2022

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.

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

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

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

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

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

- the consolidated financial statements of the Elis Group relating to the 2021 financial year and the Statutory Auditors' report appearing in sections 6.1 and 6.2 of the 2021 Universal Registration Document, available on the Company's website: https://fr.elis.com/sites/fr.elis.com/files/2023/02/15/Elis_URD_2021_EN.pdf

- the consolidated financial statements of the Elis Group relating to the 2020 financial year and the Statutory Auditors' report appearing in sections 6.1 and 6.2 of the 2020 Universal Registration Document, available on the Company's website: https://se.elis.com/sites/se.elis.com/files/2021/05/10/Elis%20-%202020%20Universal%20Registration%20Document.pdf

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

1 Presentation of the Group and its activities

1.1
ELIS IN 2022

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

Elis by the numbers (at December 31, 2022)

€3,820.9 million in revenue

Approximately **400,000** customers

54,113 employees

Operating in **29** countries

434* plants and distribution centers

* Figure aligned with chapter 3 reporting scope.

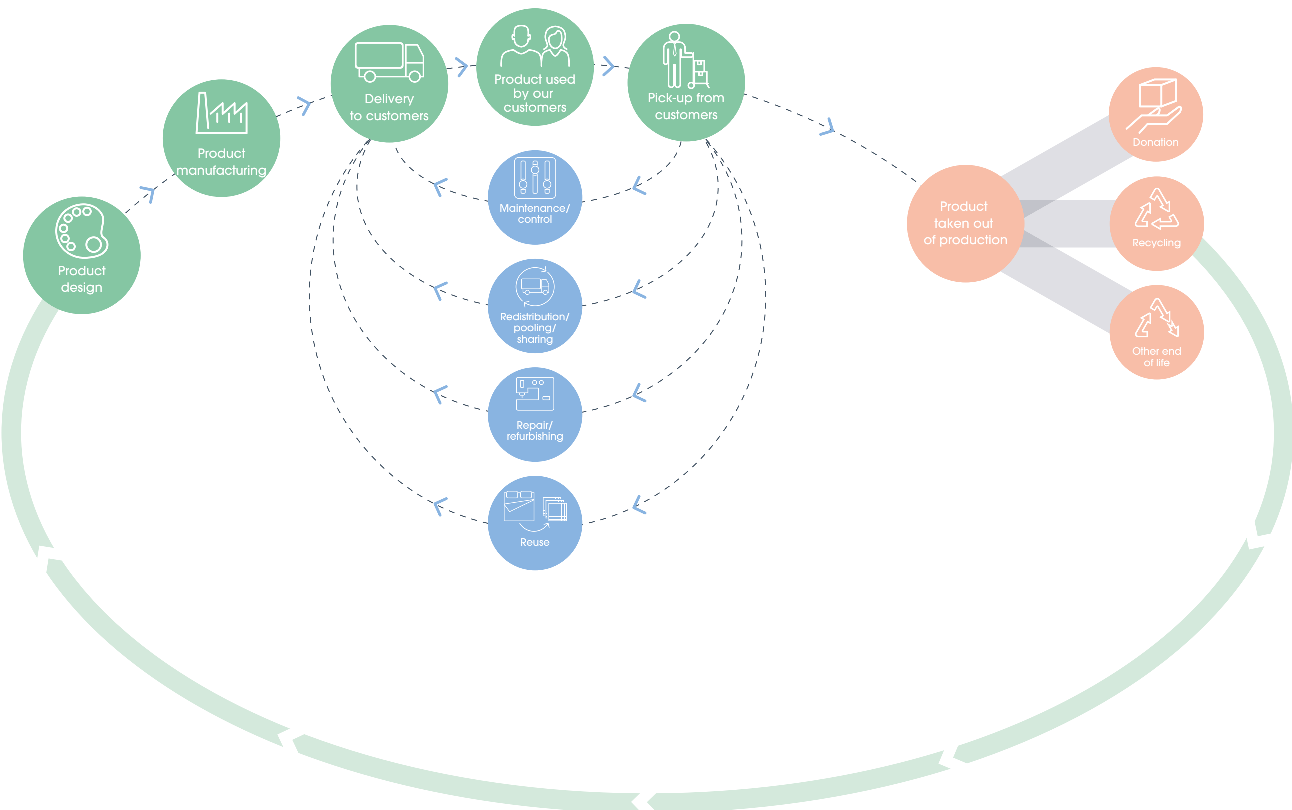
Elis, a global leader in circular solutions for the workplace

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

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

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

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



Our mission

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

Our circular services:

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

Our circular services inspire our commitment.

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

And they unite our people around the world.

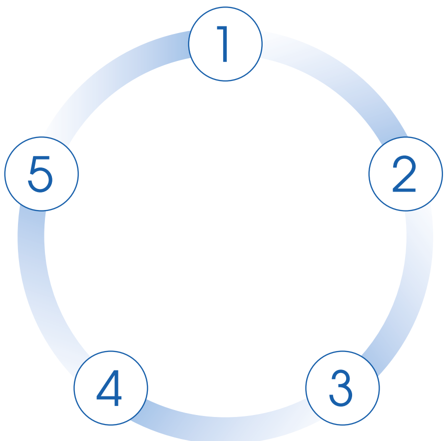
Our values

The rental and maintenance process

Our customers' first contact is with our sales forces, who are all experts in their field. They assess the customer's needs and estimate the necessary quantities, delivery frequency and product type. Elis takes charge of purchasing and storing the items. It will adjust its service to changes in staffing levels and fluctuations in business. Elis works with customers to set the service schedule so they never have to worry: textile maintenance, equipment servicing, replacement of consumables, repairs, and same-day pick-up and delivery so the truck never travels empty. A customer care team takes over the contract once its implementation has been finalized. The team ensures the customer's satisfaction and may offer additional services.

Assessment of your needs by an expert

Items that meet of your facility



Purchase and stored of your items by Elis

Control over your budget (monthly fee, no linen investment) and maximum responsiveness (implementation, increase in business, etc.).

Maintenance of your items

100% of items inspected at specialized plants.

Personalised service

Contract that fits your needs; Committed team at your service; Dedicated online customer account.

Regular Delivery and pickup to suit your requirements

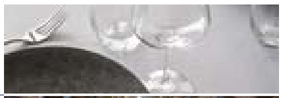
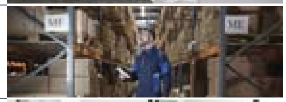
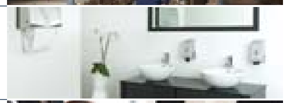
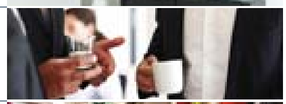
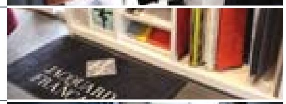
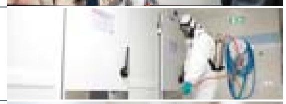
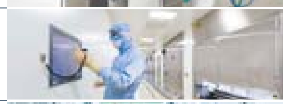
Time, storage space, quantities, type of vehicle and packaging.

Our solutions

Elis has diversified throughout its history by developing complementary new services that can meet a particular customer's various needs. Multi-service is at the core of Elis's strategy. Not only can a customer visit be optimized to achieve economies of scale, but the environmental impact of the delivery is also reduced. Value is provided to the customer by offering a comprehensive service that frees it from organizational tasks so it can focus on its core business while maintaining control over its budget.

Our services

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

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

Our markets

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

Industry, Trade and Services

Main sectors:
industry, retail commerce and services

Customers:
from small accounts to multinationals

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

Healthcare

Main sectors: hospitals and care homes

Hospitality

Main sectors: hotels and restaurants

Message from the chairmen

Statement from **Thierry Morin**
Chairman of the Supervisory Board

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

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

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

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

While, as expected, there was a slight downturn in EBITDA margin in connection with inflation, the other financial indicators rose sharply, and the Group's debt reduction process accelerated significantly, with financial leverage of 2.5× as at December 31, 2022. This debt reduction will continue in 2023 and should enable the Group to benefit from more favorable financing conditions in a chaotic debt market.

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

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

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

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

Questions to **Xavier Martiré**

Chairman of the Management Board

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

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

How did you handle the soaring energy prices?

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

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

Does the energy transition lend itself to your activities?

We have carried out comparative studies on our solutions. Compared to a model where businesses buy stocks of clothing which their employees then wash at home, Elis' rental and maintenance offerings provide a 35% saving in CO_2 emissions. This gain is made mainly in management of the stock of clothing, which costs a lot of energy to produce. However, from the very outset of the design of our garments, we aim to ensure they are as durable as possible, and therefore need replacing less frequently. In addition, in laundries which are as streamlined as ours, water consumption and detergent use are actually halved. Since 2010, at comparable levels of linen washed in terms of volume, we have reduced our water consumption by 43% and have plans to reduce it further.

How far along is the Group in its deleveraging process?

