash acquired	(88.1)	0.5		(87.6)
Proceeds from disposal of subsidiaries, net of cash transferred	0.5			0.5
Changes in loans and advances	(1.3)			(1.3)
Dividends earned	0.0			0.0
Investment grants	0.0			0.0
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(582.6)**	**0.5**	**-**	**(582.1)**
Capital increase	(0.0)			(0.0)
Treasury shares	(1.3)			(1.3)
Dividends paid:				
› to owners of the parent	0.0			0.0
› to non-controlling interests of consolidated companies	-			-
Change in borrowings:	(146.6)			(146.6)
› proceeds from new borrowings	868.6			868.6
› repayments of borrowings	(1,015.2)			(1,015.2)
Lease liability payments – principal	(73.4)	(0.0)		(73.4)
Net interest paid (including interest on lease liabilities)	(64.1)	0.0		(64.1)
Other cash flows related to financing activities	(4.8)			(4.8)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(290.2)**	**0.0**	**-**	**(290.2)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(24.8)**	**(0.0)**	**-**	**(24.8)**
Cash and cash equivalents at beginning of period	170.8			170.8
Effect of changes in foreign exchange rates on cash and cash equivalents	(8.4)	-		(8.4)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**137.6**	**(0.0)**	**-**	**137.6**

NOTE 2 SCOPE OF CONSOLIDATION AND SIGNIFICANT EVENTS OF THE YEAR

2.1 Basis of consolidation

Fully consolidated companies

Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there have been changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

Net income or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All assets, liabilities, income, expenses and cash flows relating to transactions between members of the Group (intra-group) are eliminated on consolidation.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resulting gain or loss is recognized in income.

Associates and joint ventures

Investments in companies over which the Group has significant influence on financial and operating decisions but does not exercise control and joint ventures are accounted for using the equity method.

2.2 Business combinations

Business combinations are accounted for using the acquisition method when the assets acquired and the liabilities assumed constitute a business. Accordingly, when the Group acquires a business, its assets, liabilities and contingent liabilities are measured at fair value. Moreover, for each business combination, the Group measures the non-controlling interests in the acquiree either at fair value or at the Group's proportionate share of the acquiree's identifiable net assets.

Acquisition-related transaction costs are expensed as incurred (see Note 4.6 "Other operating income and expenses").

At the acquisition date, the Group recognizes goodwill as the difference between the consideration transferred plus any non-controlling interests in the acquiree and the net identifiable assets acquired and liabilities assumed.

In a step acquisition where control is obtained in stages, the Group measures the previously held equity interest in the acquiree at the acquisition-date fair value and recognizes any gain or loss in profit or loss.

Business combinations prior to June 30, 2009

The different accounting treatments applicable to these business combinations are as follows:

- transaction costs directly attributable to the acquisition were included in the acquisition cost;
- non-controlling interests (previously referred to as "minority interests") were measured at the share of net assets acquired;
- step acquisitions were recognized separately and did not affect subsequently recognized goodwill.

2.3 Foreign currency translation

Foreign currency transactions by Group companies are translated into the functional currency using the exchange rates effective at the transaction date. Assets and liabilities denominated in foreign currencies are translated using the exchange rate effective at the reporting date. Foreign currency translation gains and losses are recognized in the income statement, except for those concerning monetary items associated with a net investment in a foreign operation. For the latter, translation differences are recognized directly in equity until the net investment is sold, when they are reclassified to the income statement.

For consolidation purposes, the assets and liabilities of Group entities denominated in foreign currencies are translated using the exchange rate effective at the reporting date. Income statement items are translated using the average exchange rate for the reporting period. Resulting foreign currency differences are recognized directly in equity and presented in a separate column ("Translation reserve").

2.4 Changes in scope of consolidation

2021 acquisitions

During the financial year, the Group acquired the following companies or assets, which the Group deemed to be business combinations:

In Belgium and France

On March 10, 2021, Elis announced the acquisition of 100% of Scaldis, a European leader in the Cleanroom market (workwear for customers with specific needs: healthcare-pharmaceutical, micro-electronics, aerospace). Scaldis operates on two sites: a main site in Péruwelz in Belgium and a secondary site near Lyon in France. Two-thirds of the activity is dedicated to Cleanroom, the last third being essentially traditional workwear. Scaldis generated revenue of €12.6 million in 2021. This acquisition enables Elis to strengthen its footprint in the fast-growing and profitable Cleanroom market.

In Brazil

The Group acquired:

- on April 30, 2021, its manufacturing subcontractor in Itinga-Araquari, MAB Indústria e Comércio, which generated annual revenue of €3.1 million in 2021 with 38 employees, almost all of them intra-group;
- on May 11, 2021, Nortelav Lavanderia Industrial in Belém, which generated annual revenue of €0.2 million in 2021 (mainly hospitality) with 11 employees.

In Colombia

Elis Colombia finalized the purchase of assets from two companies in Bucaramanga:

- Logística Institucional Ultramatic ("Ultramatic") on February 26, 2021. Ultramatic mainly serves the Healthcare market, and its 122 employees helped to generate revenue of €1.7 million in 2021.
- Linco on April 29, 2021. The acquisition of this company, whose 124 employees helped to generate €1.7 million in revenue in 2021, complements the previous one, with the aim of achieving industrial synergies.

In Denmark

On November 26, 2021, Elis acquired 100% of Chrisal Skadedyrs-service AS ("Chrisal"). Chrisal is a pest control company based in Stenderup, Denmark which has 15 employees and covers the entire country, with a significant presence in the Jutland region. Its revenue was €2.9 million in 2021. The current management team will remain in place and help accelerate business growth in the country.

In Spain

Elis Manomatic carried out:

- on February 5, 2021, the acquisition of the assets and customer portfolio of Lavandería Hotelera Andaluza (LHA). LHA owns a laundry near Málaga, in Andalusia. It employs 70 people and generated revenue of around €1.1 million in 2020;
- on July 31, 2021, the acquisition of Eliteq Sanidad Ambiental. Eliteq provides pest control services in the Valencia region with a large food industry customer base. It generated revenue of €1.5 million in 2021 and has around 20 employees;
- on September 30, 2021, the acquisition of Logralimp based in Valencia, Madrid and Seville. It generated revenue of €2.7 million in 2021 with 38 employees;
- on November 29, 2021, the acquisition of Lavanderia Lizarra which operates a workwear factory 100 km from Bilbao with 28 employees. 2021 revenue of the company was €1.6 million.

These acquisitions strengthen Elis's presence in various regions of Spain.

In France

on January 12, 2021, Elis Prevention Nuisibles finalized the acquisition of Mondial Hygiène, a French pest control company with a customer base mainly in Paris and Île-de-France. The company has seven employees and generated revenue of €0.6 million in 2020.

On March 11, 2021, Pierrette – T.B.A. acquired 100% of HMS 3D 57. HMS 3D 57 is a pest control company in Alsace-Lorraine with around 20 employees which generated revenue of €1.4 million in 2020.

These acquisitions strengthen Elis's presence in the pest control market in France.

In Great Britain

On August 31, 2021, Elis UK Ltd acquired 100% of Pure Washrooms Ltd, a healthcare services company with 30 employees, based in Coventry. The group offers a wide range of products and services, mainly in the Midlands region. Pure Washrooms generated revenue of €3.1 million in 2021.

In Ireland

On July 26, 2021, the Group finalized the acquisition of PestGuard Ltd, a pest control company based in Dublin. The company has 50 employees and generated revenue of €3.3 million in 2021. This acquisition enables Elis to accelerate its development in the pest control market, which it has targeted recently in Ireland.

In Latvia

On March 31, 2021, Elis Tekstila Serviss A/S finalized the acquisition of the assets of Irve. Located in the Riga region, Irve has 27 employees and generated revenue of €0.9 million in 2021, of which €0.7 million in workwear and €0.2 million in flat linen.

In the Netherlands

On July 1, 2021, Elis Nederland BV finalized the acquisition of Arvo Protect BV, a pest control company. The company has six employees and generates annual revenue of €0.8 million.

In Russia

Having purchased the carpet business of Blesk InCare in 2019, the Group continued its development strategy in Russia and on December 27, 2021 purchased the Russian group's flat linen and workwear activities. Revenue of €7.8 million in 2021 is generated 60% by flat linen and 40% by workwear. The business proved particularly resilient during the health crisis in 2020 and posted double-digit growth in 2021. It has 320 employees.

In Sweden

On June 1, 2021, Elis Textil Service AB finalized the acquisition of the assets of Möllers Twätt. Located in the Malmö region, this acquisition and its workforce of around 10 generated €0.8 million of revenue in 2021, mainly in flat linen.

Summary of the aforementioned acquisitions

The identifiable assets and liabilities as at the acquisition date were as follows:

(In millions of euros)	Fair value as at the acquisition date	Belgium	Brazil	Colombia	Denmark	Spain	France	United Kingdom	Ireland	Latvia	Netherlands	Russia	Sweden
Balance sheet													
Intangible assets	19.1	9.5	0.0	0.3	-	3.3	1.8	1.3	-	-	2.1	0.0	0.8
Right-of-use assets	1.5	0.7	-	0.1	-	0.4	-	0.1	0.2	-	-	-	0.0
Property, plant and equipment	14.5	4.1	0.3	0.8	0.0	3.5	0.1	0.0	0.1	2.0	0.1	3.2	0.2
Other non-current assets	0.7	0.5	-	0.2	-	-	-	-	-	-	-	0.0	-
Deferred tax assets	0.0	-	-	-	-	0.0	-	-	0.0	-	-	-	-
Inventories	1.6	0.8	0.2	0.0	0.1	0.0	0.1	0.0	0.2	-	0.0	0.0	-
Trade and other receivables	9.1	3.1	0.3	-	0.8	1.4	0.7	0.4	0.6	-	0.4	1.3	-
Current tax assets	0.2	0.0	0.0	-	0.0	-	-	-	-	-	-	0.1	-
Other assets	0.1	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	-	-	0.0	-
Cash and cash equivalents	6.0	1.0	0.3	-	1.8	0.8	0.1	0.2	1.4	-	-	0.4	-
Provisions	(0.6)	(0.5)	-	(0.0)	-	(0.0)	-	-	-	-	-	-	-
Borrowings and financial debt	(2.4)	(2.3)	(0.0)	-	-	(0.1)	-	-	-	-	-	-	-
Deferred tax liabilities	(3.3)	(1.9)	-	-	0.0	(0.0)	(0.3)	(0.3)	-	-	(0.5)	(0.2)	-
Lease liabilities	(1.1)	(0.4)	-	(0.1)	-	(0.5)	-	-	(0.1)	-	-	-	(0.0)
Other non-current liabilities	(0.5)	-	-	-	-	-	(0.5)	-	-	-	-	-	-
Current provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Current tax liabilities	(0.4)	(0.0)	-	-	-	(0.1)	-	(0.3)	-	-	-	-	-
Trade and other payables	(4.2)	(0.8)	(0.2)	-	(0.0)	(0.7)	(0.3)	(0.1)	(1.3)	-	(0.0)	(0.9)	-
Contract liabilities	(2.0)	-	-	-	(0.1)	-	(0.5)	(1.4)	-	-	-	(0.0)	-
Current lease liabilities	(0.7)	(0.3)	-	(0.0)	-	(0.1)	-	(0.1)	(0.1)	-	-	-	-
Other liabilities	(4.2)	(1.7)	(0.1)	(0.1)	(0.5)	(0.5)	(0.4)	(0.1)	(0.2)	-	(0.3)	(0.3)	(0.2)
Bank overdrafts and current borrowings	(6.5)	(1.2)	(0.0)	-	-	(0.1)	(0.1)	(0.0)	-	-	-	(5.1)	-
TOTAL IDENTIFIABLE NET ASSETS AND LIABILITIES AT FAIR VALUE[(A)]	**26.9**	**10.7**	**0.9**	**1.1**	**2.3**	**7.3**	**0.7**	**(0.3)**	**1.0**	**2.0**	**1.8**	**(1.5)**	**0.9**
Goodwill	68.1	9.3	0.5	2.0	13.4	4.7	4.6	8.2	10.1	0.6	0.5	14.1	-
PURCHASE PRICE	**95.0**	**20.0**	**1.4**	**3.2**	**15.7**	**12.1**	**5.3**	**7.9**	**11.0**	**2.6**	**2.3**	**12.6**	**0.9**
Acquisition-related transaction costs	1.9	0.1	0.1	0.2	0.1	0.2	0.6	0.1	0.4	0.0	-	0.1	0.0

(a) Provisional amount, see below.

As at December 31, 2021, due to these recent acquisitions, the initial accounting for the business combinations acquired during the last 12 months had not been completed and the amounts recognized were therefore provisional.

Since being acquired in 2021, the acquired companies have contributed €22.1 million to revenue, €4.4 million to EBITDA, €1.6 million to operating income (before amortization of intangible assets recognized in a business combination) and €0.9 million to net income for the period. If these acquisitions had taken place at the beginning of 2021, the additional revenue would have been €23.3 million, with additional EBITDA of €5.9 million, additional operating income (before amortization of intangible assets recognized in a business combination) of €3.8 million, and additional net income of €2.8 million.

Residual goodwill

Residual goodwill reflects unidentifiable items, such as the Group's human capital and the expected synergies arising from the acquisitions.

Cash flows from acquisitions

(In millions of euros)	12/31/2021	Belgium	Brazil	Colombia	Denmark	Spain	France	United Kingdom	Ireland	Latvia	Netherlands	Russia	Sweden
Net cash acquired including subsidiaries	6.0	1.0	0.3	-	1.8	0.8	0.1	0.2	1.4	-	-	0.4	-
Amount paid	(92.9)	(20.0)	(9.4)	(3.2)	(9.1)	(11.2)	(5.2)	(7.9)	(14.9)	(2.6)	(2.3)	(5.7)	(1.4)
NET CASH FLOW	**(86.9)**	**(19.0)**	**(9.0)**	**(3.2)**	**(7.2)**	**(10.4)**	**(5.1)**	**(7.7)**	**(13.5)**	**(2.6)**	**(2.3)**	**(5.3)**	**(1.4)**

2020 acquisitions

During the financial year, the Group acquired the following companies or assets, which the Group deemed to be business combinations:

In Germany and Luxembourg

On March 31, 2020, the Group closed its acquisition of a 100% interest in German group Haber. Haber is a family-owned business that operates two plants in Western Germany. It works in Germany and Luxembourg and is dedicated to flat linen and workwear rental-maintenance for customers mainly in the Healthcare sector, as well as laundry services for the personal workwear of nursing home residents. It generated revenue of €23.4 million in 2020. Haber has almost 400 employees.

In Brazil

On October 30, 2020, the Group acquired 100% of Clinilaves and ASPH ("Clinilaves"). Clinilaves operates two sites (with another under construction) near São Paulo and Joinville, located in Santa Catarina state. Its business focuses on the rental-maintenance of flat linen for mainly private customers in the Healthcare sector. Clinilaves generated revenue of approximately €8.8 million in 2020 and has around 490 employees. This acquisition strengthens Elis's position in the Healthcare market in Brazil and will contribute to the Group's profitable growth in the country.

In Colombia

On July 31, 2020, the Group acquired the assets of Fontana, which operates a site near Medellín. Its business focuses on the rental-maintenance of flat linen for customers in the Hospitality sector. It generated revenue of approximately €0.6 million in 2020 and has around 70 employees. Thanks to this acquisition, Elis is growing in the Hospitality sector in Colombia.

In Spain

On February 27, 2020 Indusal Centro acquired its subcontractor 2MB Servitec, located in Villares de la Reina (Salamanca province). The company posted revenue of €1 million in 2019 and has about 25 employees.

In France

On May 29, 2020, Elis Pest Control closed its acquisition of a 100% interest in Cap Services. Cap Services is a French pest control company with around 10 employees and approximately €1 million in revenue, operating in the Île-de-France and Eure-et-Loir regions.

In Great Britain

On May 11, 2020, Elis acquired a 100% interest in Central Laundry, a company with a plant in the Birmingham area. Its business focuses on the rental, laundry and maintenance of flat linen for customers in the Healthcare sector. The company generated revenue of approximately €4.3 million in 2020 and has around 85 employees.

In Ireland

On July 7, 2020, the Group closed its acquisition of a 100% interest in Kings Laundry Ltd in Ireland. Kings Laundry has two plants in Cork and Dublin specialized in flat linen, primarily for customers in the Hospitality sector. In 2020, Kings Laundry generated revenue of about €15.5 million. This acquisition, which complements Elis's existing network, will generate synergies and expand the Group's portfolio of customers.

In Norway

On March 31, 2020 Berendsen Tekstil Service AS finalized the acquisition of the assets of Skovly, a company specializing in the rental and maintenance of mops and mats. Skovly operates in the Oslo and Stavanger regions and generated revenue of approximately €1.6 million in 2020. It has around 20 employees.

In the Czech Republic and Germany:

On January 31, 2020, the Group acquired 100% of Textile Washing Company in the Czech Republic. Textile Washing Company is a family-owned group located in Kralovice whose business is dedicated exclusively to the rental and maintenance of flat linen for customers mainly from the Hospitality sector. In 2020, it generated revenue of around €1.3 million. The TWC group has almost 60 employees.

Summary of the aforementioned acquisitions

The identifiable assets and liabilities as at the acquisition date were as follows:

(In millions of euros)	Fair value as at the acquisition date	Germany & Luxembourg	Brazil	Colombia	Spain	France	United Kingdom	Ireland	Norway	Czech Republic	Denmark	Sweden
Balance sheet												
Intangible assets	44.3	15.7	7.4	0.2	-	1.0	2.0	15.7	2.1	0.1	-	-
Right-of-use assets	9.4	1.1	1.7	-	-	0.2	-	6.3	0.2	-	-	-
Property, plant and equipment	31.6	8.4	6.6	0.2	0.2	0.0	0.8	13.8	-	1.6	-	-
Other non-current assets	1.1	0.0	-	-	-	-	-	-	-	1.1	-	-
Inventories	1.9	0.1	-	-	-	0.0	0.1	1.7	-	0.0	-	-
Trade and other receivables	8.5	2.8	1.2	-	0.1	0.3	0.8	3.1	-	0.2	-	-
Current tax assets	(0.0)	0.1	-	-	-	-	(0.1)	0.0	-	-	-	-
Other assets	0.2	0.1	0.0	-	-	0.0	0.0	-	-	0.0	-	-
Cash and cash equivalents	7.3	1.0	0.0	-	0.1	0.2	0.7	5.4	-	(0.0)	-	-
Provisions	(3.0)	(0.9)	(0.1)	-	-	-	-	(0.1)	-	(1.9)	-	-
Borrowings and financial debt	(1.1)	(0.1)	(0.1)	-	(0.1)	(0.0)	-	(0.8)	-	(0.0)	-	-
Deferred tax liabilities	(2.8)	(0.1)	-	-	-	(0.3)	(0.5)	(2.0)	-	0.1	-	-
Lease liabilities	(7.8)	(0.6)	(1.6)	-	(0.0)	(0.1)	-	(5.3)	(0.1)	-	-	-
Other non-current liabilities	(2.8)	(0.7)	(0.3)	-	(0.2)	-	-	(0.1)	-	(1.6)	-	-
Current provisions	(0.4)	-	(0.4)	-	-	-	-	-	-	-	-	-
Current tax liabilities	(0.2)	(0.1)	(0.1)	-	-	0.0	-	0.0	-	-	-	-
Trade and other payables	(5.2)	(1.9)	(1.6)	-	(0.1)	(0.0)	(0.2)	(1.2)	-	(0.1)	-	-
Contract liabilities	(0.2)	-	-	-	-	(0.2)	-	-	-	-	-	-
Current lease liabilities	(1.6)	(0.5)	(0.0)	-	(0.0)	(0.0)	-	(1.0)	(0.1)	-	-	-
Other liabilities	(5.5)	(1.2)	(0.7)	(0.0)	(0.1)	(0.1)	(0.5)	(2.6)	-	(0.1)	-	-
Bank overdrafts and current borrowings	(3.2)	(2.8)	(0.3)	-	(0.1)	(0.0)	-	0	-	-	-	-
TOTAL IDENTIFIABLE NET ASSETS AND LIABILITIES AT FAIR VALUE	**70.4**	**20.2**	**11.6**	**0.4**	**(0.3)**	**1.0**	**2.9**	**33.0**	**2.1**	**(0.6)**	**-**	**-**
Goodwill	36.0	-	15.6	0.7	0.3	0.7	2.9	14.0	-	1.8	-	-
PURCHASE PRICE	**106.4**	**20.2**	**27.2**	**1.1**	**0.0**	**1.7**	**5.9**	**47.0**	**2.1**	**1.2**	**-**	**-**
Acquisition-related transaction costs	4.4	0.5	0.1	0.2	-	0.0	1.3	1.8	-	0.2	0.2	-

Since being acquired in 2020, the acquired companies have contributed €31.0 million to revenue, €8.5 million to EBITDA, €2.1 million to operating income (before amortization of intangible assets recognized in a business combination) and €2.7 million to net loss for the period. If these acquisitions had taken place at the beginning of 2020, the additional revenue would have been €25.2 million, with additional EBITDA of €8.0 million, additional operating income (before amortization of intangible assets recognized in a business combination) of €1.1 million, and additional net income of €0.2 million.

Residual goodwill

Residual goodwill reflects unidentifiable items, such as the Group's human capital and the expected synergies arising from the acquisitions.

CASH FLOWS FROM ACQUISITIONS

(In millions of euros)	12/31/2020	Germany & Luxembourg	Brazil	Colombia	Spain	France	United Kingdom	Ireland	Norway	Czech Republic	Denmark	Sweden
Net cash acquired including subsidiaries	7.3	1.0	0.0	-	0.1	0.2	0.7	5.4	-	(0.0)	-	-
Amount paid	(94.9)	(20.2)	(15.6)	(3.8)	(0.7)	(1.7)	(5.8)	(42.0)	(2.1)	(1.3)	(0.5)	(1.3)
NET CASH FLOW	**(87.6)**	**(19.2)**	**(15.6)**	**(3.8)**	**(0.6)**	**(1.5)**	**(5.1)**	**(36.6)**	**(2.1)**	**(1.3)**	**(0.5)**	**(1.3)**

2.5 Non-controlling interests

No detailed information is provided under IFRS 12 as there is no subsidiary with material non-controlling interests.

2.6 Off-balance sheet commitments relating to changes in the consolidation scope

Commitments given relate to guarantees granted by Elis in connection with disposals. They totaled €0.6 million as at December 31, 2021 (compared to €11.1 million as at December 31, 2020).

Commitments received totaled €106.0 million as at December 31, 2021 (compared to €119.2 million as at December 31, 2020) and correspond to the maximum guarantees granted to Elis in connection with its acquisitions.

2.7 Impact of the Covid-19 pandemic

From mid-March 2020, Elis suffered significant disruption to its activities due to the Covid-19 pandemic: lockdowns and travel restrictions were imposed in most countries where the Group operates. From January 2021, due to new waves of the Covid-19 pandemic and cases diagnosed with new variants of the virus, some countries reimposed lockdowns and travel restrictions.

Similar to its assessment as at December 31, 2020, the Group has concluded that the going concern basis of accounting remains appropriate. At the date of approval of these financial statements, however, there is still n uncertainty about the impact of new variants and about the change in business and customer demand.

At its request in the first half of 2020, Elis had obtained an adjustment of its financial covenant tests as at June 30, 2020, December 31, 2020 and June 30, 2021 in order to address the consequences of the pandemic on its leverage ratio. As part of the implementation of its new revolving credit facility signed on November 9, 2021 and the amendment to the USPP financing documentation signed on February 7, 2022, the covenant ratio applicable as at December 31, 2021 was set at 4.00x. At December 31, 2021, the Group largely met this ratio (2.96x). The standard covenant ratio of 3.75x will be reapplied from June 30, 2022.

The Company reviewed the impacts of the Covid-19 crisis on the recognition and measurement of assets, liabilities, income and expenses in the financial statements for the year just ended. As was the case at December 31, 2020, the main impact identified relates to impairment testing of unamortized intangible assets. At December 31, 2021, as described in Note 6.5 "Impairment losses on non-current assets", the Group has not recognized any impairment losses.

The main impacts on the income statement are:

- a significant decrease in year-on-year income from ordinary activities during the first quarter of 2021 (€658.2 million compared with €759.2 million in 2020); Covid-19 explains most of this change;
- a strong year-on-year improvement in the second quarter of 2021 (€717.3 million compared with €592.6 million in 2020), mainly due to a base effect resulting from the strict lockdown in spring 2020;
- revenues grew sharply in the second half of 2021, up by 15.0% year on year (€1,672.7 million in 2021, compared with €1,454.5 million in 2020), due in particular to business recovering and to there being fewer restrictions in place.

  The cumulative effect over the financial year is presented in Note 3.1 "Income from ordinary activities";
- an increase in earnings (EBITDA in particular, as presented in Note 3.2 "Earnings"), which reflects the increase in revenue. The EBITDA margin increased thanks to the operational measures implemented since the previous financial year to deal with the situation.

2.8 Financing

On September 23, 2021, as part of its EMTN (Euro Medium Term Notes) program, Elis carried out a €200 million bond issue maturing in 2028 and offering a fixed annual coupon of 1.625%. These bonds are fungible and form a single series with the existing €350 million of bonds maturing in 2028 and offering a fixed annual coupon of 1.625%, issued on October 3, 2019. Elis placed the New Bonds at 100.125% of par, corresponding to a yield of 1.60% for a maturity of around 6.5 years. The income from these bonds was allotted to the partial redemption of the €650 million February 2018 bond issue maturing in 2023 and offering a fixed annual coupon of 1.875%. This operation, which continues the Group's active refinancing strategy, extended the average maturity of its debt.

On November 9, 2021, Elis signed a new €900 million syndicated revolving credit facility with a group of 13 customer-driven retail banks. This new credit facility, which matures in five years (November 2026) and has two single-year extension options ("5+1+1" years), replaces the two existing revolving credit lines of €500 million and €400 million respectively taken out in January and November 2017. This refinancing secures and extends the Group's liquidity profile, while also reducing its annual financial expense by around €1.5 million thanks to more competitive pricing on commitment fees than on the previous facilities. Considering the high priority given by the Elis Group to social, societal, and environmental issues, integrating CSR as a core component of its financing policy by way of this new credit facility was the natural next step for the Group. This new facility includes a margin adjustment mechanism linked to the achievement of annual targets for two of the Group's core sustainable development indicators:

- water consumption, which the Group is committed to reducing by 30% per kg of linen delivered over the period from 2018 to 2030 for its laundries in Europe;
- gender balance, with a commitment to increase the proportion of women in executive or managerial role to 42% by 2030 (34% in 2020).

2.9 Events after the reporting period relating to changes in the consolidation scope

On January 31, 2022, the Group acquired:

- in France: the assets of Leasilinge, which specializes in the restaurant market in Île de France (14 employees). Amid the background of the Covid-19 crisis, 2021 revenue was €0.9 million;
- in Slovakia: the assets of Worldcolour sro, which operates a flat linen and workwear laundry in Trenčín (42 employees). The volume of business purchased amounts to €1.1 million, of which €0.5 million is in subcontracting already performed through Elis's Slovak subsidiary.

On February 4, 2022, Elis acquired the assets of Magic Mats Ltd, which is on the outskirts of Dublin, Ireland and generates annual revenue of €0.6 million (4 employees).

On February 15, 2022, the Group signed an agreement for the acquisition of 100% of Textilservice Jöckel ("Jöckel") in Germany. The completion of the transaction is subject to normal regulatory conditions. The Jöckel group is entirely dedicated to Healthcare customers (hospitals and care homes) and has two laundries in the Hesse and Thuringia regions. Revenue in 2021 was close to €20 million. The current management team will remain in place and help accelerate business growth in the country. This transaction enables Elis to continue consolidating its positions in Germany in the growth Healthcare segment.

On February 28, 2022, Elis further expanded its Pest Control business in Denmark by acquiring 100% of Absolut Skadedyrsservice AS ("Absolut"). The Absolut company has 13 employees and is based in greater Copenhagen. Its annual revenue is around €2.1 million.

On March 3, 2022, the Group acquired 100% of Golden Clean SA in Chile. Golden Clean has two laundries in Santiago and Antofagasta and serves customers in the Healthcare and Hospitality sectors. The company generated revenue of approximately €6 million in 2021 and has almost 250 employees.

NOTE 3 SEGMENT INFORMATION

Accounting policies

The Group is structured into six main operating segments, based mainly on geography. In grouping different countries together, the Group used its best judgment and considered that the groupings presented best reflect the similar economic characteristics and long-term growth maturity of each country.

The geographical breakdown of rental and maintenance services for textiles and hygiene and well-being appliances is as follows:

- France;
- UK & Ireland;
- Central Europe: Germany, Austria, Belgium, Luxembourg, the Netherlands, Poland, the Czech Republic, Hungary, Slovakia and Switzerland;
- Scandinavia & Eastern Europe: Denmark, Finland, Norway, Sweden, Estonia, Latvia, Lithuania and Russia;
- Southern Europe: Spain, Andorra, Italy and Portugal;
- Latin America: Brazil, Chile and Colombia.

The other segments include the manufacturing entities that comprise the cash-generating units Le Jacquard Français (designer and manufacturer of table, kitchen and bath linen in France) and Kennedy Hygiene (manufacturer of hygiene appliances in the United Kingdom) and holding companies.

To track performance, management monitors each segment's EBITDA. Financing costs and income tax expense are primarily monitored at the Group level.

3.1 Revenue

2021

(In millions of euros)	France	UK & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Eliminations & other segments	Total
External customers	953.8	364.2	735.3	498.9	235.9	234.1	26.1	3,048.3
Inter-segment	2.9	0.1	3.4	0.1	0.2	-	(6.6)	-
SEGMENT REVENUE	**956.7**	**364.3**	**738.6**	**499.0**	**236.1**	**234.1**	**19.4**	**3,048.3**

2020

(In millions of euros)	France	UK & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Eliminations & other segments	Total
External customers	867.8	305.1	704.2	474.0	198.2	213.4	43.5	2,806.3
Inter-segment	1.4	0.5	3.4	0.3	0.2	-	(5.8)	-
SEGMENT REVENUE	**869.2**	**305.6**	**707.6**	**474.3**	**198.4**	**213.4**	**37.7**	**2,806.3**

3.2 Income (loss)

Non-IFRS indicators

EBIT is defined as net income (loss) before net financial income (loss), income tax, share in net income of equity-accounted companies, amortization of intangible assets recognized in a business combination, goodwill impairment losses, other operating income and expense, miscellaneous financial items (bank fees recognized in operating income) and IFRS 2 expense (share-based payments). A reconciliation of EBIT with the consolidated income statement is presented below.

EBITDA is defined as EBIT before depreciation and amortization, net of the portion of grants transferred to income. A reconciliation of EBITDA with the consolidated income statement is presented below.

2021

(In millions of euros)	France	UK & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Eliminations & other segments	Total
Operating income before other income and expenses and amortization of intangible assets recognized in a business combination	**178.3**	**9.7**	**79.5**	**88.3**	**7.4**	**35.6**	**(40.1)**	**358.8**
Miscellaneous financial items	*0.5*	*0.1*	*0.1*	*0.0*	*0.2*	*0.1*	*0.5*	*1.6*
Expenses related to share-based payments	*1.4*	*0.0*	*0.1*	*0.0*	*-*	*-*	*26.5*	*28.0*
EBIT	*180.2*	*9.9*	*79.7*	*88.4*	*7.6*	*35.7*	*(13.0)*	*388.3*
Depreciation and amortization, net of the portion of grants transferred to income	*193.5*	*102.2*	*160.8*	*103.6*	*60.1*	*42.1*	*1.4*	*663.7*
EBITDA	**373.7**	**112.1**	**240.5**	**191.9**	**67.7**	**77.8**	**(11.6)**	**1,052.1**
EBITDA margin	*39.1%*	*30.8%*	*32.6%*	*38.5%*	*28.7%*	*33.2%*		*34.5%*

2020

(In millions of euros)	France	UK & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Eliminations & other segments	**Total**
Operating income before other income and expenses and amortization of intangible assets recognized in a business combination	**129.0**	**(11.4)**	**76.1**	**86.0**	**(19.5)**	**35.8**	**(19.5)**	**276.4**
Miscellaneous financial items	*0.6*	*0.1*	*0.1*	*0.0*	*0.2*	*0.1*	*0.4*	*1.4*
Expenses related to share-based payments	*0.3*	-	-	-	-	-	*13.3*	*13.6*
EBIT	*129.9*	*(11.3)*	*76.2*	*86.0*	*(19.3)*	*35.8*	*(5.8)*	*291.5*
Depreciation and amortization, net of the portion of grants transferred to income	*200.0*	*100.0*	*154.9*	*98.4*	*65.1*	*36.3*	*1.4*	*656.1*
EBITDA	**329.9**	**88.7**	**231.0**	**184.4**	**45.7**	**72.1**	**(4.3)**	**947.6**
EBITDA margin	*38.0%*	*29.0%*	*32.7%*	*38.9%*	*23.0%*	*33.8%*		*33.8%*

3.3 Information by region

(In millions of euros)	12/31/2021	12/31/2020
France (including Le Jacquard Français)	964.4	876.3
Germany	388.0	380.4
United Kingdom (including Kennedy Hygiene)	316.1	289.0
Sweden	204.4	197.9
Brazil	193.4	181.2
Denmark	186.1	180.5
Netherlands	135.8	135.4
Spain and Andorra	160.3	126.1
Other countries	499.9	439.5
REVENUE	**3,048.3**	**2,806.3**

(In millions of euros)	12/31/2021	12/31/2020
France (including Le Jacquard Français)	2,370.9	2,363.9
Sweden	827.1	865.0
Denmark	644.1	653.0
Netherlands	514.9	522.1
Germany	480.0	486.5
United Kingdom (including Kennedy Hygiene)	450.3	432.2
Brazil	369.1	360.7
Spain and Andorra	282.8	281.5
Other countries	978.0	909.9
NON-CURRENT ASSETS	**6,917.3**	**6,874.7**

The non-current assets presented above comprise goodwill, property, plant and equipment, intangible assets and right-of-use assets.

NOTE 4 OPERATING DATA

4.1 Revenue

Revenues are recognized once the Group has delivered the promised goods or service to the customer.

Accounting policies

Services

Revenue from services is recognized as and when the services are rendered.

The five-step model introduced by IFRS 15 requires, among other things, the identification of the performance obligations set out in each service contract. Almost all of the Group's revenue is derived from the sale of services under multi-year contracts. An analysis of contracts shows that, in general, the various services promised to customers constitute a single performance obligation.

Revenue from services is recognized in the period in which the services are delivered, as the customer benefits from these services as and when Elis delivers them. These services are most often invoiced and paid on a monthly basis: Group entities are entitled to receive payment from a customer for an amount directly corresponding to the value to the customer of the performance obligation they have fulfilled up to the relevant date.

Where these services are invoiced in advance as part of a subscription of one month or more, the portion of the invoice corresponding to a service not yet rendered is recognized under "Contract liabilities."

Sale of goods

Revenue from the sale of goods is recognized on the date on which control of the asset sold is transferred to the customer.

6

4.2 Disaggregation of revenue

Revenue from services is generated by three main activities: flat linen, workwear, and hygiene and well-being solutions. These services are rendered to customers who mainly operate in the Hospitality, Industry, Commerce and Services, and Healthcare sectors.

2021

(In millions of euros)	France	UK & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Other segments	Total
Flat linen	312.8	216.9	253.1	85.4	133.2	181.2	-	1,182.6
Workwear	381.6	118.2	405.2	205.2	70.3	46.6	-	1,227.1
Hygiene and well-being	290.4	16.5	60.6	175.9	32.7	0.0	0.5	576.7
Other	(31.0)	12.6	16.3	32.5	(0.4)	6.3	25.6	61.9
Revenue by service	**953.8**	**364.2**	**735.3**	**498.9**	**235.9**	**234.1**	**26.1**	**3,048.3**
Hospitality	233.3	87.1	67.1	59.8	88.5	12.4	-	548.3
Industry	208.0	71.6	243.3	293.2	51.8	54.2	-	922.1
Healthcare	190.6	160.6	302.7	68.6	42.7	166.3	-	931.5
Commerce and services	352.9	44.8	122.1	77.3	52.9	1.3	-	651.4
Other	(31.0)	0.0	0.0	0.0	0.0	(0.0)	26.1	(5.0)
Revenue by customer segment	**953.8**	**364.2**	**735.3**	**498.9**	**235.9**	**234.1**	**26.1**	**3,048.3**
Services (supplied over a given period)	952.1	348.6	716.2	468.4	235.5	226.4	2.9	2,950.0
Sales of goods (supplied on a specific date)	1.7	15.6	19.2	30.5	0.4	7.7	23.1	98.3
REVENUE	**953.8**	**364.2**	**735.3**	**498.9**	**235.9**	**234.1**	**26.1**	**3,048.3**

2020

(In millions of euros)	France	UK & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Other segments	Total
Flat linen	255.3	182.9	248.5	74.6	107.1	157.6	-	1,025.9
Workwear	355.5	97.8	382.1	190.7	57.0	43.4	-	1,126.6
Hygiene and well-being	281.4	14.8	58.7	176.3	33.9	0.0	0.6	565.8
Other	(24.4)	9.6	14.9	32.5	0.1	12.4	42.9	88.0
Revenue by service	**867.8**	**305.1**	**704.2**	**474.0**	**198.2**	**213.4**	**43.5**	**2,806.3**
Hospitality	188.8	53.9	63.2	49.1	64.0	7.7	-	426.7
Industry	196.0	70.2	230.3	288.8	41.3	53.1	-	879.6
Healthcare	180.9	142.1	288.2	62.0	39.0	151.9	-	864.1
Commerce and services	326.7	39.0	122.4	74.2	53.9	0.8	-	616.9
Other	(24.6)	0.0	(0.0)	(0.0)	(0.0)	0.0	43.5	19.0
Revenue by customer segment	**867.8**	**305.1**	**704.2**	**474.0**	**198.2**	**213.4**	**43.5**	**2,806.3**
Services (supplied over a given period)	865.9	293.2	689.0	444.7	198.0	211.4	4.9	2,707.2
Sales of goods (supplied on a specific date)	1.9	11.9	15.2	29.3	0.2	2.0	38.6	99.1
REVENUE	**867.8**	**305.1**	**704.2**	**474.0**	**198.2**	**213.4**	**43.5**	**2,806.3**

4.3 Contract balances

Accounting policies

Contract assets

Current contract assets represent services that were rendered to customers during the final months of the reporting period and for which invoices have not yet been issued. These amounts are transferred to trade receivables when the Group acquires an unconditional right to the receivable. This generally happens when the invoice is sent to the customers.

Contract liabilities

Current contract liabilities reflect deferred income, i.e., the invoicing of services that will mainly be performed in the month following the close of the reporting period.

Contract costs

IFRS 15 requires that the incremental costs of obtaining a contract with a customer whose term exceeds one year must be recognized in assets and amortized over the same period. In the Group's case, this asset item corresponds in particular to sales commissions paid in proportion to the amount or number of contracts signed. The change in this asset item (classified as "Non-current assets") between two reporting periods is recognized in the income statement under "Selling, general and administrative expenses."

The amounts of trade receivables and assets and liabilities on contracts with customers are presented in Note 4.4 "Trade and other receivables and contract assets" and Note 4.9 "Other current assets and liabilities."

Revenue recognized during the year includes the full amount that was shown in the opening balance of contract liabilities at the beginning of the year.

4.4 Trade and other receivables and contract assets

Accounting policies

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets.

Trade receivables are subject to impairment for "expected credit losses," which requires the Group to exercise its judgment in assessing expected credit losses over the entire life of the receivable. To do this, the Group mainly uses an impairment matrix based on historical data. These impairment losses are recognized in operating income.

The Group derecognizes financial assets whenever the contractual rights to the assets expire or are relinquished by the Company or when the Company transfers or assigns its rights and substantially all of the associated risks and rewards.

(In millions of euros)	**12/31/2021**	12/31/2020
Trade receivables and notes receivable (gross)	600.6	533.4
(-) Impairment of trade receivables	(57.8)	(67.1)
TRADE RECEIVABLES AND NOTES RECEIVABLE	**542.8**	**466.3**
Other receivables	57.9	50.7
TOTAL TRADE AND OTHER RECEIVABLES	**600.7**	**517.0**
Contract assets	38.1	27.6
TOTAL TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS	**638.8**	**544.7**
› collection expected in less than one year	638.8	544.7
› collection expected in more than one year	-	-

Changes in trade and other receivables and contract assets during the financial years presented are analyzed as follows:

(In millions of euros)	**12/31/2021**	12/31/2020
As at January 1	**544.7**	**668.6**
Change in gross WC	68.4	(100.8)
Change in write-downs	8.4	(13.7)
Change in net WC	76.8	(114.5)
Increase related to business combinations	9.1	8.5
Translation differences	1.8	(15.5)
Change in receivables on disposal of fixed assets	3.4	(0.8)
Other movements	2.9	(1.7)
AT DECEMBER 31	**638.8**	**544.7**

The change in gross WC in 2021 is mainly due to the recovery of business after the coronavirus crisis.

Movements in the impairment of trade receivables are as follows:

(In millions of euros)	Impairment loss
As at December 31, 2020	**(67.1)**
Movements for the year	8.4
Changes in consolidation scope	(0.1)
Translation differences	(0.2)
Other	1.3
AS AT DECEMBER 31, 2021	**(57.8)**

Credit risk

The management of credit risk is described in detail in Note 8.1 "Financial risk management."

4.5 Depreciation, amortization, provisions and other costs by type

(In millions of euros)	12/31/2021	12/31/2020
Depreciation and amortization (net of the portion of grants transferred to income)		
› *included in Operating income before other income and expense and amortization of intangible assets recognized in a business combination*		
Textile rental, laundry and maintenance items	(386.9)	(390.7)
Other leased items	(28.5)	(27.7)
Other property, plant and equipment and intangible assets	(156.3)	(155.0)
Right-of-use assets	(92.6)	(83.0)
Portion of grants transferred to income	0.6	0.3
› *included in other operating income and expenses*	*0.0*	*(1.6)*
› *amortization of intangible assets recognized in a business combination*	*(81.0)*	*(93.9)*
› *included in income from discontinued operations*	-	-
TOTAL DEPRECIATION AND AMORTIZATION (NET OF THE PORTION OF GRANTS TRANSFERRED TO INCOME)	**(744.7)**	**(751.6)**
Additions to or reversals of provisions		
› *included in Operating income before other income and expense and amortization of intangible assets recognized in a business combination*	*1.7*	*(0.4)*
› *included in other operating income and expenses*	*(2.0)*	*0.3*
TOTAL ADDITIONS TO OR REVERSALS OF PROVISIONS	**(0.3)**	**(0.1)**

4.6 Other operating income and expenses

Accounting policies

Items of material amounts that are unusual, abnormal or infrequent are disclosed separately in the income statement under "Other operating income and expenses," in order to better reflect Group performance.

(In millions of euros)	12/31/2021	12/31/2020
Costs related to acquisitions and earnout adjustments	(5.1)	(5.7)
Restructuring costs	(6.4)	(33.4)
Additional costs directly related to Covid-19 [(a)]	-	(22.2)
Litigation	0.1	(0.9)
Net gain (loss) on site disposals	1.8	0.3
Expenses relating to site disposal	(0.1)	(0.5)
Environmental rehabilitation costs	0.8	(1.4)
Other [(b)]	(7.2)	(0.8)
OTHER OPERATING INCOME AND EXPENSES	**(16.1)**	**(64.5)**

(a) Additional costs directly related to Covid-19 corresponded to additional costs directly related to the event itself during the second quarter of 2020 that would not have been incurred or recognized if the first lockdown had not taken place (such as costs for protecting and securing Group facilities and the employees and partners working there totaling €3.3 million, one-time bonuses for staff who worked during that period totaling €3.6 million, fees for renegotiating financial covenant tests, etc.), and additional compensation not covered by government measures totaling €11.9 million.

(b) The "miscellaneous" item in 2021 mainly corresponds to a €5.8 million provision for a loss-making contract in Denmark.

4.7 Inventories

Accounting policies

Inventories are measured at the lower of cost and net realizable value. Impairment losses are recognized whenever the probable realizable value is lower than the cost price.

Inventories of raw materials, consumables, spare parts and goods for resale are recorded at acquisition cost and have high turnover.

Goods in progress and finished goods (linen, textiles and hygiene appliances) are measured at production cost, which includes:

- the acquisition cost of raw materials;
- direct production costs;
- overhead that can be reasonably linked to the production of the goods.

(In millions of euros)	12/31/2021	12/31/2020
Raw materials, supplies	40.8	36.6
Work in progress	0.2	0.3
Intermediate and finished goods	16.1	14.4
Goods for resale	81.8	85.9
INVENTORIES	**138.8**	**137.3**
› o/w inventories (at cost)	143.7	142.1
› o/w write-downs	(4.8)	(4.9)

Changes in net inventories during the financial years presented are analyzed as follows:

(In millions of euros)	12/31/2021	12/31/2020
As at January 1	**137.3**	**124.8**
Change in gross inventory	(1.1)	13.5
Change in write-downs	0.1	(0.5)
Change in net inventory	(1.0)	13.0
Increase related to business combinations	1.6	1.9
Translation differences	1.0	(3.1)
Other movements	(0.0)	0.7
AT DECEMBER 31	**138.8**	**137.3**

4.8 Trade and other payables

(In millions of euros)	12/31/2021	12/31/2020
Trade payables	233.6	193.9
Trade payables (fixed assets)	16.7	14.5
Other payables	12.6	12.8
TOTAL TRADE AND OTHER PAYABLES	**262.9**	**221.3**

Changes in trade and other payables during the financial years presented are analyzed as follows:

(In millions of euros)	12/31/2021	12/31/2020
As at January 1	**221.3**	**288.5**
Change in WC	35.3	(57.7)
Increase related to business combinations	4.2	5.2
Translation differences	1.1	(7.9)
Change in trade payables (fixed assets)	(0.9)	(5.5)
Other movements	1.9	(1.3)
AT DECEMBER 31	**262.9**	**221.3**

The change in WC is mainly due to the decline in business and purchases at the end of the 2020 financial year due to the Covid-19 crisis.

4.9 Other current assets and liabilities

(In millions of euros)	Notes	12/31/2021	12/31/2020
Prepaid expenses		13.5	15.9
Current asset derivatives – cash flow hedging	8.8	3.1	(0.0)
Other current asset derivatives		1.3	1.5
Other assets		0.9	1.5
TOTAL OTHER ASSETS		**18.9**	**18.8**
Deposits received		10.5	10.7
Payroll-related liabilities		194.2	175.1
Tax liabilities and other debt		166.0	149.2
Deferred consideration payable on acquisitions		4.1	4.4
Liability for repurchase commitments to non-controlling interests		1.2	1.8
Current liability derivatives – cash flow hedging	8.8	0.0	3.0
Other current liability derivatives		0.7	1.7
Investment grants		2.0	1.9
TOTAL OTHER LIABILITIES		**378.7**	**347.7**
Contract liabilities		74.9	62.7
TOTAL CONTRACT AND OTHER LIABILITIES		**453.6**	**410.5**

Changes in other assets during the financial years presented are analyzed as follows:

(In millions of euros)	12/31/2021	12/31/2020
As at January 1	**18.8**	**21.1**
Change in WC	(2.8)	(2.4)
Increase related to business combinations	0.1	0.2
Translation differences	0.3	(0.3)
Change in derivatives	3.0	1.1
Other movements	(0.5)	(0.8)
AT DECEMBER 31	**18.9**	**18.8**

The changes in contract liabilities and other current liabilities during the financial years presented are as follows:

(In millions of euros)	12/31/2021	12/31/2020
As at January 1	**410.5**	**430.5**
Change in WC	45.5	(20.3)
Increase related to business combinations	6.2	5.6
Translation differences	3.8	(8.2)
Change in debt related to business combinations	(0.8)	1.3
Change in derivatives	(4.0)	2.3
Other movements	(7.6)	(0.6)
AT DECEMBER 31	**453.6**	**410.5**

The change in WC is mainly due to a contraction in business at the end of 2020, with a reduction in the workforce and in the amount of VAT to be paid.

NOTE 5 EMPLOYEE BENEFITS EXPENSE

5.1 Average number of employees

(In number of people)	12/31/2021	12/31/2020
Executives	2,951	2,949
Supervisory personnel	2,736	3,020
Employees	4,553	4,704
Service employees	6,688	6,276
Other employees	30,914	29,719
Total employees per category	**47,841**	**46,668**
France	11,809	11,976
Other countries	36,032	34,692
Total employees	**47,841**	**46,668**

5.2 Expenses related to employee benefits

Accounting policies

Payments by the Group to defined contribution plans are expensed as incurred.

In the case of post-employment defined benefit plans, the cost of benefits is estimated using the projected unit credit method. Under this method, rights to benefits are allocated to service periods using the plan's vesting formula and by applying a linear progression when vesting is not uniform over subsequent service periods. Future payments corresponding to benefits granted to employees are estimated on the basis of assumptions regarding salary increase rates, retirement age and mortality, after which their present value is calculated using the interest rate on long-term bonds issued by investment grade issuers.

Actuarial gains and losses relating to obligations arising as a result of defined benefit plans are recognized directly in equity.

The voluntary separation measures were recognized by deducting them from their related costs during the period in which salaries were recorded in accordance with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance".

(In millions of euros)	12/31/2021	12/31/2020
Wages and salaries	(985.6)	(904.9)
Payroll taxes	(252.0)	(230.9)
Mandatory/optional profit-sharing	(23.8)	(14.5)
Other employee benefits	(2.3)	1.0
Equity-settled share-based payments	(28.0)	(13.6)
TOTAL EMPLOYEE BENEFIT EXPENSES FROM CONTINUING OPERATIONS	**(1,291.7)**	**(1,162.9)**

5.3 Employee benefit assets/liabilities

Accounting policies

Defined contribution plans

The Group pays contributions under a range of mandatory systems or on a voluntary basis under contractual agreements. The Group's obligation is limited to paying the contributions.

Defined benefit plans

The Elis Group's commitments to defined benefit plans and other post-employment benefits relating to its French subsidiaries consist of:

- supplementary retirement benefits paid to a category of senior executives. The supplementary retirement plan, for which all the beneficiaries have already retired, is now closed;
- retirement benefits paid to employees when they retire in accordance with French regulations;
- long-service awards, for which the amount paid depends on seniority.

The commitments of the Group's subsidiaries in the United Kingdom are grouped in a single pension plan specific to them. These commitments are covered by a dedicated external fund set up on February 1, 2016 and covering all commitments at that date, so as not to have to make additional payments except in extraordinary circumstances. The last three-year review of the fund's valuation under UK regulations was carried out in February 2019 and confirmed the fund's ability to meet its commitments.

The benefits paid to the beneficiaries of this plan depend on their seniority in the plan and their compensation in the final years preceding their retirement. The benefits paid are adjusted by 5% each year for rights vested before February 1, 1999, and in line with the Consumer Price Index for commitments vested after that date. The terms and conditions governing the management of the plan's assets are defined by UK regulations, as well as the relationship between the Group and the managers (trustees) of the fund. Responsibility for the management of the fund, including decisions on asset allocation and calls for contributions, rests jointly with the Group and the fund managers, the latter comprising representatives of the Group and beneficiaries of the plan in accordance with current regulations.

A comparatively small defined benefit plan also exists in the Republic of Ireland. It is also covered by a dedicated external fund.

The commitments of the Group's subsidiaries in Sweden stem mainly from their participation in the ITP-2 plan covering certain categories of private sector employees born before 1978.

The Group's Swiss subsidiaries have employee benefit liabilities in accordance with the Swiss Law on Occupational Benefits.

Employee-related liabilities

The corresponding obligations are measured using the projected unit credit method.

The Group's obligations are partially funded by external funds. Unfunded amounts are covered by provisions recognized in the balance sheet.

The Group's end-of-service benefit obligations towards employees of its French subsidiaries are now measured pursuant to the IFRS IC Decision "Attributing Benefit to Periods of Service (IAS 19)" presented above in Notes 1.2 and 1.4.

The following table shows changes in the liability recognized in the Elis Group's balance sheet:

(In millions of euros)	Obligation	Fair value of plan assets	Net Liability (Asset)
As at December 31, 2019, published	**609.3**	**522.2**	**87.1**
IAS 19 - IFRS IC decision	(2.0)		(2.0)
As at January 1, 2020, adjusted	**607.2**	**522.2**	**85.0**
Current service cost	7.4		7.4
Interest expense	9.5	9.0	0.5
Benefit paid	(27.0)	(22.8)	(4.2)
Employee contributions	4.9	4.9	-
Employer contributions		2.9	(2.9)
Past service cost	(1.3)		(1.3)
Plan amendments	(1.0)		(1.0)
Plan curtailments or settlements	(2.3)	(2.2)	(0.1)
Return on plan assets		57.6	(57.6)
Actuarial gains and losses	45.4		45.4
Increase related to business combinations and other movements	(1.7)	(1.7)	-
Reclassification to liabilities directly related to assets held for sale			
Translation adjustments	(19.7)	(23.4)	3.7
As at December 31, 2020	**621.4**	**546.6**	**74.8**
Current service cost	9.3		9.3
Interest expense	7.6	7.0	0.6
Benefit paid	(25.2)	(21.4)	(3.8)
Employee contributions	2.8	2.8	-
Employer contributions		2.8	(2.8)
Past service cost	(0.0)		(0.0)
Plan amendments	(0.4)		(0.4)
Plan curtailments or settlements	0.0		0.0
Return on plan assets		0.9	(0.9)
Actuarial gains and losses	(20.3)		(20.3)
Increase related to business combinations and other movements			-
Reclassification to liabilities directly related to assets held for sale			
Translation adjustments	31.8	34.3	(2.4)
AS AT DECEMBER 31, 2021	**627.0**	**572.9**	**54.0**

FUNDED STATUS OF EMPLOYEE BENEFIT OBLIGATION

(In millions of euros)	12/31/2021	12/31/2020
Present value of unfunded obligations	46.7	86.2
Present value of partially or fully funded obligations	580.2	535.2
Total value of defined benefit plan obligations (1)	627.0	621.4
Fair value of plan assets (2)	572.9	546.6
NET VALUE OF DEFINED BENEFIT PLAN LIABILITY (ASSET) (3) - (1) = (2)	**54.0**	**74.8**

INFORMATION BY REGION

(In millions of euros)	12/31/2021	12/31/2020
France	45.6	42.2
UK & Ireland	(51.9)	(34.1)
Sweden	35.0	38.8
Switzerland	20.3	22.5
Other countries	5.2	5.4
NET EMPLOYEE BENEFIT LIABILITIES (ASSETS)	**54.0**	**74.8**

FRANCE – DETAILS

The Group's obligations and provisions for its French subsidiaries break down as follows:

	12/31/2021	12/31/2020
Discount rate	0.9%	0.5%
Expected salary increase rate	inflation+0/6%	inflation+0/6%

(In millions of euros)	12/31/2021	12/31/2020
Present value of unfunded obligations	45.6	42.2
Present value of partially or fully funded obligations		
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**45.6**	**42.2**
Fair value of plan assets (2)		
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**45.6**	**42.2**

	Sensitivity France
Discount rate: -0.5% impact	+5.3%
Discount rate: +0.5% impact	-4.5%
Expected salary/retirement benefit increase rate: -0.5 impact	-4.6%
Expected salary/retirement benefit increase rate: +0.5 impact	4.6%

	France
Expected contribution for next financial year	5.4
Weighted average duration of the obligation	9.8

UNITED KINGDOM AND IRELAND – DETAILS

The Group's obligations and provisions for its UK and Irish subsidiaries break down as follows:

	12/31/2021	12/31/2020
Discount rate	1.80%	1.40%
Expected salary increase rate	3.00%	2.50%
Expected retirement benefit increase rate	3.10%	2.60%

(In millions of euros)	12/31/2021	12/31/2020
Present value of unfunded obligations		
Present value of partially or fully funded obligations	462.7	453.0
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**462.7**	**453.0**
Fair value of plan assets (2)	514.6	487.2
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**(51.9)**	**(34.1)**

	Sensitivity UK & Ireland
Discount rate: -0.5% impact	9.0%
Discount rate: +0.5% impact	-7.9%
Expected salary/retirement benefit increase rate: -0.5 impact	-0.2%
Expected salary/retirement benefit increase rate: +0.5 impact	0.2%

	UK & Ireland
Expected contribution for next financial year	0.5
Weighted average duration of the obligation	17.4

(In millions of euros)	UK & Ireland
Cash and cash equivalents	4.1
Shares	37.7
Bonds	284.5
Properties & mortgages	0.9
Derivatives	187.4
FAIR VALUE OF PLAN ASSETS	**514.6**

SWEDEN – DETAILS

The Group's obligations and provisions for its Swedish subsidiaries break down as follows:

	12/31/2021	12/31/2020
Discount rate	1.75%	1.00%
Expected salary increase rate		-
Expected retirement benefit increase rate	2.00%	1.50%

(In millions of euros)	12/31/2021	12/31/2020
Present value of unfunded obligations	35.0	38.8
Present value of partially or fully funded obligations		
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**35.0**	**38.8**
Fair value of plan assets (2)		
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**35.0**	**38.8**

	Sensitivity Sweden
Discount rate: -0.5% impact	9.1%
Discount rate: +0.5% impact	-8.0%
Expected salary/retirement benefit increase rate: -0.5 impact	-8.0%
Expected salary/retirement benefit increase rate: +0.5 impact	9.0%

	Sweden
Expected contribution for next financial year	1.0
Weighted average duration of the obligation	17.3

SWITZERLAND – DETAILS

The Group's obligations and provisions for its Swiss subsidiaries break down as follows:

	12/31/2021	12/31/2020
Discount rate	0.30%	0.15%
Expected salary increase rate	1.00%	1.00%
Expected retirement benefit increase rate	-	-

(In millions of euros)	12/31/2021	12/31/2020
Present value of unfunded obligations		
Present value of partially or fully funded obligations	78.5	83.4
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**78.5**	**83.4**
Fair value of plan assets (2)	58.2	60.9
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**20.3**	**22.5**

	Sensitivity Switzerland
Discount rate: -0.5% impact	8.0%
Discount rate: +0.5% impact	-7.0%
Expected salary/retirement benefit increase rate: -0.5 impact	-0.3%
Expected salary/retirement benefit increase rate: +0.5 impact	0.3%

	Switzerland
Expected contribution for next financial year	2.4
Weighted average duration of the obligation	8.2

(In millions of euros)	Switzerland
Cash and cash equivalents	1.9
Shares	21.7
Bonds	21.0
Properties & mortgages	10.0
Derivatives	3.5
FAIR VALUE OF PLAN ASSETS	**58.2**

5.4 Share-based payments

Accounting policies

Free performance share grants

Pursuant to IFRS 2, Elis estimated the plans' fair value based on the fair value of the equity instruments granted. The cost, recognized through equity, is spread over the vesting period following the Management Board decision and is mentioned in Note 5.2 "Expenses related to employee benefits."

"Elis for All" Group Savings Plan

The Group measures the IFRS 2 expense of the benefit offered to employees subscribing to its Group Savings Plan by reference to the fair value of the discount provided on non-transferable shares. The fair value of the discount granted by the Group is thus reduced by the cost to the employee of not being able to sell the shares. This cost is measured as the cost of a strategy combining the forward sale of shares at the end of the lock-up period with the cash purchase of the same number of shares, financed by an unrestricted loan with bullet repayment, taken out for the lock-up period at the rate that a bank would grant to an individual with an average risk profile. The valuation date used is the date on which the Group and its employees accepted the share-based payment agreement.

6

Free performance share grants

The performance share allotment plans implemented by the Company, under which shares vested during the financial year or were still vesting at the end of the financial year, are as follows:

Free performance share grants	Plan no. 7 – 2018	Plan no. 10 – 2019	Plan no. 11 – 2019	Plan no. 12 – 2020	Plan no. 13 – 2020	Plan no. 14 – 2021	Plan no. 15 – 2021
Date of shareholders' meeting	05/27/2016	05/27/2016	05/27/2016	06/30/2020	06/30/2020	06/30/2020	06/30/2020
Date of Supervisory Board meeting	03/06/2018	03/06/2019	03/06/2019	03/03/2020 and 06/30/2020	03/03/2020 and 06/30/2020	03/08/2021	03/08/2021
Date of decision of the Management Board	03/29/2018	05/02/2019	07/25/2019	07/09/2020	12/28/2020	03/10/2021	08/30/2021
Number of rights originally granted	1,071,374	1,476,558	10,018	2,101,762	19,350	1,417,198	25,663
› of which members of the Executive Committee	494,100	417,746	-	581,029	0	448,472	0
› of which corporate officers:	206,490	194,300	-	276,244	0	213,220	0
– Xavier Martiré	117,995	116,580	-	165,746	0	127,932	0
– Louis Guyot	49,164	45,337	-	64,457	0	49,751	0
– Matthieu Lecharny	39,331	32,383	-	46,041	0	35,537	0
Number of beneficiaries	472	521	4	536	23	526	17
› of which members of the Executive Committee	11	11	-	11	0	11	0
› of which corporate officers	3[a]	3[a]	-	3[a]	0	3[a]	0
Grant date	04/06/2018	05/02/2019	08/01/2019	07/09/2020	12/28/2020	03/10/2021	08/30/2021
Vesting date							
› members of the Management Board and the Executive Committee	04/06/2021[c]	05/02/2022[c]	-	07/09/2023[c]		03/10/2024[c]	
› other beneficiaries	04/06/2020[c]	05/02/2021[c]	08/01/2021[c]	07/09/2022[c]	12/28/2022[c]	03/10/2023[c]	08/30/2023[c]
End of share lock-up period							
› members of the Management Board and the Executive Committee	04/06/2021[d]	05/02/2022[d]	-	07/09/2023[d]		03/10/2024[d]	
› other beneficiaries	04/06/2020[d]	05/02/2021[d]	08/01/2021[d]	07/09/2022[d]	12/28/2022[d]	03/10/2023[d]	08/30/2023[d]
Rights vested as at 12/31/2021	255,798[e]	932,838[f]	7,286[f]	0[g]	0[g]	0[g]	0[g]
Number of rights lapsed or forfeited as at 12/31/2021	569,799	152,529	2,732	118,329		35,002	3,569
Number of rights outstanding as at 12/31/2021	-	391,839	-	1,983,433	19,350	1,382,196	21,794
› of which members of the Executive Committee	-	391,839	-	581,029		448,472	
› of which corporate officers:	-	194,300	-	276,244		213,220	
– Xavier Martiré	-	116,580	-	165,746		127,932	
– Louis Guyot	-	45,337	-	64,457		49,751	
– Matthieu Lecharny	-	32,383	-	46,041		35,537	
Number of working beneficiaries as at 12/31/2021	342	425	1	489	23	503	15
› of which members of the Executive Committee	9	9	-	11	0	11	0
› of which corporate officers:	3[b]	3[b]	-	3[b]	0	3[b]	0

(a) *Xavier Martiré, Louis Guyot and Matthieu Lecharny.*

(b) *Xavier Martiré, Louis Guyot and Matthieu Lecharny.*

(c) *Shares vest at the end of a vesting period set at two years from the date of the grant for all beneficiaries, except for the members of the Executive Committee (including members of the Management Board) for whom the vesting period is set at three years from the date of the grant.*

(d) *There is no lock-up period under this plan so the shares will be available and may be freely transferred by the beneficiaries at the end of the vesting period, subject to statutory blackout periods and the provisions of the Stock Market Code of Ethics regarding the prevention of market abuse. In addition, throughout their terms of office, each member of the Management Board is required to hold a number of shares in registered form set by the Supervisory Board in accordance with the compensation policy for corporate officers detailed in the Supervisory Board's report on corporate governance, provided in chapter 2 of this 2021 Universal Registration Document.*

(e) *During the meeting of March 8, 2021, the Supervisory Board examined the performance attached to the vesting of the performance shares granted to the members of the Executive Committee (including members of the Management Board) in 2018 for which the vesting period ended in 2021, and noted that given the Covid-19 crisis that the Company had been faced with in recent months, most of the performance conditions for Plan no.7 had not been met, for reasons beyond the control of the Company. Upon the recommendation of the Appointments, Compensation and Governance Committee (ACGC), the Supervisory Board, then the Management Board at its meeting on March 8, 2021, decided that the A Objectives related to 2020 revenue and EBIT and B Objectives related to EBIT in Germany, adjusted for the Covid impact, had been met. The other B Objectives related to Berendsen synergies and EBIT in the UK had not been met, and nor had the TSR condition (share price). As a result, 50% of the category A shares and 66% of the category B shares granted in 2018 to the members of the Executive Committee have vested.*

(f) *During the meeting of March 8, 2021, the Supervisory Board examined the performance attached to the vesting of the performance shares granted to employees (outside of the Executive Committee) in 2019 for which the vesting period ended in 2021, and noted that given the Covid-19 crisis that the Company had been faced with in recent months, most of the performance conditions for Plan no.10 had not been met, for reasons beyond the control of the Company and its employees. Upon the recommendation of the ACGC, the Supervisory Board, then the Management Board at its meeting on March 8, 2021, decided that the three conditions related to 2020 revenue and EBIT, adjusted for the Covid impact, and to the 2019 TSR, had been met. As a result, 100% of the performance shares granted in 2019 to employees (outside of the Executive Committee) have been vested.*

(g) *The vesting of shares is contingent on the achievement of performance targets measured over a two-year period for all beneficiaries, except for the members of the Executive Committee, whose performance is measured over a three-year period. Unless waived by the Management Board, the vesting of shares is also contingent on uninterrupted, continuous service with the Group for the duration of the vesting period. The performance targets associated with the vesting of the shares were defined in reference to internal absolute criteria linked to consolidated revenue and consolidated EBIT set on the basis of the business plan, itself in line with market expectations, and to the performance of the Elis share price relative to a benchmark index. The number of vested shares will depend on the number of targets achieved, with the understanding that the achievement of performance targets is binary, so that if a target is not met, the number of rights linked to that target is not due and the corresponding shares do not vest. For plans implemented in 2019, 2020 and 2021, 34% of the shares granted will vest if one performance condition is met, 67% if two conditions are met, and 100% if all three conditions are met. No shares will vest if none of the performance conditions is met.*

Group Savings Plan

Pursuant to the 24th and 25th resolutions of the extraordinary annual general shareholders' meeting on June 30, 2020, the Management Board, having received authorization from the Supervisory Board on October 21, 2020, voted in principle on March 17, 2021 for a capital increase reserved for employee members of Elis Group's savings plan and a capital increase reserved for employees of Elis's foreign subsidiaries operating in the following countries: Germany, Belgium, Brazil, Denmark, Spain, Finland, Ireland, Italy, Luxembourg, Norway, Netherlands, Poland, Portugal, United Kingdom, Sweden and Switzerland, of the same type as those carried out in 2019.

These two capital increases, known as "Elis for All 2021" are intended to help grow the Elis Group's employee share ownership with the aim of bolstering its employees' sense of belonging by giving them the opportunity to be more closely connected to its future development and performance. They involve a so-called "standard" formula only, with a discount and matching contribution, under which the subscriber is fully exposed to changes in the Elis share price.

The table below sets out the main features of the Plan offered in 2021 and the valuation assumptions used:

Plan characteristics	
Date of general shareholders' meeting	06/30/2020
Date of decision by the Chairman of the Management Board, setting the subscription price	05/05/2021
Closing date of employee subscriptions	05/21/2021
Plan maturity *(in years)*	5
Subscription price	€10.46
Closing price on the subscription closing date	€14.93
Face value discount	30.00%
Discount relative to price on the subscription closing date	29.94%
Number of shares matched	1 for 10
Valuation assumptions (5-year maturity)	
Employee financing rate over 5 years	3.56%
5-year risk-free interest rate	-0.26%
Securities lending or borrowing rate	0.50%
Non-transferability for the market participant, as a %	20.15%
Amounts subscribed and valuation	
Subscription	
Amount subscribed by employees *(in millions of euros)*	10.6
Number of shares subscribed	1,013,169
Gross expense, before non-transferability discount *(in millions of euros)*	4.5
Valuation of non-transferability discount *(in millions of euros)*	-3.0
Net expense *(in millions of euros)*	1.5
Impact of a 0.5 point decrease in the employee financing rate	0.4
Matching contribution	
Number of shares matched	91,995
Gross expense, before non-transferability discount *(in millions of euros)*	1.4
Valuation of non-transferability discount *(in millions of euros)*	-0.3
Net expense *(in millions of euros)*	1.1
Impact of a 0.5 point decrease in the employee financing rate	0.1
Total	
Amount subscribed by employees *(in millions of euros)*	5.9
Number of shares issued	1,105,164
Gross expense, before non-transferability discount *(in millions of euros)*	5.9
Valuation of non-transferability discount *(in millions of euros)*	-3.3
Net expense *(in millions of euros)*	2.6
Impact of a 0.5 point decrease in the employee financing rate	0.5

The amount expensed in 2021 for standard plans was €1.5 million, net of the €1.3 million cost of non-transferability for employees. The free share expense related to the matching contribution was €1.1 million.

6

5.5 Executive compensation (related party transactions)

As at December 31, 2021, the main executives comprise the ten members of the Executive Committee, along with the Chairman of the Management Board. The total compensation for the financial year awarded to the main executives is as follows:

(In millions of euros)	12/31/2021	12/31/2020
Number of people	**11**	**11**
Short-term benefits – Fixed, variable, special and other elements of compensation	(11.4)	(7.5)
Post-employment benefits	(3.0)	-
Termination benefits	-	(0.1)
Expenses related to share-based payments (IFRS 2)	(8.8)	(3.3)

Post-employment benefits relate to the setting up of a supplementary retirement plan in application of the new provisions of Article L 137-11-2 of the French Social Security Code (Pacte law). It is stipulated that this retirement plan is managed by the insurer Predica, a shareholder of Elis.

As at December 31, 2021, the employee benefit liability accrued for termination benefits totaled €0.7 million (€0.8 million as at December 31, 2020).

Compensation allocated to members of the Supervisory Board and expensed as directors' fees totaled €0.7 million (€0.4 million as at December 31, 2020).

NOTE 6 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

6.1 Goodwill

Accounting policies

In accordance with IAS 36, the Elis Group allocates goodwill to its cash-generating units (CGUs) for the purposes of conducting impairment tests.

(In millions of euros)	12/31/2021	12/31/2020
Gross value	3,809.6	3,862.0
Accumulated impairment	(66.0)	(66.4)
CARRYING AMOUNT AT BEGINNING OF PERIOD	**3,743.6**	**3,795.6**
Increase related to business combinations	68.1	36.0
Disposals	-	-
Translation adjustments	5.9	(88.5)
Other changes	0.0	(0.0)
CHANGES IN GROSS CARRYING AMOUNT	**74.0**	**(52.5)**
Impairment	-	-
Translation adjustments	(0.6)	0.5
Other changes	0.0	0.0
CHANGES IN IMPAIRMENT	**(0.6)**	**0.5**
CARRYING AMOUNT AT END OF PERIOD	**3,817.0**	**3,743.6**
Gross value	3,883.6	3,809.6
Accumulated impairment	(66.5)	(66.0)

The carrying amount of goodwill is allocated to the main cash-generating units as follows:

(In millions of euros)	12/31/2021	12/31/2020
CGU France	1,415.1	1,410.5
CGU Sweden & Finland	568.5	580.8
CGU Denmark	406.1	392.4
CGU Netherlands	365.2	364.7
CGU Brazil	224.5	221.8
CGU Germany	173.8	173.8
CGU Spain & Andorra	106.9	102.2
CGU United Kingdom	101.4	86.9
Other CGU	455.5	410.5
CARRYING VALUE OF GOODWILL	**3,817.0**	**3,743.6**

Recognition of impairment

Accounting policies

The method and assumptions used for impairment tests are described in Note 6.5 "Impairment losses on non-current assets."

Following the impairment tests carried out as at December 31, 2021 and 2020, the Group recorded no impairment losses.

6.2 Intangible assets

Accounting policies

Brands

Brands acquired in a business combination are recognized at fair value (valued using the relief from royalty method) at the acquisition date. Costs incurred to create a new brand or to develop an existing one are expensed.

Brands with finite useful lives are amortized over their useful lives. Brands with indefinite useful lives are not amortized but are tested for impairment on an annual basis. The same applies whenever there is an indication of impairment.

The following criteria are used to determine whether a brand has a finite or indefinite life:

- overall market positioning of the brand, measured by sales volume, international reach and reputation;
- long-term profitability outlook;
- exposure to fluctuations in the economy;
- major developments in the industry liable to have an impact on the brand's future;
- age of the brand.

Intangible assets (other than brands)

Intangible assets (other than brands) are measured at acquisition cost less accumulated amortization and impairment. Intangible assets have finite useful lives. Amortization is recognized as an expense generally on a straight-line basis over the estimated useful lives of the assets:

- textile patterns: 3 years;
- software: 5 years;
- ERP: 15 years;
- acquired customer contracts and relationships: 4 to 14 years.

Depreciation is recorded from the date the asset is first used.

(In millions of euros)	Trademarks & non-competition clauses	Customer relationships	Other	Total
Gross value	**265.9**	**1,283.2**	**169.5**	**1,718.7**
Accumulated depreciation and impairment	**(33.4)**	**(714.4)**	**(101.4)**	**(849.2)**
NET CARRYING AMOUNT AS AT JANUARY 1, 2020	**232.5**	**568.8**	**68.2**	**869.5**
Investments	-	(0.0)	16.0	16.0
Acquisitions through business combinations	1.2	43.0	0.1	44.3
Retirements and disposals	-	-	(0.1)	(0.1)
Depreciation	(17.7)	(76.2)	(20.1)	(114.0)
Translation adjustments	(2.5)	(6.7)	(0.1)	(9.4)
Impairment	-	-	-	-
Other movements	0.0	0.0	0.1	0.1
Gross value	**261.4**	**1,294.4**	**182.9**	**1,738.7**
Accumulated depreciation and impairment	**(47.9)**	**(765.5)**	**(118.9)**	**(932.3)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2020	**213.5**	**528.8**	**64.0**	**806.4**
Investments	-	-	21.1	21.1
Acquisitions through business combinations	-	18.4	0.7	19.1
Retirements and disposals	-	-	0.0	0.0
Depreciation	(3.0)	(78.1)	(17.5)	(98.6)
Translation adjustments	0.1	(0.6)	0.1	(0.4)
Impairment	-	-	-	-
Other movements	0.0	(0.0)	2.5	2.5
Gross value	**261.7**	**1,312.6**	**210.0**	**1,784.2**
Accumulated depreciation and impairment	**(51.0)**	**(844.1)**	**(139.1)**	**(1,034.2)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2021	**210.7**	**468.5**	**70.9**	**750.1**

Other intangible assets consist primarily of software. "Other movements" include item-to-item transfers.

The values of the Group's brands, which are all derived from a business combination, measured for the purpose of allocating goodwill, are as follows:

(In millions of euros)	12/31/2021	12/31/2020	Amortization
Elis Brands	206.5	206.5	Not amortized
Brands of manufacturing entities	2.2	2.1	
› Le Jacquard Français brand	0.9	0.9	Impairment loss
› Kennedy Hygiene brand	1.3	1.2	Not amortized
Non-competition clauses and miscellaneous	2.0	4.9	
TRADEMARKS & NON-COMPETITION CLAUSES	**210.7**	**213.5**	

Recognition of impairment

No brand impairment loss was recognized in the last two financial years. The Le Jacquard Français brand, worth €6.8 million gross, has an accumulated impairment loss of €5.9 million.

6.3 Property, plant and equipment

Accounting policies

Items of property, plant and equipment are carried in the balance sheet at historical cost for the Group, less accumulated depreciation and impairment.

In accordance with IAS 16 Property, Plant and Equipment, only items whose cost can be measured reliably and from which future economic benefits are expected to flow to the Group are recognized as assets.

Assets leased out under agreements that do not transfer substantially all the risks and rewards incident to ownership of the assets to the lessee (operating leases) are recognized as non-current assets. Assets under other leases (finance leases) are recognized as loans for the amount corresponding to the net investment in the lease.

Depreciation is calculated on a straight-line basis over the following useful lives:

- buildings: component method:
  - structure, outside walls, roof: 40 to 50 years,
  - internal walls, partitions, painting and floor coverings: 10 to 12.5 years;
- production equipment: 10 to 30 years;
- vehicles: 4 to 8 years;
- office equipment and furniture: 5 to 10 years;
- IT equipment: 3 to 5 years;
- items related to rental-maintenance service agreements (textiles, equipment and other leased items) are initially recognized as inventories and are then capitalized and depreciated over a period of 18 months to five years.

Depreciation is recorded from the date the asset is first used. Land is not depreciated.