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

Interview in collaboration with the magazine investir

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

1

An international **presence**

69%
of revenue generated outside France in 2022

LATIN AMERICA

9%

14,839
employees

€347.3 million
in revenue

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

UNITED KINGDOM AND IRELAND

13%

6,585
employees

€476.5 million
in revenue

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

SOUTHERN EUROPE

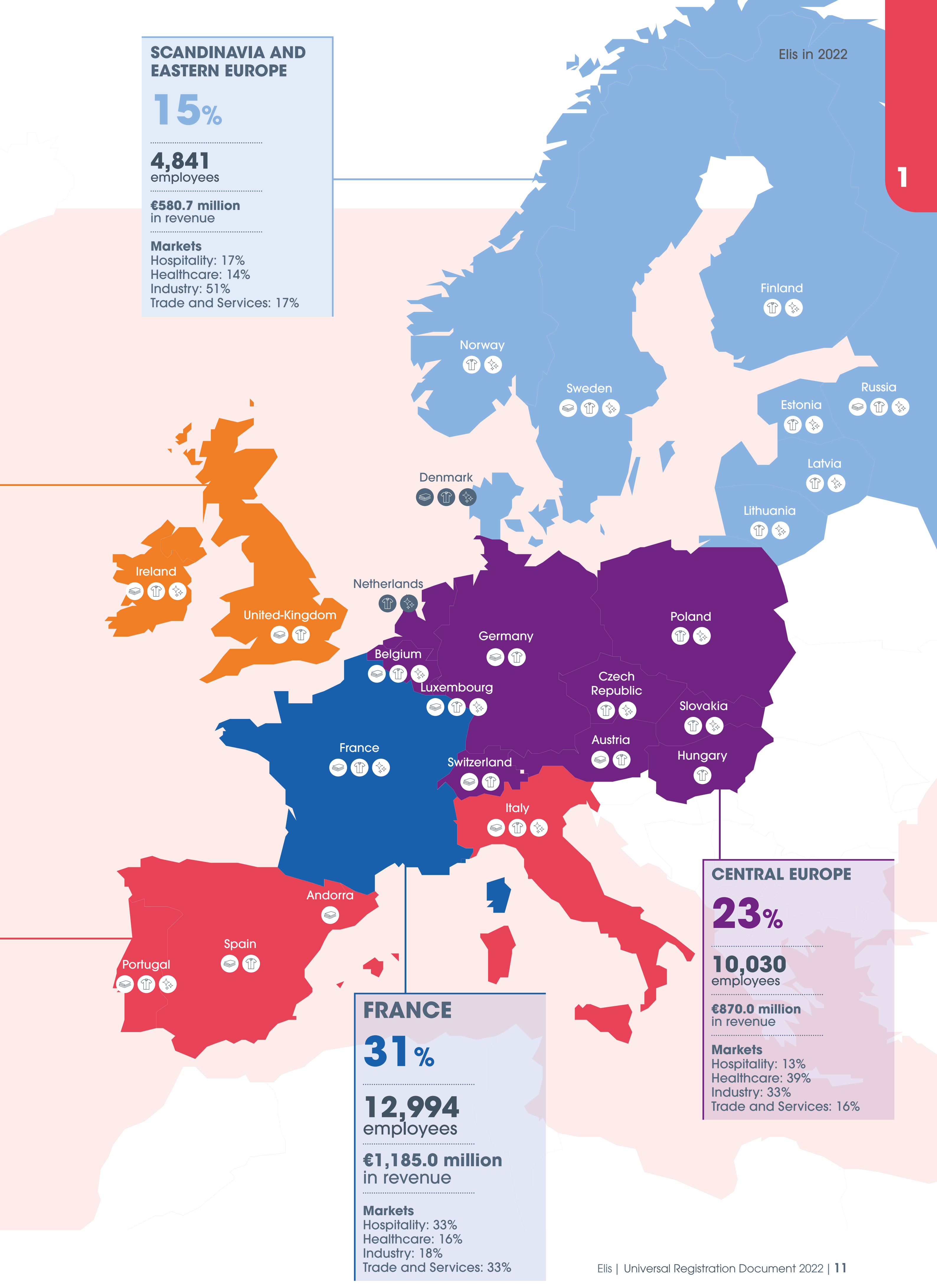
9%

4,824
employees

€330.5 million
in revenue

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

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



SCANDINAVIA AND EASTERN EUROPE

15%

4,841
employees

€580.7 million
in revenue

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

CENTRAL EUROPE

23%

10,030
employees

€870.0 million
in revenue

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

FRANCE

31%

12,994
employees

€1,185.0 million
in revenue

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

History
and 2022 highlights

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

1883

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

Interwar Period

Invention of the rental and maintenance model.

Postwar Period

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

1968

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

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 goals.

2022

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

Mexico

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

An **established player on the Mexican market with country-wide coverage**, this family-owned business was created nearly a century ago and mainly supplies **flat linen and workwear**. It operates out of **11 plants and 12 distribution centers and had €92 million in revenue in 2022,** generated mainly from **customers in the Healthcare sector, as well as in Hospitality and Industry. It brings 2,600 new employees into the Elis Group**. Mexico thus becomes the **29th country on Elis's list of locations**. The management team remains in place to continue to grow the business.

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

Other major acquisitions during the year

GERMANY	**Jöckel**
CHILE	**Golden clean**
DENMARK	**Centralvaskeriert**

New plants

Länna in Sweden
Creation of a workwear plant next to the existing mat plant

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

Surface area: **2,300 m² expansion**

Tarnow in Poland
Construction of a new workwear and mat plant

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

Surface area: **3,300 m²**

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

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

Ten years of Pest Control: a success story

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

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

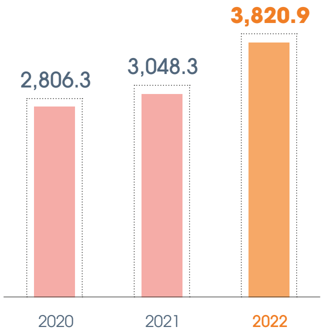
The business unit has, at the same time, worked to develop innovative traceability and prevention solutions as well as more responsible alternative solutions. In some countries, the offering is also now available to individual customers.

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

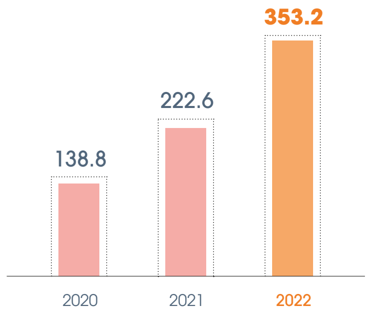
Elis Pest Control now has more than 200 technicians, 46 regional centers and more than 52 middle account managers for €47.4 million in revenue.

Key figures in 2022

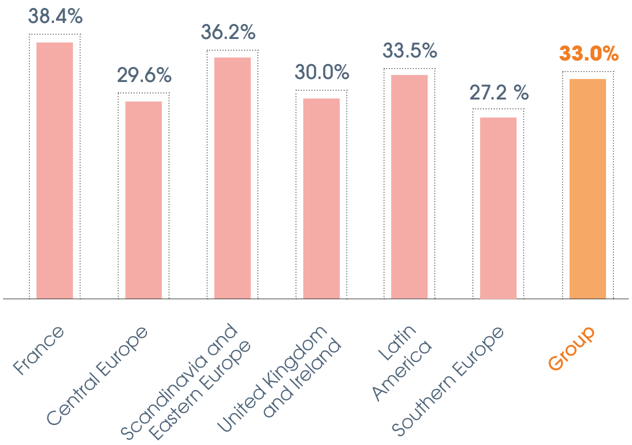
REVENUE
In millions of euros



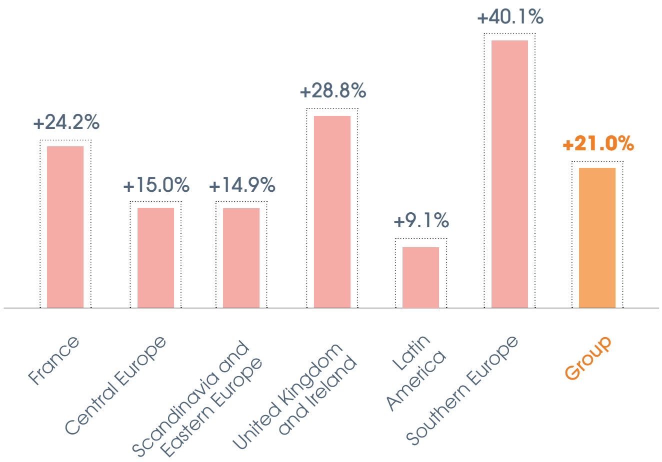
NET INCOME FROM ORDINARY OPERATIONS
In millions of euros



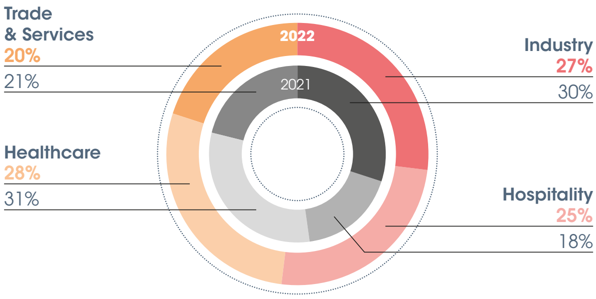
2022 EBITDA BY REGION
As a % of revenue



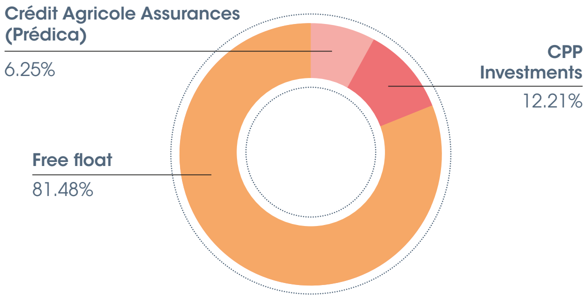
ORGANIC REVENUE GROWTH IN 2022
As a % of revenue



BREAKDOWN OF REVENUE BY MARKET SEGMENT
As a % of revenue



SHAREHOLDING STRUCTURE AT DEC. 31, 2022*



* More information in chapter 7.

Social

HEADCOUNT

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

34% female managers
among new hires

** Including employees in Mexico.*

TALENT DEVELOPMENT

21% of new managers
are promoted internally

Revenue > **€3,820.9 million**

EBITDA > **€1,259.8 million**
33.0%
of revenue

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

Free cash flow > **€224.9 million**

Net capex > **€691.9 million**

Reputation

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

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

Environment

WATER CONSUMPTION

43% reduction compared to 2010*

** Per kg of linen delivered – Europe.*

ENERGY CONSUMPTION

26% reduction compared to 2010*

** Per kg of linen delivered – Europe.*

ISO 14001-CERTIFIED SITES

146

ISO 45001-CERTIFIED SITES

95

More information in chapter 3.

1.2 STRATEGY

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

Business model

Resources

CUSTOMERS

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

HUMAN RESOURCES

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

ENVIRONMENTAL RESOURCES

- Water consumption: **15.8*** million m^3
- Energy consumption: **2,644*** GWh
- Total fuel consumption: **47.8*** million liters

FINANCIALS

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

FACILITIES

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

MISSION

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

* Figures aligned with chapter 3 reporting scope.