(In millions of euros)	Land and buildings	Vehicles	Plant & equipment	Rental, laundry and maintenance items	Total
Gross value	**854.9**	**143.3**	**1,569.2**	**1,954.0**	**4,521.3**
Accumulated depreciation and impairment	**(263.9)**	**(109.1)**	**(945.1)**	**(1,204.7)**	**(2,522.8)**
NET CARRYING AMOUNT AS AT JANUARY 1, 2020	**590.9**	**34.1**	**624.1**	**749.3**	**1,998.5**
Investments	19.7	1.6	83.2	374.1	478.7
Acquisitions through business combinations	6.2	0.9	15.2	9.3	31.6
Retirements and disposals	(0.9)	(2.0)	(2.4)	(3.5)	(8.8)
Depreciation	(28.5)	(10.0)	(96.4)	(418.4)	(553.3)
Translation adjustments	(16.9)	(0.6)	(24.6)	(16.8)	(59.0)
Impairment	-	-	(1.6)	-	(1.6)
Other movements	2.1	0.3	1.5	(4.0)	(0.1)
Gross value	**864.4**	**136.0**	**1,616.4**	**1,865.2**	**4,482.0**
Accumulated depreciation and impairment	**(291.7)**	**(111.7)**	**(1,017.4)**	**(1,175.2)**	**(2,596.0)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2020	**572.7**	**24.3**	**599.0**	**690.0**	**1,886.1**
Investments	17.2	1.0	95.0	441.9	555.1
Acquisitions through business combinations	4.4	0.7	5.3	4.1	14.5
Retirements and disposals	(2.6)	(0.1)	(0.6)	(4.7)	(7.9)
Depreciation	(30.9)	(8.5)	(99.3)	(415.5)	(554.2)
Translation adjustments	7.9	0.0	6.3	5.8	20.0
Impairment	-	-	0.1	-	0.1
Other movements	0.7	0.4	(4.8)	1.0	(2.6)
Gross value	**892.1**	**132.1**	**1,701.9**	**2,073.4**	**4,799.5**
Accumulated depreciation and impairment	**(322.7)**	**(114.3)**	**(1,100.9)**	**(1,350.7)**	**(2,888.6)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2021	**569.4**	**17.9**	**601.0**	**722.7**	**1,910.9**

"Other movements" include item-to-item transfers.

6.4 Right-of-use assets and lease liabilities

The Group entered into lease agreements for a variety of assets including property, vehicles, machines, and other equipment. Real estate contracts typically go over several years, with a set rent amount based on an index or rate and with options to extend.

Accounting policies

Right-of-use assets

The Group records right-of-use assets on the lease start date (the date on which the underlying set of assets becomes available). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses and adjusted according to the measurement of the lease liabilities. The cost of right-of-use assets comprises the amount of the lease liability, initial direct costs incurred, and lease payments made before the start date, less any lease incentives received. Unless the Group is reasonably certain that ownership of the leased asset will be transferred at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's estimated useful life or the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

As at the lease start date, the Group records lease liabilities as measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price for a purchase option that the Group is reasonably certain will be exercised, as well as penalty payments for terminating a lease if the lease term reflects exercise of the termination option by the Group. Variable lease payments that do not depend on an index or a rate are recorded as expenses in the period during which the event or condition that triggered the payments occurred.

To calculate the present value of lease payments, the Group uses the Group's incremental borrowing rate adjusted using a spread for each country as at the lease start date if the interest rate implicit in the lease cannot be readily determined. The rate also depends on the duration of the agreement. After the start date, the lease liability is increased to reflect interest incurred and reduced to reflect lease payments made. The carrying amount of the lease liability is remeasured in the event there is a change in the term of the lease, the in-substance fixed lease payments are changed, or the measurement is modified such that the underlying asset may be purchased.

In the statement of cash flows, these lease payments are presented in cash flows from financing activities, broken down between interest (recorded as financial expenses) and principal payments (presented on a separate line).

Simplification measures used

The Group applies the recognition exemption for short-term leases (leases with terms shorter than 12 months from the start date that do not include a purchase option). It also applies the recognition exemption for the leasing of low-value assets (assets whose replacement cost is less than €4,000). Lease payments on short-term leases and leases of low-value assets are recorded as expenses on a straight-line basis over the term of the lease. In the statement of cash flows, these lease payments are presented in cash flows from operating activities.

The Group has also chosen to use the simplification measure provided for in the standard whereby lease components are not separated from non-lease components (mainly for leased vehicles). Instead, these components are recognized as a single lease component.

	Right-of-use assets				Lease liabilities
(In millions of euros)	Land and buildings	Vehicles	Plant & equipment	**Total**	
As at January 1, 2020	**317.5**	**78.9**	**14.4**	**410.8**	**407.4**
Increase related to business combinations	5.9	2.7	0.8	9.4	9.4
New rights of use	8.3	78.8	1.4	88.4	88.4
Remeasuring of rights of use	24.4	2.3	(1.3)	25.4	25.4
Depreciation & amortization / impairment	(39.8)	(39.5)	(3.6)	(83.0)	
Principal payments					(73.4)
Translation differences	(6.7)	(1.0)	(0.1)	(7.8)	(8.0)
Other movements	1.0	(3.8)	(1.8)	(4.6)	(1.8)
As at December 31, 2020	**310.6**	**118.3**	**9.7**	**438.6**	**447.3**
Increase related to business combinations	0.4	0.7	0.4	1.5	1.8
New rights of use	17.7	50.8	2.6	71.1	71.1
Remeasuring of rights of use	14.3	6.2	0.3	20.8	20.8
Depreciation & amortization / impairment	(41.3)	(47.8)	(3.5)	(92.6)	
Principal payments					(89.4)
Translation differences	3.1	1.6	0.1	4.8	4.8
Other movements	(1.4)	(3.0)	(0.6)	(5.0)	(3.2)
As at December 31, 2021	**303.5**	**126.8**	**9.0**	**439.2**	**453.3**

The Group recognized lease expenses relating to:

- short-term leases totaling €6.1 million during the 2021 financial year (versus €7.4 million in 2020);
- leases of low-value assets totaling €2.0 million during the 2021 financial year (versus €1.7 million in 2020);
- variable lease payments totaling €0.9 million during the 2021 financial year (versus €1.0 million in 2020).

The remaining contractual maturities of lease liabilities are as follows (undiscounted amounts):

(In millions of euros)	**Carrying value**	Cash flow 2022	Cash flow 2023	Cash flow 2024-2025-2026	Cash flow 2027 and beyond	**Estimate of future cash flows as at 12/31/2021**
Lease liabilities	453.3	95.0	83.0	184.2	185.3	547.4

6.5 Impairment losses on non-current assets

Accounting policies

Impairment tests are systematically performed on goodwill and intangible assets with indefinite useful lives on December 31 or whenever there is an indication of impairment. Goodwill impairment losses may not subsequently be reversed.

Value in use is calculated by discounting to present value the estimated future cash flows expected to arise from the continuing use of an asset and from its disposal. These calculations are usually supplemented by a valuation using multiple economic indicators (mainly EBITDA).

If the recoverable amount is less than the carrying amount, an impairment loss is recognized corresponding to the difference between the two amounts.

To assess impairment, assets are combined in the smallest group of assets that generates separately identifiable cash flows (cash-generating unit or group of cash-generating units).

In accordance with IAS 36 Impairment of Assets, whenever the value of intangible assets and property, plant and equipment with definite useful lives is exposed to a risk of impairment due to events or changes in market conditions, these assets are reviewed to determine whether their carrying amount is less than their recoverable amount, defined as the higher of fair value (less cost to sell) and value in use.

If applicable, impairment losses are recognized at the cash-generating unit level.

Impairment of property, plant and equipment may subsequently be reversed (by up to the amount of the initial impairment) if the recoverable amount rises above the carrying amount.

6

Calculating future cash flows

Goodwill impairment tests are performed by determining the value in use of each cash-generating unit using the following method for calculating recoverable amounts:

- estimation of projected future cash flows based on the business plans established by the management teams of each CGU and approved by the Management Board. The trajectory for 2022–2024 was approved by the Supervisory Board on December 14, 2021. Future cash flows are estimated based on conservative growth assumptions;
- cash flows are calculated using the discounted cash flow method = EBITDA (operating income before depreciation and amortization) – rents +/– change in WC – income tax at standard rate – capital expenditure;
- a five-year maximum explicit time horizon has been chosen, except for countries where a longer duration is justified (Latin America and Russia, which have strong growth prospects over a longer term because there is less recourse to outsourcing);
- the terminal value is calculated on a perpetual growth basis;
- discounted cash flow is calculated based on the weighted average cost of capital (WACC), which, in turn, is based on financial return and industry-specific risk metrics for the market in which the Group operates.

Method for calculating WACC

Elis used the following inputs for calculating the WACC:

- risk-free rate: the average risk-free interest rate over a two- to five-year observation period by country;
- credit spread: the average over a two- to five-year observation period;
- levered beta of comparable companies: the observed beta at the date of the WACC calculation (insofar as the beta is the result of a linear regression over the last two years, it reflects the medium-term sensitivity of the value of the securities of a given company versus the market as a whole);
- average gearing ratio (net debt/equity) for comparable companies: ratio calculated on the basis of market capitalizations to net debt (excluding lease liabilities), observed on a quarterly basis over the last two years:
  - the average gearing ratio obtained for each comparable company is used to unlever the Company's beta,
  - the unlevered beta is representative of industry beta and will be used to calculate the WACC (extreme values are excluded from the average),
  - the gearing used to calculate the WACC is derived from the average debt (excluding lease liabilities) to equity ratio calculated on the basis of the quarterly ratios of comparable companies.

The WACC used for impairment testing on each of the main CGUs was as follows:

Country	France	Germany	Brazil	Denmark	Spain	United Kingdom	Netherlands	Sweden	Switzerland
Risk-free rate	0.7%	0.1%	5.1%	0.2%	1.2%	1.0%	0.1%	0.5%	-0.2%
Credit spread	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Cost of debt (before tax)	**2.2%**	**1.6%**	**6.7%**	**1.8%**	**2.8%**	**2.6%**	**1.7%**	**2.1%**	**1.4%**
Tax rate	25.8%	30.0%	34.0%	22.0%	25.0%	25.0%	25.8%	20.6%	15.0%
Cost of debt, net of tax	**1.7%**	**1.2%**	**4.4%**	**1.4%**	**2.1%**	**1.9%**	**1.3%**	**1.6%**	**1.2%**
Risk premiums	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Levered beta	0.96	0.96	0.96	0.97	0.97	0.97	0.97	0.97	0.97
Cost of equity	**7.2%**	**6.6%**	**11.6%**	**6.8%**	**7.7%**	**7.5%**	**6.6%**	**7.0%**	**6.4%**
Gearing	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
WACC 2021	**6.7%**	**6.1%**	**11.0%**	**6.3%**	**7.3%**	**7.1%**	**6.2%**	**6.6%**	**6.0%**
WACC 2020	6.5%	6.1%	14.9%	6.3%	7.1%	7.1%	6.3%	6.4%	5.8%
PRE-TAX DISCOUNT RATE 2021 (APPROXIMATION)	**9.1%**	**8.7%**	**16.6%**	**8.1%**	**9.7%**	**9.4%**	**8.4%**	**8.3%**	**7.0%**
Pre-tax discount rate 2020 (approximation)	8.7%	8.7%	22.6%	8.0%	9.5%	8.8%	8.4%	8.1%	7.0%

Multiples used

The multiples approach was not used as at December 31, 2021 because it has been difficult to implement since the onset of the Covid-19 health crisis.

Fundamental assumptions for impairment tests

The business plans of the CGUs were prepared on the basis of management's best estimates. Projected cash flows are therefore reasonable and reflect, where appropriate, the resilience of the CGU's business. The main assumption made for Hospitality revenue is that it will take until the end of 2024 for it to return to the levels seen by the Group in 2019. At the level of operating income, the adaptation measures taken by the Group since the beginning of the health crisis have enabled it to retain pre-crisis levels of profitability.

Sensitivity of tests related to goodwill

In the impairment tests, the items with the most material sensitivity in relation to the WACC and perpetual growth rate are as follows (difference between the carrying amount and the recoverable amount of the CGU):

France *(In millions of euros)*		Perpetual growth rate		
		1.5%	2.0%	2.5%
WACC	6.2%	1,182	1,504	1,913
	6.7%	877	1,133	1,450
	7.2%	625	833	1,085

Germany *(In millions of euros)*		Perpetual growth rate		
		1.5%	2.0%	2.5%
WACC	5.6%	334	430	556
	6.1%	249	322	416
	6.6%	179	238	310

Brazil *(In millions of euros)*		Perpetual growth rate		
		2.6%	3.1%	3.6%
WACC	10.5%	127	147	169
	11.0%	96	112	131
	11.5%	68	82	98

Denmark *(In millions of euros)*		Perpetual growth rate		
		1.5%	2.0%	2.5%
WACC	5.8%	51	130	233
	6.3%	(16)	46	125
	6.8%	(70)	(20)	42

Spain *(In millions of euros)*		Perpetual growth rate		
		1.5%	2.0%	2.5%
WACC	6.8%	67	97	135
	7.3%	37	62	92
	7.8%	12	32	57

United Kingdom *(In millions of euros)*		Perpetual growth rate		
		1.5%	2.0%	2.5%
WACC	6.6%	254	312	383
	7.1%	199	245	301
	7.6%	152	190	236

Netherlands *(In millions of euros)*		Perpetual growth rate		
		1.5%	2.0%	2.5%
WACC	5.7%	179	262	370
	6.2%	110	175	257
	6.7%	55	106	170

Sweden *(In millions of euros)*		Perpetual growth rate		
		1.5%	2.0%	2.5%
WACC	6.1%	23	114	232
	6.6%	(56)	17	108
	7.1%	(120)	(61)	12

Switzerland *(In millions of euros)*		Perpetual growth rate 1.5%	2.0%	2.5%
WACC	5.5%	30	54	87
	6.0%	10	29	53
	6.5%	(6)	9	28

As the sensitivity analysis presented shows that the recoverable amount of these CGUs exceeds their carrying value, no impairment loss was recorded for the 2021 financial year. The same applies to the Group's other CGUs.

Sensitivity of tests for unamortized brands

The assumptions used in impairment tests performed using the relief from royalty method are as follows:

	Elis	Le Jacquard Français	Kennedy
Discount rate	7.7%	7.7%	8.1%
Perpetual growth rate	2.0%	2.0%	2.0%
Royalty rate	1.0%	4.0%	2.0%

The sensitivity of the excess of the recoverable amount of the Elis brand over its carrying amount is as follows:

(In millions of euros)	Perpetual growth rate		
Discount rate	1.5%	2.0%	2.5%
7.2%	272	314	366
7.7%	234	269	311
8.2%	202	231	266

NOTE 7 PROVISIONS AND CONTINGENT LIABILITIES

7.1 Provisions

Accounting policies

A provision is recognized whenever the Group has a present contractual, legal or constructive obligation as a result of a past event and when future outflows of resources required to settle the obligation can be estimated reliably.

The amount recognized represents the best estimate made by management with respect to risks and their likelihood of occurrence, based on information available at the date of reporting the consolidated financial statements.

Liabilities resulting from restructuring plans are recognized when there is an obligation, when the related costs have been forecast in detail and when it is highly probable that the plans will be implemented.

Provisions are also recognized for obligations arising from onerous contracts.

(In millions of euros)	Compliance	Litigation	Other	Total
As at December 31, 2020	**73.2**	**6.7**	**18.8**	**98.7**
Increases/additions for the year	0.4	2.5	7.2	10.1
Increase related to business combinations	0.6	-	-	0.6
Decreases/reversals of used and unused provisions	(3.5)	(3.0)	(3.2)	(9.8)
Translation differences	0.7	(0.0)	0.1	0.7
Other	0.0	0.0	(0.0)	(0.0)
AS AT DECEMBER 31, 2021	**71.3**	**6.1**	**22.9**	**100.3**
Current portion	**0.0**	**3.2**	**9.4**	**12.6**
Non-current portion	**71.2**	**3.0**	**13.5**	**87.7**
France	*14.2*	*2.0*	*0.2*	*16.5*
UK & Ireland	*12.2*	-	*(0.0)*	*12.2*
Scandinavia & Eastern Europe	*28.4*	-	*9.4*	*37.8*
Latin America	*3.9*	*3.5*	*10.7*	*18.1*
Other segments	*12.5*	*0.6*	*2.6*	*15.7*

Provisions for environmental compliance

Provisions for environmental compliance are assessed based on experts' reports and the Group's experience. These provisions correspond to the expected costs of studies or work to be undertaken by the Group to comply with its environmental obligations, particularly those related to the ongoing degradation recorded. They relate to sites or categories of work that will be completed in the foreseeable future.

Provisions for litigation

Provisions for litigation chiefly includes provisions for employee-related risks.

Other provisions

Other provisions also include provisions for tax risks (not related to income tax), restructuring costs, onerous contracts and disputes arising in the normal course of the Group's business.

7.2 Contingent liabilities

The Elis Group has contingent liabilities relating to disputes or legal proceedings arising in the normal course of its business:

In Brazil

Proceedings related to alleged acts of administrative improbity

Atmosfera filed a preliminary response in December 2014 to a public action filed against several industrial laundry service providers, including Atmosfera and Prolav, regarding the alleged bribery of civil servants between 2003 and 2011 related to contracts in the state of Rio de Janeiro. The public prosecutor rejected the arguments put forward by Atmosfera and decided to continue the action.

As at December 31, 2021, Atmosfera and Prolav were still awaiting additional information and therefore were unable to estimate the contingent liability incurred and the indemnification asset to be received under the respective liability guarantees. More precisely, additional information should become available only when all parties have been notified about the opening of the proceedings. To this end, the court hearing the case issued an order to obtain a certificate from a notary listing those defendants that have been notified and those that have already presented their defense.

The Atmosfera Group's former owners, who received provisional notification of the proceedings on November 26, 2014 with respect to the December 20, 2013 guarantee agreement relating to the acquisition of the Atmosfera Group, have disputed Atmosfera's compensation request.

Atmosfera and Prolav could face the following penalties as a result of the proceedings: (i) reimbursement to the Public Treasury of all monies illegally obtained by Atmosfera from the acts of improbity and/or (ii) payment of a civil fine of up to three times the amount referred to in (i). In addition, Atmosfera and Prolav could potentially be prohibited from entering into agreements with any Brazilian public entities or receiving tax benefits in Brazil for five or ten years.

Proceedings related to degrading working conditions

In these proceedings, following the inspection conducted in 2014 by the Brazilian Federal Police at the premises of Maiguá (an Atmosfera supplier), Atmosfera lodged an appeal against the decision of the Ministry of Labor resulting from the aforementioned inspection, which provided, in particular, for the inclusion of Atmosfera on the blacklist of companies convicted of this type of practice.

The decision on the merits rendered by the Labor Court at first instance in May 2017 was favorable to Atmosfera and overturned all sanctions imposed by the Ministry of Labor against Atmosfera, including its inclusion on the blacklist. In May 2021, this first-instance decision, which was subject to an appeal by the authorities, was upheld by the Court of Appeal in favor of Atmosfera. The authorities filed a new appeal before the Superior Labor Court, which gave rise to new proceedings. On December 14, 2021, this new appeal was rejected by the Superior Labor Court, which upheld the above first-instance decision. Following this rejection and as they were entitled to, the authorities decided to lodge a new appeal in this case. Should the Ministry of Labor's decision be confirmed following this new appeal, Atmosfera would be put on the blacklist for a period of two years.

Should this happen, and even if it were not mandatory, ministries, federal agencies and public bodies could terminate service agreements with Atmosfera at the next renewal date. Furthermore, some private companies may have internal regulations that prohibit them from working with blacklisted suppliers, even if this is not stated in the contracts. Regulations in the states of São Paulo, Rio de Janeiro and Bahia require removal of the state tax number (Inscrição Estadual) of any blacklisted companies, and the regulations in the states of São Paulo and Bahia require this to be done for a period of 10 years (the state of Rio de Janeiro does not provide a time frame). The loss of Atmosfera's state tax number could make it necessary to use external service providers for transportation relating to Atmosfera's rental and laundry business. If Atmosfera were blacklisted, it is possible that Atmosfera's image and that of the rest of the Group could be tarnished by negative publicity, especially in the Brazilian press. It is nevertheless possible that more Brazilian customers may decide to terminate their contracts with Atmosfera, even though the company has opened its in-house production workshop and launched a major advertising campaign targeting its customers.

Administrative proceedings initiated by the CADE

In February 2016, Prolav was ordered by the Brazilian competition authority (CADE) to pay a fine of R$2.5 million (approximately €0.4 million) for antitrust offenses. Any delay in payment of this fine will incur interest on arrears at the benchmark rate of Brazil's central bank (SELIC), which may lead to significant additional costs. Prolav has not, to date, paid the aforementioned fine and has set aside a provision in the amount of R$3.0 million (approximately €0.5 million). After lodging an appeal, which was rejected by the CADE, Prolav was unable to reach an agreement with the CADE's prosecutor on a possible reduction of the fine and payment in installments. As at the reporting date, Prolav was awaiting the implementation of the enforcement phase of the sanction.

Proceedings involving NJ Lavanderia

Proceedings initiated by Brazil's Federal District public prosecutor

In the public civil action brought in 2014 by the Federal District's public prosecutor against NJ Lavanderia Industrial e Hospitalar Ltda ("NJ Lavanderia"), a subsidiary of Lavebras, and the government of the Federal District (GDF) related to a public contract signed between NJ Lavanderia and the GDF (contract no. 184/2014) for the provision by NJ Lavanderia of industrial laundry services to public healthcare establishments in the Federal District (Brasilia), a decision was rendered in July 2020 on the appeal lodged following the decision on the merits rendered in August 2018. The July 2020 decision upheld the decision by the trial judge under which the judge annulled contract no. 184/2014. As in August 2018, NJ Lavanderia was not ordered to return the amounts received under the annulled contract (which has already been performed in full) and no evidence was found of wrongdoing on the part of NJ Lavanderia or its representatives in connection with the tender procedure for contract no. 184/2014. An appeal before the High Court of Justice could be lodged by one of the parties to the proceedings; however, NJ Lavanderia has no intention of appealing the decision. As at December 31, 2021, NJ Lavanderia was not aware of any appeal lodged before the High Court of Justice and was waiting for confirmation the proceedings had been terminated.

Other proceedings are also ongoing against NJ Lavanderia as part of a public civil action initiated in 2014 by Federal District's public prosecutor for alleged breach of the public tender process under Brazil's law on public procurement at the time the public-service contract described above was entered into. The closing briefs have been submitted for these proceedings and a decision on the merits is expected in the coming months.

Proceedings before Brazil's Federal Court of Accounts

NJ Lavanderia is also party to administrative proceedings initiated in March 2014 by the Democratas political party against the Health Secretariat of Brazil's Federal District government, alleging that NJ Lavanderia continued to provide services under two public-service contracts (one being the contract involved in the proceedings initiated by Brazil's Federal District public prosecutor described above) entered into as emergency agreements, beyond their respective terms. The Federal Court of Accounts ruled on February 12, 2019 that it had found irregularities in the delivery of these services and indicated that the Health Secretariat of Brazil's Federal District government should, according to the results of the public civil action described above, initiate specific administrative proceedings to review said irregularities and, if applicable, impose a penalty.

The sanctions incurred by NJ Lavanderia, if the decisions related to the proceedings above (including those described previously, initiated by the Federal District public prosecutor) were to be unfavorable, could include fines, asset seizures and a ban on participating in public calls for tender and signing public contracts, in addition to the payment of damages.

To date, the Company has no information allowing it to estimate (i) the contingent liability incurred by NJ Lavanderia as a result of these proceedings in the event of an unfavorable outcome, (ii) its impact on the Group's financial position, business, reputation or earnings, or (iii) the amount of any compensatory assets to be received under the liability guarantees. No provision has been set aside by Lavebras or NJ Lavanderia in relation to this proceeding.

Proceedings against physical persons

In June 2021, the Group was informed of the existence of a criminal investigation after the public authorities carried out searches at four of its sites in application of warrants issued by the first criminal court of the Federal District (Brasilia). To the Group's knowledge, the criminal investigation concerns contracts entered into with the Brasilia Health Secretariat between 2013 and 2016 (i.e. some of the contracts covered by the proceedings described above involving NJ Lavanderia). The purpose of these warrants was to search for proof of any infractions that may have taken place prior to the acquisition of Lavebras (and, as a result, NJ Lavanderia) by the Group in 2017, despite the authorities having seized contracts signed after 2017.

In order to assess the facts related to the ongoing investigation, the Group directly petitioned the public prosecutor's office for access to the entire investigation file, but this petition has not yet been studied. The information at the Company's disposal to date shows that the investigation targets only physical persons who are not currently employed by one of the Group's subsidiaries and who do not exercise any responsibility within the Group. There is no credible evidence that the current managers or employees of the Group are involved in the facts under investigation. Moreover, since companies in Brazil cannot be held criminally liable, none of the Group's entities are named in these criminal proceedings.

Whilst the Company is not directly involved in the criminal investigation above (neither are its subsidiaries, employees or managers), there may be future consequences from this investigation, either in relation to the current proceedings against NJ Lavanderia, or due to any new proceedings that may be initiated. To date, the Company has no information enabling it to estimate any contingent liability resulting from these new developments; as at December 31, 2021, no provisions have been set aside by Lavebras or NJ Lavanderia in relation to these developments.

Proceedings against Lavebras

The Group was informed of the existence of an anti-corruption investigation initiated by the Brazilian Federal Police, which may have identified potential violations of two Brazilian statutes, the Brazilian Clean Companies Act and the Administrative Improbity Act, that may involve Lavatec Lavanderia Técnica Ltda. ("Lavatec"), a former subsidiary that merged with Lavebras in 2014.

As at December 31, 2021, Lavebras had not received any formal notification of these potential violations, with the exception of separate proceedings conducted by the tax authorities against ICN, a social organization.

In these tax proceeding against ICN, the Brazilian tax authorities argue that Lavebras – as well as other companies – must be held jointly and severally liable for ICN's obligations in view of (i) the illegal nature of the payments made by ICN under contracts it entered into and under which Lavebras and ICN had a business relationship, and (ii) the lack of cooperation shown by ICN during the audit by the Brazilian tax authorities. At the end of December 2021, the amount of the dispute was approximately R$353 million, or around €57 million (including all penalties but excluding the potential future effect of inflation). An administrative decision by the trial judge was issued in September 2019, which upheld the position of the Brazilian tax authorities. Lavebras has appealed this decision (through an ordinary appeal), submitted its defense, and is awaiting a new decision. Lavebras does not believe that the trial judge's decision will undermine its assessment of the case.

In November 2021, the Brazilian tax authorities initiated new proceedings (related to the main proceedings) in order to rule on the question of the joint and several liability of Lavebras. These new proceedings are still ongoing and Lavebras does not have an exact schedule for them.

Lavebras still believes that it has strong arguments to contest the Brazilian tax authorities' position. The Group therefore considers that the risk of Lavebras being held jointly and severally liable with ICN for payment of the tax penalty is limited. No provision has been set aside by Atmosfera or Lavebras in relation to these proceedings.

In the event that Lavebras is served notice and, after the Brazilian Federal Police's investigation, held liable for the offenses, it could be subject to various penalties, including (i) a ban on receiving incentives, subsidies, grants, donations or loans from public entities or financial institutions for a period of up to five years, (ii) a fine of up to three times the amounts unjustly collected, (iii) a ban on entering into agreements with public entities for a period of up to 10 years, and (iv) an obligation to fully compensate the government for all damage actually suffered. In addition, Lavebras could also be subject to an administrative fine of between 0.1% and 20% of the gross revenue excluding tax in the financial year preceding the filing of the administrative proceedings. Because of Lavatec's merger with Lavebras in 2014, the Brazilian authorities could argue that the amount of the administrative fine should be calculated based on Lavebras's gross revenue instead of Lavatec's, which Lavebras will contest on the grounds that its total liability (including the amount of the fine and any compensation due for the damage that may have been caused) should be limited to the amount of Lavatec assets transferred to Lavebras in the merger. Since no notification has been received, no provision has been set aside by Atmosfera or Lavebras in relation to these proceedings.

Proceedings related to the conclusion of public contracts in the state of São Paulo

The Group has been informed of various investigations and proceedings initiated by five authorities in the state of São Paulo related to the conclusion of several contracts between public customers (hospitals) and various companies of the same sector as the Group (including but not limited to Atmosfera, Lavebras and other companies of the Group in Brazil).

These investigations and proceedings are the result of an audit conducted by the General Controller of the state of São Paulo (CGA) at various state hospitals during which the CGA noticed a high number of contracts entered into as emergency contracts (outside the regular tender process provided by Brazilian law) and decided to (i) open an investigation of the various hospitals and companies concerned to check whether there were any irregularities with these emergency contracts and (ii) transmit the results of its audit to various Brazilian authorities so that they could initiate investigations at their own discretion.

As a consequence, the Group (as well as some of its competitors) are facing the four investigations or proceedings described below. Other investigations or proceedings by other Brazilian authorities might occur as a result of the transmission of the results of the audit referred to above to those authorities.

The CGA initiated administrative proceedings based on the Brazilian Clean Company Act (law no. 12.846/2013). The Group presented its defense in November 2019, along with a description of its compliance program in Brazil. The other parties have to present their defenses before the CGA can continue the proceedings. In the coming months, the CGA should decide to either close the proceedings, impose sanctions against one or more parties, or postpone the timeline for the proceedings to continue its investigations.

The Public Prosecutor's office of the state of São Paulo has filed a civil inquiry on the basis of the Administrative Improbity Act (law no. 8429/1992) at the end of which it may decide to file a public civil action against any of the Company's subsidiaries. The Group submitted its defense and is awaiting a decision from the public prosecutor's office in the coming months on whether it will launch a public civil action.

The Public Prosecutor's Office of the City of Paulínia (São Paulo state) has filed a civil investigation under the Administrative Improbity Act, after which it may decide to file a public civil action against Lavebras. The Group has submitted its defense and is awaiting a decision from the public prosecutor's office on whether it will file a public civil action.

The Group has been informed that, in connection with the aforementioned CGA administrative proceeding, the São Paulo state police have initiated a criminal inquiry against the corporate officers of the Group's subsidiaries in Brazil. The Group has presented the same arguments as those presented to the CGA; the Police are continuing their investigation.

The public prosecutor finally decided to terminate the civil investigation that the Public Prosecutor's Office of the City of Santos (São Paulo state) intended to open under the Administrative Improbity Act against Atmosfera and Lavebras in relation to the Guilherme Álvaro Hospital on February 27, 2020. In May 2021, the Public prosecutor's highest office confirmed the definitive closure of these proceedings.

In the event that a penalty is imposed on the Group, the following could apply to the companies concerned.

Under the Brazilian Clean Company Act, (i) a fine of between 0.1% and 20% of the revenue of the penalized companies (the fine may be reduced by up to 4% of revenue depending on the quality of the compliance program set up to fight against antitrust practices and corruption) and/or (ii) the publication of the decision.

In connection with the Administrative Improbity Act, (i) a fine, (ii) a ban on participating in public tenders and entering into public contracts for up to ten years and (iii) a ban on receiving grants and tax benefits.

These various investigations and proceedings are still in the early stages, such that no provision has been recognized in the financial statements as at December 31, 2021. The Company considers that it has strong arguments in connection with these various investigations and proceedings, which also concern other players in the sector.

Proceedings related to the Lavebras plant in Teresina

The Group was informed of a public civil action filed in October 2019 by the Public Prosecutor's Office of Teresina before the State Court of Piauí regarding the laundry operated by Lavebras in Teresina. In relation to this public civil action in which the public prosecutor's office asked the presiding judge to impose various penalties on Lavebras, namely the payment of a fine reflecting damages suffered (without specifying the amount of this fine) and a ban on participating in public tenders and entering into public contracts, Lavebras and the public prosecutor's office have reached an agreement to end this case under conditions acceptable to Lavebras. Whilst this transactional agreement still needs to be validated by the presiding judge, the Company believes that the case is likely to be closed in the near future.

This public civil action followed the difficulties faced by Lavebras in its discussions with the Environment Secretariat (SEMAM) about renewing its operating permits and licenses for the Teresina plant. Due to these problems, Lavebras launched appeals to obtain a legal authorization to operate its plant, which Lavebras voluntarily closed in 2020. The legal decision which authorized Lavebras to operate its Teresina plant in 2019 and 2020 was appealed by the relevant authorities and is now being examined by the Appeal Court. If the Appeal Court overturns the first-instance decision, Lavebras could be considered to have operated its Teresina plant without the necessary operating permits or licenses, which could strengthen the public prosecutor's arguments in the legal proceedings described hereafter.

The Company believes that it has a strong case to obtain a favorable decision in these legal proceedings. As at December 31, 2021, the Company has set aside no provisions in relation to these proceedings.

In addition to the above, in October 2019 the prosecutor's office accused Lavebras of having caused water pollution by illegally discharging wastewater in a federal river close to the Lavebras Teresina plant and initiated legal proceedings against Lavebras for having operated its plant without the necessary permits and licenses and polluted the adjacent river. Lavebras lodged an appeal to close these proceedings as quickly as possible, and in January 2022 obtained a favorable decision that rejected the request for proceedings initiated by the prosecutor's office. This decision is likely to be appealed by the prosecutor. If there were to be an appeal from the prosecutor's office that resulted in a conviction, Lavebras could be subject to various penalties, including a fine of up to R$1.8 million (around €0.3 million) and a ban on entering into public contracts with the state of Piauí for a period of between one and five years.

Lavebras's main defense is the fact that the Teresina plant has always operated in compliance with the permits and authorizations it holds, including for the treatment and discharge of wastewater.

The Company believes that it has a good case to obtain a favorable decision. No provision has been recorded in the financial statements in connection with these proceedings as at December 31, 2021.

As the alleged pollution indicated above concerns a federal river, the federal police also opened an investigation in March 2020. Due to the health crisis that hit Brazil in recent months, this investigation is still in its initial stages. As a result, no provisions have been recognized in the financial statements as at December 31, 2021; the Company is unable to estimate a contingent liability at this stage.

Administrative disputes with public customers

The Group is involved in administrative disputes with some of its public customers in Brazil due to alleged difficulties in the execution of certain contracts or to a supposedly insufficient quality of service. As a result, these public customers intend to take sanctions against some of the Group's entities in Brazil. Depending on the circumstances, these sanctions could entail (i) if applicable, the repayment of certain payments received under these contracts, (ii) the application of fines, and/or (iii) a ban on participating in public calls for tender or entering into public contracts for a period of up to five years.

A ban on participating in public calls for tender or entering into public contracts generally applies only to the company that has been sanctioned and is, in principle, limited to the same administrative level (i.e federal, regional or municipal) as that of the public customer that has pronounced the sanctions. Moreover, such a ban would not affect the ongoing contracts with public customers (with the exception of (i) the renewal of these contracts, which the public customers may consider on a case-by-case basis to be unsuitable, and (ii) contracts for which such a ban would be a valid reason for termination). Nevertheless, the Group cannot rule out such a ban being extended, on the one hand, to other states or municipalities in Brazil and, on the other hand, to other administrative levels (federal, regional or municipal) in the territory in question, it being understood, however, that such an extension could take place only on a case-by-case basis and following a specific request from an interested party.

In the various disputes above, the Group has submitted or is preparing to submit its defense to respond to the arguments put forward by its public customers and awaits the forthcoming administrative rulings. Once a definitive administrative ruling has been made, the Group has the option to contest it through the courts, including with a view to obtaining an annulment by invoking a violation of the constitutional principle of proportionality of sanctions pronounced by public entities. Alongside this challenge, the Group could, if required, seek an emergency ruling suspending a ban on taking part in public calls for tender and entering into public contracts while awaiting a decision on the substance.

Amongst the above disputes, following the late payment of a contractual penalty, in November 2021 Lavebras received a six-month ban from participating in public calls for tender in the state of São Paulo (at regional level). Given the disproportionate nature of this penalty, Lavebras decided to contest the ruling in the courts, and while awaiting the decision on the substance, obtained an order suspending this ban on participating in public calls for tender.

In relation to these disputes, at December 31, 2021 the Company had recognized provisions around R$3 million (approximately €0.5 million).

In France

Inquiry by DIRECCTE

The Group was informed of an ongoing investigation by French competition authorities following a complaint relating to some of the Group's pricing practices that was filed in 2014 by a bed and breakfast, a customer of the Group, with the Pays de la Loire regional department for companies, competition, consumption, labor and employment (known by the French acronym DIRECCTE). The Group cannot rule out the investigation being extended to practices other than pricing practices.

No provision is being recognized since at this stage, it is difficult to assess whether this risk will materialize and what the consequences, especially financial, might be for the Group.

Tax audits

The Group is subject to tax audits in various countries. When the Group considers, with its advisors, that it has a sufficiently strong case, no provision is recorded.

NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

8.1 Financial risk management

Credit and counterparty risk

The main financial assets that could expose the Group to credit or counterparty risk are as follows:

- Trade receivables, the amount and aging of which are closely monitored as an integral part of the monthly reporting system:
  - in France, the Group insures its customer risk with a well-known insurance company. Trade receivables are managed in a decentralized manner by the operational centers and by the Key Accounts Department, which handle the first stage of receivables collection. A second stage of receivables collection and dispute management is handled by the Finance and Legal Departments, depending on the type of receivable.
  - in other countries where the Group operates, the Group may use an insurance company to insure its customer risk. This is the case in the United Kingdom. Receivables collection and disputes may be handled by the operational centers and/or by the central finance departments at the country level.

As at December 31, 2021, the exposure to credit risk on trade receivables by operating segment is as follows:

(In millions of euros)	12/31/2021	12/31/2020
France	211.6	179.1
UK & Ireland	54.2	43.3
Central Europe	104.7	88.8
Scandinavia & Eastern Europe	89.4	76.0
Southern Europe	66.5	49.1
Latin America	47.6	45.7
Other operating segments	6.9	11.9
TRADE RECEIVABLES AND CONTRACT ASSETS	**580.9**	**493.9**

Because of the large number of Group customers, there is no material concentration of credit risk (meaning no one counterparty or group of counterparties accounts for a material proportion of trade receivables). The maximum exposure to credit risk is limited to the carrying amount of trade receivables on the consolidated balance sheet.