Mission

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

Customer experience at the core of Elis's DNA

- A Customer Experience department with almost **30** dedicated staff members
- An in-house Customer Satisfaction program
- Over **40,000** satisfaction surveys conducted in 2022

The four pillars of Elis's strategy

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

Consolidation of position

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

Network expansion

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

Operational excellence

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

Innovation

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

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

Value created

CUSTOMERS

- Ability to focus on core business
- **88%** satisfaction rate in 20 countries

EMPLOYEES

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

Figures aligned with chapter 3 reporting scope

INVESTORS

Since the IPO*:

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

**Initial public offering.*

THE PLANET

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

- Water: **-43%***
- Thermal energy: **-26%***
- Use of renewable energy: **19%**
- CO_2: **25%** reduction in our emissions intensity**

* *Per kg of linen delivered – Europe.*
** *Per ton of linen delivered, Group scope all activities.*

Focus on CSR

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

The three pillars of our CSR strategy

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

Pillar 1

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

Pillar 2

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

Pillar 3

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

Awards

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

Elis wins the EcoVadis Platinum Medal

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

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

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

Improvement in our non-financial ratings

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

In 2022, the Group scored an A- on the climate questionnaire conducted by the **Carbon Disclosure Project** (CDP), a non-profit organization that carries out independent assessments based on information provided by companies on their strategy, management, performance, and stakeholder engagement on climate issues, among other things. The Elis Group is also on the CDP Supplier Engagement Leaderboard, which recognizes the top 8% of companies engaging with their supply chain on climate.

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

Project awards

Circular Fashion Awards

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

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

Portugal: the Prudêncio prize

Portugal recognized for its recycling initiatives

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

Climate

Focus on SBT

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

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

SCIENCE BASED TARGETS

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

Focus on our logistics approach

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

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

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

- **20%** reduction in CO_2 emissions in Europe (compared to 2010);
- **35%** reduction in energy consumption in Europe (compared to 2010).

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

A closer look at our products

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

Workwear to workwear: where are we now?

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

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

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

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

"We have worked in partnership with fiber industrials to test the idea of recycling used garments into new garments. During this recycling process, several important steps are required to produce a new fabric that is of high enough quality to make new heavy-duty garments for the workplace."
(Sophie Roussel – Manager of the workwear department)

Eco-design: a new washroom offering

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

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

1

Our employees

Elis for All

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

Prospects for advancement: paving the way for upward mobility

At Elis, advancement and mobility are a source of professional enrichment and a key aspect of career development. They also encourage curious, motivated and enterprising employees. This is why we have set up mechanisms to help employees build their career paths within the Group. In 2022, the share of managers promoted from within increased by 21%.

There are a number of mechanisms to support these developments:

Jobs board

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

Talent Soft

Compiling all information about employees' career development at Elis .

Training

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

Management school

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

The Filière d'Excellence Disco (FED)

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

The Sales Academy

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

Employee recognition

Chevrons

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

Club Elite

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

CSR training and awareness

CSR training modules

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

European Sustainable Development Week

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

Guidelines for effective communication on CSR

Training was provided in April 2022 to help communications managers use the right words and images when communicating on our social and environmental responsibility. Materials containing many examples of content and visuals were made available to employees.

Opportunities for employee engagement

NQT and Foundation

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

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

Charters

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

Diversity & Inclusion

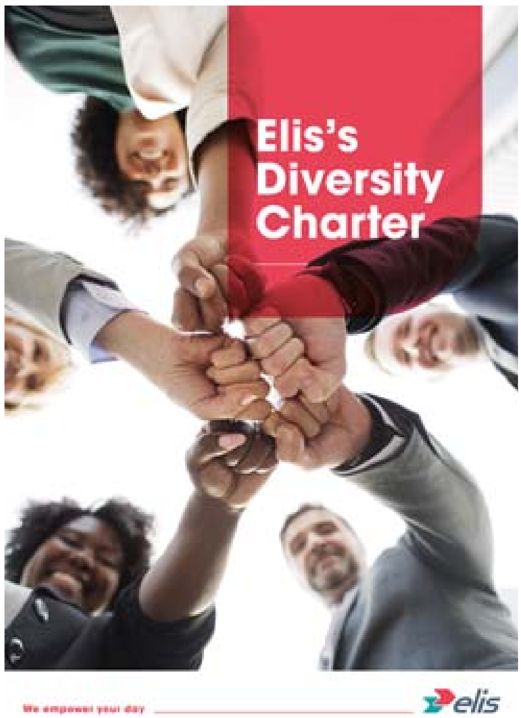
Elis is committed, through the creation of a diversity and inclusion charter, to taking concrete action to combat all forms of discrimination. The Group believes that its performance depends on the quality and engagement of its people and that a pleasant work environment respects individuals benefits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

Disability

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

Charter to improve gender parity

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



Our societal impact

Continuing to promote the circular economy

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

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

Promoting the circular economy also requires taking the time to share information with our various stakeholders. By participating in broadcasts or forums on the circular economy, sharing our experience with our model, and working with organizations in workshops, Elis seeks to generate interest, start discussions and find ways to improve and support the economy's transition toward more circular practices.

Participation in the Responsible Investment Forum

FIR FORUM POUR L'INVESTISSEMENT RESPONSABLE

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

Circul'R

Innovative projects in partnership with new stakeholders

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

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

Hodakova

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

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

ESMOD

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

1

Focus on operational excellence

TOM: a new industrial asset management tool for plant maintenance

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

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

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

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

SOL: a single LMS* solution for the Group

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

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

* Laundry Management System.

Focus on innovation

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

Workwear

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

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

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

Washroom

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

Pest control

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

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

* Internet of Things.
** For the customers concerned.

1.3
OUR CUSTOMERS

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

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

Solutions

- **45%*** Flat linen
- **37%*** Workwear
- **18%*** Hygiene and well-being

* As a percentage of consolidated revenue, excluding miscellaneous.

Customer experience

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

Service Agent

Your main point of contact:

Delivers your clean laundry and consumables, and arranges the collection of your dirty laundry;

Handles your requests;

Guarantees your satisfaction, every day.

Customer Service Assistant

Your dedicated telephone contact at the Elis centre:

Manages your account;

Explains your invoices to you;

Implements your requests passed on during visits by your Service Agent.

Customer

Sales Representative

Your sales contact:

Establishes the optimum conditions for fine-tuning and delivering on your requests or needs;

Customer Account Manager

The person in charge of ensuring your service is properly performed:

Coordinates the actions of the Service Agent and Customer Service Assistant;

Keeps you informed of the development of the Elis range and the new services on offer.

Building customer loyalty: HiFi program

Acceleration in contract renewals

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

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

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

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

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

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

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

Digitalization of customer relations

MyElis

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

Four objectives of the portal redesign:

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

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

E-contracts

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

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

Lead-time optimization: CLIP

The Customer Lead-Time Improvement Program (CLIP) aims to improve customer lead times by optimizing the end-to-end execution chain, from the time a contract is signed through to its implementation. The aim is to improve customer satisfaction and experience and to facilitate interactions between all stakeholders in this process. Since October 2020, the Brétigny-sur-Orge (France) and Figueira (Portugal) sites have been using a new inventory optimization solution, which is expected to be expanded to the entire Group. The aim is to better anticipate the centers' needs and improve inventory control.

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

Goals for 2023

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

Hospitality

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

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

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

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

25%*
of consolidated revenue

Industry sectors

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

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

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

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

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

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

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Linen streamlining

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

Carlton: our customers trust us

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

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

Innovation

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

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

Reopening of the Millfield plant in Ireland

With the upturn in the hospitality business and the volume of linen to be processed, Ireland restarted one of its plants, which has been fully equipped to process flat linen. The restart has been gradual, with capacity of 120 tons per week and a secure industrial plan.

New Le Jacquard Français sports line

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

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

Industry

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

There are a number of factors behind this performance:

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

27%*

of consolidated revenue

Industry sectors

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

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

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

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MVTO: the new collection for the industrial trades

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

The range is an iconic collection in Elis's catalog due to its broad target market. It offers a dynamic and sportswear-like design with maximum practicality in a unisex, structured and comfortable style.

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

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

PPE: the Elis expertise

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

This growing need for standards is leading some countries to increasingly turn to rental and maintenance with a partner capable of handling the specifics of PPE garment solutions.

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

A new PPE collection for the metalworking and petrochemical trades

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

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

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

ProXimum jacket and trousers

Elis Cleanroom

2022 results

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

Elis Cleanroom by the numbers:

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

Innovation

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

CSR

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

European directive on good manufacturing practice

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

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

Healthcare and social welfare

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

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

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

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

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

28%*
of consolidated revenue

Industry sectors

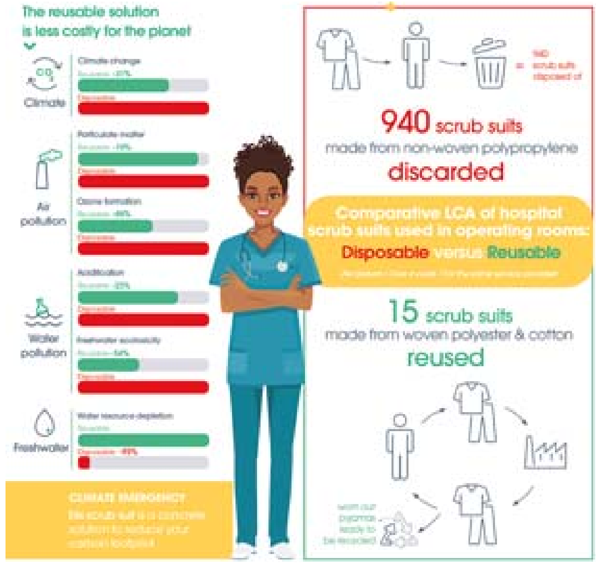
- Hospitals and clinics
- Elderly care homes
- Institutions for people with disabilities
- Primary care
- Child daycare centers

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

Healthcare LCA

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

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



The reusable incopad: textile's added value product

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

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

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

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

Healthcare Textile Improvement Project in the United Kingdom

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

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

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

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

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

Trade and Services

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

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

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

20%*
of consolidated revenue

Industry sectors

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

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

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

Checking in on the new UK sales teams

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

In 2022, this new strategy proved successful, as demonstrated by the growth of the sales team, which now includes four sales managers and 25 sales people. The multi-service model has been fully integrated, with the teams selling an average of 1.5 services per customer – mostly mats, washroom products and workwear.