Exposure to credit risk related to trade receivables and contract assets is presented in the form of an impairment matrix as shown below:

	12/31/2021			
(In millions of euros)	Gross value	Impairment loss	Expected credit loss rate	Net value
Not yet due or less than 1 month overdue	500.2	(1.2)	(0.2%)	499.0
Between 1 and 4 months overdue	75.4	(3.6)	(4.7%)	71.9
Between 5 and 12 months overdue	13.2	(7.2)	(54.0%)	6.1
More than 1 year overdue	49.8	(45.9)	(92.1%)	3.9
TRADE RECEIVABLES AND CONTRACT ASSETS	**638.7**	**(57.8)**		**580.9**

	12/31/2020			
(In millions of euros)	Gross value	Impairment loss	Expected credit loss rate	Net value
Not yet due or less than 1 month overdue	421.6	(1.1)	(0.3%)	420.4
Between 1 and 4 months overdue	65.1	(3.8)	(5.8%)	61.3
Between 5 and 12 months overdue	20.1	(12.3)	(61.4%)	7.7
More than 1 year overdue	54.4	(49.9)	(91.7%)	4.5
TRADE RECEIVABLES AND CONTRACT ASSETS	**561.1**	**(67.1)**		**493.9**

- cash assets: due to historically low and significantly negative interest rates, the Group's policy is to minimize its cash position in order to reduce its debt and optimize its financial expenses. With its remaining cash, the Group invests in short-term money market funds or deposits it in bank accounts with the bank counterparties that finance the Group in accordance with the diversification and counterparty quality rules set out in the Group's Cash and Investment Management Policy;
- derivatives: as part of its Interest Rate and Currency Risk Management Policies, the Group enters into hedging contracts with leading financial institutions and the Group's financing banks.

Bank counterparty risk is managed by the Financing and Treasury Department in accordance with both the Treasury and Investment Management Policies and the Interest Rate and Foreign Exchange Risk Management Policies. It is related to outstanding deposits, the market values of derivative instruments, and credit lines opened with each bank. In line with its financial policy, in most cases, the Group only enters into commitments on financial instruments with counterparties that have a minimum long-term rating of A- from S&P Global Ratings or A3 from Moody's. The list of bank counterparties involved in investments and the list of financial instruments are regularly reviewed and approved by the Group's Finance Department.

In the Group's view, these investments and derivatives do not expose it to any material counterparty risk.

Liquidity risk

The Group must always have financial resources available, not just to finance the day-to-day running of its business, but also to maintain its investment capacity. The Group's has several sources of financing: its free cash flow and cash flow from operating activities; financing on short- and medium-term capital markets; and bank financing. In order to deal with the consequences of the Covid-19 pandemic, in 2021, the Group decided to carefully manage its inflows, a fundamental pillar of its cash position, and to consolidate its liquidity profile, in particular by setting up a new five-year revolving credit facility of €900 million and a new bond issue of €200 million maturing in 2028.

The use of these various sources of financing is part of an overall financing policy implemented by the Finance Department. This financing policy is regularly reviewed to support the Group's development as much as possible and take the financial market conditions into account, whilst upholding a credit profile compatible with a minimum long-term financial rating of "BB+/Ba2/ BBB Low" from the agencies S&P Global Ratings, Moody's and DBRS. As part of implementing its financing strategy, the Group's objective is also to keep the standard level of financial leverage as defined in the new bank financing agreement (net financial debt/ EBITDA) between 2.5 and 3 times EBITDA.

Amidst the background of the coronavirus crisis, the level of the financial covenant applicable at June 30, 2021 under the bank financing and private placement (USPP) agreements was increased by waiver to 4.50x. Following the setting up of the new revolving credit facility on November 9, 2021 and the signature of the amendment to the USPP-type financing documentation on February 7, 2022, the level of the financial covenant applicable as at December 31, 2021 was set at 4.00x and the definitions were adapted, in particular to remove reference to the old IAS 17. The standard covenant level of 3.75x will be reapplied from June 30, 2022.

Financing policy

The Group's financing policy is based on the following principles:

- active debt management, which may lead the Group to seek advance financing on the capital and banking markets in order to (i) extend the average maturity of its debt, (ii) stagger repayment dates over time, and (iii) optimize financing costs. As a result, as at December 31, 2021, the weighted average maturity of borrowings and gross financial debt was 3.5 years, with a long-term debt ratio (borrowings and gross financial debt maturing in more than one year/total borrowings and gross financial debt) of 94%;
- the use of bank loans and bonds to diversify its sources of liquidity and creditors: in order to benefit from economies of scale and facilitate access to financing on the capital markets (bonds and commercial paper), the Group centralizes the vast majority of its financing transactions through Elis;
- continuously maintaining a significant buffer of undrawn confirmed credit lines to secure liquidity and meet its short-term debt obligations, especially on its commercial paper program in case of capital market closures. As at December 31, 2021, the Group had an undrawn confirmed credit line totaling €900 million, maturing in November 2026;
- continuous monitoring of available cash: as at December 31, 2021, the Group had available cash and cash equivalents as presented in Note 8.4 "Cash and cash equivalents";
- implementation in all the main countries where it operates and where permitted by local regulations of a daily physical centralization of all cash requirements and surpluses via M.A.J. and Elis SA, the central treasury entities for the consolidation scope formerly under Elis and Berendsen, respectively;
- financing through capital increases, if necessary.

The implementation of this financing policy significantly reduces liquidity risk, which is also mitigated by the regularity of the cash flows generated by the Group.

Financial ratings

Implementing the financing policy and managing liquidity risk require regular monitoring of the Group's financial ratings. Following on from the numerous exchanges in 2020 after the start of the Covid-19 pandemic, the Group continued regular dialog in 2021 with the rating agencies in order to outline its measures to limit the impact of the health crisis on its operating performance and its main ratios, thereby demonstrating the gradual improvement in the Group's credit profile during the year. As a result, after several downgrades to Group's financial ratings in 2020, the rating agencies carried out several upgrades in 2021, reflecting the resilience of the Group's business model. As at December 31, 2021, the Company continues to be rated by S&P Global Ratings, Moody's and DBRS:

- S&P Global Ratings: through a press release of October 27, 2021, the agency S&P Global Ratings raised the Company's rating from "BB" (stable outlook) to "BB+" (stable outlook) in order to reflect the gradual improvement in the Group's business outlook, notably in the Hospitality segment, the resilience of its business model and operating margin, and the expected improvement to its financial ratios, particularly its leverage. This rating also applies to the bond issues carried out by the Company under the EMTN program in April, October 2019 and September 2021;
- Moody's: through a press release of April 23, 2021, the agency Moody's raised the Company's outlook from negative to stable whilst confirming the rating of "Ba2" to reflect the gradual recovery in the Hospitality segment and the resilience of the Group's operational performance after an exceptional year in 2020 due to the Covid-19 crisis. This same rating applies to the bond issues carried out by the Company under the EMTN program in February 2018 and the €550 million bond issue maturing in April 2028;
- DBRS: through a press release issued on March 18, 2021, the agency DBRS confirmed the "BBB low" investment grade rating assigned to the Company since April 2019, again demonstrating the Group's ability to withstand the effects of the Covid-19 pandemic and the expected improvement of its business outlook and its financial fundamentals. Since October 26, 2021, this same rating has applied to all of the current bond issues carried out by the Company under the EMTN program.

Net debt and future cash flows

The Group's net debt balance is detailed in Note 8.5 "Net debt."

Loan agreements relating to this debt include the legal and financial commitments usually involved in such transactions and specify accelerated maturities if those commitments are not met. The financial commitments notably include the Group's obligation to meet a financial covenant: net financial debt (as defined in the contract and described in Note 8.5 "Net Financial Debt") / pro forma EBITDA (as defined in the contract and described in Note 3.2 "Earnings") of the acquisitions finalized during the last 12 months after synergies. Based on these consolidated financial statements, the Group met this ratio:

- Leverage Ratio = 2.96x (must be less than 4.00x).

The repayment dates for consolidated debt and related interest as at December 31, 2021 are presented below.

The future contractual cash flows are shown based on the liabilities in the balance sheet at the reporting date and do not take into account any possible subsequent management decision that could significantly alter the Group's debt structure or hedging policy. The figures for interest payable reflect the cumulative interest payable until the due date or planned repayment date of the related loan. They were estimated, where applicable, on the basis of forward rates calculated from the yield curves as at the reporting date.

	Carrying value	Cash flow 2022		Cash flow 2023		Cash flow 2024-2025-2026		Cash flow 2027 and beyond		Estimate of future cash flows as at 12/31/2021	
(In millions of euros)	Amortized cost	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest
USPP	337.0	-	9.1	-	9.1	-	27.2	335.3	16.9	335.3	62.2
EMTN (Euro Medium Term Notes)	2,383.0	-	41.2	450.0	33.8	1,350.0	56.9	550.0	11.2	2,350.0	143.1
Convertible bonds	383.0	-	9.5	400.0	7.4	-	-	-	-	400.0	17.0
Medium-term negotiable notes (NEU MTN)	10.0	-	-	10.0	0.0	-	-	-	-	10.0	0.0
Commercial paper (NEU CP)	178.5	178.5	-	-	-	-	-	-	-	178.5	-
Revolving/bilateral short term	0.5	-	0.5	-	-	-	-	-	-	-	0.5
Unamortized debt issuance costs	(15.7)	-	-	-	-	-	-	-	-	-	-
Loan from employee profit-sharing fund	17.7	4.9	0.2	3.2	0.3	9.0	1.3	-	-	17.1	1.8
Other	11.5	5.1	1.9	1.9	0.1	1.7	0.2	1.0	0.1	9.7	2.3
Overdrafts	0.1	0.1	0.0	-	-	-	-	-	-	0.1	0.0
TOTAL BORROWINGS AND FINANCIAL DEBT	**3,305.6**	**188.6**	**62.5**	**865.1**	**50.7**	**1,360.8**	**85.5**	**886.3**	**28.2**	**3,300.7**	**227.0**

Market risks

The Elis Group is exposed to market risk, particularly concerning the cost of its debt and as a result of foreign currency transactions. The Finance Department manages the main financial risks centrally, mainly foreign exchange and interest rate risks, in accordance with specific management policies and detailed operating procedures. These policies, which focus on the unpredictability of financial markets, seek to minimize the potentially adverse effects on its financial performance. To hedge certain risk exposures, interest rate and currency hedging strategies are developed and implemented according to market opportunities through derivatives, while respecting the principles of prudence and risk limitation provided for in the corresponding management policies.

Interest rate risk

Interest rate risk mainly includes the risk of fluctuations in future cash flows relating to variable-rate debt, historically based in part on the EURIBOR. The Group's rate risk management policy is to maintain the vast majority of its total debt at fixed rates over a medium- to long-term horizon. As a result, just like a year earlier, the Group's outstanding variable-rate debt (before taking hedging instruments into account) was negligible at December 31, 2021.

The Group does not have any material interest-bearing assets.

Currency risk

Transactional currency risk

The Group is exposed to transactional currency risk mainly related to its purchases of goods from third party suppliers (linen) denominated in US dollars. In 2021, these purchases totaled US$88.7 million, compared with US$76.0 million in 2020, an increase of US$22.7 million reflecting the recovery in linen purchases in 2021 versus the contraction in business caused by the health crisis in 2020. The Group is working to reduce the impact of exchange rate fluctuations on its income by using currency hedging for these supply purchases. As at December 31, 2021, the Group had made 2022 forward purchases of US$99.4 million (compared with US$73.0 million a year earlier).

The Group is also exposed to the commercial flows in foreign currencies of its operating entities (including purchases of goods denominated in a currency other than the operating entities' functional currency) and to intra-group financial flows (management fees, brand royalties, dividends). In this context, the Group may occasionally or on a recurring basis enter into currency forward contracts to hedge these risks.

Transactional currency risk is managed centrally by the Finance Department as part of a dedicated management policy and a centralized currency risk management agreement. Foreign currency flows of operating entities are hedged as part of the annual budget process for subsidiaries with recurring foreign currency flows. At the end of the year, when drawing up their budgets, the subsidiaries communicate their exposure to currency risk for the following year to the Finance Department, which centralizes the execution of external foreign exchange derivative transactions at Elis. Elis thus acts as the internal counterparty for negotiating hedging transactions for subsidiaries with transactional currency risk exposure.

Financial currency risk

The financing needs of foreign subsidiaries outside the euro area covered by intra-group loans and the centralization of cash surpluses expose some Group entities to financial currency risk (risk related to changes in the value of borrowings or financial receivables denominated in currencies other than the borrowing or lending entity's functional currency). This currency risk is mainly hedged through currency swaps as part of a hedging policy implemented by the Finance Department. As at December 31, 2021, currency swaps against the euro mainly covered the Swedish krona (SEK), Norwegian krone (NOK), Danish krone (DKK), Czech koruna (CZK), pound sterling (GBP), Swiss franc (CHF), ruble (RUB) and Polish zloty (PLN).

USPP financing denominated in US dollars

As at December 31, 2021, the Group was only party to one cross-currency swap contract for a notional amount of US$40 million backed by USPP financing.

The Group's exposure to currency risk

The Group operates a significant share of its activities in countries within the euro area. For the financial year ended December 31, 2021, countries outside the euro area accounted for 38.3% of the Group's consolidated revenue, including 10.4% from the United Kingdom, 6.7% from Sweden, 6.3% from Brazil, 6.1% from Denmark, 2.7% from Switzerland, 2.1% from Norway and 1.7% from Poland.

When the Group prepares its consolidated financial statements, it must translate the financial statements of its non-euro area subsidiaries into euros at the applicable exchange rates. As a result, the Group is exposed to fluctuations in exchange rates, which have a direct accounting impact on the Group's consolidated financial statements. This creates a risk relating to the translation into euros of non-euro area subsidiaries' balance sheets and income statements.

The Group's external financing is generally denominated in euros.

With this in mind, the table below presents the risk of foreign currency translation losses, in terms of equity and income, on the Group's main currencies.

(In millions of euros)	Change in equity resulting from a 10% fall in exchange rate	Change in net income resulting from a 10% fall in exchange rate
SEK (Sweden)	(73.6)	(1.7)
GBP (United Kingdom)	(68.9)	0.2
DKK (Denmark)	(62.7)	(1.1)
BRL (Brazil)	(40.2)	(1.5)
NOK (Norway)	(16.0)	(0.5)
PLN (Poland)	(15.9)	(0.9)
CHF (Switzerland)	(14.4)	0.1

Equity risk

As at December 31, 2021, the Group's exposure to equity risk mainly concerned the 117,289 Elis shares held as part of the liquidity agreement.

These shares were valued at €1.8 million based on the December 31, 2021 closing price (€15.22). Accordingly, the Group did not consider it necessary to introduce an equity risk management policy.

Commodities risk

While the Group does not purchase raw materials directly, it is indirectly exposed to raw material volatility through its purchases of linens and workwear, the manufacturing price of which is partially linked to the price of cotton or polyester, and through its consumption of petroleum products (mainly gas and fuel).

8.2 Net financial income (loss)

(In millions of euros)	**12/31/2021**	12/31/2020
Interest expense on borrowings and loans from employee profit-sharing fund measured at amortized cost	(82.9)	(76.7)
Interest expense on lease liabilities	(10.4)	(9.5)
TOTAL INTEREST EXPENSE	**(93.3)**	**(86.1)**
Gains (losses) on interest rate derivatives measured at fair value through profit or loss	-	-
Interest income using the effective interest rate method	0.9	1.0
Foreign currency translation gains (losses) related to financing operations	1.6	(3.0)
Gains (losses) on foreign exchange derivatives measured at fair value through profit or loss	0.9	(0.1)
Interest expense on provisions and retirement benefits	(0.6)	(0.5)
Other	(0.1)	0.3
NET FINANCIAL INCOME (EXPENSE)	**(90.5)**	**(88.4)**

The year-on-year increase in the overall interest expense and the net financial income (expense) in the 2021 financial year arose mainly from:

› the cost of the partial redemption carried out by the Company in September 2021 (€200 million) concerning the bonds issued in February 2018 for a total amount of €650 million, maturing in 2023 and offering a fixed annual coupon of 1.875%;

› the accelerated amortization of the residual stock of loan issue expenses relating to (i) the €200 million portion of the bond issues that was subject to the partial redemption and (ii) two syndicated revolving credit facility contracts signed in January 2017 and November 2017, which were subject to early cancellation upon the signature on November 9, 2021 of the Group's new €900 million revolving credit agreement.

8.3 Gross debt

Accounting policies

Borrowings are initially recognized at fair value, net of related transaction costs. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the repayment value is recognized in income over their term using the effective interest rate method.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer payment of the liability by at least 12 months after the reporting date, in which case they are classified as non-current liabilities.

The Group derecognizes a financial liability once the liability is extinguished. If a liability is exchanged with a creditor under materially different terms and conditions, a new liability is recognized.

The Elis Group has several sources of financing: short- and medium-term financing from capital markets, bank financing, and private placements.

As at December 31, 2021, consolidated debt mainly comprised the following:

Capital markets

Commercial paper (NEU CP)

On the short-term capital market, Elis has an unrated commercial paper program (NEU CP), approved by Banque de France, for a maximum amount of €600 million. In addition to other financing, this program provides the Group with access to disintermediated short-term resources at favorable market conditions. As at December 31, 2021, outstandings under this program totaled €178.5 million, versus €317.5 million as at December 31, 2020. The decrease of €139 million is due to the positive cash flow generated by the Group in 2021.

Medium-term negotiable notes (NEU MTN)

In addition to its commercial paper program, since June 2021 Elis has also had a program of unrated medium-term negotiable notes (NEU MTN), approved by the Banque de France, for a maximum amount of €200 million. This program enables the Group to raise medium-term financing resources at favorable market conditions with maturities between the commercial papers and the bonds issued as part of the EMTN program (between 18 months and 3 years). As at December 31, 2021, outstandings under this program totaled €10 million.

Convertible bonds (OCÉANEs)

On October 6, 2017, Elis issued bonds convertible into and/or exchangeable for new or existing Elis shares (obligations à option de conversion et/ou d'échange en actions nouvelles or existantes, or "OCÉANEs") with a maturity date of October 6, 2023. The nominal amount of the issue totals €400 million and is represented by 12,558,869 bonds with a par value of €31.85. The bonds are non-interest bearing (zero coupon). The funds raised from this issue were used to repay the bridge loan set up in connection with the Berendsen acquisition and extend the maturity of the Group's debt.

OCÉANE bonds qualify as a compound financial instrument and, as such, falls within the scope of IAS 32, which requires that the equity component (the call option held by the bondholder to convert the bond into shares) and the debt component (the contractual commitment to deliver cash) be recognized separately in the balance sheet. The fair value of the debt component is equivalent to €345.1 million at inception and €54.9 million for the options component (before deferred tax).

EMTN (Euro Medium Term Notes)

On the long-term capital markets, Elis has a €4 billion EMTN program, renewed and approved by the AMF on May 6, 2021, under which it has carried out several bond issues, of which the following are still circulating:

- on February 15, 2018, a dual-tranche bond issue comprising a €650 million tranche with a maturity of 5 years (February 2023) and a coupon of 1.875%, and a €350 million tranche with a maturity of 8 years (February 2026) and a coupon of 2.875%. Totaling €1 billion, these funds were used to refinance the bridge loan set up as part of the Berendsen acquisition; following the partial redemption carried out in September 2021, the amount of the tranche maturing in February 2023 was reduced from €650 million to €450 million;
- on April 11, 2019, a bond issue in the amount of €500 million with a 5-year maturity and a coupon of 1.75%. The proceeds from this issue have been allocated in full to refinance the high-yield bonds maturing in 2022;
- on October 3, 2019, a dual-tranche bond issue for €850 million comprising (i) a €500 million tranche with a maturity of 5.5 years (maturing April 2025) and an annual coupon of 1%, and (ii) a €350 million tranche with a maturity of 8.5 years (maturing April 2028) and an annual coupon of 1.625%. These bonds were used to fully refinance the tranches drawn from the two syndicated bank credit facilities taken out in 2017;
- on September 23, 2021, a fully fungible €200 million bond issue forming a single line with the existing bonds maturing in April 2028 issued on October 3, 2019 for an initial amount of €350 million with an annual coupon of 1.625%. This brought the amount of the bond line to €550 million. The income from these new bonds was entirely used for the partial redemption of bonds issued in February 2018.

Bank loans and private placement

USPP private placement

In April 2019, the Group also took out a USPP loan with two tranches: one tranche in euros in the amount of €300 million maturing in 10 years with an interest rate of 2.70% and another tranche in US dollars in the amount of US$40 million maturing in 10 years with an interest rate of 4.99%. The tranche in dollars was converted to euros using a 10-year cross-currency swap with a synthetic coupon rate in euros of 2.69%. The proceeds of this issue were mainly used to redeem the €800 million High-Yield Bonds maturing in 2022.

Syndicated revolving credit facility

On November 9, 2021, Elis signed a new €900 million syndicated revolving credit facility with a group of 13 customer-driven retail banks, undrawn as at December 31, 2021. This new credit facility, which matures in five years (November 2026) and has two single-year extension options ("5+1+1" years), replaced the two existing revolving credit lines of €500 million and €400 million respectively taken out in January and November 2017. This refinancing secures and extends the Group's liquidity profile, while also reducing its annual financial expense.

For the first time, this new credit facility includes an ESG component in the form of a margin adjustment mechanism linked to the achievement of annual targets for two of the Group's core sustainable development indicators:

- water consumption, which the Group is committed to reducing by 30% per kg of linen delivered over the period from 2018 to 2030 for its laundries in Europe;
- gender balance, with a commitment to increase the proportion of women in executive or managerial role to 42% by 2030 (34% in 2020).

Change in debt

(In millions of euros)	12/31/2020	Changes in financing cash flows	Changes arising from obtaining or losing control of subsidiaries or other entities	Effect of changes in foreign exchange rates	Changes in bank overdrafts	Other changes	12/31/2021
USPP	**332.6**	**(0.0)**	**-**	**-**	**-**	**2.7**	**335.3**
EMTN (EURO MEDIUM TERM NOTES)	**2,350.0**	**-**	**-**	**-**	**-**	**-**	**2,350.0**
CONVERTIBLE BONDS	**373.7**	**-**	**-**	**-**	**-**	**9.3**	**383.0**
Medium-term negotiable notes (NEU MTN)	-	10.0	-	-	-	-	10.0
Commercial paper (NEU CP)	317.5	(139.0)	-	-	-	-	178.5
Revolving/bilateral short term	-	-	-	-	-	-	-
Other loans	8.3	(5.5)	8.9	(0.1)	0.0	0.0	11.5
Overdrafts	0.0	-	0.0	0.0	0.0	-	0.1
Loan from employee profit-sharing fund	19.2	(1.6)	-	-			17.7
LOANS	**345.1**	**(136.1)**	**8.9**	**(0.1)**	**0.0**	**0.0**	**217.8**
ACCRUED INTEREST	**36.3**			**0.0**	**(0.0)**	**(1.1)**	**35.2**
UNAMORTIZED DEBT ISSUANCE COSTS	**(19.1)**	**(5.6)**	**-**	**-**	**0.0**	**9.0**	**(15.7)**
BORROWINGS AND FINANCIAL DEBT	**3,418.6**	**(141.7)**	**8.9**	**(0.1)**	**0.0**	**19.9**	**3,305.6**
Reconciliation to cash flow statement							
› proceeds from new borrowings		776.1					
› repayments of borrowings		(917.8)					
Change in borrowings		**(141.7)**					

Breakdown of financial debt by currency

(In millions of euros)	12/31/2021	12/31/2020
EUR	3,265.1	3,385.7
USD	35.3	32.6
RUB	5.0	-
CLP	0.1	0.4
BORROWINGS AND FINANCIAL DEBT	**3,305.6**	**3,418.6**

Maturity of financial liabilities

(In millions of euros)	12/31/2021	2022	2023	2024-2026	2027 and beyond
USPP	337.0	1.7	-	-	335.3
EMTN (Euro Medium Term Notes)	2,383.0	33.0	450.0	1,350.0	550.0
Convertible bonds	383.0	-	383.0	-	-
Medium-term negotiable notes (NEU MTN)	10.0	0.0	10.0	-	-
Commercial paper (NEU CP)	178.5	178.5	-	-	-
Revolving/bilateral short term	0.5	0.5	-	-	-
Unamortized debt issuance costs	(15.7)	(4.7)	(3.8)	(6.1)	(1.1)
Loan from employee profit-sharing fund	17.7	5.1	3.3	9.3	-
Other	11.5	6.9	1.9	1.7	1.0
Overdrafts	0.1	0.1	-	-	-
TOTAL BORROWINGS AND FINANCIAL DEBT	**3,305.6**	**221.1**	**844.5**	**1,354.9**	**885.1**

8.4 Cash and cash equivalents

Accounting policies

"Cash and cash equivalents" includes cash, demand deposits, other very short-term investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are recognized in the balance sheet as part of borrowings under current liabilities.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

(in millions of euros)	12/31/2021	12/31/2020
Demand accounts	159.8	136.6
Term deposits and marketable securities	0.1	1.0
CASH AND CASH EQUIVALENTS (ASSETS)	**160.0**	**137.6**
Overdrafts	(0.1)	(0.0)
CASH AND CASH EQUIVALENTS, NET	**159.9**	**137.6**

In Latin America, where there can be exchange control restrictions, cash and cash equivalents totaled €33.6 million as at December 31, 2021, compared with €26.5 million at December 31, 2020.

In addition, cash allocated to the Elis liquidity agreement totaled zero as at December 31, 2021 (€0.2 million as at December 31, 2020).

8.5 Net debt

(In millions of euros)	12/31/2021	12/31/2020
USPP	**335.3**	**332.6**
EMTN (EURO MEDIUM TERM NOTES)	**2,350.0**	**2,350.0**
CONVERTIBLE BONDS	**383.0**	**373.7**
Medium-term negotiable notes (NEU MTN)	10.0	-
Commercial paper (NEU CP)	178.5	317.5
Other loans	11.5	8.3
Overdrafts	0.1	0.0
Loan from employee profit-sharing fund	17.7	19.2
LOANS	**217.8**	**345.1**
ACCRUED INTEREST	**35.2**	**36.3**
UNAMORTIZED DEBT ISSUANCE COSTS	**(15.7)**	**(19.1)**
BORROWINGS AND FINANCIAL DEBT	**3,305.6**	**3,418.6**
Of which maturing in less than one year	221.1	352.0
Of which maturing in more than one year	3,084.5	3,066.6
CASH AND CASH EQUIVALENTS (ASSETS)	**160.0**	**137.6**
NET DEBT	**3,145.6**	**3,281.0**

8.6 Financial assets and liabilities

Accounting policies

Initial recognition of financial assets and liabilities

Financial instruments are initially recognized in the balance sheet at the fair value of consideration paid (for assets) or received (for liabilities). Fair value is determined on the basis of the price agreed upon for the transaction or on the basis of market prices for comparable transactions. In the absence of a market price, fair value is calculated on the basis of the discounted cash flows from the transaction, or by using a model. Discounting is unnecessary if its impact is immaterial. Similarly, short-term receivables and liabilities arising in the normal operating cycle are not discounted.

Incremental costs that are directly attributable to transactions (transaction costs, commissions, professional fees, taxes, etc.) are added to the amount initially recognized in assets or deducted from liabilities.

Fair value and carrying amount of financial assets and liabilities

The key measurement methods used are as follows:

- items recognized at fair value through profit or loss are measured based on market prices for listed instruments (level 1 fair value inputs – quoted price in an active market);
- non-current derivative instruments are measured using a valuation technique (discounted cash flow method) that uses rates quoted in the interbank market (level 2 fair value inputs – valuation based on observable market data);
- borrowings and financial debt are recognized at amortized cost, calculated using the effective interest rate (EIR) method. The fair values shown for fixed-rate debt include the effects of interest rate movements, while those for total debt include changes in Group credit risk;
- given their very short maturities, the fair value of trade payables and receivables is deemed to be the same as their carrying amount.

	12/31/2021		Breakdown by category of financial instrument			
(In millions of euros)	**Carrying amount**	**Fair value**	Mandatory at fair value through profit or loss	Fair value – hedging instruments through OCI	Financial assets at amortized cost	Debt at amortized cost
Other equity investments	0.1	0.1	0.1			
Other non-current assets	64.7	64.7	27.5	1.2	36.0	
Contract assets	38.1	38.1			38.1	
Trade and other receivables	600.7	600.7			600.7	
Other current assets	18.9	18.9	1.3	3.1	14.5	
Cash and cash equivalents	160.0	160.0			160.0	
FINANCIAL ASSETS	**882.4**	**882.4**	**28.8**	**4.4**	**849.2**	**-**
Borrowings and financial debt	3,084.5	3,112.4				3,084.5
Other non-current liabilities	33.1	33.1	19.3	-		13.7
Trade and other payables	262.9	262.9				262.9
Contract liabilities	74.9	74.9				74.9
Other current liabilities	378.7	378.7	6.0	0.0		372.7
Bank overdrafts and current borrowings	221.1	225.7				221.1
FINANCIAL LIABILITIES (EXCLUDING LEASE LIABILITIES)	**4,055.2**	**4,087.7**	**25.3**	**0.0**	**-**	**4,029.8**

(In millions of euros)	12/31/2020 Carrying amount	Fair value	Breakdown by category of financial instrument Mandatory at fair value through profit or loss	Fair value – hedging instruments through OCI	Financial assets at amortized cost	Debt at amortized cost
Other equity investments	0.2	0.2	0.2			
Other non-current assets	64.4	64.4	28.1	-	36.3	
Contract assets	27.6	27.6			27.6	
Trade and other receivables	517.0	517.0			517.0	
Other current assets	18.8	18.8	1.5	(0.0)	17.4	
Cash and cash equivalents	137.6	137.6			137.6	
FINANCIAL ASSETS	**765.7**	**765.7**	**29.7**	**(0.0)**	**736.0**	**-**
Borrowings and financial debt	3,066.6	3,117.2				3,066.6
Other non-current liabilities	20.9	20.9	18.2	1.5		1.2
Trade and other payables	221.3	221.3				221.3
Contract liabilities	62.7	62.7				62.7
Other current liabilities	347.7	347.7	7.9	3.0		336.9
Bank overdrafts and current borrowings	352.0	358.5				352.0
FINANCIAL LIABILITIES (EXCLUDING LEASE LIABILITIES)	**4,071.2**	**4,128.3**	**26.0**	**4.5**	**-**	**4,040.7**

The table below shows the level at which each fair value is ranked in the fair value hierarchy:

(In millions of euros)	12/31/2021 Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Other equity investments	0.1			0.1
Non-current derivatives – assets (cross-currency swaps)	1.2		1.2	
Current derivatives – assets (currency forwards)	4.4		4.4	
Offsetting assets	27.5			27.5
ASSETS MEASURED AT FAIR VALUE	**33.2**	**-**	**5.7**	**27.6**
Non-current derivatives – liabilities (cross-currency swaps)	-		-	
Current derivatives – liabilities (currency forwards)	0.7		0.7	
Debt related to acquisitions	24.7			24.7
LIABILITIES MEASURED AT FAIR VALUE	**25.3**	**-**	**0.7**	**24.7**
USPP	346.4		346.4	
EMTN (Euro Medium Term Notes)	2,385.8	2,385.8		
Convertible bonds – debt component	387.7		387.7	
Medium-term negotiable notes (NEU MTN)	9.9		9.9	
LIABILITIES FOR WHICH FAIR VALUE IS DISCLOSED IN THE NOTES	**3,129.8**	**2,385.8**	**744.1**	**-**

(In millions of euros)	12/31/2020 Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Other equity investments	0.2			0.2
Non-current derivatives – assets (cross-currency swaps)	-		-	
Current derivatives – assets (currency forwards)	1.5		1.5	
Offsetting assets	28.1			28.1
ASSETS MEASURED AT FAIR VALUE	**29.7**	**-**	**1.5**	**28.3**
Non-current derivatives – liabilities (interest rate swaps)	1.5		1.5	
Current derivatives – liabilities (currency forwards)	4.7		4.7	
Debt related to acquisitions	24.3			24.3
LIABILITIES MEASURED AT FAIR VALUE	**30.5**	**-**	**6.2**	**24.3**
USPP	358.3		358.3	
EMTN (Euro Medium Term Notes)	2,388.5	2,388.5		
Convertible bonds – debt component	383.0		383.0	
LIABILITIES FOR WHICH FAIR VALUE IS DISCLOSED IN THE NOTES	**3,129.8**	**2,388.5**	**741.3**	**-**

6

8.7 Other non-current assets and liabilities

Accounting policies

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets, apart from those maturing more than 12 months after the reporting date, which are classified as non-current assets.

Offsetting assets correspond to vendor warranties and are evaluated on the same basis as indemnified liabilities, subject to value corrections for unrecoverable amounts.

If the indemnification is related to a liability recognized at its fair value at acquisition, the offsetting asset is also recorded at fair value.

Repurchase commitments to non-controlling interests are recognized as liabilities. Subsequent changes in the value of the put option strike price are recorded in the income statement under "Other operating income and expense" in accordance with the provisions of IFRS 9.

(In millions of euros)	Notes	12/31/2021	12/31/2020
Non-current derivatives – assets	8.8	1.2	-
Long-term loans and receivables		4.1	5.1
Offsetting assets and other non-current assets		27.5	28.1
Marginal costs of obtaining contracts		31.9	31.3
OTHER NON-CURRENT ASSETS		**64.7**	**64.4**
Non-current derivatives – liabilities	8.8	-	1.5
Deferred consideration payable on acquisitions		19.3	18.2
Liability for repurchase commitments to non-controlling interests		-	-
Other non-current liabilities		13.7	1.2
OTHER NON-CURRENT LIABILITIES		**33.1**	**20.9**

6

8.8 Derivative financial instruments and hedges

Accounting policies

Whether used for hedging purposes or not, derivative financial instruments are initially measured at fair value at inception and are subsequently remeasured at their fair value.

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as:

- hedges of a particular risk associated with a recognized liability or a highly probable forecast transaction (cash flow hedge);
- hedges of the fair value of recognized assets or liabilities (fair value hedge);
- derivative instruments that do not meet hedge accounting criteria.

The impact of changes in fair value of derivative instruments in a fair value hedging relationship and of derivative instruments not eligible for hedge accounting during the year is recorded in the income statement. However, the effective portion of changes in the fair value of derivative instruments in a cash flow hedging relationship is recognized directly in equity, with the ineffective portion being recognized in the income statement.

At the inception of the transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and hedging policy. At the inception of the hedge and on an ongoing basis, the Group also documents the effectiveness of the derivatives used in offsetting changes in fair value or cash flows of hedged items.

The fair value of a derivative hedging instrument is classified as a non-current asset or liability when the residual term of the hedged item is greater than 12 months, and as a current asset or liability when the residual term of the hedged item is less than 12 months. Derivative instruments held for trading are classified as current assets or liabilities.

Derivatives used in cash flow hedges

The effective portion of changes in the fair value of qualifying derivatives that meet the cash flow hedge criteria and are designated as such is recognized directly in equity. The gain or loss related to the ineffective portion is immediately recognized in net income. The cumulative gain or loss reported in equity is reclassified to the income statement when the hedged item affects profit or loss. From adoption of IFRS 9 onwards, the Group may recognize the forward component of the hedging instrument in "Other comprehensive income" and accumulate them in a separate component of the reserves until their reclassification in income or loss or in the initial cost of the non-financial asset acquired.

When a transaction results in the recognition of a non-financial asset (for example, a non-current asset or inventory), the hedging gain or loss, deferred as equity, is transferred to the initial carrying amount of the hedged item (method known as basis adjustment).

When a hedging instrument expires or is sold, or when a hedge no longer meets hedge accounting criteria, any cumulative gain or loss in equity at that time remains in equity, and is reclassified to the income statement when the forecast transaction is recognized in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognized in equity is immediately reclassified to the income statement.

Derivatives that do not qualify for hedge accounting

Changes in fair value during the financial year are recognized immediately in the income statement.

Cash flow hedges

The Group holds the following derivative instruments to hedge its interest rate and currency risks (the nominal amounts are presented after translation into euros at the hedging rate):

	Maturity			
As at December 31, 2021	1-6 months	6-12 months	More than one year	**Total**
CURRENCY RISK				
Forward currency purchases (highly probable forecast purchases)				
Nominal *(in millions of euros)*	25.2	21.2		46.4
Average EUR/USD forward rate	1.19	1.18		-
Forward currency purchases (highly probable forecast purchases)				
Nominal *(in millions of euros)*	13.3	14.9		28.2
Average GBP/USD forward rate	1.39	1.37		-
Forward currency purchases (highly probable forecast purchases)				
Nominal *(in millions of euros)*	6.3	3.0		9.3
Average USD/SEK forward rate	8.61	8.61		-
Cross-currency swap – USPP				
Nominal *(in millions of euros)*			35.7	35.7
Fixed rate			2.69%	-

As at December 31, 2020	Maturity 1-6 months	6-12 months	More than one year	
CURRENCY RISK				
Forward currency purchases (highly probable forecast purchases)				
Nominal *(in millions of euros)*	20.6	13.4		34.0
Average EUR/USD forward rate	1.17	1.19		-
Forward currency purchases (highly probable forecast purchases)				
Nominal *(in millions of euros)*	10.7	10.1		20.8
Average GBP/USD forward rate	1.29	1.32		-
Forward currency purchases (highly probable forecast purchases)				
Nominal *(in millions of euros)*	3.4	3.5		7.0
Average USD/SEK forward rate	8.74	8.82		-
Cross-currency swap – USPP				
Nominal *(in millions of euros)*			35.7	35.7
Fixed rate			2.69%	-
INTEREST RATE RISK				
Interest rate swap – Chile				
Nominal *(in millions of euros)*	0.1			0.1
Fixed rate	6.72%			-

The amounts relating to the hedged items are as follows:

As at December 31, 2021	Change in the value of the hedged item used to recognize the ineffective portion of the hedge	Cash flow hedge reserve before tax	Cash flow hedge reserve (hedge accounting no longer applied)
Currency risk			
Highly probable forecast purchases	(6.1)	3.0	-
Interest rate risk			
Variable-rate instruments	-	(0.0)	-

As at December 31, 2020	Change in the value of the hedged item used to recognize the ineffective portion of the hedge	Cash flow hedge reserve before tax	Cash flow hedge reserve (hedge accounting no longer applied)
Currency risk			
Highly probable forecast purchases	1.1	(3.1)	-
Interest rate risk			
Variable-rate instruments	-	(0.0)	-

The table below details the impact of derivatives on the Elis Group's consolidated financial statements:

	As at 12/31/2021				12/31/2021				
		Carrying value							
(In millions of euros)	Nominal	Assets	Liabilities	Line item in the statement of financial position which includes the hedging instrument	Change in the fair value of the hedging instrument recognized in equity	Hedging costs recognized in equity	Amount reclassified from the hedging reserve to the income statement	Hedging costs are reclassified to the income statement	Income statement item
Currency risk									
Forward currency purchases	83.8	3.1	0.0	"Other current assets and liabilities," see Note 4.8	6.1	(0.0)	-	-	"Net financial income" Foreign currency translation gains (losses)
Cross-currency swap – USPP	35.7	1.2	-	"Other non-current assets and liabilities," see Note 8.7	-	0.0	-	2.7	"Net financial income" Foreign currency translation gains (losses)

	As at 12/31/2020				12/31/2020				
		Carrying value							
(In millions of euros)	Nominal	Assets	Liabilities	Line item in the statement of financial position which includes the hedging instrument	Change in the fair value of the hedging instrument recognized in equity	Hedging costs recognized in equity	Amount reclassified from the hedging reserve to the income statement	Hedging costs are reclassified to the income statement	Income statement item
Currency risk									
Forward currency purchases	61.8	(0.0)	3.0	"Other current assets and liabilities," see Note 4.8	(1.1)	(0.3)	0.4	(0.1)	"Net financial income" Foreign currency translation gains (losses)
Cross-currency swap – USPP	35.7	-	1.5	"Other non-current assets and liabilities," see Note 8.7	-	1.2	-	(3.0)	"Net financial income" Foreign currency translation gains (losses)
Interest rate risk									
Interest rate swaps	0.1	-	0.0	"Other non-current assets and liabilities," see Note 8.7	-	-	-	-	

The reconciliation of each component of equity impacted by hedge accounting is as follow:

(In millions of euros)	Cost of hedging reserve	Cash flow hedge reserve
Cash flow hedges		
BALANCE AS AT JANUARY 1, 2020	**0.6**	**(1.6)**
Change in fair value resulting from foreign exchange rate risk hedging	0.9	(1.1)
Change in fair value resulting from interest rate risk hedging		-
Amounts reclassified to the income statement	(0.1)	0.4
Tax effect	(0.2)	0.2
BALANCE AS AT DECEMBER 31, 2020	**1.2**	**(2.1)**
Change in fair value resulting from foreign exchange rate risk hedging	0.0	6.1
Change in fair value resulting from interest rate risk hedging	-	-
Amounts reclassified to the income statement	-	-
Tax effect	0.1	(1.7)
BALANCE AS AT DECEMBER 31, 2021	**1.3**	**2.2**

8.9 Off-balance sheet commitments relating to Group financing and other commitments

(In millions of euros)	12/31/2021	12/31/2020
Commitments given		
Assignment and pledge of receivables as collateral		
Pledges, mortgages and sureties	5.1	5.6
Pledges, endorsements and guarantees given		
Commitments received		
Pledges, mortgages and sureties		
Pledges, endorsements and guarantees received	15.1	17.8

NOTE 9 INCOME TAX EXPENSE

Accounting policies

Current income tax

Income tax assets or liabilities due for the current financial year or for previous years are measured at the amount expected to be received from or paid to the tax authorities. The tax rates and rules applied to calculate these amounts are the tax rates and rules enacted or substantively enacted at the reporting date. Current tax on items recognized outside of profit or loss is recognized outside of profit or loss.