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

Heka

Heka is a new collection of tunics for men and women, intended mainly for healthcare professionals working in private practice, such as dentists, physiotherapists and aestheticians. The goal is to expand the offering to this target market by proposing a range of tunics with a refined, modern design that provide a polished and professional look. Elis is focusing on quality and comfort by offering tunics with premium finishes in an innovative material: Tencel, which is a plant-based lyocell fabric. This material has a number of advantages: it has excellent color fastness after washing, high resistance and high moisture absorption capacity, thus providing the wearer with optimal comfort. Tencel is a sustainable material made from wood pulp and a non-toxic solvent. This range of tunics is available in several colors to suit the needs of every wearer.

Phoenix: a more responsible hygiene solution

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

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

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

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

- **85% recycled plastic** on average for the entire range
- **4 times less CO_2** emissions from the raw materials

Triana water fountain

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

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

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

1.4 GOVERNANCE

An experienced management team

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

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

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

Supervisory Board

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

10 members and one non-voting member (censor)

THIERRY MORIN Chairman of the Supervisory Board, independent member

FABRICE BARTHÉLEMY
Independent member

PHILIPPE BEAUDOUX
Member representing employees

ANTOINE BUREL
Independent member

MAGALI CHESSÉ
Member

ANNE-LAURE COMMAULT
Independent member

PHILIPPE DELLEUR
Independent member

AMY FLIKERSKI
Member

VALÉRIE GANDRÉ
Member representing employees

FLORENCE NOBLOT
Independent member

PAUL-PHILIPPE BERNIER
Permanent representative of Bpifrance Investissement, Censor

5 women
5 men

9 meetings
55 years old on average

90% attendance rate
60% independent members

1 series of strategy days

Audit Committee

3 members

ANTOINE BUREL
Chair

THIERRY MORIN
Independent member

MAGALI 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

87% attendance rate
5 meetings

Appointments, Compensation and Governance Committee

3 members

FABRICE BARTHÉLEMY
Chair

THIERRY MORIN
Independent member

VALÉRIE GANDRÉ
Member representing employees (since December 2021)

Main duties

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

100% attendance rate
4 meetings

Corporate Social Responsibility (CSR) Committee

4 members

FLORENCE NOBLOT
Chair

PHILIPPE DELLEUR
Independent member

AMY FLIKERSKI
Member

ANTOINE BUREL
Independent member

Main duties

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

100% attendance rate
3 meetings

Executive Committee

11 members

XAVIER MARTIRÉ
Chairman of the Management Board

LOUIS GUYOT
Member of the Management Board,
Chief Financial Officer

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

ALAIN BONIN
Deputy Chief
Operating Officer
(France)

MICHEL DELBECQ
Transformation
and IT Director

FRÉDÉRIC DELETOMBE
Engineering, Purchasing
and Supply Chain Director

CHARLOTTA ERICSSON
Deputy Chief
Operating Officer
(Northern Europe)

DIDIER LACHAUD
Human Resources
and CSR Director

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

CAROLINE ROCHE
Marketing and
Innovation Director

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

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

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

More information in chapter 2.

2

Corporate governance AFR

2

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 7, 2023.

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 2023, as well as the components of compensation paid in or awarded for 2022.

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 AFEP website (www.afep.com). The latest version of the AFEP-MEDEF Code, dated December 2022, will be applied to the next Universal Registration Document on the financial statements for the year ending December 31, 2023.

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' compensation Article 21.1 "*It [the Board of Directors] takes into account, according to the terms it defines, the directors' actual attendance at meetings of the Board and committees, and thus the variable portion of the compensation is predominant.*"	The variable portion of the compensation of the Chairman of the Supervisory Board is not predominant. Aside from the Chairman of the Supervisory Board – whose compensation does comply with the other recommendations of the AFEP-MEDEF Code – the compensation allocated to the members of the Supervisory Board is predominantly variable. This situation results from an amendment to the compensation policy approved by the general shareholders' meeting of May 20, 2021, which had the effect of significantly increasing the fixed portion of the compensation of the Chairman of the Supervisory Board (non-executive corporate officer) – and to a lesser extent that of the committee chairs – so that it would (i) be aligned with the benchmark used by the Company, and (ii) take into account the work done by these individuals, which involves much more than simply attending meetings of the Supervisory Board and committees. Regarding the Chairman of the Supervisory Board, a distinction should be made between (i) the compensation allocated to him in his capacity as Chairman – that is, as a non-executive corporate officer – in accordance with Article L. 225-81 of the French Commercial Code, which must satisfy the recommendation of Article 25.2 of the AFEP-MEDEF Code, and (ii) the compensation allocated to him as a member of the Supervisory Board in accordance with Article L. 225-83 of the French Commercial Code, which must satisfy the recommendation of Article 21.1 of the AFEP-MEDEF Code. To this end, in the interest of clarity, it is proposed to amend the description of the compensation of the Chairman of the Supervisory Board as part of the compensation policy for 2023 to be submitted for shareholder approval at the next general shareholders' meeting of 2023 (see section 2.2.1 of this corporate governance report). It will therefore be recommended that an overall fixed compensation be allocated to the Chairman of the Supervisory Board, with this compensation including (i) an annual fixed amount of €186,000, understood to be the compensation awarded to him in his capacity as Chairman based on Article L. 255-81 of the French Commercial Code, and (ii) compensation allocated to him in his capacity as member of the Supervisory Board based on Article L. 225-83 of the French Commercial Code, which includes only one variable portion and no fixed portion (€3,600 per meeting or 50% of this amount for meetings held by conference call). The compensation awarded to the Chairman solely in his capacity as member of the Supervisory Board will therefore be analyzed as including a predominantly variable portion in line with Article 21.1 of the AFEP-MEDEF Code, and (ii) as the compensation that is allocated to him as a member of the Supervisory Board in accordance with Article L. 225-83 of the French Commercial Code and that satisfies the recommendation of Article 21.1 of the AFEP-MEDEF Code.

As a reminder, as stated in the 2021 Universal Registration Document, the Company deviated from one provision of the AFEP-MEDEF Code. The Company now complies with the recommendations of the AFEP-MEDEF Code for the following reasons:

Directors' training

Article 13.3, "Directors representing employees or representing shareholders receive adequate training to help them carry out their duties."

In 2022, two members of the Supervisory Board representing employees completed training sessions that will enable them to carry out their duties under best possible conditions.

2.1.2 The Company's choice of governance

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.

2.1.3 General management of the Group

The Management Board and Executive Committee, both of which are chaired by the Chairman of the Management Board, Xavier Martiré, oversee the general management of the Group. There were no changes in general management in 2022.

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	52	533,393	Chair	October 21, 2008[a]	September 5, 2022	September 5, 2026
Louis Guyot	French	50	225,318	Member	September 5, 2014	September 5, 2022	September 5, 2026
Matthieu Lecharny	French	53	132,824	Member	September 5, 2014	September 5, 2022	September 5, 2026

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

(b) As at December 31, 2022 (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 2022). This number includes share-based consideration consisting of units of the "Elis for All" investment fund (FCPE) held by each member of the Management Board as at December 31, 2022.

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

At its meeting on March 8, 2022, the Supervisory Board, on the recommendation of the Appointments, Compensation and Governance Committee, 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

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, 2022

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)
- Chairman of Golden Clean SA (Chile)
- 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)
- Director of Clean Master 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 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

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, 2022

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)
- Co-General Manager of Société de Participations Civiles et Commerciales (France)
- Chairman of Elis Belgium SA (Belgium)
- Chairman of Berendsen A/S (Denmark)
- 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 Eliteq Sanidad Ambiental 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 Elis Textile Service Oy (Finland)
- Director of Elis Textil Service AB (Sweden)
- Director of Elis Holding AB (Sweden)
- Director of Albia SA (Chile)
- Director of Servicios Hospitalarios SA (Chile)
- Director of Golden Clean SA (Chile)
- Director of Clean Master SA (Chile)
- 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 Textiles Ltd (Ireland)
- Member of the Supervisory Board of Elis Textile Service Sp z oo (Poland)

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

- Director of Elis Services SAS (France)
- Chairman of Hygiène Contrôle Île-de-France SAS (France)
- Chairman of BMF SAS (France)
- General Manager of Blanchisserie Professionnelle d'Aquitaine SARL (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 Indusal Centro, SAU (Spain)
- Director of Lloguer Textil Maresme SLU (Spain)
- Director of Lavanderías Triton SL (Spain)
- Director of Energías Margua, SAU (Spain)
- Director of Cogeneración Martiartu, SLU (Spain)
- Director of Lavandería Lizzara SL (Spain)
- Director of Logralimp SL (Spain)
- Director of Indusal Navarra SAU (Spain)
- Director of Indusal, SAU (Spain)
- Director of Lesa Inmuebles Siglo XXI, SL (Spain)
- Director of Base Lavandería Industrial SLU (Spain)
- Director of Marina de Complementos SLU (Spain)
- Director of Bristol Holding SAPI (Mexico)
- Director of Empresas HTX SA (Mexico)
- Director of Grupo Codeli SA (Mexico)

2

Matthieu Lecharny

Member of the Management Board

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

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, 2022

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 Eliteq Sanidad Ambiental SL (Spain)
- Director of S.P.A.S.T. SA (Portugal)
- Director of Albia SA (Chile)
- Director of Servicios Hospitalarios SA (Chile)
- Director of Golden Clean SA (Chile)
- Director of Clean Master SA (Chile)
- Director of Bristol Holding SAPI (Mexico)
- Director of Empresas HTX SA (Mexico)
- Director of Grupo Codeli SA (Mexico)

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 Lavandería Lizzara SL (Spain)
- Director of Indusal Centro SAU (Spain)
- Director of Logralimp SL (Spain)
- Director of Llloguer 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)
- Member of the Supervisory Board of Atmosfera Gestão e Higienização de Têxteis SA (Brazil)

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 11 members including the 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, 2022)

Alain Bonin, aged 59, 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 58, 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 50, 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 63, 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 49, 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.

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.

Charlotta Ericsson (Executive Committee member from June 1, 2022, replacing Johanna Persson), aged 41, is Deputy Chief Operating Officer for the Nordic countries (Sweden, Norway, Finland, Denmark, Benelux) and is responsible for the Cleanroom business unit. Charlotta Ericsson joined Elis Sweden as Regional Director in 2021. Before joining Elis, she served as Global Business Unit Manager at Perstorp, a chemicals company, and spent several years working as a management consultant at Capgemini Consulting, where she gained broad exposure to a variety of industries. Charlotta Ericsson holds a Master of Science degree in Biotechnology and Engineering and Technology Management from the Faculty of Engineering of Lund University in Sweden.

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 2022, 34% of new managers are women (21% 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 have been implemented in 2022 to support women's advancement within the company.

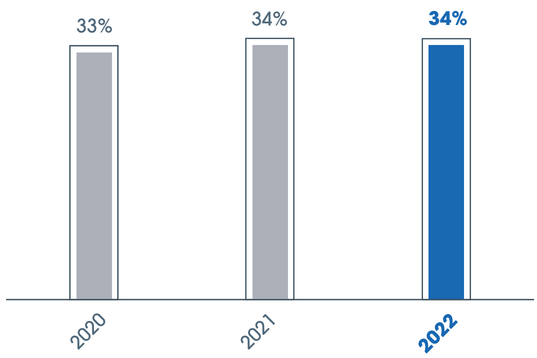
During talent reviews and individual annual reviews, priority is given to employees who have expressed an interest in developing their careers in an area where their gender is under-represented.

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

For more information on this policy, see chapter 3, section 3.4.4 "Ensuring nondiscrimination and equal opportunities" of this Universal Registration Document.

2.1.4 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 (excluding non-voting members) 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 7, 2023, 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 7, 2023)
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)	4 women 4 men (i.e., 50% women, excluding members of the Supervisory Board representing employees and the non-voting member)[(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)	1 member over age 70 9 members under age 70 Average age: 55
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 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** › 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 skills matrix for the members of the Supervisory Board is presented in the table below.

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

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 2.41% 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).

SKILLS AND EXPERIENCE MATRIX FOR MEMBERS OF THE SUPERVISORY BOARD

Skills/experience	Thierry Morin	Fabrice Barthélemy	Antoine Burel	Anne-Laure Commault	Philippe Delleur	Florence Noblot	Magali Chessé	Amy Flikerski	Valérie Gandré	Philippe Beaudoux	Paul-Philippe Bernier[(a)]
Business management	✔	✔	✔		✔	✔					
International management/experience	✔	✔	✔	✔	✔	✔		✔			
Financials	✔	✔	✔				✔	✔			✔
Risk management/audit	✔	✔	✔				✔				✔
CSR			✔			✔					✔
Marketing and sales				✔		✔					
Human resources										✔	
Role									✔		

(a) Non-voting member.

Composition of the Supervisory Board and its special committees as at the date of approval of the Corporate Governance Report and summary of attendance at Board and committee meetings in 2022

	Supervisory Board								Committees						
												Attendance rate in 2022			
	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 2022	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	70	1	3,568	Chair	06/23/2014	05/23/2019	100%	Member	Member	-	100%	100%	-	2023
Magali Chessé	FR	48	1	500	Member	06/01/2016	05/23/2019	78%	Member	-	-	60%	-	-	2023
Philippe Delleur ✔	FR	64	0	1,600	Member	06/24/2015	05/23/2019	89%	-	-	Member	-	-	100%	2023
Florence Noblot ✔	FR	59	1	2,500	Member	07/31/2014	05/20/2021	89%	--		Chair	-	-	100%	2025
Anne-Laure Commault ✔	FR	48	0	2,000	Member	05/19/2017	05/20/2021	100%	-	-	-	-	-	-	2025
Antoine Burel[(b)] ✔	FR	60	1	1,954	Member	02/20/2019	05/19/2022	100%	Chair	-	Member	100%	-	-	2026
Amy Flikerski	CA	43	0	514	Member	06/30/2020	06/30/2020	89%	-	-	Member	-	-	100%	2024
Fabrice Barthélemy[(c)] ✔	FR	54	1	3,028	Vice-Chairman	06/30/2020	06/30/2020	100%	-	Chair	-	-	100%	-	2024
Valérie Gandré	FR	51	0	3,742[(d)]	Employee member	11/02/2020	11/02/2020	78%	-	Member	-	-	-	-	2024
Philippe Beaudoux	FR	58	0	1,345[(d)]	Employee member	11/02/2020	11/02/2020	89%	-	-	-	-	-	-	2024
Paul-Philippe Bernier[(e)]	FR	42	0	0	Censor	01/06/2023	01/06/2023	-	-	-	-	-	-	-	2023

✔ *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) Member appointed to the Supervisory Board by the ordinary general shareholders' meeting on May 19, 2022. Antoine Burel was appointed member of the CSR Committee by the Supervisory Board on December 15, 2022.

(c) Fabrice Barthélémy was appointed Vice-Chairman of the Supervisory Board at the Supervisory Board meeting of March 7, 2023.

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

(e) Permanent representative of Bpifrance Investissement, appointed censor of the Supervisory Board on January 6, 2023, for a one-year term until the general shareholders' meeting called to approve the financial statements for the year ending December 31, 2023.

Changes in the composition of the Supervisory Board and special committees as at the date of approval of the Corporate Governance Report

Member of the Supervisory Board	Type of change	Date
Antoine Burel	Reappointment as member of the Supervisory Board and Chairman of the Audit Committee for a four-year term	May 19, 2022
	Appointment as member of the CSR Committee, in addition to his office of Chairman of the Audit Committee	December 15, 2022
Joy Verlé	Resignation as Vice-Chairwoman and member of the Supervisory Board Resignation as member of the Appointments, Compensation and Governance Committee	August 30, 2022
Fabrice Barthélémy	Appointment as Vice-Chairman of the Supervisory Board	March 7, 2023

Creation of the position of censor

At its meeting on December 15, 2022, on the recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board resolved to create a position of non-voting member of the Supervisory Board (Censor). This position could allow a major shareholder who may not be a member of the Supervisory Board to receive access to the information provided to the Board members and thus have an opportunity to assist the Board with its work. Consequently, the rules of procedure of the Supervisory Board and the Appointments, Compensation and Governance Committee, and the Stock Market Code of Ethics were amended.

The censor may be consulted by the Board on any matter of interest to the Company's organization or business. The censor would participate in Board meetings solely with an advisory vote. The committee chairs could also ask the non-voting member's opinion on topics pertaining to his or her expertise.

At its meeting on January 6, 2023, the Supervisory Board appointed as censor the company Bpifrance Investissement, a new major shareholder in the Company that has crossed the threshold of 5% of the share capital, with Paul-Philippe Bernier serving as permanent representative.

Changes in the composition of the Supervisory Board submitted for shareholder approval at the ordinary general shareholders' meeting on May 25, 2023

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 following items:

The reappointment of Thierry Morin, Philippe Delleur and Magali Chessé as members of the Supervisory Board, for a four-year term:

Thierry Morin

Thierry Morin is the General Manager of TM France, an industrial holding company specializing in restructuring distressed companies. 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. After being promoted to the Group level, he moved on to become Chief Financial Officer, Group Director of Financial Control, Strategy – in particular, in charge of risk management – 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.

Thierry Morin has been a member of the Supervisory Board since the Company was converted into a French joint-stock corporation (société anonyme) governed by a Management Board and a Supervisory Board in September 2014. He was appointed Chairman of the Supervisory Board on February 12, 2015, when the Company was listed on the stock exchange. He is also a member of the Audit Committee and the Appointments, Compensation and Governance Committee. His proven skills in finance and risk management for large international conglomerates are a major asset for the Company.

He also meets the independence criteria sought for the composition of the Supervisory Board.

Philippe Delleur

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.

Philippe Delleur joined Elis's Supervisory Board in June 2015 and has been a member of the CSR Committee since its inception in 2020. His recognised international experience, particularly in Latin America, makes him a major asset for the Supervisory Board, given the Group's presence in this region, which has expanded with the acquisition in Mexico. He also meets the independence criteria sought for the composition of the Supervisory Board.

Magali Chessé

Magali Chessé has been Head of Equity Investment Strategies at Crédit Agricole Assurances since 2010. 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.

Magali Chessé joined Elis's Supervisory Board in June 2016 when the Crédit Agricole Assurances Group acquired its stake. She represents the shareholder Predica (Crédit Agricole Group), which currently holds 5% of the Company's share capital. Given her expertise in financial analysis and financial risk management, she has been appointed member of the Audit Committee.

The appointment of Bpifrance Investissement as member of the Supervisory Board for a limited term of three years, that is, until 2026, in order to stagger expirations of terms of office and reappointments in accordance with the Company's bylaws.

This proposed appointment stems from the desire of Bpifrance Investissement, a shareholder that crossed the threshold of 5% of the share capital in January 2023, to support the Company in its long-term development. For that purpose, and to allow this special partner to receive confidential information and to share the Group's strategy, it was important to propose its candidacy as a member of the Supervisory Board. As a result of this appointment, this shareholder would stop serving in its current capacity as censor 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 2022 financial year

Thierry Morin

Chairman of the Supervisory Board

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

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. After being promoted to the Group level, he moved on to become Chief Financial Officer, Group Director of Financial Control, Strategy – in particular, in charge of risk management – 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, 2022

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, Compensation and Corporate Governance 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.*

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, 2022

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)
— Vice-Chairman 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.*

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Philippe Beaudoux

Member of the Supervisory Board representing employees

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

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, 2022

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

Date of birth: December 22, 1962

Nationality: French

Main activity: Deputy Chief Operating Officer 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 charge of risk management 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, 2022

Other offices and positions held within the Group:

- Chairman of the Audit Committee
- Member of the Corporate Social Responsibility (CSR) Committee

Offices and positions held outside the Group:

- Director and Chairman of Legrand France*
- Member of the Risk Committee of Legrand (and Chairman of the Operational Risk subgroup of the Risk Committee)

Offices and positions having ended in the past five years:

- Chief Executive Officer of Legrand France*
- 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, 2022

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
— 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 Srl
— Director of Lux. Impulse I SARL
— Director of Espagnole Tunels de Barcelona i Cadi SA
— Director of Portugaise Movhera SA

Offices and positions having ended in the past five years:

None.