Deferred tax

Deferred taxes are recognized using the variable balance sheet liability method for all temporary differences between the tax base of assets and liabilities and their carrying amount in the balance sheet at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences except:

- when the deferred tax liability is the result of the initial recognition of goodwill or initial recognition of an asset or liability in a transaction other than a business combination and which, at the time of occurrence, neither affects the accounting profit nor the taxable profit or loss; and
- for taxable temporary differences related to investments in subsidiaries or associates, when the date on which the temporary difference will be reversed can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, tax loss carryforwards and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, tax loss carryforwards and unused tax credits can be offset:

- except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination and, at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and sufficient taxable profit will be available to allow the temporary differences to be offset.

The carrying amount of deferred tax assets is reviewed at each reporting period-end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be offset. Unrecognized deferred tax assets are measured at each reporting period-end and are recognized to the extent that it is probable that a future taxable profit will be available against which they can be offset.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the year in which the asset is realized or the liability settled, based on the tax rates (and tax rules) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax on items recognized outside of profit or loss is recognized outside of profit or loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and the deferred taxes relate to the same taxable entity and the same tax authority.

(In millions of euros)	**12/31/2021**	12/31/2020
Consolidated net income (loss)	114.6	2.7
Current taxes	81.4	65.6
Deferred taxes	(24.8)	(38.6)
Income (loss) before tax	171.1	29.7
Theoretical tax rate	28.41%	32.02%
THEORETICAL TAX EXPENSE	**48.6**	**9.5**
ACTUAL TAX EXPENSE	**56.6**	**27.0**
Effect of tax not based on net income [(a)]	5.7	9.4
DIFFERENCE	**(2.3)**	**(8.1)**
Breakdown of difference		
Tax rate differences and transactions taxed at reduced rates	12.2	0.9
Permanent differences (including non-deductible IFRS 2 expenses)	(12.2)	(7.7)
Unrecognized tax loss carryforwards/Utilization of previously unrecognized tax losses	(6.0)	(3.5)
Goodwill impairment	0.0	0.2
Other differences (deductible CVAE, etc.)	3.7	2.1

(a) CVAE in France, IRAP in Italy.

The following table shows the sources of deferred tax assets and liabilities:

(In millions of euros)	12/31/2020 net	Increase related to business combinations	Income (loss)	Recognized directly in other comprehensive income	Translation differences & other	12/31/2021 net
Goodwill (tax-deductible amort.)	(6.1)	-	0.6	-	1.7	(3.7)
Intangible assets	(150.5)	(3.5)	17.2	-	0.5	(136.4)
Property, plant and equipment	(142.3)	(0.3)	4.7	-	(0.6)	(138.4)
Other assets	(12.2)	(0.1)	(1.7)	-	0.2	(13.8)
Derivative instruments – assets	(0.4)	-	(0.6)	(0.4)	-	(1.5)
Right-of-use assets / Lease liabilities	1.2	-	0.1	-	0.0	1.3
Provisions	21.3	0.1	(2.7)	-	0.2	18.9
Net employee benefit liabilities	12.6	-	0.6	(6.5)	(0.4)	6.3
Borrowings and financial debt	(12.8)	-	4.3	-	0.0	(8.4)
Derivative instruments – liabilities	1.8	-	(0.4)	(1.2)	(0.0)	0.2
Other current liabilities	(13.4)	0.2	3.6	-	0.2	(9.5)
Other	(7.6)	-	3.7	(0.1)	(0.0)	(4.0)
Recognized tax losses	42.7	0.3	(4.6)	-	(0.7)	37.7
NET DEFERRED TAX ASSETS (LIABILITIES)	**(265.7)**	**(3.3)**	**24.8**	**(8.3)**	**1.1**	**(251.4)**
Deferred tax assets	**36.6**					**31.5**
Deferred tax liabilities	**(302.3)**					**(282.9)**

- deferred tax assets are recognized for tax loss carryforwards when it is probable that they can be offset against future taxable profit;
- as at December 31, 2021, the Group had tax losses of €104.6 million (base) for which no deferred tax assets had been recognized (€61.2 million at December 31, 2020). The majority of these tax losses, which are almost all related to foreign subsidiaries, have no expiration date.

NOTE 10 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

10.1 Share capital and reserves

Changes in share capital

Number of shares as at January 1, 2020	221,297,797
Number of shares as at December 31, 2020	221,819,430
NUMBER OF SHARES AS AT DECEMBER 31, 2021	**224,076,007**
Number of authorized shares	224,076,007
Number of shares issued and fully paid up	224,076,007
Number of shares issued and not fully paid up	-
Par value of shares	1.00
Treasury shares [(a)]	117,289
Shares reserved for issue under options and sales agreements	-

(a) As at December 31, 2021, the Berendsen Employee Benefit Trust is closed and no longer holds any Elis shares (393,532 shares held at December 31, 2020). The corresponding treasury share reserve was reclassified under retained earnings (accumulated deficit) in the amount of €2.4 million.

In 2021:

- following the vesting of the free performance shares, the share capital was increased on April 6, 2021, May 2, 2021 and August 1, 2021 by an aggregate nominal amount of €1.2 million through the capitalization of those same amounts in "Additional paid-in capital";
- furthermore, the general shareholders' meeting on May 20, 2021 decided to clear the accumulated deficit of the parent company by charging €42.8 million to "Additional paid-in capital;"
- lastly, as part of a new subscription to the Group savings plan, the following transactions were carried out on June 29, 2021: (i) the share capital was increased by €1.1 million and additional paid-in capital by €9.5 million (ii) a provision for the costs related to the capital increases (net of the corresponding tax savings) was then charged to additional paid-in capital, (iii) lastly, the balance of €9.3 million was allocated to the legal reserve, by deduction from the "Additional paid-in capital" item.

In 2020:

- following the vesting of the free performance shares, the share capital was increased on March 24, 2020, April 6, 2020, August 31, 2020 and December 20, 2020 by an aggregate nominal amount of €0.5 million, respectively, through the capitalization of those same amounts in "Additional paid-in capital";
- furthermore, the general shareholders' meeting on June 30, 2020 decided to clear the accumulated deficit of the parent company by charging €70.2 million to "Additional paid-in capital."

Liquidity agreement

On February 26, 2021, the Company terminated the liquidity contract with Kepler Cheuvreux in order use the services of another service provider. As at the date of termination of this contract, the following resources appeared in the liquidity account: 185,022 securities and €497,338.62 in cash. As at March 1, 2021, for an initial period ending on December 31, 2021 and then renewable by tacit agreement for each annual period, the Company entered into a liquidity agreement with Exane BNP Paribas relating to ordinary Elis shares (ISIN code FR0012435121), in accordance with AMF Decision No. 2018-01 of July 2, 2018 governing the establishment of liquidity agreements on equity securities under accepted market practices (the "AMF Decision"). From July 1, 2021, the liquidity agreement was amended to comply with the new AMF Decision No. 2021-01 of June 22, 2021, which canceled and replaced the Decision of July 2, 2018. The trading platform on which transactions under this liquidity agreement are carried out is Euronext Paris. To implement this agreement, the following resources were allocated to the liquidity account: 185,022 securities and €497,338.62 in cash.

10.2 Dividends and distributions paid and proposed

As in 2020, because of the coronavirus and following approval by the Supervisory Board, the Management Board decided not to propose any dividend payout to the annual general shareholders' meeting of May 20, 2021.

The next annual general shareholders' meeting will be asked to approve the payout of €0.37 per share, i.e. €82.9 million, based on the number of existing shares as at December 31, 2021 (excluding treasury shares).

10.3 Earnings per share

Accounting policies

Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted earnings per share (DEPS) is calculated by dividing profit for the period attributable to owners of the parent (adjusted for dividends, interest recognized during the period and any other change in income or expense resulting from the conversion of potentially dilutive ordinary shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares.

The calculation of diluted earnings per share does not take into account the conversion, exercise or issue of potential ordinary shares that would have an accretive impact on earnings per share (i.e., that does not increase the loss per share).

(in millions of euros)	**12/31/2021**	12/31/2020
Net income or loss attributable to owners of the parent		
› Continuing operations	114.5	2.7
› Discontinued operations	-	-
NET INCOME OR LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	**114.5**	**2.7**
Weighted average number of shares	223,042,163	221,226,343
Effect of conversion of convertible notes	13,124,018	13,124,018
Effect of contingently issuable shares	1,215,107	383,514
Weighted average number of shares used for diluted EPS	237,381,289	234,733,875
Earnings (loss) per share (EPS) *(in euros)*:		
› basic, attributable to owners of the parent	€0.51	€0.01
› diluted, attributable to owners of the parent	€0.51	€0.01
Earnings (loss) per share (EPS) from continuing operations *(in euros)*:		
› basic, attributable to owners of the parent	€0.51	€0.01
› diluted, attributable to owners of the parent	€0.51	€0.01

NOTE 11 RELATED PARTY DISCLOSURES

Except for compensation paid to executives and the retirement plan as shown in Note 5.5 "Executive compensation (related party transactions)," no other transactions were carried out with related parties in 2021 or 2020.

11.1 Subsidiaries and consolidated companies

The consolidated financial statements include the financial statements of Elis and of all the following fully consolidated subsidiaries:

Entity name	Registered office	Primary business	% equity 12/31/2021	% equity 12/31/2020
Elis SA	Saint-Cloud	Parent company	100	100
FRANCE				
M.A.J. SA	Pantin	Textile & hygiene services	100	100
Les Lavandières SAS	Avrillé	Textile & hygiene services	100	100
Régionale de Location et Services Textiles SAS	Marcq-en-Barœul	Textile & hygiene services	100	100
Pierrette - T.B.A. SA	Malzeville	Textile & hygiene services	100	100
Le Jacquard Français SARL	Gérardmer	Manufacturing entity	100	100
Elis Services SAS	Saint-Cloud	Other	100	100
Thimeau SAS	Meaux	Textile & hygiene services	100	100
Pro Services Environnement SAS	Rochetoirin	Textile & hygiene services	100	100
AD3 SAS	Dardilly	Textile & hygiene services	100	100
SCI Les Gailletrous	La Chaussée-Saint-Victor	Other	100	100
SCI du Château de Janville	Saint-Cloud	Other	100	100
GIE Eurocall Partners	Villeurbanne	Other	100	100
Blanchisserie Moderne SA	Montlouis-sur-Loire	Textile & hygiene services	-	Merger
SCI Maine Beauséjour	Limoges	Other	100	100
SCI La Forge	Bondoufle	Other	100	100
Société de Participations Commerciales et Industrielles SARL	Saint-Cloud	Other	100	100
SCI des 2 Sapins	Grenoble	Other	100	100
SHF Holding SA	Saint-Cloud	Other	100	100
SHF SAS	Saint-Cloud	Textile & hygiene services	100	100
Elis Prévention Nuisibles SAS	Bobigny	Textile & hygiene services	100	100
Blanchisserie Blésoise SAS	La Chaussée-Saint-Victor	Textile & hygiene services	100	100
Cap Services SAS	Bonneuil sur Marne	Textile & hygiene services	-	Merger
Mondial Hygiène SAS	Paris	Textile & hygiene services	Merger	-
HMS 3D 57 SAS	Saizerais	Textile & hygiene services	Merger	-
Scaldis France SAS	Lille	Textile & hygiene services	Merger	-
GERMANY				
Elis Holding GmbH	Rehburg-Loccum	Other	100	100
Elis Textil-Service GmbH	Mörlenbach	Textile & hygiene services	100	100
Elis Ibbenbüren GmbH	Ibbenbüren	Textile & hygiene services	100	100
Elis Immobilien GmbH & Co KG	Ibbenbüren	Other	100	100
Elis Freiburg GmbH & Co KG	Freiburg im Breisgau	Textile & hygiene services	100	100
Wolfsperger Verwaltungs GmbH	Freiburg im Breisgau	Other	100	100
Elis Potsdam GmbH	Potsdam	Textile & hygiene services	100	100
Elis München GmbH	Munich	Textile & hygiene services	100	100
Elis Südwest GmbH	Simmern	Textile & hygiene services	100	100
Elis Wismar GmbH	Wismar	Textile & hygiene services	100	100
Elis Stralsund GmbH	Stralsund	Textile & hygiene services	100	100
Elis Mannheim GmbH	Mannheim	Textile & hygiene services	100	100
Elis Servicegesellschaft Rhein-Neckar mbH	Mannheim	Other	100	100
Elis Ost GmbH	Schönebeck (Elbe)	Textile & hygiene services	100	100
AKK-Service GmbH	Hamburg	Textile & hygiene services	Sold	10
Elis Beteiligungs GmbH	Hamburg	Other	100	100
Elis GmbH	Hamburg	Textile & hygiene services	100	100
Elis Glückstadt GmbH	Hamburg	Other	100	100
Elis Nordost GmbH	Fürstenwalde	Textile & hygiene services	100	100
Elis Schleswig GmbH	Schleswig	Textile & hygiene services	100	100
Elis West GmbH	Hagen	Textile & hygiene services	100	100
Elis Group Services GmbH	Hamburg	Other	100	100

Entity name	Registered office	Primary business	% equity 12/31/2021	% equity 12/31/2020
Elis Textilmanagement GmbH	Hamburg	Textile & hygiene services	100	100
Decontam GmbH	Bad Windsheim	Textile & hygiene services	100	100
Jentex GmbH	Jena	Textile & hygiene services	49	49
PTS Pinneberger Textil-Service GmbH	Glückstadt	Dormant	In liquidation	In liquidation
Saniwo Textil-Gesellschaft mbH	Hamburg	Other	Merger	100
TSL Textil-Service und Logistik GmbH	Fürstenwalde	Dormant	100	100
Elis Sulz GmbH	Sulz am Neckar	Textile & hygiene services	100	100
Elis Eckental GmbH	Eckental	Textile & hygiene services	100	100
Curantex Verwaltungs GmbH	Erkelenz	Other	100	100
Elis Erkelenz GmbH & Co KG	Erkelenz	Textile & hygiene services	100	100
Gonser Textilpflege GmbH	Dußlingen	Textile & hygiene services	-	Merger
Haber Textile Dienste GmbH & Co KG	Landstuhl	Textile & hygiene services	100	100
Haber Geschäftsführungsgesellschaft mbH	Landstuhl	Other	100	100
Steamtech GmbH	Landstuhl	Other	100	100
ANDORRA				
Auxiliar Hotelera Arly	Andorra	Textile & hygiene services	100	100
Arly les Valls	Andorra	Dormant	In liquidation	In liquidation
AUSTRIA				
Elis Austria GmbH	Hard	Textile & hygiene services	100	100
BELGIUM				
Elis Belgium	Anderlecht	Textile & hygiene services	100	100
Blanchisserie Basse Meuse	Herstal	Textile & hygiene services	100	100
Ardenne & Meuse Logistic	Herstal	Other	100	100
Scaldis St-Martin	Péruwelz	Textile & hygiene services	100	-
Facility Management Consulting	Péruwelz	Dormant	100	-
Manoha	Péruwelz	Other	100	-
Micronclean Belgium	Péruwelz	Dormant	Dissolved	-
BRAZIL				
Atmosfera Gestão e Higienização de Têxteis SA	Jundiaí	Textile & hygiene services	100	100
L'Acqua Lavanderias Ltda	Ponta Grossa	Textile & hygiene services	100	100
Teclav Tecnologia e Lavagem Industrial Ltda	Eusébio	Textile & hygiene services	100	100
Martins e Lococo Lavanderia Ltda	Caieiras	Textile & hygiene services	100	100
MPW Lavanderia, Comércio e Serviços Ltda	Piracicaba	Textile & hygiene services	100	100
Megalav Lavanderia Hospitalar Ltda	Serra	Textile & hygiene services	100	100
Uniforme Lavanderia e Locação Ltda	Camaçari	Textile & hygiene services	100	100
Prontlav Lavanderia Ltda	Fortaleza	Textile & hygiene services	100	100
Toalhão Locação e Higienização de Enxoval Ltda	Fortaleza	Textile & hygiene services	100	100
NJ Lavanderia Industrial e Hospitalar Ltda ME	Brasilia	Textile & hygiene services	100	100
Prolav Servicos Tecnicos Ltda	Rio Bonito, Rio de Janeiro	Textile & hygiene services	100	100
Global Service Lavanderia Ltda ME	Goiana	Textile & hygiene services	100	100
LVB Holding Ltda	Videira	Other	100	100
Lavebras Gestão de Têxteis SA	Videira	Textile & hygiene services	100	100
Atmosfera Gestão e Higienização de Uniformes Ltda	São José dos Pinhais	Textile & hygiene services	100	100
Totalqualy Higienização Textil Ltda	São Bernardo do Campo	Textile & hygiene services	100	100
BR Laundry Industria, Comercio e Serviços Ltda	Anápolis	Textile & hygiene services	100	100
Clinilaves Lavanderia Industrial Eirelli	Araquari	Textile & hygiene services	100	100
Lavanderia ASPH Ltda	Boa Esperança do Sul	Textile & hygiene services	100	100
MAB Indústria e Comércio Eireli	Araquari	Other	100	-
Nortelav Lavanderia Industrial Ltda	Belém	Textile & hygiene services	100	-
CHILE				
Elis Chile SpA	Santiago (Santiago)	Other	100	100
Albia SA	Santiago (Santiago)	Textile & hygiene services	100	100
Servicios Hospitalarios SA	Recoleta (Santiago)	Textile & hygiene services	100	100

Entity name	Registered office	Primary business	% equity 12/31/2021	% equity 12/31/2020
Comercial Elis Chile SpA	Mostazal (San Francisco de Mostazal)	Textile & hygiene services	100	100
CYPRUS				
Coliday Holdings Ltd	Larnaca	Other	100	100
Skewen Investments Ltd	Larnaca	Other	100	-
COLOMBIA				
Elis Colombia SAS	Bogotá, D.C.	Textile & hygiene services	100	100
Centro de Lavado y Aseo CLA SAS	Bogotá, D.C.	Textile & hygiene services	100	100
Lavanser SAS	Bogotá, D.C.	Textile & hygiene services	100	100
Lavanderia Industrial Metropolitana SAS	Bogotá, D.C.	Textile & hygiene services	100	100
Elis Caribe SAS	Cartagena	Textile & hygiene services	100	100
DENMARK				
Berendsen A/S	Søborg	Other	100	100
Elis Danmark A/S	Søborg	Textile & hygiene services	100	100
A-vask A/S	Søborg	Textile & hygiene services	100	100
Jysk Linnedservice A/S	Varde	Textile & hygiene services	90	90
Chrisal Skadedyrsservice A/S	Stenderup	Textile & hygiene services	100	-
SPAIN				
Elis Manomatic SA	Sant Cugat del Vallès (Barcelona)	Textile & hygiene services	100	100
Lavalia cee	La Nucia (Alicante)	Dormant	100	100
Elis Indusal UTE	Parets del Vallès (Barcelona)	Textile & hygiene services	Dissolved	100
Indusal Centro SA	Guadalajara (Guadalajara)	Textile & hygiene services	Merger	100
Indusal Navarra SA	Marcilla (Navarra)	Textile & hygiene services	Merger	100
Servicios de Lavandería Industrial de Castilla la Mancha SA	Yeles (Toledo)	Textile & hygiene services	100	100
Indusal SA	Arrigorriaga (Vizcaya)	Textile & hygiene services	Merger	100
Goiz Ikuztegia SL	Zumárraga (Guipúzcoa)	Textile & hygiene services	100	100
Energías Margua SA	Marcilla (Navarra)	Other	Merger	100
Cogeneración Martiartu SL	Arrigorriaga (Vizcaya)	Other	Merger	100
Lesa Inmuebles Siglo XXI SL	Marcilla (Navarra)	Other	Merger	100
Casbu SL	Igualada (Barcelona)	Textile & hygiene services	50	50
Compañía Navarra Servicios Integrales SL	Marcilla (Navarra)	Other	Merger	100
Goiz Ikuztegia SL-Gureak Oiartzun SL UTE	Zumarraga (Guipúzcoa)	Textile & hygiene services	75	75
Indusal Navarra SA-Ilunion Navarra SLU UTE 2020	Marcilla (Navarra)	Textile & hygiene services	83	83
Indusal Navarra SA-Ilunion Navarra SL UTE	Marcilla (Navarra)	Textile & hygiene services	In liquidation	68
Lavanderias Triton SL	Madrid	Textile & hygiene services	Merger	100
Lloguer Textil Maresme SL	Cabrera de Mar (Barcelona)	Textile & hygiene services	Merger	100
Base Lavandería Industrial SLU	Sant Cugat del Vallès (Barcelona)	Textile & hygiene services	-	Merger
Marina de Complementos SLU	Sant Cugat del Vallès (Barcelona)	Textile & hygiene services	-	Merger
2MB Servitec SLU	Villares de la Reina (Salamanca)	Textile & hygiene services	Merger	100
Eliteq Sanidad Ambiental SL	Godella (Valencia)	Textile & hygiene services	100	-
Logralimp SL	Aldaia (Valencia)	Textile & hygiene services	100	-
Lavanderia Lizarra SL	Leaburu (Guipúzcoa)	Textile & hygiene services	100	-
ESTONIA				
AS Svarmil	Kiviõli	Other	100	100
Elis Textile Service AS	Tartu County	Textile & hygiene services	100	100

Entity name	Registered office	Primary business	% equity 12/31/2021	% equity 12/31/2020
FINLAND				
Elis Textile Service Oy	Tuusula	Textile & hygiene services	100	100
HUNGARY				
Elis Hungary Kft	Miskolc	Textile & hygiene services	100	100
IRELAND				
Berendsen Finance Ireland (DKK) Ltd	Dublin	Dormant	100	100
Berendsen Finance Ireland (Euro) Ltd	Dublin	Dormant	100	100
Berendsen Finance Ireland (PLN) Ltd	Dublin	Dormant	100	100
Berendsen Ireland Holdings Ltd	Dublin	Other	100	100
Elis Textile Services Ltd	Dublin	Textile & hygiene services	100	100
Elis Textiles Ltd	Dublin	Textile & hygiene services	100	100
Nanoclean Ltd	Birr	Textile & hygiene services	-	Merger
Steri-tex Ltd	Dublin	Dormant	100	100
PestGuard	Dublin	Textile & hygiene services	100	-
ITALY				
Elis Italia SpA	San Giuliano Milanese	Textile & hygiene services	100	100
LATVIA				
Elis Tekstila Serviss AS	Riga	Textile & hygiene services	100	100
LITHUANIA				
Berendsen Textile Service, UAB	Vilnius	Textile & hygiene services	100	100
LUXEMBOURG				
Elis Luxembourg SA	Bascharage	Textile & hygiene services	100	100
Rentex Vertriebs GmbH	Luxembourg	Textile & hygiene services	100	100
NORWAY				
Elis Norge AS	Oslo	Textile & hygiene services	100	100
NETHERLANDS				
Elis Nederland BV	Arnhem	Textile & hygiene services	100	100
Elis Pest Control Nederland BV	Arnhem	Textile & hygiene services	100	100
Elis Netherlands Holding BV	Arnhem	Other	100	100
Arvo Protect BV	Nieuw-Vennep	Textile & hygiene services	100	-
POLAND				
Elis Textile Service Sp. z.o.o.	Żukowo	Textile & hygiene services	100	100
Elis Supply Chain Centre Sp z.o.o.	Rumia	Other	100	-
PORTUGAL				
Garment Finishing and Distribution European Services SA	Samora Correira	Other	100	100
Sociedade Portuguesa de Aluguer e Serviço de Têxteis SA	Samora Correira	Textile & hygiene services	100	100
SPAST II Lda	Samora Correira	Textile & hygiene services	100	100
CZECH REPUBLIC				
Elis Textil Servis sro	Brno	Textile & hygiene services	100	100
Textile Washing Company ks	Kralovice	Textile & hygiene services	Merger	100
Gonser Textilwashing spol sro	Kralovice	Other	Merger	100
UNITED KINGDOM				
Berendsen Ltd	Basingstoke	Other	100	100
Berendsen Cleanroom Services Ltd	Basingstoke	Dormant	100	100
Berendsen Finance (DKK) Ltd	Basingstoke	Dormant	100	100
Berendsen Finance (Euro) Ltd	Basingstoke	Dormant	100	100
Berendsen Finance (Euro 2) Ltd	Basingstoke	Dormant	100	100
Berendsen Finance Ltd	Basingstoke	Other	100	100
Berendsen Nominees Ltd	Basingstoke	Other	100	100
Elis UK Ltd	Basingstoke	Textile & hygiene services	100	100
Berendsen Healthcare Ltd	Basingstoke	Dormant	100	100
Berendsen Hospitality Ltd	Basingstoke	Dormant	100	100
Berendsen Workwear Ltd	Basingstoke	Dormant	100	100

Entity name	Registered office	Primary business	% equity 12/31/2021	% equity 12/31/2020
Central Laundry Ltd	Basingstoke	Dormant	100	100
Davis (BIM) Ltd	Basingstoke	Dormant	100	100
Fabricare Ltd	Basingstoke	Dormant	100	100
Lakeland Pennine Group Ltd	Basingstoke	Dormant	Dissolved	100
Lakeland Pennine Ltd	Basingstoke	Dormant	-	Dissolved
Laundrycraft Ltd	Basingstoke	Dormant	-	Dissolved
M Furnishing Group Ltd	Basingstoke	Dormant	-	Dissolved
Midland Laundry Group Ltd	Basingstoke	Dormant	Dissolved	100
Midland Laundry Group Holdings Ltd	Basingstoke	Dormant	Dissolved	100
Pure Washrooms Ltd	Coventry	Textile & hygiene services	100	-
Pure Washrooms (Coventry) Ltd	Coventry	Dormant	100	-
Rocialle Ltd	Basingstoke	Dormant	-	Dissolved
Spring Grove Services Ltd	Basingstoke	Dormant	-	Dissolved
Spring Grove Services Group Ltd	Basingstoke	Other	100	100
St. Helens Laundry Ltd	Basingstoke	Dormant	100	Dissolved
Sunlight Clinical Solutions Ltd	Basingstoke	Dormant	Dissolved	100
Sunlight Services Ltd	Basingstoke	Dormant	-	Dissolved
Sunlight Textile Services Ltd	Basingstoke	Dormant	100	100
Sunlight Workwear Services Ltd	Basingstoke	Dormant	-	Dissolved
The Sunlight Service Group Ltd	Basingstoke	Dormant	Dissolved	100
Elis NI Ltd	Belfast	Textile & hygiene services	100	100
Berendsen Supply Chain (Northern Ireland) Ltd	Belfast	Dormant	100	100
BDF Holdings Ltd	Renfrewshire, Scotland	Dormant	Dissolved	100
Kennedy Hygiene Products Ltd	Uckfield	Manufacturing entity	100	100
Kennedy Exports Ltd	Uckfield	Other	100	100
JERSEY				
The Berendsen Employee Benefit Trust	Jersey	Other	Closed	100
RUSSIA				
OOO Berendsen	Moscow	Textile & hygiene services	100	100
OOO Комбинат бытового обслуживания "НОВОСТЬ" (Combine of Consumer Services Novost)	Moscow	Textile & hygiene services	100	100
OOO Маки-сервис (Maki-Service)	Moscow	Textile & hygiene services	100	100
OOO МатСервис (MatService)	Moscow	Textile & hygiene services	100	100
OOO Ковер-Сервис (Kover-Service)	Novossibirsk	Textile & hygiene services	100	100
OOO Холл-Сервис (Holl-Service)	Moscow	Textile & hygiene services	100	100
OOO ГЕО групп (GEO Group)	Moscow	Textile & hygiene services	100	100
OOO Вига-65 (Viga-65)	Moscow	Textile & hygiene services	100	-
OOO Рентекс-Сервис (Rentex-Service)	Moscow	Textile & hygiene services	100	-
OOO Дионикс (Dionix)	Moscow	Dormant	100	-
SLOVAKIA				
Elis Textile Care SK sro	Trenčín	Textile & hygiene services	100	100
SWEDEN				
Elis Design & Supply Chain Centre AB	Gothenburg	Other	100	100
Elis Textil Service AB	Malmö	Textile & hygiene services	100	100
Elis Holding AB	Malmö	Other	100	100
Nyköping Pilen 6 AB	Malmö	Dormant	100	-
SWITZERLAND				
Elis (Suisse) AG	Bern	Textile & hygiene services	100	100
Hygienis SA	Carouge	Textile & hygiene services	100	100
Picsou Management AG	Bern	Other	100	100
Elis Cleanroom (Suisse) SA	Brügg	Textile & hygiene services	100	100
Wäscherei Mariano AG	Schlieren	Textile & hygiene services	100	100
Wäscheria Textil Service AG	Ilanz	Textile & hygiene services	-	Merger
AS Désinfection SA	Lonay	Textile & hygiene services	100	100

NOTE 12 EVENTS AFTER THE REPORTING PERIOD

Ukraine

The Group is not present in Ukraine and has limited business in Russia, where it turned over €12.2 million in 2021 (€20 million had Blesk InCare Textile been acquired on January 1, 2021). Furthermore, non-current assets in Russia stood at €52.2 million on December 31, 2021, of which €35.6 million was goodwill.

NOTE 13 STATUTORY AUDITORS' FEES

	Mazars				PricewaterhouseCoopers Audit			
	Amount (excl tax)		as a %		Amount (excl tax)		as a %	
(In millions of euros)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Independent audit	0.5	0.5	90%	92%	0.3	0.3	70%	81%
Services other than an independent audit	0.1	0.1	10%	8%	0.1	0.1	30%	19%
› required by law [(a)]	0.0		2%		0.0		0%	
› other [(b)(c)]	0.1	0.1	8%	8%	0.1	0.1	30%	19%
TOTAL	**0.6**	**0.6**	**100%**	**100%**	**0.4**	**0.4**	**100%**	**100%**

(a) In 2021, services other than an independent audit required by law concerned, for the two Statutory Auditors, the publication of additional reports for a capital increase reserved for employees and, for Mazars, the publication of a report on the transformation of an entity in France.

(b) In 2021, the other services performed by Mazars and PricewaterhouseCoopers Audit involved issuing comfort letters and reports as part of financing transactions during the financial year, as well as, for Mazars, issuing fixed cost statements for an entity in France and, for PricewaterhouseCoopers Audit, verifying the consolidated non-financial performance statement and reviewing the methods used by the Company to implement the EU green taxonomy.

(c) In 2020, the other services performed by Mazars and PricewaterhouseCoopers Audit involved issuing comfort letters and reports as part of financing transactions during the financial year and, for PricewaterhouseCoopers Audit, verifying the consolidated non-financial performance statement.

In accordance with the ANC (the French Accounting Standards Authority) Regulation 2016-09, these tables only include the fees paid to the Statutory Auditors and do not include fees paid by Elis SA or by its fully consolidated subsidiaries to other legal entities affiliated with auditing firms.

6.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AFR

(For the year ended December 31, 2021)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Elis for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill

Notes 6.1 "Goodwill", 6.5 "Impairment losses on non-current assets" and 2.7 "Impact of the Covid-19 pandemic" to the consolidated financial statements

Description of risk

At December 31, 2021, goodwill totaled a net amount of €3,817 million, representing the largest item on the consolidated statement of financial position. Goodwill corresponds to the difference at the acquisition date between the acquisition price paid and the fair value of the assets acquired and liabilities assumed. Goodwill is allocated to the cash-generating units (CGUs) of the businesses into which the various entities acquired have been incorporated.

An impairment charge for this goodwill is recognized on the statement of financial position when the recoverable amount of the CGUs, determined as part of compulsory annual impairment testing, is less than their carrying amount, in accordance with IAS 36.

The recoverable amount is determined using an approach based on discounted future cash flows and requires a significant degree of judgment from management, particularly in relation to business plans, future cash flows based on perpetual growth rate assumptions, and the discounting of these flows based on the weighted average cost of capital. The methods used to measure goodwill are described in Note 6.5 to the consolidated financial statements.

Accordingly, we deemed the measurement of the recoverable amount of goodwill to be a key audit matter.

How our audit addressed this risk

We assessed the consistency of the methodology applied by the Finance Department.

We also conducted a critical assessment of the procedure for implementing this methodology, and assessed the following:

- that all of the components of the carrying amount of the CGUs tested were taken into account and are consistent with the EBITDA and EBIT projections integrated in the business plans to determine the recoverable amount;
- the reasonableness of the EBITDA and EBIT projections for the CGUs in light of the CGUs' economic and financial environments, especially in the context of the Covid-19 pandemic, and by assessing the reasons for the differences between projected and actual historical performances, the reliability of the process by which the estimates were calculated;
- the consistency of these EBITDA and EBIT projections with management's most recent estimates as validated by the Management Board and approved by the Supervisory Board on December 14, 2021 regarding the years 2022 to 2024;
- the reasonableness of the discount rates and the long-term growth rates used to calculate discounted future cash flows, with the support of our asset valuation experts;
- the sensitivity analyses of the impairment tests conducted by management to a change in the perpetual growth rate and the discount rates, as well as a one-year deferral in the expected return to normal economic conditions.

Lastly, we obtained assurance that Notes 6.1 and 6.5 to the consolidated financial statements provide appropriate disclosures.

Litigation and contingent liabilities

Note 7.2 "Contingent liabilities" to the consolidated financial statements

Description of risk

Note 7.2 to the consolidated financial statements summarizes the legal or arbitration proceedings arising in the normal course of business of the Group.

They notably include ongoing proceedings in Brazil and France, where contingent liabilities include, in particular, an ongoing anti-trust investigation.

Provisions are recorded with respect to these if the Group believes that it has a contractual, legal or constructive obligation, and that the future outflows of resources to cover the risk can be estimated accurately.

Given the uncertain outcome of these proceedings and ongoing investigations, and their potential negative and material effect on the Group owing to the financial penalties that may be incurred, as well as any impact they could have on its businesses and their commercial prospects, we deemed litigation and contingent liabilities to be a key audit matter.

How our audit addressed this risk

To assess whether or not the risks associated with these proceedings and ongoing investigations have been properly assessed, and to verify their non-quantifiable nature, where appropriate, we:

- examined the analyses of the proceedings/investigations prepared by the Group's Finance and Legal Departments;
- performed a critical review of the positions adopted by the Company's lawyers and legal advisers involved in these matters.

We also verified that the disclosures provided in Note 7.2 to the consolidated financial statements were appropriate.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Management Board's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the Group management report includes the consolidated non-financial performance statement required under article L. 225-102-1 of the French Commercial Code. However, in accordance with article L. 823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the consolidated financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have also verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chairman of the Management Board's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Elis by your Annual General Meeting held on June 29, 2011 for Mazars and by the bylaws at the time of the Company's incorporation in 2007 for PricewaterhouseCoopers Audit.