** Listed company.*

Anne-Laure Commault

Independent member of the Supervisory Board

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

Date of birth: October 19, 1974

Nationality: French

Main activity: Chief Digital & Omnichannel Officer of Orange France

BIOGRAPHY

Anne-Laure Commault is *Chief Digital & Omnichannel Officer* of Orange France. In 2022, in addition to her role as Chief Digital Officer, she took on the duties of Chief Omnichannel Officer. Anne-Laure Commault joined the Orange Group 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, 2022

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.

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Philippe Delleur

Independent member of the Supervisory Board

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

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, 2022

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: Managing Director and Head of External Portfolio Management at CPP Investments

BIOGRAPHY

Based in London, Amy Flikerski serves as Global Head of the External Portfolio Management Team at CPP Investments, where she has worked since 2012. At CPP Investments, she was involved in manager search and selection, mainly focusing on global equity strategies. Before 2012, Amy Flikerski worked as a senior analyst at Highbridge Capital Management (2003-2007) and then at Talpion Fund Management (2010-2011) in New York. As an associate at PAAMCO (2009–2010), she was involved in hedge fund manager evaluation, selection and research. She gained investment experience at Moon Capital Management, an emerging markets long/short equity fund, and at JGP Gestão de Recursos, a macro fund based in Rio de Janeiro. Amy Flikerski began her career as a senior associate in the high-yield securities group of Moody's Investors Service and has worked in the United States, United Kingdom, Brazil, Canada and Hong Kong. Amy Flikerski holds a Bachelor's degree in Economics from Brown University and an MBA from Harvard Business School. Along with her position at Elis, she sits on the Global Association Board of 100 Women in Finance.

Main offices and positions held as at December 31, 2022

Other offices and positions held within the Group:

— Member of the Corporate Social Responsibility (CSR) Committee

Offices and positions held outside the Group:

— Member of the Global Association Board of 100 Women in Finance.

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

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, 2022

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

Date of birth: May 15, 1963

Nationality: French

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, 2022

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.*

Bpifrance Investissement

Censor of the Supervisory Board

First appointed on: January 6, 2023

Expiry of term: General shareholders' meeting called to approve the financial statements for the year ending December 31, 2023

Business address:
6-8 boulevard Haussmann, 75009 Paris

Main activity: Long-term capital investment in listed French multinationals through the Lac1 fund

BIOGRAPHY

Bpifrance helps businesses at every stage of their growth through financing, guarantees and equity capital. Bpifrance assists them with their innovation plans and international expansion. Bpifrance also offers an extensive product line to help businesses with their export activities. Consulting, training, networking and accelerator programs for start-ups, SMEs and intermediate-sized enterprises are also among the offerings for entrepreneurs. Thanks to Bpifrance and its 50 regional offices, entrepreneurs have a single contact person who is close at hand and equipped to effectively help them meet their challenges.

Lac1 invests over the long term in the capital of listed French multinationals by getting involved in their governance. The Lac1 fund has an investment capacity of €5.2 billion after completing a first round of funding – alongside Bpifrance – from some 40 subscribers, including French and international institutional investors, large companies and family offices. Lac1 is managed by Bpifrance Investissement and leverages Bpifrance's position within its ecosystem, its knowledge about technological and environmental transitions and its expertise in the governance of listed companies. Bpifrance Investissement is the company that carries out Bpifrance's equity investments.

Main offices and positions held as at December 31, 2022

Other offices and positions held within the Group:

None.

Offices and positions held outside the Group:

- Director of Abeo*
- Director of Adocia*
- Director of Advicenne Pharma*
- Director of Arkema*
- Director of Balyo*
- Director of Beneteau*
- Director of Euroapi
- Director of Eutelsat Communications*
- Director of Fermentalg*
- Director of Forsee Power*
- Censor of the Board of Directors of Gascogne SA*
- Member of the Supervisory Board of Kalray*
- Censor of the Board of Directors of Maat Pharma*
- Director of McPhy Energy*
- Director of Mersen*
- Director of Metex*
- Director of Nacon*
- Director of Neoen*
- Director of SEB SA*
- Director of Sensorion*
- Director of SPIE SA*
- Censor of the Board of Directors of Teract*
- Director of Verallia*
- Director of Vilmorin & Cie*
- Censor of the Board of Directors of Voyageurs du Monde*

Offices and positions having ended in the past five years:

- Director, member of the Audit Committee, Risk Committee, Commitments Committee, Appointments, Compensation and Governance Committee, member of the CSR Committee of Albioma SA*
- Director of Bastide le Confort Médical
- Director of Eos Imaging*
- Censor of the Supervisory Board of Gensight Biologics*
- Censor of the Board of Directors of Getaround*
- Director of Lysogène*
- Director of Pixium Vision*
- Censor of the Board of Directors of Poxel*
- Director of Soitec*
- Director of Supersonic Imagine*
- Director of Txcell*
- Member of the Supervisory Board of Vergnet SA*

** Listed company.*

Paul-Philippe Bernier

Permanent representative of Bpifrance Investissement

Business address:
6-8 boulevard Haussmann, 75009 Paris

Date of birth: February 6, 1981

Nationality: French

Main activity: Director and member of the Large Cap Management Committee, Bpifrance Investissement

BIOGRAPHY

Paul-Philippe Bernier, 42, is Director and a member of the Management Committee of the Large Cap Direct Investment group at Bpifrance Investissement since 2022. He has over 15 years' experience in structured finance and equity investments. He joined Bpifrance Investissement in 2019 as Investment Director. He has been involved in many investments – or reinvestments – for Bpifrance, including investment in the following listed and unlisted companies: Elis, Exclusive Networks, EssilorLuxottica, SPIE, SRS, Mediawan and Sulo.

Before joining Bpifrance, Paul-Philippe Bernier spent 12 years at Société Générale CIB as Director in leveraged finance groups. He was based in Paris and London and specialized in the TMT sector from 2014 to 2019. During his tenure at Société Générale, Paul-Philippe Bernier completed more than 20 financing transactions as Mandated Lead Arranger and Bookrunner, in Europe and Africa, on behalf of private equity funds and listed companies.

Paul-Philippe Bernier began his career as a financial auditor at Mazars. He graduated from the Neoma Business School.

Main offices and positions held as at December 31, 2022

Other offices and positions held within the Group:

None.

Offices and positions held outside the Group:

- Permanent representative of Bpifrance Investissement on the Supervisory Board of SRS
- Permanent representative of Bpifrance Investissement, itself a censor of the Supervisory Board of Société d'Investissements DVH
- Permanent representative of Bpifrance Investissement, itself a censor of the Supervisory Board of Colombe Holding
- Permanent representative of Bpifrance Investissement on the Supervisory Board of Sulo
- Permanent representative of Bpifrance Investissement on the Board of AD Industries
- Permanent representative of Bpifrance Investissement on the Supervisory Board of Indexia

Offices and positions having ended in the past five years:

- Censor of the Supervisory Board of Sulo

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 February 16, 2023, and March 7, 2023, 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.

In addition, Paul-Philippe Bernier, should he be confirmed as permanent representative of Bpifrance Investissement, and whose appointment as member of the Supervisory Board will be proposed to shareholders at the next general shareholders' meeting, may be deemed an independent member in the absence of any conflict of interest and a shareholding greater than 10%.

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.

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

Criteria for assessing independence	Thierry Morin (Chairman)	Fabrice Barthélemy	Antoine Burel	Anne-Laure Commault	Philippe Delleur	Florence Noblot	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. Its most recent update, which added the ability to appoint non-voting members to the Supervisory Board, dates from December 15, 2022.

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 (particularly compliance and CSR risks).

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 2022

9 meetings (face-to-face and conference calls) 1 strategy day	Average meeting duration: 3 hours Attendance rate: 90%

Governance and risks

- Approval of the compensation policy for corporate officers in respect of 2022, submitted to shareholders for approval on May 19, 2022, 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 2021 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.
- Updating of the Supervisory Board's rules of procedure following the creation of the position of non-voting member of the Supervisory Board.
- How the Supervisory Board operates.

General shareholders' meeting

- Preparation for the annual general shareholders' meeting on May 19, 2022
- Review of the Management Board's report on the Group's management and operations for financial year 2021.
- Approval of the reports to be presented to the shareholders.
- Verification of the information provided to shareholders and participation in the general shareholders' meeting.
- Payout of the dividend in shares.

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: EMTN bond program, USPP and OCÉANE convertible bonds program.
- Review and approval of the budget.

Financial performance

- Audit of the parent company and consolidated financial statements for financial year 2021, the results and financial statements for the first half of 2022, the 2022 quarterly financial information, and the 2022 half-year financial report and related financial communications.
- Examination of provisional management documents.
- Review of the Audit Committee's regular reports.
- 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 new employee share ownership plan, "Elis for All 2022."
- Delivery of bonus share plans for 2019 (Executive Committee) and 2020 (employees).
- Review of the performance conditions of the current bonus share plans following the Covid-19 pandemic, submitted to shareholders for approval on May 19, 2022, as part of the Say on Pay procedure.

Special projects during financial year 2022

- No Supervisory Board member was assigned any special projects in 2022 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 64 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. Thus at its meeting on March 7, 2023, the Supervisory Board provided an update on how it and its committees operate in order to assess the changes made from its last self-assessment.

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. The most recent comprehensive assessment was conducted in the 1st quarter of 2021, with the assistance of an outside consultant.

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.

The results of this assessment were, 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.

2.1.5 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 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.

The rules of procedure of the Appointments, Compensation and Governance Committee were updated by the Supervisory Board on December 15, 2022, following the creation of the position of non-voting member of the Supervisory Board.

Composition of the Supervisory Board committees

The composition of the Supervisory Board committees is presented on page 64 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 in proportions that comply with the AFEP-MEDEF Code.

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 or accounting expertise, as stipulated by the provisions of Article L. 823-19 II 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 2022 5 meetings Attendance rate: 87%
› 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, risk management and internal audit systems for financial, accounting and non-financial 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. › Review of major risks and off-balance sheet commitments. › 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 parent company and consolidated financial statements for 2021 and for the first half of 2022, and of major off-balance sheet commitments. › 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. Review of the 2022 budget of the external audit. › Approval of services other than the independent audit. **Work relating to internal control** › Monitoring of internal audit activity, including a review of the internal control procedure and the 2022 audit plan. › Monitoring of the effectiveness of internal control and the progress of action plans. › Review of the Group's main risks, particularly the Group's risk map. › Review of the anti-corruption framework put in place by the Group (compliance). › Review of the Group's cybersecurity policy. **Other work** › Review of the Group's financing policy › Review of the assumptions underlying the development of the 2023 budget.

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Roles and responsibilities of the Appointments, Compensation and Governance Committee	Main work carried out in 2022 4 meetings Attendance rate: 100%
› Selection and proposals for appointments of independent members of the Supervisory Board, the Management Board and Board committees. › Analysis of the candidacy of non-independent members of the Supervisory Board and proposal for appointment to 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 components 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 on the selection criteria for members of the Supervisory Board and on the reappointment of a Board member (Antoine Burel). › Proposal to create the position of censor of the Supervisory Board and updating of the rules of procedure of the Supervisory Board and 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 2021 performance of executive corporate officers and recommendation to the Supervisory Board on variable compensation for financial year 2021. › Recommendations for determining the compensation policy for executives and corporate officers for 2022: setting of targets and weighting of compensation for the 2022 financial year. › Recommendations on the compensation policy for the members of the Supervisory Board for 2022. **Performance share plan** › Recommendations on the performance criteria of plans whose vesting periods ended in 2021 and 2022, given the current health crisis. › Recommendations on performance share plans implemented in 2022. › Examination of the principles and procedures for the allocation of performance shares introduced in 2022 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 2022 3 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 the Group's CSR objectives and progress. › Updating chapter 3 (disclosure of non-financial performance) of the 2021 Universal Registration Document to better reflect stakeholders' expectations. › Analysis of rating agencies' ratings and responses to provide. › The Group's action plan on climate issues (Scope 3 assessment, commitment to Science-Based Targets, progress on the outlining of the action plan, etc.). › Presentation of diversity and inclusion actions and initiatives, particularly gender parity. › Presentation of CSR news. › Ongoing initiatives to support, train and involve sales forces. › Development of the Elis Foundation in France. › Proposal of a "climate" resolution at the 2022 general shareholders' meeting. › Review of the disclosure of non-financial performance and CSR risk map.

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.

2.1.6 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 2022 can be found in chapter 7, section 7.2.3 "Share transactions carried out by executives and associated persons" of this 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 15, 2022, following the creation of the position of non-voting member of the Supervisory Board.

2.1.7 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.

2.1.8 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.

2.1.9 Related-party agreements

Related-party agreements that were signed and/or remained in effect in 2022

New related-party agreements signed in 2022

At its meeting on December 15, 2022, the Supervisory Board authorized the tacit renewal for one year, beginning January 1, 2023, of the 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. As this is an agreement with annual tacit renewal, the Supervisory Board is required to review and authorize it each year, and Magali Chessé does not take part in the vote.

The main terms of this agreement, which have not changed from the previous year, are presented in the Statutory Auditors' special report on related-party agreements, which is included in section 2.1.10 of this Universal Registration Document.

Related-party agreements authorized in previous years and in effect in 2022

In accordance with the provisions of Article L. 225-88-1 of the French Commercial Code, at its meeting on March 7, 2023, the Supervisory Board conducted its annual review of the related-party agreements signed or authorized during previous financial years and that remained in effect in 2022.

In particular, it reviewed the supplemental retirement insurance policy for members of the Management Board and the Executive Committee signed on December 29, 2021 between the Company and Predica (of the Crédit Agricole Group) – a shareholder with more than 10% of the voting rights, represented on the Supervisory Board by Magali Chessé. This policy had been previously authorized by the Supervisory Board at its meeting on October 25, 2021.

The main terms of this agreement are presented in the Statutory Auditors' special report on related-party agreements, which is included in section 2.1.10 of this Universal Registration Document.

Conventional agreements (Article L. 225-87 of the French Commercial Code)

In accordance with Article L. 22-10-29 of the French Commercial Code and the criteria adopted as part of the procedure for assessing conventional agreements approved by the Supervisory Board at its meeting on March 3, 2020, and detailed below, at its meeting on March 7, 2023, the Supervisory Board assessed whether the agreements currently in effect still met the criteria that had led it to classify them as agreements relating to current transactions entered into at arm's length as referred to in Article L. 225-87 of the French Commercial Code.

In this regard, note that at its meeting on March 3, 2020, the Supervisory Board opted to classify intra-group financing and cash management 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, 2022, the Supervisory Board confirmed this classification.

In addition, it should be noted that since the entry into force of Order 2014-863 of July 31, 2014 (Article L. 225-87 of the French Commercial Code), 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 related-party 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 7, 2023, the Supervisory Board noted that the agreements classified as "conventional" still met the criteria set out in the procedure for assessing conventional agreements. This assessment did not identify any related-party agreements.

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 related-party 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.

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.

2.1.10 Statutory Auditors' special report on related-party agreements

(Annual General Meeting for the approval of the financial statements for the year ended December 31, 2022)

This is a free translation into English of the Statutory Auditors' special report on related party 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 related party 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

Agreements authorized and entered into during the year

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 with Predica for the benefit of members of the Management Board

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*). This agreement is renewed automatically each year, and is also subject to the approval of the Supervisory Board. The main characteristics of the contract are:

- Term: from January 1, 2023 to December 31, 2023, 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 premium 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 automatic renewal of the retirement insurance contract for 2023 was subject to the prior authorization of the Supervisory Board on December 15, 2022.

Persons concerned

Predica, a shareholder holding more than 10% of the voting rights; Magali Chesse, member of the Supervisory Board representing Predica.

Reasons given as to why the agreement is beneficial for the Company

This agreement was entered into as part of the 2023 compensation policy for members of the Management Board.

Agreements already approved by the Annual General Meeting

Agreements approved during the year

We were informed of the implementation during the year of the following agreement, which was already approved by the Annual General Meeting of May 19, 2022, based on the Statutory Auditors' special report of March 8, 2022.

Retirement insurance contract with Predica for the benefit of members of the Management Board

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.

The main characteristics of the contract are:

- Term: from January 1, 2022, to December 31, 2022.
- 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 on when the rights are first claimed.
- Conditions:
  - annual premium 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 2022

- premium paid to Predica under the supplementary retirement contract: €936,020;
- provision for pensions and retirement under the supplementary retirement contract (members of the Management Board): €894,984;
- accrued expenses recorded in respect of the supplementary retirement contract: €261,333.

Neuilly-sur-Seine and Courbevoie, March 7, 2023

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT		MAZARS
Bardadi Benzeghadi	Edouard Sattler	Francisco Sanchez

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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 2023 as set by the Supervisory Board at its meeting on March 7, 2023, 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 component of compensation, of any kind whatsoever, may be paid or awarded by the Company, nor may any commitment corresponding to components 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 component 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, 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 2.1.5 and 2.1.8, 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)

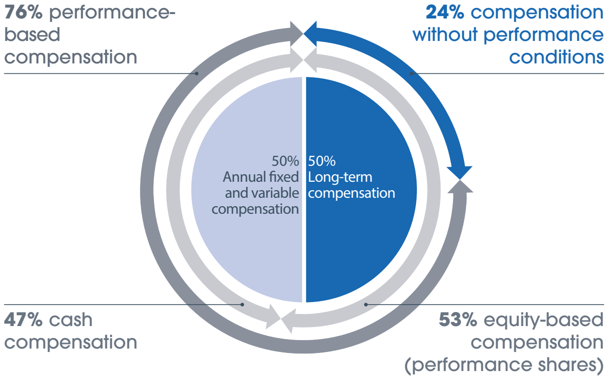
As a reminder, the compensation policy of the members of the Management Board is subject to a three-year review, with the last review of the fixed compensation having taken place in 2022. On this basis, the Appointments, Compensation and Governance Committee has left the compensation policy for members of the Board of Directors unchanged for 2023.

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).

CHAIRMAN OF THE MANAGEMENT BOARD

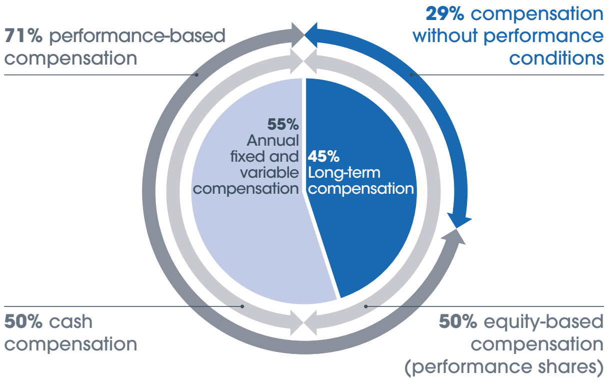


Compensation structure

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 2023 financial year, the Supervisory Board, at its meeting on March 7, 2023, did not wish to change the compensation structure for the members of the Management Board, a major part of which remains subject to fulfilling performance conditions.

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 2023 financial year, the gross annual fixed compensation of the Chairman and members of the Management Board, applicable since January 1, 2022, remains unchanged and is as follows:

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

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 component 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.

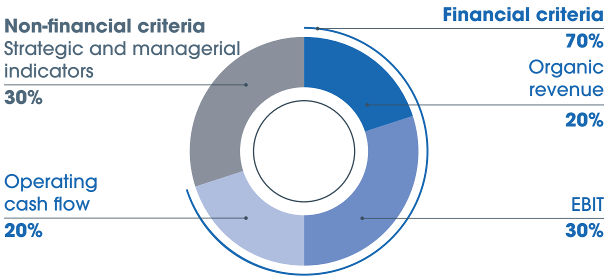
The targets are determined **based on the Group's key financial, non-financial and qualitative indicators** in line with the Group's activities, strategy and goals.

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, since 2022, the Appointments, Compensation and Governance Committee has 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 2023, 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**
Development and roll-out of the Climate Plan	6	0	6	6
Reduction in gas consumption per kg of linen delivered (target: 1.12 kWh/kg in European laundries)	6	0	6	6
Reinforcement of organic growth profile	6	0	6	6
Improvement of ROCE	6	0	6	6
Continued deleveraging	6	0	6	6

Louis Guyot	Target % of target variable	Min	Target	Max
Non-financial indicators	**30**	**0**	**30**	**30**
Systematic integration of ROCE into investment and acquisition decisions	7.5	0	7.5	7.5
Expansion of CSR financial communications	7.5	0	7.5	7.5
Risk control, particularly in LATAM	7.5	0	7.5	7.5
Compliance: third-party evaluation audits	7.5	0	7.5	7.5

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
Synergies in Mexico	6	0	6	6
Success of industrial projects in Colombia	6	0	6	6
Expansion of workwear in Southern Europe	6	0	6	6
Talent development in LATAM	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 7, 2023, the Supervisory Board decided to use the same methods for calculating whether targets were achieved and changes in variable compensation in 2023. 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.