At December 31, 2021, Mazars and PricewaterhouseCoopers Audit were in the eleventh and fifteenth consecutive year of their engagement, respectively, and the seventh year since the Company's securities were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Management Board.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Courbevoie, March 8, 2022

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT		MAZARS
Edouard SATTLER	Bardadi BENZEGHADI	Francisco SANCHEZ

6

6.3 ELIS PARENT COMPANY FINANCIAL STATEMENTS AFR

6.3.1 Balance sheet for the year ended December 31, 2021

Assets

(In thousands of euros)	Gross amount	Amort. Depr.	Net 12/31/2021	Net 12/31/2020
Subscribed capital uncalled				
Intangible assets				
Start-up costs				
Development costs				
Concessions, patents and other rights				
Business goodwill				
Other intangible assets				
Advances and prepayments on intangible assets				
Property, plant and equipment				
Land				
Buildings				
Fittings, machinery and equipment				
Other property, plant and equipment				
Assets in progress				
Advances and prepayments				
Financial assets				
Equity-accounted companies				
Other equity investments	3,912,184	1,121	3,911,063	3,910,917
Loans and advances to equity investees	474,462		474,462	772,689
Other investments				111
Loans				
Other financial assets	1,366,970		1,366,970	1,368,225
TOTAL NON-CURRENT ASSETS	**5,753,616**	**1,121**	**5,752,495**	**6,051,942**
Inventories and work in progress				
Raw materials and supplies				
Goods in progress				
Services in progress				
Finished and semi-finished goods				
Goods held for resale				
Advances and prepayments on orders	9		9	
Receivables				
Trade receivables	3,046		3,046	89
Other receivables	562,600		562,600	417,606
Subscribed capital called but not paid				
Other				
Marketable securities				
(Of which treasury shares):				
Cash and cash equivalents	43,499		43,499	55,289
Other accruals				
Prepaid expenses	426		426	751
TOTAL CURRENT ASSETS	**609,580**		**609,580**	**473,735**
Deferred debt issuance costs				
Bond discounts				
Unrealized foreign currency translation losses	831		831	855
GRAND TOTAL	**6,364,027**	**1,121**	**6,362,906**	**6,526,532**

Equity and liabilities

(In thousands of euros)	12/31/2021	12/31/2020
Issued capital (o/w paid-up: 224,076)	224,076	221,819
Additional paid-in capital	2,531,648	2,575,640
Remeasurement adjustments (o/w for equity-accounted companies)		
Legal reserve	16,043	6,780
Regulatory or contractual reserves		
Regulated reserves (including translation reserve)		
Other reserves (including reserve for purchases of original works by living artists)		
Retained earnings (accumulated deficit)		
Net income (profit or loss) for the period	**(49,066)**	**(42,796)**
Investment grants		
Regulated provisions	23,526	18,098
TOTAL EQUITY	**2,746,227**	**2,779,541**
Proceeds from issuance of equity securities		
Conditional advances		
OTHER EQUITY		
Provisions for risks	125	295
Provisions for expenses	1,106	186
PROVISIONS	**1,231**	**481**
Financial liabilities		
Convertible bonds	400,000	400,000
Other bonds	337,003	334,283
Bank loans		
Sundry borrowings and financial debt (o/w equity loans)	2,865,505	2,990,441
Advances and deposits on orders in progress		
Operating liabilities		
Trade payables	4,320	4,236
Tax- and employee-related liabilities	3,326	1,747
Sundry liabilities		
Amounts due to suppliers of non-current assets		
Other liabilities	4,915	15,222
Other accruals		
Deferred income		
TOTAL LIABILITIES	**3,615,069**	**3,745,929**
Unrealized foreign currency translation gains	379	581
GRAND TOTAL	**6,362,906**	**6,526,532**

6

6.3.2 Income statement for the year ended December 31, 2021

	Financial year 2021			Financial year 2020
(In thousands of euros)	France	Exports	Total	
Sales of goods held for resale				
Sales of goods				
Sales of services	1,046		1,046	1,005
Net revenue	**1,046**		**1,046**	**1,005**
Increase in finished goods and work in process inventories				
Capitalized production costs				
Operating grants				
Reversal of impairment losses, provisions and depreciation/amortization, reinvoiced expenses				
Other income				
Recurring operating income			**1,046**	**1,005**
Purchases of goods held for resale (including customs duties)				
Change in inventories (goods held for resale)				
Purchases of raw materials and supplies			5	3
Change in inventories (raw materials and supplies)				
Other purchases and external expenses			20,666	17,923
Taxes and duties			660	489
Wages and salaries			3,556	2,395
Payroll taxes			1,356	894
Depreciation, amortization, impairment and provisions:				
Non-current assets: depreciation and amortization expense				
Non-current assets: impairment losses				
Current assets: impairment losses				
Increase in provisions			960	19
Other expenses			699	374
Operating expenses			**27,902**	**22,097**
OPERATING INCOME (LOSS)			**(26,856)**	**(21,092)**
Joint operations				
Profit transferred in or loss transferred out				
Loss transferred in or profit transferred out				
Financial income			**54,236**	**53,471**
Financial income from equity investments				
Income from other securities and long-term loans and receivables				
Other interest income			21,345	22,194
Reinvoiced expenses and reversals of provisions			329	2,546
Foreign currency translation gains			32,562	28,731
Net gain on disposals of marketable securities				
Financial expenses			**93,218**	**88,505**
Amortization and provisions on financial assets			124	294
Interest expense			61,024	57,141
Foreign currency translation losses			32,070	31,054
Net expense on disposals of marketable securities				16
NET FINANCIAL INCOME (LOSS)			**(38,982)**	**(35,034)**
NET RECURRING INCOME (LOSS) BEFORE TAX			**(65,839)**	**(56,126)**
Non-recurring income			**825**	**149**
Non-recurring income from operations			136	
Non-recurring income from capital transactions			650	149
Reinvoiced expenses and reversals of provisions			39	
Non-recurring expenses			**6,407**	**7,527**
Non-recurring expenses on operations			32	1,332
Non-recurring expenses on capital transactions			946	781
Non-recurring depreciation, amortization and provisions			5429	5,414
NET NON-RECURRING INCOME (LOSS)			**(5,582)**	**(7,378)**
Employee profit-sharing				
Income tax expense			(22,354)	(20,708)
Total income			**56,107**	**54,625**
Total expenses			**105,173**	**97,421**
PROFIT OR LOSS			**(49,066)**	**(42,796)**

6

6.3.3 Appendix

INDEX FOR THE NOTES

NOTE 1 THE COMPANY'S BUSINESS AND SIGNIFICANT EVENTS OF THE YEAR

1.1 The Company's business

Business activity of holding companies.

1.2 Significant events of the year

The financial statements below cover the 12-month financial year from January 1, 2021 to December 31, 2021 and show a loss of €49,066,000.

In Europe, the Covid-19 pandemic, which began in the first quarter of 2020 and has continued into 2022, and the various lockdown measures or restrictions imposed on individuals and companies, had a significant impact on the Company's subsidiaries and direct investments. Depending on which business sector they operate in, some customers of subsidiaries and direct investments have seen their activities temporarily suspended or otherwise severely affected, while other customers have received a significant boost from the pandemic. The Hospitality segment, for example, has recorded a sharp downturn in business. Conversely, the Industry segment is proving more resilient, particularly in the pharmaceutical and food sectors. For customers in the Healthcare segment, business has also remained buoyant. The Company has put measures in place since March 2020 to protect its cash position and that of the Elis Group.

It remains uncertain how much future changes in the pandemic will affect demand from businesses and customers. The appropriateness of the going concern principle of accounting depends on the continued availability of borrowings. The Company also has very good liquidity and has no major debt maturity before 2023. Elis has liquidity available to it in the form of (i) €43.5 million in cash and cash equivalents as at December 31, 2021 and (ii) a new revolving credit facility with an undrawn amount of €900 million signed on November 9, 2021, with maturity of 5 years (November 2026) and two extension options, each for one year ("5+1+1" years). This new credit facility replaced the two existing revolving credit facilities of €500 million and €400 million respectively signed in January and November 2017. To better absorb the fallout from the crisis, the Company requested and obtained a waiver for its bank covenant tests on June 30, 2021. Furthermore, following the implementation of the new revolving credit facility on November 9, 2021 and the signature of the amendment to the USPP financing documentation on February 7, 2022, the ratio of the financial covenant applicable as at December 31, 2021 was set at 4.00x. The standard covenant level of 3.75x will be reapplied from June 30, 2022. At December 31, 2021, the Group largely met this ratio (2.96x). Therefore, according to the Group's forecasts, the Company reasonably expects to have adequate resources to continue trading for at least the next 12 months. It has concluded that the preparation of the financial statements on a going concern basis is still appropriate.

The Company also reviewed the impacts the Covid-19 on the recognition and measurement of assets, liabilities, income and expenses in the financial statements for the year just ended. The main impact has been to the impairment tests on financial assets as described in Note 2.1.

Lastly, during the financial year, Elis also carried out a new bond issue for €200 million and the partial early redemption of the existing bonds maturing in February 2023 (see Note 4.5).

NOTE 2 ACCOUNTING POLICIES

Generally accepted accounting principles have been applied, including the principles of conservatism, going concern, consistency, and time period assumption and matching, in accordance with the general rules governing the preparation and presentation of annual financial statements defined by the French General Chart of Accounts (ANC Regulation 2014-03).

The basic method used to measure the items recognized in the financial statements is the historical cost method.

Changes in accounting policies

On November 5, 2021, the ANC published an update to its recommendation no. 2013-02 of November 7, 2013, taking into account a new IFRS IC interpretation of IAS 19 with regard to the calculation of benefits acquired in certain post-employment defined benefit plans, which specifically applies to termination benefits that the Company pays to its employees when they retire and for which it recognizes the benefits acquired in the form of provisions in liabilities on its balance sheet.

These benefits are:

- conditional on presence in the Company at the time of departure;
- dependent on the seniority of the employee;
- capped from N years of seniority.

The cost of vesting may now be spread over the last N years of the employee's career rather than the entire career.

The Company has opted to apply this recommendation to value its commitments at the closing date of this financial year.

In accordance with the regulation on changes in accounting policies, the impact of this change at the opening of this financial year (decrease in the provision at December 31, 2020) should be recognized, where necessary, against retained earnings.

The impact for the Company has been calculated at zero.

Changes in estimates or application conditions

None.

The main accounting policies applied are as follows:

2.1 Non-current assets

Financial assets

Equity investments and related receivables

The gross amount of equity investments consists of the purchase cost, including incidental expenses, since the first application of Opinion 2007-C issued on June 15, 2007 by the Urgent Issues Committee of the French National Accounting Board (CNC). Prior to that Opinion, transfer taxes, fees and commissions, and legal costs were recognized in expenses for the financial year. These costs are then amortized over an accelerated period of five years.

At the end of the financial year, an impairment loss is recorded when the value in use is less than the carrying amount. The value in use of a given investment is determined according to its contribution to consolidated net assets, its profitability, and its future outlook. When the carrying amount of an investment is greater than its contribution to consolidated net assets, the carrying amount of the investment is compared to the recoverable amount, usually based on multiples of economic indicators (EBITDA and EBIT) less the net debt for the investment concerned.

As the multiple valuation technique has been difficult to implement due to the Covid-19 crisis, as at December 31, 2021, the Company opted for the discounted cash flow method of valuation, as implemented for the Elis Group’s consolidated financial statements.

The main assumption made for hospitality revenue is that it will take until the end of 2024 for it to return to the levels seen by the Group in 2019. At the level of operating income, the adaptation measures taken by the Group since the beginning of the health crisis have enabled it to retain pre-crisis levels of profitability.

When equity investments and their related receivables have a lower recoverable amount than their carrying amount, the equity investments are impaired before the related receivables.

Other financial assets

Merger losses on financial assets

“Merger losses on financial assets” of €1,365,291,000 corresponds to the merger loss generated during the transfer of Novalis’ assets and liabilities to Elis on July 9, 2015. This merger loss has been fully allocated to M.A.J. equity investments. The merger loss is tested for impairment on an annual basis. As it is not possible to determine the current value of the merger loss taken individually, it is grouped together with M.A.J. equity investments for the purposes of the impairment test. An impairment loss is recognized whenever the cumulated present value of the merger loss and equity securities is less than their carrying amount as at the reporting date.

Liquidity agreement

The transactions related to the Company’s liquidity agreement with an investment services provider are recognized in accordance with the CNC Urgent Issues Committee Opinion 98-D and with Bulletin 137 issued in March 2005 by the French Institute of Statutory Auditors (CNCC):

- Treasury shares are recognized in “Other financial assets – treasury shares.” An impairment loss is recorded if the average share price in the last month of the financial year is less than the purchase price. The first-in-first-out (FIFO) method is used to determine gains and losses on disposals.
- Cash paid to the intermediary and not yet used is recognized under “Other financial assets – other long-term receivables.”

2.2 Receivables and liabilities

Receivables are recognized at face value.

An impairment loss is recorded when the recoverable amount is less than the carrying amount.

2.3 Marketable securities

Marketable securities are carried in the balance sheet at their purchase price. If their expected trading value at the end of the financial year is less than their purchase price, an impairment loss is recorded for the difference.

2.4 Transactions in foreign currencies

Income and expenses denominated in foreign currencies are recorded at their transaction-date equivalent amount.

Where applicable, liabilities, receivables, and cash and cash equivalents denominated in foreign currencies are converted and recognized in the balance sheet using the closing exchange rate.

Resulting differences are posted to the balance sheet under “Foreign currency translation gains” and “Foreign currency translation losses.”

The amount of unrealized foreign currency translation losses not offset by foreign exchange risk hedge gives rise to a proportional provision recorded under “Provisions for risks.”

2.5 Regulated provisions

Regulated provisions are detailed in the provisions statement and are reported under “Equity” on the balance sheet. They are tax items corresponding to the provision for accelerated depreciation and amortization calculated according to French tax regulations, in particular the accelerated amortization of transaction costs related to purchases of securities.

The additions to or reversals of accumulated accelerated depreciation and amortization are recognized in net non-recurring income.

2.6 Employee benefit liabilities

Provisions for employee retirement benefits are calculated and recognized in accordance with Method 2 of Recommendation 2013-02 issued on November 7, 2013 by the French Accounting Standards Authority (ANC). Changes in retirement benefit obligations resulting from changes in actuarial assumptions or retirement plans occurring during the year are recorded directly in net non-recurring income: the provisions recognized at the reporting date are thus equal to the actuarial obligation determined in accordance with IAS 19 (revised).

Additional provisions are recorded for long-service award obligations, calculated in accordance with the Company's internal procedures on the basis of statistical and discounting assumptions. Changes in these provisions during the financial year are collectively recorded directly in income.

A new supplementary retirement plan for members of the Executive Committee, including members of the Management Board, was introduced by the Company's 2021 general shareholders' meeting. It falls within the scope of Article L. 137-11-2 of the French Social Security Code and results in:

- the calculation of a new commitment, which will be updated at each financial year-end;
- the payment to an insurer sometime in April (after each year-end), of a fraction of between 80% and 100% of the commitment. Each payment will be subject to employer contributions at a rate of 29.7%.

2.7 Financial instruments and hedges

Hedging instruments

Hedge accounting principles must be applied whenever a hedging relationship is identified and documented by management. The impacts of the financial instruments used by Elis SA to hedge and manage its interest rate risks are recognized in the income statement symmetrically with those of the hedged item: thus, in 2019, the expense of interest rate swaps was recognized at the same time as the interest on the hedged loans and classified under the item "Interest expense."

Isolated open positions

Isolated open positions are all the transactions that do not qualify as hedges. Gains and losses on terminated contracts are recognized in the income statement. Unrealized losses are recorded in the balance sheet and a provision is recorded.

NOTE 3 NOTES TO THE BALANCE SHEET – ASSETS

3.1 Property, plant and equipment and intangible assets

The Company does not hold any property, plant and equipment or intangible assets.

3.2 Financial assets

Movements for the year

(In thousands of euros)	Gross amount at 12/31/2020	Disposals and reclassifications	Gross amount at 12/31/2021	Impairment loss	Net amount at 12/31/2021
Equity-accounted companies					
Other equity investments and related receivables	4,684,762	313,766	4,386,646	1,121	4,385,525
Other investments	111	(111)			
Loans and other financial assets	1,368,225	28,210	1,366,970		1,366,970
TOTAL	**6,053,098**	**341,865**	**5,753,616**	**1,121**	**5,752,495**

As at December 31, 2021, treasury shares amounted to 117,289 shares representing €1,679,000.

3.3 Impairment of non-current assets

(In thousands of euros)	As at 12/31/2020	Additions/ contributions	Reversals	As at 12/31/2021
Impairment loss – intangible assets				
Impairment loss – PP&E				
Impairment loss – equity-accounted companies				
Impairment loss – equity investments	1,156		35	1,121
Impairment loss – financial assets				
TOTAL	**1,156**		**35**	**1,121**

3.4 List of subsidiaries and other equity investments

(In thousands of euros unless otherwise stated)	Share capital	Equity, excluding share capital and retained earnings	Percent ownership (%)	Carrying amount of shares held – Gross	Carrying amount of shares held – Net	Loans and advances granted by the Company	Deposits and endorsements given by the Company	2021 revenue	Net income (loss) for the financial year ended 12/31/2021	Dividends received by the Company during the financial year ended 12/31/2021
A.Detailed information about equity investments whose carrying amount exceeds 1% of the Company's share capital										
1. Subsidiaries – ownership of more than 50%										
M.A.J. SA – Pantin (93) – 775 733 835	142,515	510,860	100.0	1,091,166	1,091,166	985,322	0	605,895	135,199	0
Société de Participations Commerciales et Industrielles SARL – Saint-Cloud (92) – 409 900 149	28,685	(478)	100.0	28,682	28,682	0	0	0	(541)	0
Berendsen Ltd, a public limited company incorporated under the laws of England and Wales, registered with Companies House under number 01480047, Intec 3 Wade Road, Basingstoke RG24 8NE, United Kingdom	£313,346,000	£522,975,000	100.0	2,790,876	2,790,876	0	11,122	0	£206,086,000	0
2. Equity investment – ownership of between 10% and 50%										
B. General information about other subsidiaries and investments										
1. Subsidiaries (not included in section A above)										
a. French subsidiaries (total)										
b. Foreign subsidiaries (total)										
2. Investments (not included in section A above)										
a. In French companies (total)										
b. In foreign companies (total)				1,460	340					
TOTAL EQUITY INVESTMENTS ON BALANCE SHEET				**3,912,184**	**3,911,064**					

3.5 Transactions with related parties

The major 2021 transactions with related parties not made under arm's length conditions are as follows:

Name of related party	Nature of the relationship	Nature of the flows recognized in the financial statements	Transaction value *(In thousands of euros)*
Predica	Signature on December 29, 2021 of an insurance contract for the supplementary retirement plan benefitting members of the Executive Committee, including members of the Management Board, in accordance with the new article L.137-11-2 of the French Social Security Code (introduced by the Pacte law).	Provision for pensions & retirement benefits	939
		Accrued expenses – supplementary retirement contract	279

3.6 Summary of maturities of receivables

(In thousands of euros)	Gross amount	Due within one year	Due in more than one year
TOTAL NON-CURRENT ASSETS	**1,841,432**	**90,471**	**1,750,961**
Loans and advances to equity investees	474,462	88,792	385,670
Loans			
Other financial assets	1,366,970	1,679	1,365,291
TOTAL CURRENT ASSETS	**566,072**	**566,072**	
Customers	3,046	3,046	
Impaired trade			
Employee			
Social security			
Prepaid taxes and misc. duties	5,336	5,336	
Group and associates	553,440	553,440	
Sundry receivables	3,824	3,824	
Prepaid expenses	426	426	
TOTAL	**2,407,504**	**656,543**	**1,750,961**
Loans granted during the year			
Repayments received during the year	297,702		
Loans and advances granted to associates (individuals)			

3.7 Trade receivables

(In thousands of euros)	Gross amount	Impairment loss	Net 12/31/2021	Net 12/31/2020
Trade receivables	3,046		3,046	89
Other receivables	562,600		562,600	417,597
Subscribed capital called but not paid				
TOTAL	**565,646**		**565,646**	**417,686**

3.8 Impairment of trade receivables

None.

3.9 Receivables represented by commercial paper

None.

3.10 Accrued income

The accrued income included in the following balance sheet items amounted to €1,039,000.

(In thousands of euros)	As at 12/31/2021	As at 12/31/2020
Interest accrued on loans and receivables due from equity investees	1,039	1,565
Accrued trade receivables		
TOTAL	**1,039**	**1,565**

3.11 Other accruals

Prepaid expenses

Prepaid expenses totaled €426,000.

(In thousands of euros)	As at 12/31/2021	As at 12/31/2020
Operating expenses	361	205
Financial expenses	65	546
Non-recurring expenses	0	0
TOTAL	**426**	**751**

NOTE 4 NOTES TO THE BALANCE SHEET – EQUITY AND LIABILITIES

4.1 Total equity

Share capital was divided into 224,076,007 fully paid-up common shares with a par value of €1.00 each.

The following transactions were carried out on the Company's share capital:

- on March 24, 2020, a capital increase through the capitalization of €256,000 from additional paid-in capital generated by issuing 255,798 new shares with a par value of €1.00 each as part of the final allocation of performance shares to the Group's corporate officers and employees in accordance with the terms of the combined general shareholders' meeting on May 27, 2016, as decided by the Management Board on April 6, 2021;
- on May 2, 2021, a capital increase through the capitalization of €933,000 from additional paid-in capital generated by issuing 932,838 new shares with a par value of €1.00 each as part of the final allocation of performance shares to the Group's corporate officers and employees in accordance with the terms of the combined general shareholders' meeting on May 27, 2016, as decided by the Management Board on April 30, 2021;
- on June 29, 2021, a capital increase through the capitalization of €1,061,000 by issuing 1,063,303 new shares with a par value of €1.00 each as part of the employee share ownership plan "Elis for All", in accordance with the terms of the combined general shareholders' meeting of May 23, 2019;
- on August 1, 2021, a capital increase through the capitalization of €7,000 from additional paid-in capital generated by issuing 6,638 new shares with a par value of €1.00 each as part of the final allocation of performance shares to the Group's corporate officers and employees in accordance with the terms of the combined general shareholders' meeting on June 30, 2020, as decided by the Management Board on July 29, 2021.

Changes in equity during the financial year are as follows:

(In thousands of euros)	
AS AT 12/31/2020	**2,779,541**
Dividends	
Net income (loss) for the financial year	(49,066)
Capital increase	2,257
Allocation of additional paid-in capital	(1,196)
Increase in legal reserve	9,263
Increase in retained earnings	
Change in investment grants	
Change in regulated provisions (accelerated depr./amort., etc.)	5,429
AS AT 12/31/2021	**2,746,228**

6

4.2 Description of bonus share award plans

The performance share plans implemented by the Company under which shares have vested during the year or were still in the process of vesting at the end of the year are as follows:

Free performance share grants	Plan no. 7 – 2018	Plan no. 10 – 2019	Plan no. 11 – 2019	Plan no. 12 – 2020	Plan no. 13 – 2020	Plan no. 14 – 2021	Plan no. 15 – 2021
Date of shareholders' meeting	05/27/2016	05/27/2016	05/27/2016	06/30/2020	06/30/2020	06/30/2020	06/30/2020
Date of Supervisory Board meeting	03/06/2018	03/06/2019	03/06/2019	03/03/2020 and 06/30/2020	03/03/2020 and 06/30/2020	06/08/2021	03/08/2021
Date of decision of the Management Board	03/29/2018	05/02/2019	07/25/2019	07/09/2020	12/28/2020	03/10/2021	08/30/2021
Number of rights originally granted	1,071,374	1,476,558	10,018	2,101,762	19,350	1,417,198	25,663
› of which members of the Executive Committee	494,100	417,746	-	581,029	-	448,427	-
› of which corporate officers:	206,490	194,300	-	276,244	-	213,220	-
– Xavier Martiré	117,995	116,580	-	165,746	-	127,932	-
– Louis Guyot	49,164	45,337	-	64,457	-	49,751	-
– Matthieu Lecharny	39,331	32,383	-	46,041	-	35,537	-
Number of beneficiaries	472	521	4	536	23	526	17
› of which members of the Executive Committee	11	11	-	11	-	11	-
› of which corporate officers	3(a)	3(a)	-	3(a)	-	3(a)	-
Grant date	**04/06/2018**	**05/02/2019**	**08/01/2019**	**07/09/2020**	**12/28/2020**	**03/10/2021**	**08/30/2021**
Vesting date							
› members of the Management Board and the Executive Committee	04/06/2021(c)	05/02/2022(c)	-	07/09/2023(c)	-	03/10/2024(c)	-
› other beneficiaries	04/06/2020(c)	05/02/2021(c)	08/01/2021(c)	07/09/2022(c)	12/28/2022(c)	03/10/2023(c)	08/30/2023(c)
End of share lock-up period							
› members of the Management Board and the Executive Committee	04/06/2021(d)	05/02/2022(d)	-	07/09/2023(d)	-	03/10/2024(d)	-
› other beneficiaries	04/06/2020(d)	05/02/2021(d)	08/01/2021(d)	07/09/2022(d)	12/28/2022(d)	03/10/2023(d)	08/30/2023(d)
Rights vested in 2021	255,798**(e)**	932,838**(f)**	7,286**(f)**	0**(g)**	0**(g)**	0**(g)**	0**(g)**
Number of rights lapsed or forfeited as at 12/31/2021	569,799	152,529	2,732	118,329	-	35,002	3,569
Number of rights outstanding as at 12/31/2021	-	391,839	-	1,983,433	19,350	1,382,196	21,794
› of which members of the Executive Committee	-	391,839	-	581,029	-	448,472	-
› of which corporate officers:	-	194,300	-	276,244	-	213,220	-
– Xavier Martiré	-	116,580	-	165,746	-	127,932	-
– Louis Guyot	-	45,337	-	64,457	-	46,751	
– Matthieu Lecharny	-	32,383	-	46,041	-	35,537	
Number of working beneficiaries as at 12/31/2021	342	425	1	489	23	503	15
› of which members of the Executive Committee	9	9	-	11	-	11	-
› of which corporate officers:	3(b)	3(b)	-	3(b)	-	3(b)	-

(a) Xavier Martiré, Louis Guyot and Matthieu Lecharny.

(b) Xavier Martiré, Louis Guyot and Matthieu Lecharny.

(c) Shares vest at the end of a vesting period set at two years from the date of the grant for all beneficiaries, except for the members of the Executive Committee (including members of the Management Board), for whom the vesting period is set at three years from the date of the grant.

(d) There is no lock-up period under this plan so the shares will be available and may be freely transferred by the beneficiaries at the end of the vesting period, subject to statutory blackout periods and the provisions of the Stock Market Code of Ethics regarding the prevention of market abuse. In addition, throughout their terms of office, each member of the Management Board is required to hold a number of shares in registered form set by the Supervisory Board in accordance with the compensation policy for corporate officers detailed in the Supervisory Board's report on corporate governance, provided in chapter 2 of this 2021 Universal Registration Document.

(e) During the meeting of March 8, 2021, the Supervisory Board examined the performance attached to the vesting of the performance shares granted to the members of the Executive Committee (including members of the Management Board) in 2018 for which the vesting period ended in 2021, and noted that given the Covid-19 crisis that the Company had been faced with in recent months, most of the performance conditions for Plan no.7 had not been met, for reasons beyond the control of the Company. Upon the recommendation of the Appointments, Compensation and Governance Committee (ACGC), the Supervisory Board, then the Management Board at its meeting on March 8, 2021, decided that the A Objectives related to 2020 revenue and EBIT and B Objectives related to EBIT in Germany, adjusted for the Covid impact, had been met. The other B Objectives related to Berendsen synergies and EBIT in the UK had not been met, and nor had the TSR condition (share price). As a result, 50% of the category A shares and 66% of the category B shares granted in 2018 to the members of the Executive Committee have vested.

(f) During the meeting of March 8, 2021, the Supervisory Board examined the performance attached to the vesting of the performance shares granted to employees (outside of the Executive Committee) in 2019 for which the vesting period ended in 2021, and noted that given the Covid-19 crisis that the Company had been faced with in recent months, most of the performance conditions for Plan no.10 had not been met, for reasons beyond the control of the Company and its employees. Upon the recommendation of the ACGC, the Supervisory Board, then the Management Board at its meeting on March 8, 2021, decided that the three conditions related to 2020 revenue and EBIT, adjusted for the Covid impact, and to the 2019 TSR, had been met. As a result, 100% of the performance shares granted in 2019 to employees (outside of the Executive Committee) have been vested.

(g) The vesting of shares is contingent on the achievement of performance targets measured over a two-year period for all beneficiaries, except for the members of the Executive Committee, whose performance is measured over a three-year period. Unless waived by the Management Board, the vesting of shares is also contingent on uninterrupted, continuous service with the Group for the duration of the vesting period. The performance targets associated with the vesting of the shares were defined in reference to internal absolute criteria linked to consolidated revenue and consolidated EBIT set on the basis of the business plan, itself in line with market expectations, and to the performance of the Elis share price relative to a benchmark index. The number of vested shares will depend on the number of targets achieved, with the understanding that the achievement of performance targets is binary, so that if a target is not met, the number of rights linked to that target is not due and the corresponding shares do not vest. For plans implemented in 2019, 2020 and 2021, 34% of the shares granted will vest if one performance condition is met, 67% if two conditions are met, and 100% if all three conditions are met. No shares will vest if none of the performance conditions is met.

4.3 Parent Company

Name and headquarters of the company that prepared the consolidated financial statements for the largest group	ELIS SA, Saint-Cloud (92210), SIRET 499668440 00039
Name and headquarters of the company that prepared the consolidated financial statements for the smallest group	ELIS SA, Saint-Cloud (92210), SIRET 499668440 00039
Place where copies of these consolidated financial statements may be obtained	5, boulevard Louis Loucheur, 92210 Saint-Cloud, France

4.4 Provisions

Breakdown by type:

Provisions for risks

(In thousands of euros)	As at 12/31/2020	Additions	Reversals	As at 12/31/2021
Provisions for litigation				
Provisions for warranties given to customers				
Provisions for losses on futures markets	294	124	294	124
Provisions for fines and penalties	0			0
Provisions for unrealized foreign currency translation losses	0			0
Provisions for post-employment benefits	185	960	39	1,106
TOTAL	**479**	**1,084**	**333**	**1,230**

On December 31, 2021, the Company introduced a provision for post-employment benefits, amounting to €939 million as part of the supplementary retirement plan mentioned in Note 2.6.

4.5 Summary of maturities of liabilities

(In thousands of euros)	Gross amount at 12/31/2021	Less than 1 year	1 to 5 years	More than 5 years
Convertible bonds	400,000		400,000	
Other bonds	337,003	1,333		335,670
Bank loans:				
› initially within one year				
› initially more than one year				
Sundry borrowings and financial debt	2,571,492	221,492	1,800,000	550,000
Trade payables	4,320	4,320		
Employee	2,186	2,186		
Social security and similar	742	742		
Government and other public authorities:				
Income tax expense				
Value added tax				
Guaranteed bonds				
Other taxes	398	398		
Amounts due to suppliers of non-current assets				
Group and associates	294,013	294,013		
Other liabilities				
Securities borrowed or received as collateral				
Deferred income				
TOTAL	**3,610,154**	**524,484**	**2,200,000**	**885,670**
Loans taken during the year	779,500			
Loans repaid during the year	905,800			

As at December 31, 2021, liabilities mainly include:

Capital markets

Commercial paper (NEU CP)

On the short-term capital market, Elis has an unrated commercial paper program (NEU CP), approved by Banque de France, for a maximum amount of €600 million. In addition to other financing, this program provides the Group with access to disintermediated short-term resources at favorable market conditions. As at December 31, 2021, outstandings under this program totaled €178.5 million, versus €317.5 million as at December 31, 2020. The decrease of €139 million is due to the positive cash flow generated by the Group in 2021.

Medium-term negotiable notes (NEU MTN)

In addition to its commercial paper program, since June 2021 Elis has also had a program of unrated medium-term negotiable notes (NEU MTN), approved by the Banque de France, for a maximum amount of €200 million. This program enables the Group to raise medium-term financing resources at favorable market conditions with maturities between the commercial papers and the bonds issued as part of the EMTN program (between 18 months and 3 years). As at December 31, 2021, outstandings under this program totaled €10 million.

Convertible bonds (OCÉANEs)

On October 6, 2017, Elis issued bonds convertible into and/or exchangeable for new or existing Elis shares (obligations à option de conversion et/ou d'échange en actions nouvelles or existantes, or "OCÉANEs") with a maturity date of October 6, 2023. The nominal amount of the issue totals €400 million and is represented by 12,558,869 bonds with a par value of €31.85. The bonds are non-interest bearing (zero coupon). The funds raised from this issue were used to repay the bridge loan set up in connection with the Berendsen acquisition and extend the maturity of the Group's debt.

EMTN (Euro Medium Term Notes)

On the long-term capital markets, Elis has a €4 billion EMTN program, renewed and approved by the AMF on May 6, 2021, under which it has carried out several bond issues, of which the following are still circulating:

- on February 15, 2018, a dual-tranche bond issue comprising a €650 million tranche with a maturity of 5 years (February 2023) and a coupon of 1.875%, and a €350 million tranche with a maturity of 8 years (February 2026) and a coupon of 2.875%. Totaling €1 billion, these funds were used to refinance the bridge loan set up as part of the Berendsen acquisition; following the partial redemption carried out in September 2021, the amount of the tranche maturing in February 2023 was reduced from €650 million to €450 million;
- on April 11, 2019, a bond issue in the amount of €500 million with a 5-year maturity and a coupon of 1.75%. The proceeds from this issue have been allocated in full to refinance the high-yield bonds maturing in 2022;
- on October 3, 2019, a dual-tranche bond issue for €850 million comprising (i) a €500 million tranche with a maturity of 5.5 years (maturing April 2025) and an annual coupon of 1%, and (ii) a €350 million tranche with a maturity of 8.5 years (maturing April 2028) and an annual coupon of 1.625%. These bonds were used to fully refinance the tranches drawn from the two syndicated bank credit facilities taken out in 2017.
- on September 23, 2021, a fully fungible €200 million bond issue forming a single line with the existing bonds maturing in April 2028 issued on October 3, 2019 for an initial amount of €350 million with an annual coupon of 1.625%. This brought the amount of the bond line to €550 million. The income from these new bonds was entirely used for the partial redemption of bonds issued in February 2018.

Bank loans and private placement

USPP private placement

In April 2019, the Group also took out a USPP loan with two tranches: one tranche in euros in the amount of €300 million maturing in 10 years with an interest rate of 2.70% and another tranche in US dollars in the amount of US$40 million maturing in 10 years with an interest rate of 4.99%. The tranche in dollars was converted to euros using a 10-year cross-currency swap with a synthetic coupon rate in euros of 2.69%. The proceeds of this issue were mainly used to redeem the €800 million High-Yield Bonds maturing in 2022.

Syndicated revolving credit facility

On November 9, 2021, Elis signed a new €900 million syndicated revolving credit facility with a group of 13 customer-driven retail banks, undrawn as at December 31, 2021. This new credit facility, which matures in five years (November 2026) and has two single-year extension options ("5+1+1" years), replaced the two existing revolving credit lines of €500 million and €400 million respectively taken out in January and November 2017. This refinancing secures and extends the Group's liquidity profile, while also reducing its annual financial expense. For the first time, this new credit facility includes an ESG component in the form of a margin adjustment mechanism linked to the achievement of annual targets for two of the Group's core sustainable development indicators:

- water consumption, which the Group is committed to reducing by 30% per kg of linen delivered over the period from 2018 to 2030 for its laundries in Europe;
- gender balance, with a commitment to increase the proportion of women in executive or managerial role to 42% by 2030 (34% in 2020).

Through this syndicated credit facility agreement, the Group has, as at December 31, 2021, an undrawn confirmed credit facility of €900 million, thus ensuring the necessary liquidity for the Group for its commercial paper program in the event the commercial paper market closes.

4.6 Forward financial instruments and hedges

Interest rate risk management

As at December 31, 2021, all of Elis's long-term debt had fixed interest rates.

Currency risk management

Transactional and financial currency risk

To hedge its transactional and financial currency risks, Elis uses derivatives consisting of:

- forward purchases/sales of currencies not qualifying as hedges (isolated open positions) to hedge its subsidiaries' transactional exposures;
- foreign currency swaps to hedge foreign exchange risk on its intra-group current accounts in foreign currencies.

As at December 31, 2021, the fair value recorded in the balance sheet under "Cash and cash equivalents" totaled €409,000.

Currency risk linked to USPP financing denominated in US dollars

In 2019, Elis contracted a cross-currency swap to exchange the currency and fixed interest rate paid on its US$40 million USPP debt over the term of the loan for a fixed rate. The fair value as at December 31, 2021 was €1,236,000.

This instrument, designated as a hedge, is not recorded in the balance sheet as prescribed by ANC Regulation 2015-05 (except for accrued interest).

4.7 Trade payables

(In thousands of euros)	As at 12/31/2021	As at 12/31/2020
Group suppliers	2,513	296
Suppliers	99	(9)
Suppliers of non-current assets		
Invoices not received	1,200	3,114
Invoices not received – Group		
Bank fees	508	826
CARRYING AMOUNT	**4,320**	**4,227**

4.8 Accrued expenses

The amounts of accrued expenses included in the following balance sheet items were as follows:

(In thousands of euros)	As at 12/31/2021	As at 12/31/2020
Operating liabilities		
Trade payables	1,708	3,940
Tax- and employee-related liabilities	3,157	1,476
Financial liabilities		
Interest accrued on sundry borrowings and financial debt	34,678	35,495
TOTAL	**39,543**	**40,911**

4.9 Other accruals

Deferred income

None.

4.10 Translation differences

	Foreign currency translation losses				Foreign currency translation gains
	Total	Offset by foreign exchange risk hedge or overall foreign exchange position	Provisions for risks	Net	Total
USPP loan	0	0	0	0	352,729
Trade receivables	1,673	1,673	0	0	2,462
Financial current accounts	829,151	707,403	121,748	0	23,296
Suppliers	169	169	0	0	439
TOTAL	**830,993**	**709,245**	**121,748**	**0**	**378,926**

NOTE 5 NOTES TO THE INCOME STATEMENT

5.1 Breakdown of revenue

2021 revenue by business segment and region breaks down as follows:

	Financial year 2021			Financial year 2020
(In thousands of euros)	France	EEC + rest of the world	Total	Total
Sales of goods held for resale				
Sales of finished goods				
Sales of services	1,046		1,046	1,005
REVENUE	**1,046**		**1,046**	**1,005**
PERCENTAGE	**100%**	**0%**	**100%**	

5.2 Reinvoiced expenses

(In thousands of euros)	As at 12/31/2021	As at 12/31/2020
Employee expenses		
Other expenses		
TOTAL	**0**	**0**

5.3 Average number of employees

The average number of employees during 2021 breaks down as follows:

	Financial year 2021	
	Headcount	Number of secondees
Managers	2	
Employees		
TOTAL	**2**	**0**

5.4 Compensation of management bodies

Members of the Supervisory Board

Total compensation paid to members of the Supervisory Board during the financial year (due in respect of 2020): €325,000 compared with €338,000 during the previous financial year.

Management Board

Total compensation paid to members of the Management Board during the financial year: €2,478,000 compared with €3,362,000 during the previous financial year.

5.5 Net financial income (loss)

The net financial expense for the year amounted to €38,982,000 and breaks down as follows:

(In thousands of euros)	Financial year 2021	Financial year 2020
FINANCIAL INCOME	**54,236**	**53,471**
Financial income from equity investments		
Income from other securities and long-term loans and receivables		
Other interest income	21,345	22,194
Reinvoiced expenses and reversals of provisions	329	2,546
Foreign currency translation gains	32,562	28,731
Net gain on disposals of marketable securities		
FINANCIAL EXPENSES	**93,218**	**88,505**
Amortization and provisions on financial assets	124	294
Interest expense	61,024	57,141
Foreign currency translation losses	32,070	31,054
Net expense on disposals of marketable securities		16
NET FINANCIAL INCOME (LOSS)	**(38,982)**	**(35,034)**

5.6 Net non-recurring income (loss)

(In thousands of euros)	Financial year 2021	Financial year 2020
NON-RECURRING INCOME	**825**	**149**
Non-recurring income from operations	136	
Non-recurring income from capital transactions	650	149
Reinvoiced expenses and reversals of provisions	39	
NON-RECURRING EXPENSES	**6,407**	**7,527**
Non-recurring expenses on operations	32	1,332
Non-recurring expenses on capital transactions	946	781
Non-recurring depreciation, amortization and provisions	5,429	5,414
NET NON-RECURRING INCOME (LOSS)	**(5,582)**	**(7,378)**

The non-recurring net loss for the year amounted to -€5,582,000 and breaks down as follows:

- non-recurring income and expenses on capital transactions corresponds to the unrealized and realized gains and losses on treasury shares held under the liquidity agreement using the first-in-first-out (FIFO) method;
- non-recurring depreciation, amortization and provisions corresponds to the five-year amortization of the acquisition costs for the Berendsen shares.

5.7 Income tax expense

Since March 1, 2008, the Company has elected to determine French income taxes on a consolidated basis in accordance with Article 223 A et seq. of the French Tax Code together with the subsidiaries and sub-subsidiaries as at December 31, 2021 included in the following list: M.A.J., Les Lavandières, Régionale de location et services textiles, Pierrette-TBA, Le Jacquard Français, Elis Services, Thimeau, Société de Participations Commerciales et Industrielles, Pro Services Environnement and Blanchisserie Blésoise.

As the parent company of the consolidated group, Elis consolidates the taxable income of all the members of the Group and pays the corresponding tax to the French Treasury. It receives from its subsidiaries the amount of tax that they would have borne in the absence of tax consolidation. As at December 31, 2021, Elis recorded in its financial statements a tax benefit amount of €20,548,000 (€20,708,000 as at December 31, 2020) corresponding to the difference between the amounts received from the subsidiaries and those actually paid.

Elis applies the tax payable method and therefore does not recognize the amounts that it would have had to pay back to loss-making subsidiaries when they return to profit in future years. The tax loss carryforwards applied for certain members of the tax consolidation group and Elis's related deferred tax liabilities are detailed below:

(In thousands of euros)	Unused loss carryforwards (basis)	Tax rate	Deferred tax liabilities
Société de Participations Commerciales et Industrielles	3,482	25%	871
Le Jacquard Français	7,693	25%	1,923
Blanchisserie Blésoise	3,167	25%	792
TOTAL	**14,342**	**25%**	**3,586**

5.8 Deferred tax

Base *(In thousands of euros)*	At the beginning of the financial year	Change in net income (loss) for the financial year	At the end of the financial year
Accelerated amounts for tax relief			
Regulated provisions: accelerated depreciation and amortization	(18,097)	(5,429)	(23,526)
Differences between accounting and tax bases of certain income and expense items			
Provision for retirement benefits	(185)	(921)	(1,106)
Corporate social solidarity contribution	(7)	1	(6)
Other provisions for risks			
Tax loss carryforwards	**879,391**	**26,763**	**906,154**
Tax consolidation – tax savings to be remitted	**(13,473)**	**(869)**	**(14,342)**
TOTAL	**847,629**	**21,283**	**867,174**

Income tax expense *(In thousands of euros)*	At the beginning of the financial year	Change in net income (loss) for the financial year	At the end of the financial year
Accelerated amounts for tax relief			
Regulated provisions: accelerated depreciation and amortization	(5,142)	(740)	(5,882)
Differences between accounting and tax bases of certain income and expense items			
Provision for retirement benefits	53	224	277
Corporate social solidarity contribution	2	(1)	1
Other provisions for risks			
Tax loss carryforwards	**249,835**	**(23,297)**	**226,538**
Tax consolidation – tax savings to be remitted	**(3,570)**	**(16)**	**(3,586)**
TOTAL	**241,178**	**(23,830)**	**217,348**

NOTE 6 FINANCIAL AND OFF-BALANCE SHEET COMMITMENTS

6.1 Commitments given

(In thousands of euros)	Total	Less than 1 year	1 to 5 years	More than 5 years
Related to cash and cash equivalents				
Related to financing				
Endorsements, sureties and guarantees on behalf of subsidiaries	11,581			11,581
Related to leases				
Related to services rendered				
Other				
	11,581	**0**	**0**	**11,581**

6.2 Commitments received

(In thousands of euros)	Total	Less than 1 year	1 to 5 years	More than 5 years
Related to operations/property/international expansion				
Related to financing	385,670			385,670
Guaranteed receivables				
	385,670	**0**	**0**	**385,670**

6.3 Derivative-related commitments

See Note 4.6.

NOTE 7 EVENTS AFTER THE REPORTING PERIOD

Capital increase for the subsidiary SPCI.

Elis subscribed 100% of the capital increase for the Société de Participations Commerciales et Industrielles in cash for an amount of €49,995,000. The funds for this subscription were entirely paid up by the Company by bank transfer on January 28, 2022.

6

6.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS AFR

(For the year ended December 31, 2021)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Elis for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from January 1, 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

Emphasis of matter

Without qualifying the opinion expressed above, we draw your attention to the change in accounting policy relating to the measurement and recognition of retirement and similar benefit obligations described in the paragraph "*Change in accounting policies*" of Note 2 "*Accounting policies*" to the financial statements, which sets out the absence of impact of the update of the French accounting standards authority (ANC) recommendation no. 2013-02 of November 7, 2013, published on November 5, 2021.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Measurement of equity investments, loans and advances to subsidiaries, and merger losses on financial assets

Notes 2.1 "Non-current assets", 3.2 "Financial assets", 3.3 "Impairment of non-current assets" and 3.4 "Table/list of subsidiaries and other equity investments" to the financial statements

Description of risk

Equity investments at December 31, 2021 represented €3,911 million, the largest balance sheet item. They are carried at cost and may be impaired based on their value in use. Related receivables stood at €474 million.

The Company's balance sheet at December 31, 2021 also included merger losses on financial assets for a net amount of €1,365 million, recorded within other financial assets.

As described in Note 2.1 to the financial statements, the value in use of equity investments is determined for a given investment on the basis of its contribution to consolidated net assets, profitability and future prospects. Merger losses on financial assets are grouped with the equity investments to which they were allocated for the purposes of impairment testing carried out by management at year-end.

The economic climate within which the Group operates is changing, especially in light of the Covid-19 pandemic. Its subsidiaries may experience changes in their business levels, which may in turn lead to a deterioration in their levels of operating income. Accordingly, and given their amounts in the Company's balance sheet, we deemed the measurement of equity investments, related receivables and merger losses on financial assets to be a key audit matter.

How our audit addressed this risk

To assess the reasonableness of the estimated value in use of the equity investments and merger losses on financial assets, our work consisted mainly in verifying that the estimated values determined by management were based on appropriate justification of the measurement method and calculation assumptions used. In particular:

- for valuations based on historical data: verifying that the equity and net debt amounts used were consistent with the financial statements of entities that have been audited or subject to analytical procedures, and that any adjustments, where applicable, to equity were based on documentary evidence;
- for valuations based on forecast data, we obtained the forecast future cash flows for the investments concerned and:
  - assessed their consistency with the business plans drawn up by management,
  - assessed their reasonableness in light of the economic and financial environments in which the investees operate, especially in light of the Covid-19 pandemic,
  - assessed the reasonableness of the discount rates and long-term growth rates used, with the support of our asset valuation experts.

Lastly, we obtained assurance that Notes 2.1, 3.2, 3.3 and 3.4 to the financial statements provided appropriate disclosures.

Our work also consisted in assessing the recoverability of receivables from equity investments.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management Board's management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in article D. 441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L. 22-10-9 of the French Commercial Code relating to compensation and benefits paid or awarded to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of article L. 22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chairman of the Management Board's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Elis by your Annual General Meeting held on June 29, 2011 for Mazars and by the bylaws at the time of the Company's incorporation in 2007 for PricewaterhouseCoopers Audit.

At December 31, 2021, Mazars and PricewaterhouseCoopers Audit were in the eleventh and fifteenth consecutive year of their engagement, respectively, and the seventh year since the Company's securities were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Management Board.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Courbevoie, March 8, 2022

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT		MAZARS
Edouard SATTLER	Bardadi BENZEGHADI	Francisco SANCHEZ

6.5 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

This is a free translation into English of the Statutory Auditors' special report on regulated agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Elis, we hereby report to you on regulated agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R. 225-58 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-58 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements to be submitted for the approval of the Annual General Meeting

In accordance with article L. 225-88 of the French Commercial Code, we were informed of the following agreement entered into during the year and authorized in advance by the Supervisory Board.

Retirement insurance contract for the benefit of the members of the Executive Committee entered into with Predica

Purpose of the agreement

On December 29, 2021, the Company entered into an insurance contract for a supplementary pension plan for members of the Executive Committee, including members of the Management Board, in accordance with the new article L.137-11-2 of the French Social Security Code (*Code de la Sécurité Sociale*). The main characteristics of this contract are:

- Term: from January 1, 2021 to December 31, 2021, renewable automatically for a further year.
- Two phases:
  - an annuity accumulation phase (payment of annual premiums by the Company constituting a collective fund invested in euro-denominated and unit-linked assets managed by Amundi);
  - an annuity payment phase by the insurer to each beneficiary when the rights are first claimed.
- Conditions:
  - Annual bonus calculated based on compensation (fixed and variable) for the year concerned.
  - Vesting of rights by each beneficiary, subject to annual performance conditions similar to those used to calculate variable compensation (revenue and EBITDA).
  - Management fees on premiums, on the total investments, on the annuity arrears.

Authorization procedure

The agreement was subject to the prior authorization of the Supervisory Board on October 25, 2021.

Persons concerned

Predica, a shareholder holding more than 10% of the voting rights; Magali Chesse, member of the Supervisory Board representing Predica.

Amounts recognized in 2021

- Provision for pensions and retirement under the supplementary pension contract (members of the Management Board): €938,774.
- Accrued expenses recognized in respect of the supplementary pension contract: €278,807.

Reasons given as to why the agreement is beneficial for the Company

This agreement was entered into as part of the 2021 compensation policy for members of the Management Board approved by the Annual General Meeting of May 20, 2021.

Agreements already approved by the Annual General Meeting

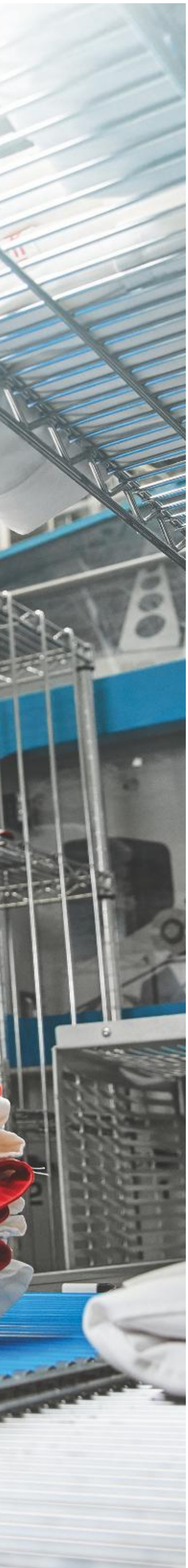
We were not informed of any agreement already approved by the Annual General Meeting which remained in force during the year.

Courbevoie and Neuilly-sur-Seine, March 8, 2022

The Statutory Auditors

MAZARS	PRICEWATERHOUSECOOPERS AUDIT	
Francisco SANCHEZ	Edouard SATTLER	Bardadi BENZEGHADI


G. Ales



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Other information about the Company, its share capital and share ownership

7

7.1 INFORMATION ABOUT THE COMPANY

Entity name	Elis
Registered office and contact information	5, boulevard Louis Loucheur – 92210 Saint-Cloud, France – tel. +33 (0)1 75 49 94 00
Company website:	www.elis.com
Legal form **Governing law**	French joint-stock corporation (société anonyme) governed by a Management Board and a Supervisory Board. Legal and regulatory provisions applicable in France (and especially those of Book II of the French Commercial Code) and its bylaws.
LEI	969500UX71LCE8MAY492
Place of registration and registration number	Registered in the Nanterre Trade and Companies Register under no. 499 668 440.
Date of incorporation **Duration of the Company**	August 10, 2007 Ninety-nine (99) years as at its registration in the Trade and Companies Register, i.e., until August 26, 2106, unless dissolved sooner or said period is extended.
Corporate purpose (Article 3 of the bylaws)	› the acquisition of stakes, through contributions, purchase, subscription or otherwise, in any companies, regardless of their corporate form or purpose; › management services to companies, including in the administrative, accounting, financial, IT and sales fields; › the exploitation of any patents and trademarks, including under licenses; › the renting of any equipment and facilities of any type; › the ownership, through acquisition or otherwise, and the management, including through rentals, of any properties and assets or real estate rights; › the direct or indirect participation in any transactions that may be directly or indirectly related to the corporate purpose through the creation of new companies, contributions, subscriptions or purchases of securities or shares and related rights, mergers, alliances, joint ventures and by any other means and in any form used in France and abroad; › and more generally, any commercial, financial, industrial, personal property or real estate transaction that may be directly or indirectly related to the aforementioned corporate purpose or any purposes that are similar, related or likely to facilitate the achievement of the corporate purpose.
Location of corporate documents, historical information and regulated information[(a)]	Company's registered office. Regulated information is available under "Group/Investor Relations/Regulated information" on the Company's website. The "Group/About Us/Governance" section of the Elis website provides the following information: › the composition of the Management Board and the Supervisory Board; › the Company's bylaws, the Supervisory Board's rules of procedure and the Stock Market Code of Ethics; › details regarding the commitments made by the Company to the Chairman and members of the Management Board.
Financial year (Article 25 of the bylaws)	January 1 to December 31 each year.

(a) The bylaws, financial statements, reports presented to the general shareholders' meeting by the Management Board and the Supervisory Board and, more generally, all documents that must be sent or made available to shareholders as stipulated in Articles L. 225-115, L. 225-116 and L. 225-117 of the French Commercial Code.

7.2 SHARE CAPITAL AND SHARE OWNERSHIP

7.2.1 Information about the Company's capital AFR

Amount and structure of the share capital

As at December 31, 2021, the Company's share capital was €224,076,007, divided into 224,076,007 shares with a par value of one euro each, fully subscribed, fully paid-up and all of the same class.

In 2021, the share capital increased by 2,256,577 new shares issued, first, as part of the "Elis for All 2021" employee share ownership operation, which resulted in two capital increases reserved for employees carried out on June 29, 2021, and, second, as part of capital increases through the capitalization of sums deducted from the "Additional paid-in capital" account, to cover the performance share plans implemented on April 6, 2018, May 2, 2019 and August 1, 2019, as well as some of the bonus shares used as matching contributions for the "Elis for All 2021" plan.

In 2022, three performance share plans will expire (see chapter 6 of this universal registration document – Note 5.4 to the 2021 consolidated financial statements and Note 4.2 to the 2021 parent company financial statements).

Changes in share capital over the past three financial years

Date	Type of transaction	Transaction amount *(in euros)*	Share premium *(in euros)*	Share capital before transaction *(in euros)*	Number of shares before transaction	Number of shares after transaction	Par value after transaction *(in euros)*	Share capital after transaction *(in euros)*
As at 12/31/2018						**219,927,545**	**1**	**219,927,545**
03/24/2019	Capital increase through capitalization of reserves[a]	299,820	-	219,927,545	219,927,545	220,227,365	1	220,227,365
06/15/2019	Capital increase through capitalization of reserves[b]	498,434	-	220,227,365	220,227,365	220,725,799	1	220,725,799
10/30/2019	Capital increase reserved for employees[c]	571,998[c]	6,484,678.16	220,725,799	220,725,799	221,297,797	1	221,297,797
As at 12/31/2019						**221,297,797**	**1**	**221,297,797**
03/24/2020	Capital increase through capitalization of reserves[d]	249,300	-	221,297,797	221,297,797	221,547,097	1	221,547,097
04/06/2020	Capital increase through capitalization of reserves[e]	246,884	-	221,547,097	221,547,097	221,793,981	1	221,793,981
08/31/2020	Capital increase through capitalization of reserves[f]	13,245	-	221,793,981	221,793,981	221,807,226	1	221,807,226
12/20/2020	Capital increase through capitalization of reserves[g]	12,204	-	221,807,226	221,807,226	221,819,430	1	221,819,430
As at 12/31/2020						**221,819,430**	**1**	**221,819,430**
April 6, 2021	Capital increase through capitalization of reserves[h]	255,798	-	221,819,430	221,819,430	222,075,228	1	222,075,228
05/02/2021	Capital increase through capitalization of reserves[i]	932,838	-	222,075,228	222,075,228	223,008,066	1	223,008,066
06/29/2021	Capital increase reserved for employees[j]	1,061,303[j]	9,584,379.30	223,008,066	223,008,066	224,069,369	1	224,069,369
08/01/2021	Capital increase through capitalization of reserves[k]	6,638	-	224,069,369	224,069,369	224,076,007	1	224,076,007
As at 12/31/2021						**224,076,007**	**1**	**224,076,007**

(a) *Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on March 24, 2017 and whose vesting period expired on March 24, 2019.*
(b) *Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on June 15, 2016 and whose vesting period expired on June 15, 2019.*
(c) *Capital increases reserved for employees under the "Elis for All" plan. This number of shares includes the 30,706 new shares issued through the capitalization of €30,706 deducted from "Additional paid-in capital" to cover the matching employer contribution to the Group savings plan in France.*
(d) *Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on March 24, 2017 and whose vesting period expired on March 24, 2020.*
(e) *Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on April 06, 2018 and whose vesting period expired on April 06, 2020.*
(f) *Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on August 31, 2018 and whose vesting period expired on August 31, 2020.*
(g) *Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on December 20, 2018 and whose vesting period expired on December 20, 2020.*
(h) *Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on April 6, 2018 and whose vesting period expired on April 6, 2021.*
(i) *Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on May 02, 2019 and whose vesting period expired on May 02, 2021.*
(j) *Capital increases reserved for employees under the "Elis for All 2021" plan. This number of shares includes the 48,134 new shares issued through the capitalization of €48,134 deducted from "Additional paid-in capital" to cover the matching employer contribution to the Group savings plan in France.*
(k) *Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on August 1, 2019 and whose vesting period expired on August 1, 2021.*

Ownership of share capital and voting rights over the last three years

The latest ownership structure of the Company's share capital is available on the Group's website at www.elis.com.

The ownership structure as at December 31, 2021 is presented in the table below based on disclosures required by law establishing an interest of more than 5% of the share capital or voting rights at the end of the financial year pursuant to Article L. 233-7 of the French Commercial Code, and disclosures by Group executives and individuals related to them.

Pursuant to Article 223-11 of the General Regulation of the AMF, the theoretical voting rights presented in the table below account for all voting rights attached to outstanding shares, including non-voting shares (i.e., treasury shares). The number of theoretical voting rights thus differs from the number of voting rights that can actually be exercised at general shareholders' meetings.

Furthermore, double voting rights are allocated to each registered share held by a shareholder in registered form for at least two years, pursuant to Article 9 of the Company's bylaws (see section 7.2.4, "Double voting rights" below). As at December 31, 2021, a total of 44,641,310 shares had double voting rights.

	December 31, 2019						December 31, 2020					
Shareholders	Number of shares	Theoretical voting rights	Exercisable voting rights	% of share capital	% of theoretical voting rights	% of exercisable voting rights	Number of shares	Theoretical voting rights	Exercisable voting rights	% of share capital	% of theoretical voting rights	% of exercisable voting rights
Canada Pension Plan Investment Board[(a)]	27,328,509	45,944,746	45,944,746	12.35	18.06	18.07	27,328,509	54,653,018	54,653,018	12.32	20.62	20.64
Crédit Agricole SA o/w	15,670,701	29,662,363	29,662,363	7.08	11.66	11.66	13,991,745	27,983,407	27,983,407	6.31	10.56	10.56
› Predica	13,991,662	27,983,324	27,983,324	6.32	11.00	11.01	13,991,662	27,933,324	27,933,324	6.31	10.54	10.55
Free float, o/w	178,179,386	178,615,096	178,615,096	80.51	70.22	70.22	180,293,453	182,251,325	182,251,325	81.28	68.75	68.80
› Ameriprise Financial, Inc[(b)]	12,258,659	12,258,659	12,258,659	5.54	4.82	4.82	12,671,657	12,671,657	12,671,657	5.71	4.78	4.78
› FMR LLC[(c)]	10,743,419	10,743,419	10,743,419	4.85	4.22	4.23	11,185,103	11,185,103	11,185,103	5.04	4.22	4.22
› Executives and employees	2,359,763[(d)]	2,628,566	2,628,566	1.07	1.03	1.03	2,788,761[(e)]	3,358,723	3,358,723	1.26	1.27	1.27
Treasury stock	119,201[(f)]	119,201	-	0.05	0.05	0.00	205,723[(g)]	205,723	-	0.09	0.08	0.00
TOTAL	**221,297,797**	**254,341,406**	**254,222,205**	**100**	**100**	**100**	**221,819,430**	**265,093,473**	**264,887,750**	**100**	**100**	**100**

(a) Based on the breach of shareholding threshold disclosures dated December 3, 2019 and December 15, 2020.

(b) Based on the breach of shareholding threshold disclosures dated July 3, 2019 and January 28, 2020.

(c) Based on the breach of shareholding threshold disclosures dated January 24, 2019 and June 11, 2020.

(d) O/w 594,792 shares held by employees through the "Elis for All" investment fund (FCPE), 1,306,750 shares held in respect of settlements of performance share plans implemented by the Company for which the vesting period has expired, and 393,532 shares held by the Berendsen Employee Benefit Trust.

(e) O/w 456,958 held by employees through the "Elis for All" investment fund (FCPE), 1,731,599 shares held in respect of settlements of performance share plans implemented by the Company for which the vesting period has expired, and 393,432 held by the Berendsen Employee Benefit Trust.

(f) O/w 115,250 held under the liquidity agreement (see section 7.2.2 "Share buyback and liquidity agreement" of the 2019 Universal Registration Document). These shares have no voting rights.

(g) O/w 201,772 held under the liquidity agreement (see section 7.2.2 "Share buyback and liquidity agreement" of the 2020 Universal Registration Document). These shares have no voting rights.

	12/31/2021					
Shareholders	Number of shares	Theoretical voting rights	Exercisable voting rights	% of share capital	% of theoretical voting rights	% of exercisable voting rights
Canada Pension Plan Investment Board[(a)]	27,328,509	54,653,018	54,653,018	12.20	20.34	20.35
Predica (Crédit Agricole Group)[(a)]	13,992,162	27,934,324	27,934,324	6.24	10.40	10.40
Free float, o/w	182,638,047	186,012,686	186,012,686	81.51	69.22	69.25
› FIL Ltd (formerly FMR LLC)[(b)]	11,220,641	11,220,641	11,220,641	5.01	4.18	4.18
› Executives and employees[(c)]	4,006,909	5,213,002	5,213,002	1.79	1.94	1.94
Treasury stock[(d)]	117,289	117,289	-	0.05	0.04	0
TOTAL	**224,076,007**	**268,717,317**	**268,600,028**	**100**	**100**	**100**

(a) Including shares held by the shareholder representatives on the Supervisory Board.

(b) Based on the breach of shareholding threshold disclosure dated March 19, 2021 (see section 7.2.3 "Shareholder structure").

(c) O/w 1,325,721 held by employees through the "Elis for All" investment fund (FCPE) and 2,250,306 shares held in respect of settlements of performance share plans implemented by the Company for which the vesting period has expired. The Employee Benefit Trust was dissolved in May 2021.

(d) O/w 117,289 held under the liquidity agreement (see section 7.2.2 "Share buyback and liquidity agreement"). These shares have no voting rights.

Unissued authorized capital

A table summarizing the currently valid delegations of authority and powers granted to the Management Board to increase or reduce the share capital, trade in the Company's shares under the share buyback program and carry out transactions reserved for employees and corporate officers, along with the use of these delegations in 2021, can be found in the Supervisory Board's report on corporate governance (see chapter 2 of this universal registration document, section 2.1).

At the Company's next annual general shareholders' meeting, the shareholders will be asked, among other things, to vote on the renewal of the share buyback program and the financial delegations that will be expiring, including the delegation allowing the Management Board to award bonus performance shares.

Other issued securities giving rights to the Company's capital

As at the date of this universal registration document, the securities giving rights to the Company's capital are as follows:

- performance shares granted by the Company (see chapter 6 "Financial statements for the year ended December 31, 2021" of this universal registration document, Note 5.4 to the 2021 consolidated financial statements, and Note 4.2 to the Company's 2021 parent company financial statements), i.e., 3,798,612 rights likely to result in the issue of 3,798,612 new shares; and
- bonds convertible into and/or exchangeable for new or existing shares (OCÉANEs) issued by the Company representing 13,124,018 underlying shares. This number takes into account the last adjustment of the conversion ratio in May 2019 following the payment of a sum from the reserves, no pay-out having been made in 2021 (see chapter 6 of this universal registration document, Note 8.3 to the 2021 consolidated financial statements) or in 2020.

No other securities give access to the Company's share capital.

Information about the potential dilution of the Company's share capital

The overall potentially dilutive effect of the financial instruments described above was approximately 7.6% of the Company's share capital as at December 31, 2021.

Pledges

As at December 31, 2021, existing pledges of Company shares included 2,455 registered shares held by a single shareholder. The Company is not aware of any other pledges of Company shares. No shares held by the Company in its subsidiaries had been pledged.

7.2.2 Share buyback and liquidity agreement AFR

The combined general shareholders' meeting of May 20, 2021 (20th resolution) authorized the Management Board to trade in the Company's shares in accordance with the provisions of Article L. 22-10-62 et seq. of the French Commercial Code and Articles 241-1 et seq. of the General Regulation of the AMF, as well as Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and the related regulations of the European Commission (delegated regulation). This authorization was granted for a period of 18 months and replaced the previous share buyback program authorized by the combined general shareholders' meeting of June 30, 2020.

A description of the share buyback program, as well as all press releases related to it, can be viewed on the Group's website at: www.elis.com.

Transactions carried out by the Company with its own shares in financial year 2021

In 2021, the Company used its share buyback program as part of the liquidity agreement with Kepler Cheuvreux, and then with Exane BNP Paribas, as well as to award bonus shares under the "Elis for All 2021" employee share ownership plan.

Liquidity agreement

To facilitate liquidity and stabilize the Elis share, the Company entered into a liquidity agreement with Kepler Cheuvreux, and then with Exane BNP Paribas, that complied with applicable European regulations, Articles L. 225-209 et seq. of the French Commercial Code, and French Financial Markets Authority (AMF) Decision No. 2018-01 of July 2, 2018. From July 1, 2021, this liquidity agreement was amended to comply with the new AMF Decision No. 2021-01 of June 22, 2021, which canceled and replaced the Decision of July 2, 2018.

The trading platform on which transactions under this liquidity agreement are carried out is Euronext Paris.

The half-year statement of the liquidity agreement is available on the Group's website (www.elis.com).

From April 13, 2015 to February 26, 2021, the date of termination of the agreement, Elis had a liquidity agreement with Kepler Cheuvreux.

At the time the agreement was signed, the Company had allocated €3 million and no securities to the liquidity account.

As at February 26, 2021, the date of termination of this agreement, the following resources appeared in the liquidity account:

- 185,022 shares;
- €497,338.62.

As at March 1, 2021, for an initial period ending on December 31, 2021 and then renewable by tacit agreement for each annual period, the Company entered into a liquidity agreement with Exane BNP Paribas.

To implement this agreement, the following resources were allocated to the liquidity account:

- 185,022 shares;
- €497,338.62.

The execution of the liquidity agreement may be suspended:

- when the conditions referred to in Article 5 of the AMF Decision are met;
- in the event that a number of securities equal to the maximum amount decided by the Company's general shareholders' meeting is held, in particular taking into account the securities already held by the Company in accordance with Article L. 225-210 of the French Commercial Code;
- in the event that the security is listed outside the intervention thresholds authorized by the general shareholders' meeting of the Company;
- in the event of expiry or suspension of the authorization to buy back shares by the general shareholders' meeting of the Company or when the limits set by the general shareholders' meeting have been reached, including the impossibility of executing the contract during the periods of a public offering on the Company's capital (except with the prior authorization of said general shareholders' meeting).

The liquidity agreement may be terminated:

- by the Company, at any time and without notice, under the liquidity account closing conditions provided for under the terms of Article 13;
- by Exane BNP Paribas, with one month's notice.

At the end of the notice period, the liquidity account will be closed under the conditions provided for in the agreement.

In 2021:

- 1,446,519 shares were purchased at an average price of €15.15, or a total amount of €21,910,817; and
- 1,532,327 shares were sold at an average price of €15.16, or a total amount of €23,236,924.

At December 31, 2021, the following resources were allocated to the liquidity account:

- 117,289 shares;
- €1,537,451.

Other transactions

In June 2021, the Company bought back 39,910 Elis shares, for a gross transaction amount of €616,354 (at an average price of €15.44), for the purpose of awarding bonus shares as matching contributions under the "Elis for All 2021" employee share ownership plan. Trading costs were €924.53.

The Company did not purchase any shares between January 1, 2022 and February 28, 2022.

No shares were reallocated or canceled.

Transaction summary

The table below summarizes the Company's transactions with its own shares between January 1, 2021 and December 31, 2021 and shows the number of treasury shares held by the Company:

Transactions conducted by the Company under the share buyback program in 2021	
Number of shares purchased during financial year 2021	1,486,429[(a)]
Number of shares sold during financial year 2021	1,532,327[(b)]
Number of shares canceled during financial year 2021	0
Average transaction price *(in euros)*	[(c)]
Transaction amount *(in euros)*	
› Purchases:	22,527,171[(d)]
› Sales:	23,236,924

(a) O/w 1,446,519 for the liquidity agreement and 39,910 for the purpose of awarding bonus shares ("Elis for All 2021" matching contribution).
(b) O/w 1,532,327 for the liquidity agreement.
(c) See section 7.7.2 "Transactions carried out by the Company with its own shares in financial year 2021" above.
(d) Including trading costs (excluding tax). See details above in "Transactions carried out by the Company with its own shares in financial year 2021."

Status as at December 31, 2021	
Treasury shares held directly or indirectly as at January 1, 2021 (beginning of the period)	205,723[(a)]
Treasury shares held directly or indirectly as at December 31, 2021	117,289[(b)]
Percentage of treasury shares held directly or indirectly as at December 31, 2021	0.05
Par value of the portfolio as at December 31, 2021[(c)] *(in euros)*	117,289
Market value of the portfolio as at December 31, 2021[(d)] *(in euros)*	1,785,138.58

(a) O/w 201,772 for the liquidity agreement.
(b) As at December 31, 2021, all of the Company's treasury shares were allocated for liquidity purposes.
(c) Based on a par value for the Elis share of €1.00.
(d) Based on the closing price of the Elis share at December 31, 2021 of €15.22.

Description of the share buyback program that will be submitted for the approval of the combined general shareholders' meeting of May 19, 2022

In accordance with the General Regulation of the AMF (Articles 241-1 et seq.) and Article L. 451-3 of the French Monetary and Financial Code, this program description is intended to outline the objectives and conditions of Elis's new share buyback program, which will be submitted for the approval of the combined general shareholders' meeting to be held on May 19, 2022. Shareholders will therefore be asked to terminate the 20th resolution approved by the combined general shareholders' meeting on May 20, 2021.

The objectives of the buyback program are as follows:

- to ensure liquidity and activity in the market for the Elis share, using an investment services provider as an intermediary, in connection with a liquidity agreement consistent with the standard contract issued by the AMAFI as amended and published on January 15, 2019;
- to honor obligations arising from the exercising of rights attached to securities giving the right to Company shares by conversion, exercise, redemption, exchange or any other means in compliance with applicable regulations;
- to honor obligations related to stock option plans, the allocation of bonus shares to employees and corporate officers, the allocation or transfer of shares to employees as part of the Company's expansion-related profit sharing plan, employee share ownership or company savings plans, and any other forms of share allocation, allotment, sale or transfer to employees and corporate officers of the Company or Group, and to carry out any hedging transactions relating to these transactions, as provided by law;
- to cancel any shares acquired in the context of the current capital reduction authorization granted by the general shareholders' meeting;
- to hold all or part of the shares acquired for subsequent reintroduction to the market or for use as payment for potential acquisitions in accordance with recognized market practices and applicable regulations; and
- more generally, to carry out any other transaction that is permitted or that might be authorized in the future by law or the regulations in force or by the AMF.

The purchase of Company shares may involve a number of shares such that on the date of each buyback, the total number of shares purchased by the Company since the start of the buyback program cannot exceed 10% of the number of shares making up the share capital at that date, with the understanding that, in accordance with Article L. 225-209 of the French Commercial Code, the number of shares purchased by the Company to be retained and delivered at a later date as payment or exchange in the context of an acquisition may not exceed 5% of its share capital.

The maximum purchase price per share is €30. The total maximum amount allocated to the share buyback program may not exceed €650 million.

Share buybacks may be staggered over an 18-month period from May 19, 2022 until November 19, 2023 inclusive.

Under this program, purchases, sales or transfers of the Company's shares may take place at any time in accordance with legal and regulatory requirements, except during public offers for the purchase or exchange of shares initiated by the Company or concerning the Company's shares.

7

7.2.3 Shareholder structure AFR

Control of the Company

No shareholder, alone or in concert with others, directly or indirectly, has held a controlling interest in the Company or has been deemed to exercise control over the Company.

Share transactions carried out by executives and associated persons

In accordance with Article 223-26 of the General Regulation of the AMF and Regulation (EU) No. 596/2014 of April 16, 2014 on market abuse (MAR), the table below shows the transactions carried out by the Company's executives and persons closely associated with them as defined in Article 3 of the MAR who have been disclosed to the AMF in accordance with Articles 223-22-A et seq. of the General Regulation of the AMF and under the terms set out in Article 19 of the MAR for the financial year ended December 31, 2021.

Date of transaction	Disclosed by	Type of transaction	Number	Unit price *(in euros)*	Transaction amount *(in euros)*
April 6, 2021	Xavier Martiré	Vesting of shares from the free performance share grant(a)	63,717	0	0
April 6, 2021	Louis Guyot	Vesting of shares from the free performance share grant(a)	26,942	0	0
April 6, 2021	Matthieu Lecharny	Vesting of shares from the free performance share grant(a)	22,025	0	0
June 29, 2021	Xavier Martiré	Subscription for units of the "Elis for All 2021" investment fund(b)	4,780	10.46	49,998.80
June 29, 2021	Louis Guyot	Subscription for units of the "Elis for All 2021" investment fund(b)	4,780	10.46	49,998.80
June 29, 2021	Matthieu Lecharny	Subscription for units of the "Elis for All 2021" investment fund(b)	2,068	10.46	21,631.28
June 29, 2021	Xavier Martiré	Bonus share grant as a matching contribution under the "Elis for All 2021" plan	478	0	0
June 29, 2021	Louis Guyot	Bonus share grant as a matching contribution under the "Elis for All 2021" plan	478	0	0
June 29, 2021	Matthieu Lecharny	Bonus share grant as a matching contribution under the "Elis for All 2021" plan	206	0	0
August 19, 2021	Fabrice Barthélemy	Share purchase	500	15.05	7,525.00

(a) *See chapter 2, summary table 7, and chapter 6 (Note 5.4 to the 2021 consolidated financial statements and Note 4.2 to the 2021 parent company financial statements) of this universal registration document.*
(b) *Subscription for units via the "Elis for All 2021" investment fund as part of the employee share ownership program.*

As at the date of this 2021 Universal Registration Document, no other executive or corporate officer had disclosed transactions in the Company's shares in 2021.

Transfer or disposal of shares undertaken to regularize cross shareholdings

None.

Breach of shareholding threshold disclosures made to the AMF in 2021

Shareholder	Date of disclosure	AMF declaration no.	Breach of threshold
Ameriprise Financial, Inc.	March 1, 2021	221C0448	Dropped below the threshold of 5% of the share capital
FIL Ltd (FMR LLC)	March 19, 2021	221C0606	Threshold of 5% of the share capital breached.
FIL Ltd (FMR LLC)	February 10, 2021	221C0331	Dropped below the threshold of 5% of the share capital

Equity interests of members of the Company's Management Board and Supervisory Board

As at December 31, 2021, the personal interests in the Company's share capital of members of the Management Board and Supervisory Board accounted for less than 1% of the share capital and voting rights. The number of shares held by each corporate officer can be found in the Supervisory Board's report on corporate governance (see chapter 2 of this universal registration document).

Bank responsible for registered shareholders' accounts

BNP Paribas Securities Services
Elis shareholder relations
CTS – Corporate Trust Services
Grands Moulins de Pantin – 9, rue du Débarcadère
93500 Pantin – France
Telephone: +33 (0)1 40 14 00 90

Elis shares may be registered with this bank as described in the "Group/Investor relations/Individual shareholders" section of the Company's website (www.elis.com).

Factors likely to have an impact in the event of a public offering

In accordance with Articles L. 22-10-11 and L. 225-100-3 of the French Commercial Code, the events likely to have an impact on a public offering are disclosed below:

Agreements entered into by the Company that would be amended or terminated in the event of a change in control of the Company

As at the date of this 2021 Universal Registration Document, the financing agreements entered into by the Company (especially the Syndicated Revolving Credit Facility Contract, the OCÉANEs, the bond issues under the EMTN program, and the USPP private placement), described in Note 8.3 "Gross debt" to the 2021 consolidated financial statements that can be found in chapter 6 of the 2021 Universal Registration Document and section 7.6 "Material agreements" of this chapter, contain a clause providing for the possibility under certain conditions of their early redemption in the event of a change of control of the Company.

Shareholder agreement

› On June 7, 2017 the Company and Canada Pension Plan Investment Board ("CPP Investments") entered into an investment agreement (the "Investment Agreement") related to the investment made by CPP Investments as part of the Berendsen acquisition.

The Investment Agreement contains an anti-dilution clause pursuant to which, as long as CPP Investments holds at least 8% of Elis's share capital, Elis must make any and all efforts to give CPP Investments, in connection with any future offerings of securities by Elis, including any offering of equity securities, the right to purchase or subscribe for a portion of such new securities pro rata to its shareholding in the Company for the same price per security either (i) as part of the offering, or (ii) by any other means agreed among the parties so that the CPP Investments shareholding remains unchanged and in all cases on the same terms as those applicable to the purchase or subscription of the securities offered to others.

As regards corporate governance, the Investment Agreement provides that CPP Investments has the right to nominate a representative to Elis's Supervisory Board if its shareholding in the Company is at least equal to 8% of Elis's share capital, and to nominate a second representative to Elis's Supervisory Board if its shareholding in the Company is at least equal to 15% of Elis's share capital. As at December 31, 2021, CPP Investments has two representatives on the Supervisory Board.

CPP Investments may freely transfer all or part of the Elis shares it holds. In the event CPP Investments and/or its affiliates want such transfer to occur through a block trade or private placement, CPP Investments may notify Elis, up to three times every five years, and Elis will undertake to cooperate with CPP Investments, its affiliates and its/their advisers in order to ensure the liquidity of the investment of CPP Investments in Elis, by using commercially reasonable efforts to carry out these transactions and provide CPP Investments with the assistance it is reasonably able to give in order to facilitate the sale of the securities that CPP Investments wishes to transfer. The cooperation commitment of the Company with CPP Investments is only applicable if the block trade covers at least 10% of the share capital of the Company and/or if the private placement covers at least 5% of the share capital of the Company.

The commitments to which the Company and the CPP Investments fund were bound under the Investment Agreement, which has expired since this Agreement was entered into, are not included in this universal registration document.

The Investment Agreement was signed for a 10-year period from its execution date and is renewable for subsequent three-year periods unless terminated by written non-renewal notice sent by either party to the other party at least 12 months prior to the expiration of the initial 10-year period or of any renewal period. CPP Investments may terminate the Investment Agreement at any time by giving at least four (4) months' prior notice.

To the Company's knowledge, there are no other agreements likely to have a material impact on the Company's capital in the event of a public offering on the Company's shares.

Agreements providing for compensation payments for Management Board members in the event of departure

Management Board members are eligible for compensation payments in the event of departure. The terms and conditions of such payments are presented in the Supervisory Board's report on corporate governance (see chapter 2 of this universal registration document).

Agreement that may lead to restrictions on share transfers or on the exercise of voting rights

As at the date of this universal registration document, to the Company's knowledge, and with the exception of the restrictions described in section 7.2.4 below, there are no shareholder or other agreements that may lead to restrictions on share transfers or on the exercise of voting rights.

Other agreements or options regarding share capital

Agreements likely to cause a change in control of the Company

As at the date of this universal registration document, to the Company's knowledge, there are no shareholder or other agreements likely to cause a change in control of the Company at a later date.

Options or conditional or unconditional agreements regarding the capital of the Company or its subsidiaries

As at the date of this universal registration document, no share capital of the Company or its subsidiaries is under option or agreed conditionally or unconditionally to be put under option (including the identities of those persons to whom such options relate).

7.2.4 Shareholders' rights

Rights, privileges, restrictions and obligations attached to the shares

Fully paid-up shares may be held either in registered or bearer form, at the shareholder's discretion.

Article 10 of the Company's bylaws

The ownership of a share automatically entails acceptance of these bylaws and the decisions of the general shareholders' meetings.

In addition to the associated voting rights provided by law, each share gives its owner a right to the ownership of the corporate assets and of any liquidation surplus in proportion to the fraction of the share capital it represents.

When ownership of several old shares is required to exercise a right, or if a share entitling its owner to a new share in return for the delivery of several old shares is exchanged or granted, owners of individual shares or of fewer shares than the number required will not be entitled to any rights with respect to the Company, as shareholders are personally responsible for grouping together and, if applicable, purchasing or selling the required number of shares.

Shares are indivisible as regards the Company, such that undivided co-owners are required to be represented vis-à-vis the Company by one of them or by a single proxy, appointed by a court of law in the event of disagreement.

Double voting rights

Article 9 of the Company's bylaws

No use was made of the exemption from the allotment of double voting rights as provided for in Article L. 225-123, paragraph 3 of the French Commercial Code. Double voting rights have been granted to all fully paid-up shares held in registered form by the same shareholder for at least two years.

Furthermore, in accordance with Article L. 225-123, paragraph 2 of the French Commercial Code, in the event of a capital increase through the capitalization of reserves, profits or share premiums, double voting rights are conferred, from the date of issue, to new shares allocated to a shareholder free of charge by reason of their ownership of former shares that already conferred double voting rights.

Double voting rights may be exercised at any general shareholders' meeting.

Shares converted to bearer form or transferred to a new owner lose their double voting rights. However, a transfer of ownership arising from succession rights, the liquidation of the joint property of spouses, or inter vivos gifts to a spouse or relative entitled to inherit will not result in the loss of double voting rights and will not represent a break in the aforementioned minimum holding period.

Distribution of profits

Article 26 of the Company's bylaws

The profits of each financial year are determined in accordance with the legal and regulatory provisions in force.

If the profits of the financial year so permit, after deduction of amounts to create or increase the legal reserve, upon a proposal from the Management Board, the general meeting may deduct any amounts it sets at its discretion, either to be added to retained earnings, allocated to one or more general or special reserves or distributed among the shareholders.

The general shareholders' meeting has the right to grant the shareholders, for all or part of the dividends distributed or the interim dividends, an option between payment in cash and payment in shares under the conditions set by the regulations in force. In addition, the general shareholders' meeting may decide, for all or part of the dividends, interim dividends, reserves or share premiums distributed, or for any capital reduction, that such distribution of dividends, reserves or share premiums or such capital reduction will be performed in kind by delivery of the Company's portfolio securities or assets.

Each shareholder will be entitled to the profits and liable to contribute to the losses in proportion to their share of the share capital.

Provisions in the bylaws that may have an effect on a change in control

None.

Identification of bearers of securities

Article 7 of the Company's bylaws

The Company has the right, under the statutory and regulatory conditions in force, to request at any time, from the central depository of financial instruments, as the case may be, the name or corporate name, nationality, year of birth or year of formation, and the address of the holders of bearer securities conferring immediate or future voting rights at its own general shareholders' meetings and the quantity of securities held by each of them and, if applicable, any restrictions on such securities. In view of the list transmitted by the aforementioned organization, the Company has the right to request from the persons on such list whom the Company believes to be registered on behalf of third parties the above information pertaining to the owners of the securities.

If a person who has been asked for information has not transmitted the information within the time limits provided by the legal and regulatory provisions in force or has transmitted incomplete or incorrect information related either to such person's status or to the owners of the securities, the shares or securities giving access immediately or in the future to the share capital and for which such person has been registered as the owner will be deprived of voting rights for all general shareholders' meetings that may be held until the date on which the actual owner is identified, and the payment of the corresponding dividends will be deferred until such date.

Clauses in the bylaws restricting share transfers

There are no clauses in the Company's bylaws restricting share transfers. However, rules relating to the prevention of insider trading imposing restrictions on share transfers (blackout periods related to financial publications) and to the prohibition on the sale of shares granted under the mechanism provided for in Article L. 22-10-59 of the French Commercial Code, as well as rules requiring corporate officers to retain shares, are applicable to Elis.

7.3 TRADING OF SHARES

7.3.1 Exchange

On February 11, 2015 Elis was listed for trading in Compartment A of the Euronext Paris regulated market. The Company is included in the SBF 120 index, in approximately 74th place, and in the Euro Stoxx 600 index.

Elis share data as at 12/31/2021

ISIN code	Exchange	Other exchanges where the shares are traded	Par value *(in euros)*	Number of shares outstanding	Share price *(in euros)*	Market capitalization *(in millions of euros)*
FR0012435121	Euronext – Compartment A of NYSE Euronext Paris	None	1	224,076,007	15.22	3,410.4

7.3.2 Volumes traded and share price trend in 2021

	Price *(in euros)*			Traded volume		
	High	Low	Closing price (last day of the month)	Number of shares traded per month	Monthly average of daily transactions of shares traded	Market capitalization (end of month) *(in millions of euros)*
January 2021	14.03	11.89	12.44	7,892,502	385,379	2,759.4
February 2021	14.91	12.40	14.34	7,888,202	394,410	3,180.9
March 2021	15.40	13.00	13.92	12,236,196	525,464	3,087.7
April 2021	15.47	13.92	14.88	7,924,142	396,207	3,304.5
May 2021	16.29	14.45	15.38	9,861,617	456,635	3,429.8
June 2021	16.47	15.12	15.89	7,933,967	360,635	3,560.4
July 2021	16.44	14.17	15.12	8,805,358	398,938	3,387.9
August 2021	15.89	14.80	14.98	5,867,849	266,694	3,356.7
September 2021	17.09	14.94	16.57	8,476,006	384,386	3,712.9
October 2021	16.99	15.87	16.39	6,874,259	310,945	3,672.6
November 2021	16.85	13.52	13.85	9,031,180	408,975	3,103.5
December 2021	15.25	13.66	15.22	6,130,655	266,550	3,410.4

Source: Les Échos Investir and Boursorama.

SHARE PRICES AND TRADED VOLUMES

7.4 INVESTOR RELATIONS

The Group is committed to maintaining ongoing relationships with financial analysts and its shareholders, including French and foreign individual and institutional investors. Analyst meetings and/or conference calls are organized for the publication of annual and half-year results, as well as for other significant events. The Group's management gives talks year-round at conferences organized by specialized financial intermediaries.

Individual meetings between investors and various contact persons within the Company are also arranged several times a year, especially during *roadshows* in France and abroad. Investors may also contact the Director of Investor Relations at any time.

The "Group/Investor Relations" section of the Elis website (www.elis.com) is specifically designed for both individual and institutional shareholders and offers open and unrestricted access. It provides share price information (both in near real time and historical data) and all information published by the Group's Finance Department: press releases and news, analyst presentations, annual financial reports and registration documents from previous financial years, the financial publications calendar and the list of financial analysts that cover Elis stock.

Investor relations contact

Nicolas Buron

Director of Investor Relations

5, boulevard Louis Loucheur – 92210 Saint-Cloud – France

Telephone: +33 (0)1 75 49 98 30

investors@elis.com

7.5 PROVISIONAL FINANCIAL COMMUNICATIONS CALENDAR

For 2022, the provisional calendar for key communication events is as follows.

Date (Tentative)	Contents
05/10/2022	Q1 2022 revenue
07/27/2022	Q2 2022 revenue and H1 2022 results
10/26/2022	Q3 2022 revenue

7.6 MATERIAL AGREEMENTS

Financing agreements

The bank financing and private placement agreements described in Note 8.3 "Gross debt" to the 2021 consolidated financial statements, which can be found in chapter 6 "Financial statements for the year ended December 31, 2021" of this universal registration document, contain clauses requiring Elis to (i) comply with a financial covenant each half-year according to which the ratio of net debt as defined in the agreement to EBITDA (pro forma) after synergies (Leverage ratio) is less than 4.00x at December 31, 2021 and 3.75x on subsequent test dates, and (ii) provide lenders with certain guarantees, in keeping with market standards, notably:

- a negative pledge whereby the borrower undertakes not to provide collateral to third parties, subject to certain exceptions;
- cross-default clauses stipulating that an event of default on any other borrowing would also render these agreements immediately due and payable;
- a periodic reporting obligation;
- compliance with legislation in force; and
- no change in control (resulting from the acquisition by one or more persons acting in concert of more than 50% of the voting rights in the Company).

In view of the adverse impact that the Covid-19 crisis was expected to have on the Group's EBITDA, at its request in the first half of 2020, Elis had obtained an adjustment of its financial covenant tests as at June 30, 2020, December 31, 2020 and June 30, 2021 in order to address the consequences of the pandemic on its leverage ratio. As part of the implementation of its new revolving credit facility signed on November 9, 2021 and the amendment to the USPP financing documentation signed on February 7, 2022, the financial covenant ratio applicable as at December 31, 2021 was set at 4.00x. After reporting a leverage ratio, as defined in the agreements, of 2.96x at December 31, 2021, Elis is well in compliance with this level. The standard covenant ratio of 3.75x will be reapplied from June 30, 2022.

The syndicated revolving credit facility contract also provides a schedule of applicable margins indexed to Elis's issuer financial ratings published by the S&P Global Ratings and Moody's rating agencies.

In contrast, none of these financing agreements contain any specific acceleration clauses linked to minimum financial rating levels.

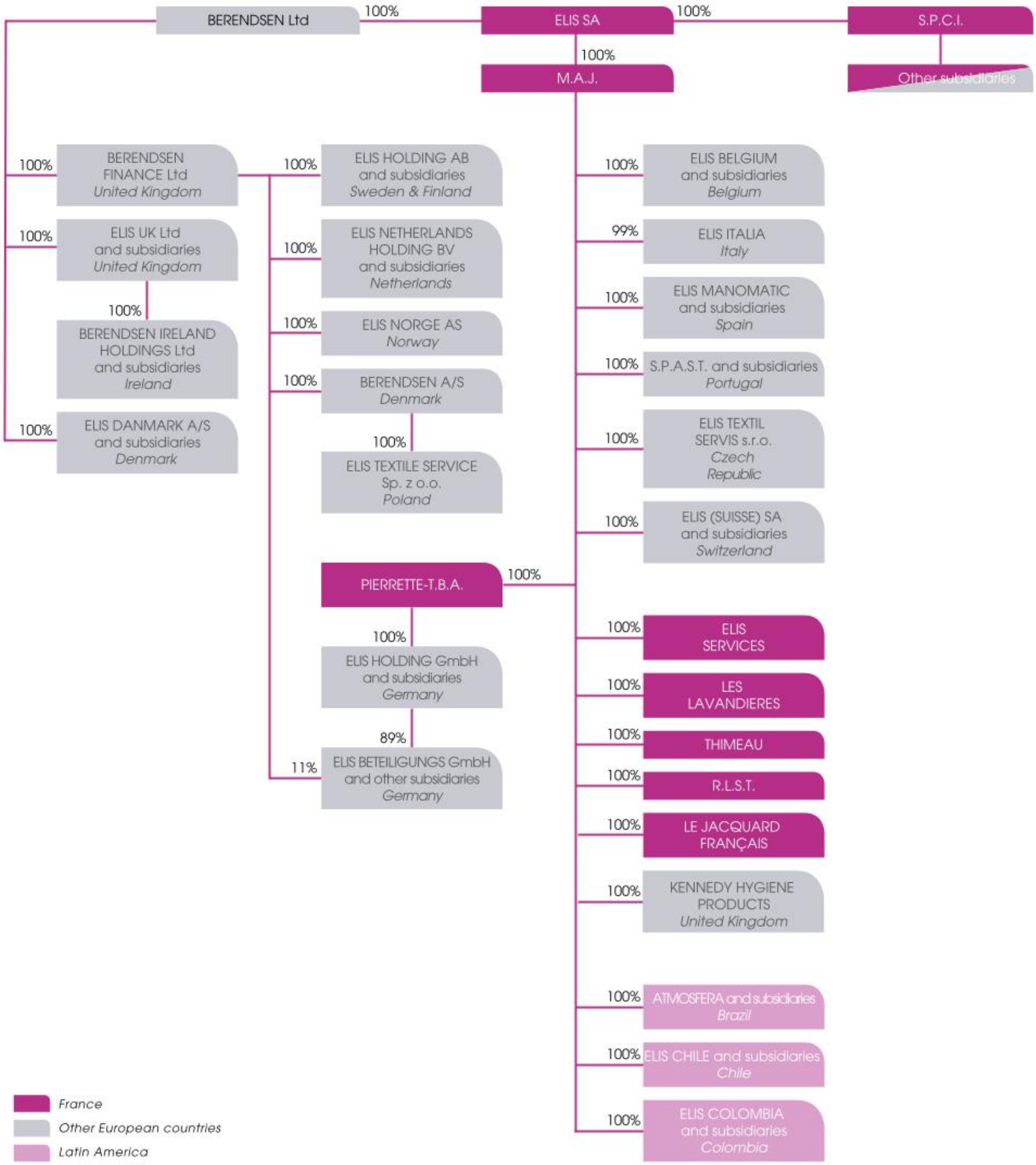
Other agreements

None.

7.7 SIMPLIFIED ORGANIZATIONAL CHART OF THE GROUP AND ITS MAIN SUBSIDIARIES

7.7.1 Simplified organizational chart

The simplified Group organizational chart presented below shows the Group's legal structure as at December 31, 2021 (the percentages shown on the organizational chart correspond to the percentage of share capital and voting rights held by the Company in the subsidiary concerned):



7.7.2 Main subsidiaries

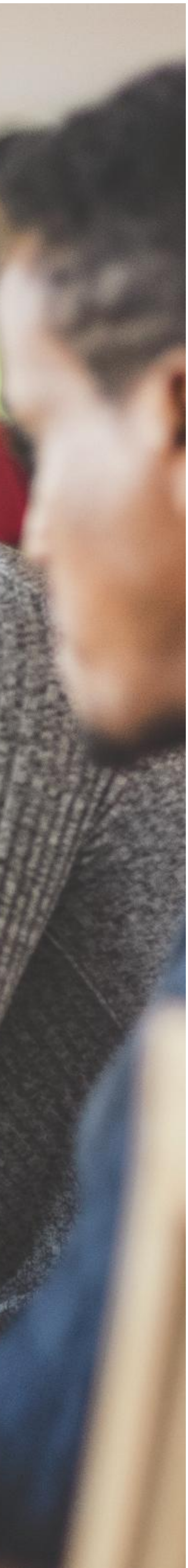
Elis is the Group's holding company, cash pool leader with M.A.J., and the head of the French tax consolidation group set up on March 1, 2008. The Company's main direct and indirect subsidiaries are described below. No Group subsidiary is listed.

- **M.A.J. SA** is a joint-stock company incorporated under French law whose registered office is located in Pantin, France. Its main activity is rental-maintenance services for flat linen, workwear and hygiene and well-being appliances in France. M.A.J. also owns the Elis brand and acts as Elis's historical cash pool leader.
- **Elis Textile Service AB** is a company incorporated under Swedish law and a wholly owned subsidiary of Elis Holding AB. Its registered office is located in Malmö, Sweden. Its main activity is rental-maintenance services for flat linen, workwear and hygiene and well-being appliances in Sweden.
- **Elis Danmark A/S** is a company incorporated under Danish law whose registered office is located in Søborg, Denmark. Its main activity is rental-maintenance services for flat linen, workwear and hygiene and well-being appliances in Denmark.
- **Elis Nederland BV** is a company incorporated under Dutch law and a direct, wholly owned subsidiary of Elis Netherlands Holding BV. Its registered office is in Arnhem in the Netherlands. Its main activity is rental-maintenance services for workwear and hygiene and well-being appliances in the Netherlands.
- **Elis Holding GmbH** is a company incorporated under German law whose registered office is located in Rehburg-Loccum, Germany. It is the holding company for the German subsidiaries.
- **Elis UK Ltd** is a company incorporated under UK law whose registered office is located in Basingstoke, United Kingdom. Its main activity is rental-maintenance services for flat linen and workwear in the UK.
- **Atmosfera Gestão e Higienização de Têxteis SA** is a company incorporated under Brazilian law whose registered office is located in Jundiaí, São Paulo State, Brazil. Its main activity is rental-maintenance services for flat linen and workwear in Brazil. It is the holding company for the Brazilian subsidiaries.
- **Elis Manomatic SA** is a joint-stock corporation incorporated under Spanish law whose registered office is located in Sant Cugat del Vallès, Barcelona, Spain. Its main activity is rental-maintenance services for flat linen, workwear and hygiene and well-being appliances in Spain. Elis Manomatic SA is the holding company for the Spanish subsidiaries.
- **Elis Norge AS** is a company incorporated under Norwegian law whose registered office is located in Oslo, Norway. Its main activity is rental-maintenance services for workwear and hygiene and well-being appliances in Norway.
- **Elis Textile Service Sp z oo** is a company incorporated under Polish law whose registered office is located in Żukowo, Poland. Its main activity is rental-maintenance services for workwear and hygiene and well-being appliances in Poland.
- **Elis Textile Services Ltd** is a company incorporated under Irish law and a wholly owned subsidiary of Berendsen Ireland Holdings Ltd, whose registered office is located in Dublin, Ireland. Its main activity is rental-maintenance services for flat linen, workwear and hygiene appliances in Ireland.
- **Elis (Suisse) SA** is a company incorporated under Swiss law whose registered office is located in Bern, Switzerland. Its main activity is rental-maintenance services for flat linen and workwear in Switzerland. It is the holding company for the Swiss subsidiaries.
- **Les Lavandières SAS** is a simplified joint-stock corporation incorporated under French law whose registered office is located in Avrillé, France. Its main activity is rental-maintenance services for flat linen, workwear and hygiene and well-being appliances in France.

The position of Elis's subsidiaries and direct shareholdings is shown in the table in Note 3.4 to the 2021 parent company financial statements included in chapter 6 "Financial statements for the year ended December 31, 2021" of this universal registration document.

The Elis Group primarily analyzes its business by geographic region, in which the legal entities listed above are included based on where they are located. It would therefore not be relevant to analyze revenue and EBITDA by legal entity. Revenue and EBITDA by region are presented in section 5.2.2 of this universal registration document.

Consolidated values (excluding dividends) *(in millions of euros)*	Total non-current assets (including goodwill)	External financial liabilities	Cash on balance sheet	Cash flows from operating activities	Dividends paid during the year and attributable to the listed company
M.A.J. SA (France)	1,941.8	9.6	6.5	207.2	-
Elis Textile Service AB (Sweden)	809.9	-	13.1	71.8	-
Elis Danmark A/S (sub-group)	632.7	-	3.9	63.5	-
Elis Nederland BV (sub-group)	500.6	-	1.9	51.1	-
Elis Holding GmbH (sub-group, Germany)	456.8	4.0	2.8	112.7	-
Elis UK Ltd	362.0	-	4.6	73.5	-
Atmosfera Gestão e Higienização de Têxteis SA (sub-group, Brazil)	349.6	-	31.9	55.8	
Elis Manomatic SA (Spain)	252.7	-	1.1	33.8	-
Elis Norge AS (Norway)	162.0	-	5.2	19.2	-
Elis Textile Service Sp. z.o.o. (Poland)	157.6	-	2.3	24.3	-
Elis Textile Services Ltd (sub-group, Ireland)	135.1	-	3.8	25.2	
Elis (Suisse) SA	117.6	-	21.7	17.5	-
Les Lavandières SAS (France)	93.7	3.3	0.2	50.3	-



8
Additional information

8.1 PERSONS RESPONSIBLE

8.1.1 Identity of the person responsible for the universal registration document

Xavier Martiré, Chairman of the Management Board.

8.1.2 Declaration of the person responsible for the 2021 Universal Registration Document including the annual financial report AFR

I hereby declare that, to the best of my knowledge, the information contained in this universal registration document is consistent with the facts and contains no omission likely to affect its scope.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and present fairly the assets and liabilities, financial position, and results of the Company and all companies in the Group, and that the information included in the 2021 Universal Registration Document relating to the management report listed in the cross-reference table on pages 343 to 346 of this universal registration document presents fairly the changes in the business, results, and financial position of the Company and all companies in the Group as well as a description of the major risks and uncertainties they face.

Saint-Cloud, March 29, 2022

Xavier Martiré,

Chairman of the Management Board

8.2 STATUTORY AUDITORS

mazars

Mazars SA

Represented by Francisco Sanchez

Member of the Association of Statutory Auditors of Versailles (Compagnie régionale des commissaires aux comptes de Versailles)

61, rue Henri Regnault

92400 Courbevoie, France

First appointed on: June 29, 2011

Expiry of term: 2025 (general shareholders' meeting called to approve the financial statements for the year ending December 31, 2024).

pwc

PricewaterhouseCoopers Audit SAS

Represented by Edouard Sattler and Bardadi Benzeghadi

Member of the Association of Statutory Auditors of Versailles (Compagnie régionale des commissaires aux comptes de Versailles)

63, rue de Villiers

92200 Neuilly-sur-Seine, France

First appointed on: 2007 (incorporation of the Company)

Expiry of term: 2025 (general shareholders' meeting called to approve the financial statements for the year ending December 31, 2024).

8.3 CROSS-REFERENCE TABLES

8.3.1 Cross-reference table for the universal registration document

This cross-reference table lists the main sections referred to in Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 (the "Commission Delegated Regulation") and lists on which pages in this universal registration document the information relating to those sections may be found.

No.	Information referred to in Annex 1 of the Commission Delegated Regulation	Chapter/section	Page(s)
1.	**Persons responsible, third party information, experts' reports and competent authority approval**		
1.1.	Persons responsible for the information contained in the Universal Registration Document	8.1.1	340
1.2.	Declaration of the persons responsible	8.1.2	340
1.3.	Statement or report attributed to a person acting as an expert	N/A	
1.4.	Information from third parties	N/A	
1.5.	French Financial Markets Authority (AMF) approval	Summary	1
2.	**Statutory Auditors**		
2.1.	Names and addresses of the issuer's Statutory Auditors	8.2	340
2.2.	Information about changes in the Statutory Auditors during the financial year	N/A	
3.	**Risk factors**	**4.1**	**186**
4.	**Information about the issuer**		
4.1.	Legal and commercial name of the issuer	7.1	324
4.2.	Place of registration of the issuer, its registration number and LEI	7.1	324
4.3.	Date of incorporation and length of life of the issuer	7.1	324
4.4.	Registered office and legal form of the issuer, governing law, country of incorporation, address and telephone number of its registered office, issuer's website	7.1	324
5.	**Business overview**		
5.1.	Principal activities	1	4 to 39
5.2.	Principal markets	1.3	30 to 39
5.3.	Important events in the development of the issuer's business	1 6.1 – Note 2.4	4 to 39 239
5.4.	Strategy and objectives	1.2	20 to 25
5.5.	Dependence on patents, licenses, contracts and manufacturing processes	1.2	25
5.6.	Basis for statements regarding competitive position	N/A	-
5.7.	Investments	5.2, 5.6	209, 218
6.	**Organizational structure**		
6.1.	Brief description of the Group (organizational chart)	7.7.1	209
6.2.	List of main subsidiaries (name, country, percentage of holdings)	7.7.2	337
7.	**Operating and financial review**		
7.1.	Financial condition	5.2, 5.5	209, 217
7.2.	Operating results	5.2	209
8.	**Capital resources**		
8.1.	Issuer's capital resources	5.2.4, 5.2.5 6.1 – Note 10 6.3.3 – Note 4.1	212 to 214 289 309
8.2.	Sources and amounts of cash flows	5.2.4	212
8.3.	Borrowing needs and financing structure	5.2.5, 7.6, 6.1 – Note 8.3	214, 335 279
8.4.	Restrictions on the use of capital resources	6.1 – Note 8.4	281
8.5.	Sources of funds needed to fulfill firm commitments already made and material investments of the issuer that are in progress	7.6 6.1 – Note 8.3	335 279
9.	**Regulatory environment (description of governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations)**	**4.1.4**	**195**

No.	Information referred to in Annex 1 of the Commission Delegated Regulation	Chapter/section	Page(s)
10.	**Trend information**		
10.1.	› Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the universal registration document › Significant change in the financial performance of the Group since the publication of the previous financial results	5.4	217
10.2.	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	5.4	217
11.	**Profit forecasts or estimates**		
11.1.	Statement on the invalidity of a forecast previously included in a prospectus	N/A	
11.2.	Statement setting out the principal assumptions upon which the issuer has based its profit forecast or estimate	N/A	
11.3.	Statement on comparability and accounting policies	N/A	
12.	**Administrative, management and supervisory bodies and senior management**		
12.1.	Composition – statements	2.1	47 to 73
12.2.	Conflicts of interest	2.1.7	73
13.	**Remuneration and benefits**		
13.1.	Remuneration paid and benefits in kind granted by the issuer and its subsidiaries	2.2 6.1 – Note 5.5	75 et seq. 262
13.2.	Amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	2.2 6.1 – Note 5.5	97 262
14.	**Board practices**		
14.1.	Terms of office of the members of the Supervisory Board and the Management Board	2.1.2 2.1.3	47 to 50 53 to 64
14.2.	Service contracts binding members of the administrative and management bodies	2.1.8	74
14.3.	Information about the specialized committees of the Supervisory Board	2.1.4	69
14.4.	Statement on corporate governance applicable to the issuer	2.1	46
14.5.	Material impacts on corporate governance (future changes in the composition of boards and committees)	2.1.3	55
15.	**Employees**		
15.1.	Number of employees	1, 3.1	04, 114
15.2.	Shareholdings and stock options	7.2.1	327
15.3.	Arrangements for involving the employees in the capital of the issuer	1, 3.4.1	14, 142 and 143
16.	**Major shareholders**		
16.1.	Identification of the major shareholders	7.2.1	327
16.2.	Voting rights	7.2.1, 7.2.4	327, 332
16.3.	Control of the issuer	8.2	340
16.4.	Arrangements that may result in a change of control	7.2.3	333
17.	**Related party transactions**	**6.1 Note 11 6.3.3 – Note 3.5 2.1.8**	**290 et seq. 307 74**
18.	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
18.1.	Historical financial information	5.9, 6.1, 6.3	162, 168, 219, 243
18.2.	Interim and other financial information	N/A	
18.3.	Auditing of historical annual financial information	6.2	297
18.4.	Pro forma financial information	N/A	
18.5.	Dividend policy and amount	5.10.5 6.1 – Note 10.2	220 290
18.6.	Legal and arbitration proceedings	4.1.4 6.1 – Note 7.2	195 271
18.7.	Significant change in the financial or commercial position		
19.	**Additional information**		
19.1.	Share capital	7.2	324
19.2.	Memorandum and Articles of Association	7.1, 7.2.4	324, 332
20.	**Material agreements**	**7.6**	**335**
21.	**Documents available**	**7.1**	**324**

8.3.2 Cross-reference table with the Management Board's management report (which includes the report on corporate governance and the non-financial performance statement)

The cross-reference table below may be used to identify the information in this universal registration document used to compile the Management Board's report, the report on corporate governance and the non-financial performance statement.

No.	Required items	Reference texts	Chapter/ section	Page(s)
3.	**Report on corporate governance**			
	Information on compensation			
3.1	Compensation policy for corporate officers	› Article L. 22-10-8 I para. 2 of the French Commercial Code	2.2.1	75 to 83
3.2	Compensation and benefits of any kind paid during the financial year or awarded for the financial year to each corporate officer	› Article L. 22-10-9 I para. 1 of the French Commercial Code	2.2.2	83 to 102
3.3	Relative proportion of fixed and variable compensation	› Article L. 22-10-9 I para. 2 of the French Commercial Code	2.2.1 2.2.2	76 84 et seq.
3.4	Use of the option to request repayment of variable compensation	› Article L. 22-10-9 I para. 3 of the French Commercial Code	2.2.1	77 and 78
3.5	Commitments of any kind made by the Company to its corporate officers, such as compensation or benefits due or likely to become due when or after such persons take, leave or change offices	› Article L. 22-10-9 I para. 4 of the French Commercial Code	2.2.1	80 and 81
3.6	Compensation paid or allocated by a company included in the scope of consolidation as defined by Article L. 233-16 of the French Commercial Code	› Article L. 22-10-9 I para. 5 of the French Commercial Code	2.2.1	81
3.7	Ratios between the compensation of each corporate officer and the mean and median compensation of the Company's employees	› Article L. 22-10-9 I para. 6 of the French Commercial Code	2.2.2	95
3.8	Annual change in compensation, the Company's performance, the mean compensation of the Company's employees and the aforementioned pay ratios during the last five financial years	› Article L. 22-10-9 I para. 7 of the French Commercial Code	2.2.2	95
3.9	Explanation of how the total compensation reflects the compensation policy adopted, including how it contributes to the long-term performance of the Company, and how the performance criteria have been applied	› Article L. 22-10-9 I para. 8 of the French Commercial Code	2.2	75 to 102
3.10	Process for taking into account the vote of the last ordinary general shareholders' meeting provided for in Article L. 22-10-34-I of the French Commercial Code.	› Article L. 22-10-9 I para. 9 of the French Commercial Code	2.2	75 to 102
3.11	Deviation from the procedure for implementing the compensation policy and any exceptions	› Article L. 22-10-9 I para. 10 of the French Commercial Code	2.2	75 to 102
3.12	Application of the provisions of Article L. 225-45 paragraph 2 of the French Commercial Code (suspension of payment of directors' compensation in the event of non-compliance with the diversity requirements for boards of directors)	› Article L. 22-10-9 I para. 11 of the French Commercial Code	2.2	75 to 102
3.13	Allocation and retention of options by corporate officers	› Article L. 225-185 of the French Commercial Code	N/A	
3.14	Allocation and retention of bonus shares by corporate officers	› Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code	2.2.1 2.2.2	79 and 80 98
	Information on governance			
3.15	List of all appointments and positions held in any company by each of the corporate officers during the financial year	› Article L. 225-37-4 para. 1 of the French Commercial Code	2.1.2 2.1.3	48 to 50 56 to 64
3.16	Agreements between a director or major shareholder and a subsidiary	› Article L. 225-37-4 para. 2 of the French Commercial Code	2.1.8	74
3.17	Summary of current delegations of authority granted by the general shareholders' meeting for capital increases	› Article L. 225-37-4 para. 3 of the French Commercial Code	2.5	105 and 106
3.18	General management procedures	› Article L. 225-37-4 para. 4 of the French Commercial Code	2.1	46
3.19	Composition of the board and how it plans and organizes its work		2.1.3	53 to 69
3.20	Application of the principle of equal gender representation on the board	› Article L. 22-10-10 para. 2 of the French Commercial Code	2.1.2	52
3.21	Any limits imposed by the board on the powers of the chief executive officer	› Article L. 22-10-10 para. 3 of the French Commercial Code	2.1.2	51
3.22	Reference to a Code of Corporate Governance and application of the "comply or explain" principle	› Article L. 22-10-10 para. 4 of the French Commercial Code	2.1.1	46

No.	Required items	Reference texts	Chapter/ section	Page(s)
3.23	Specific arrangements for shareholder participation at general shareholders' meetings	› Article L. 22-10-10 para. 5 of the French Commercial Code	2.3	104
3.24	Assessment procedure for conventional agreements – Implementation	› Article L. 22-10-10 para. 6 of the French Commercial Code	2.1.8	74
3.25	Factors likely to have an impact in the event of a takeover bid: › structure of the Company's capital; › statutory restrictions on the exercise of voting rights and stock transfers, or contractual clauses brought to the Company's attention in accordance with Article L. 233-11; › direct or indirect holdings in the Company that the Company is aware of pursuant to Articles L. 233-7 and L. 233-12; › list of holders of any securities conferring special rights of control and a description of those securities – control mechanisms under any employee shareholding scheme where the rights of control are not exercised by the employee; › agreements among shareholders that the Company is aware of and that could lead to restrictions on transferring shares or exercising voting rights; › rules governing the appointment and replacement of members of the Board of Directors and amendments to the Company's bylaws; › powers of the Board of Directors, particularly in relation to the issuing or buyback of shares; › agreements entered into by the Company that are amended or terminate in the event of a change in control, unless such disclosure would severely compromise its interests (excluding cases where disclosure is required by law); › agreements that indemnify members of the Board of Directors or employees in the event that they resign or are unfairly dismissed or if their employment contract is terminated as a result of a takeover.	› Article L. 22-10-11 of the French Commercial Code	2.4 7.2.3	104 330 and 331
3.26	For public limited companies with a Supervisory Board: Supervisory Board observations on the Management Board's report and annual financial statements.	› Article L. 225-68, last paragraph, of the French Commercial Code	2.6	106
4.	**Share ownership and share capital**			
4.1	Company's shareholding structure, changes in share capital and thresholds exceeded	› Article L. 233-13 of the French Commercial Code	7.2.1 7.2.3	324 330
4.2	Purchase and sale by the Company of its own shares	› Article L. 225-211 of the French Commercial Code	7.2.2	328
4.3	Employee share ownership at year-end (proportion of the capital represented)	› Article L. 225-102 para. 1 of the French Commercial Code	7.2.1	324
4.4	Adjustments, if any, for securities convertible to equity in the event of share buybacks or financial transactions	› Articles R. 228-90 and R. 228-91 of the French Commercial Code	7.2.1	324
4.5	Disclosures regarding corporate officers and related parties trading in the Company's shares		7.2.3	330
4.6	Dividends paid during the last three financial years	› Article 243 bis of the French General Tax Code	5.10.5	220
5.	**Disclosure of non-financial performance**			
5.1	Business model	› Articles L. 225-102-1 and R. 225-105 I of the French Commercial Code	1.2 3.1	20 and 21 112 to 113
5.2	Description of the main risks associated with the business of the Company or Group, including, where relevant and proportionate, the risks created by business arrangements, products or services	› Articles L. 225-102-1 and R. 225-105 I para. 1 of the French Commercial Code	3.6.1 4.1	166 to 169 186 et seq.
5.3	Information on how the Company or Group accounts for the social and environmental consequences of its business and its effects on human rights and the fight against corruption (description of the policies applied and the due diligence procedures implemented to prevent, identify and mitigate the main risks associated with the Company or Group's business)	› Articles L. 225-102-1 III, R. 225-104 and R. 225-105 I para. 2 of the French Commercial Code	3.6.1 4	166 to 169 186 to 205

No.	Required items	Reference texts	Chapter/ section	Page(s)
5.4	Results of the policies applied by the Company or Group, including key performance indicators	› Articles L. 225-102-1 and R. 225-105 I para. 3 of the French Commercial Code	3.6.1 3.2.3	166 to 169 118
5.5	Employee information (headcount, organization of work, health and safety, labor relations, training, equal opportunities)		3.1 3.4	114 141 to 153
5.6	Environmental information (general environmental policy, pollution, circular economy, climate change)	› Articles L. 225-102-1 and R. 225-105 II. A. para. 2 of the French Commercial Code	3.3	119 to 140
5.7	Social information (sustainability commitments, subcontracting and suppliers, fair business practices)	› Articles L. 225-102-1 and R. 225-105 II. A. para. 3 of the French Commercial Code	3.4.5 3.5	152 and 153 154 to 165
5.8	Disclosures related to the fight against corruption	› Articles L. 225-102-1 and R. 225-105 II. B. para. 1 of the French Commercial Code	3.5.5 4.2	161 to 164 201
5.9	Disclosures related to human rights actions	› Articles L. 225-102-1 and R. 225-105 II. B. para. 2 of the French Commercial Code	3.4.5 3.5.3 3.5.5	152 and 153 157 to 159 161 to 164
5.10	Collective agreements signed by the Company and their impact on financial performance and employee working conditions	› Articles L. 225-102-1 III and R. 225-105 of the French Commercial Code	3.4.1	141 to 145
5.11	Certification by an independent third party of the information contained in the Disclosure of Non-Financial Performance	› Articles L. 225-102-1 III and R. 225-105-2 of the French Commercial Code	3.7	181 to 183
6.	**Other information**			
6.1	Additional tax information	› Articles 223 quater and 223 quinquies of the French General Tax Code	5.10.3	219
6.2	Injunctions or fines for anticompetitive practices	› Article L. 464-2 of the French Commercial Code	5.10.2	219

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