2

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, 2022 in chapter 6 of this Universal Registration Document).

While determining the compensation policy for executive corporate officers for 2023, the Supervisory Board on March 7, 2023, 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 component 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 granted by the general shareholders' meeting on June 30, 2020 (27th resolution), the renewal of which will be proposed at the next annual general shareholders' meeting, 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 the 27th resolution of the general shareholders' meeting of June 30, 2020, represented 0.3% of the share capital at December 31, 2022.

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 components of compensation and benefits of any kind (fixed, annual variable and long-term compensation).

Accordingly, at the Supervisory Board meeting on March 7, 2023, 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 2022, this ratio was 0.8.

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 2023.

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 2023, 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, relying on the bank credit work implemented in October 2021, the Group's first "sustainability linked" loan, the Board decided to use the same 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 2023, 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 2023, 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 four target thresholds have been achieved (or surpassed), the vested shares may not exceed 120% of the grant;
- if only three of the target thresholds have been achieved (or surpassed), irrespective of the deviation of the fourth criterion from the target threshold, the vested shares may not exceed 90% of the grant;
- if only two of the target thresholds have been achieved (or surpassed), irrespective of the deviation of the other two criteria from the target threshold, the vested shares may not exceed 80% of the grant;
- if only one target threshold has been achieved (or surpassed), irrespective of the deviation of the other three 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 is obligated 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 2023, 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. The most recent reappointments were made in 2022. 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.

components 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 on May 19, 2022 voted to renew these benefits as part of the compensation policy for 2022, and to reappoint the Chairman and members of the Management Board in 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 7, 2023, the Supervisory Board agreed to maintain the principle of this benefit in kind in 2023.

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.

To ensure that the criteria are more objective and that beneficiaries are treated more equally, annual annuity rights are determined based on a theoretical life annuity that depends on (i) the time remaining before the reference age provided for the liquidation of legal rights (65 years), and (ii) 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%
More than 15 but less than 20 years	0%	Linear	1%
More than 10 but less than 15 years	0%	Linear	2%
More than 5 but less than 10 years	0%	Linear	2.5%
Less than 5 years from the reference age (or after the reference age) of the plan	0%	Linear	3%

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 components 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.

The new member 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: 09/05/2026		•[a]	•		•[b]		•[b]	
Louis Guyot Member of the Management Board Start of term of office: 09/05/2014 End of term of office: 09/05/2026	•[c]		•		•[b]		•[b]	
Matthieu Lecharny Member of the Management Board Start of term of office: 09/05/2014 End of term of office: 09/05/2026	•[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 2022 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 the Chairman and members of the Supervisory Board and related disclosures (Article R. 22-10-18 I and II of the French Commercial Code)

In accordance with Article L. 22-10-26 of the French Commercial Code, the components of the compensation policy applying to the Chairman and members of the Supervisory Board are determined by the Supervisory Board on the recommendation of the Appointments, Compensation and Governance Committee.

Chairman of the Supervisory Board

The Supervisory Board thus determines the principles, structure and features of the compensation of the Chairman of the Supervisory Board.

For 2021 and 2022, Thierry Morin received an overall annual fixed compensation of €186,000 that did not distinguish between his roles and that was included in the overall amount of compensation for members of the Supervisory Board (former attendance fees). This compensation policy precluded compliance with Article 21.1 of the AFEP-MEDEF Code (see section 2.1.1 of this chapter of the 2022 Universal Registration Document).

The Supervisory Board, in accordance with Articles L. 225-81 and L. 22-10-25 of the French Commercial Code and the recommendation of the AFEP-MEDEF Code (Article 25.2), decided to award the Chairman of the Supervisory Board a fixed compensation, excluding any variable compensation, LTIs or any special compensation. The compensation of the Chairman of the Supervisory Board takes into account the extent of his involvement in preparing for and leading the Supervisory Board meetings and, more broadly, his involvement in the work of the Supervisory Board. The amount of his compensation reflects his experience, the scope of his duties and market practices.

The positioning of the compensation was developed based on an in-depth study of local practices by an outside firm, including a benchmark of the compensation of board chairmen within a representative panel of companies that have an equivalent governance structure.

Hence at its meeting on March 7, 2023, on the recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board resolved to set the compensation of Thierry Morin as of January 1, 2023, at €186,000 for his role as Chairman of the Supervisory Board.

The components of the compensation of the Chairman of the Supervisory Board (in this capacity) are outlined below:

Chairman of the Supervisory Board	Fixed amount (annual lump sum)	Variable amount
Compensation allocated for the role of Chairman of the Supervisory Board (Article L. 225-81 of the French Commercial Code)	186,000	-

For all intents and purposes, it should be noted that in addition to this compensation for serving as Chairman of the Supervisory Board, the Chairman of the Supervisory Board also receives the sums allocated to him as a member of the Supervisory Board (as described below). As such, the Supervisory Board also resolved that Thierry Morin would not receive any fixed compensation in his capacity as member of the Supervisory Board.

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

The Supervisory Board also resolved not to allocate any fixed compensation for the role of Vice-Chairman in accordance with Article L. 225-81 of the French Commercial Code.

This compensation policy will be put to a vote by the shareholders at the next general shareholders' meeting on May 25, 2023.

Members of the Supervisory Board

The principles and structure of the compensation policy for the members of the Supervisory Board (excluding the Chairman of the Supervisory Board) are in line with the policy approved by the general shareholders' meeting held on May 19, 2022.

This policy seeks to establish, in keeping with the overall amount approved by the ordinary general shareholders' meeting (i.e., to date, a maximum annual amount of €800,000 per financial year in accordance with the 19th resolution of the combined general shareholders' meeting held on May 20, 2021), an internationally competitive compensation in order to attract members with the best and most appropriate skills and expertise, in compliance with the Board's diversity policy.

It first of all provides for fixed compensation – prorated in the event that a term of office begins or ends during the year – to be allocated to the members of the Supervisory Board. Additional fixed compensation is allocated to the Chairmen of the three Board committees to take into account the level of responsibility and work involved in these functions.

In accordance with the AFEP-MEDEF Code, it also includes a variable portion, which accounts for most of the compensation and is based on the attendance of each member of the Supervisory Board at the meetings of the Supervisory Board and special committees. This compensation takes the form of a lump sum paid for attendance at each meeting.

The rules governing the allocation of this overall annual compensation are reviewed at the beginning of each year by the Supervisory Board on the recommendation of the Appointments, Compensation and Governance Committee.

At its meeting on March 7, 2023, the Supervisory Board, on the recommendation of the Appointments, Compensation and Governance Committee, resolved:

- to renew for 2023 the allocation of the fixed and variable portions of compensation between the committee chairs, the members of the Supervisory Board (including the Vice-Chairman) and the committee members as described below;
- to clarify the allocation of the fixed and variable portions of the compensation paid to the Chairman of the Supervisory Board as a member of the Supervisory Board. In this regard, the Supervisory Board proposes that the variable portion of the compensation of the Chairman of the Supervisory Board in his capacity as member of the Supervisory Board be determined in the same way as for the other members, it being specified that the Chairman of the Supervisory Board will not receive any fixed compensation.

Supervisory Board	Fixed amount (annual lump sum)	Variable amount (per meeting)
Chair	0	3,600[(b)]
Vice-Chairman and member[(a)]	18,000	3,600[(b)]

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

(a) Compensation of each of the members of the Supervisory Board, including the Vice-Chairman of the Supervisory Board, in their capacity as members of the Supervisory Board (except for the Chairman of the Supervisory Board).

(b) 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 components of compensation or benefits due or potentially due upon termination or change in role.

In addition, in accordance with the provisions in force in the Group that apply to all employees serving on Boards of Directors of Group companies, and as agreed with the various stakeholders, the members of the Supervisory Board representing employees do not receive compensation for serving on the Supervisory Board. Any travel expenses incurred are reimbursed by the Company.

2.2.2 Compensation allocated and paid to corporate officers

The components 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 2022 for the office held (which may also relate to a previous financial year), or granted in 2022 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:

- components of compensation paid in 2022 for the office held refer to cash components actually paid, irrespective of the financial year they relate to. These consist of variable components paid in 2022 for the 2021 financial year;
- components of compensation awarded in 2022 for the offices held refer to share-based or cash components, established in principle for the duties performed in 2022, 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 components of compensation were determined in accordance with the compensation policy as approved by the shareholders at the general shareholders' meeting on May 19, 2022.

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 components 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 components 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 component of compensation.

Disclosures concerning compensation awarded and paid to executive corporate officers

XAVIER MARTIRÉ, CHAIRMAN OF THE MANAGEMENT BOARD

components of compensation submitted for voting	Amounts paid during 2022 *(in euros)*	Amounts awarded for 2022 *(in euros)*	Description and comments
Fixed compensation	900,000	900,000*	* Amount of Xavier Martiré's gross annual fixed compensation applicable since January 1, 2022. This amount corresponds to the fixed compensation granted for 2022 as approved by the annual ordinary general shareholders' meeting on May 19, 2022.
Annual variable compensation	1,316,036 (165% of fixed compensation) Payment of this component of compensation approved by the shareholders at the general shareholders' meeting in 2022.	1,479,181** (164% of fixed compensation) Payment subject to the approval of this component of compensation by the shareholders at the general shareholders' meeting in 2023.	*** Compensation paid in 2022:** This includes the amount of variable compensation relating solely to 2021, since Xavier Martiré does not receive deferred variable compensation or multi-year variable compensation. This amount was paid in 2022 for the 2021 financial year in accordance with the 2021 compensation policy at the end of the general shareholders' meeting held on May 19, 2022, following the adoption of the 13th resolution (approval rate: 91.49%) **** Compensation awarded for 2022:** 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 2022 annual variable compensation, the financial and non-financial indicators used, their weighting and the level of achievement are detailed below on pages 109 and 110.
Deferred variable compensation	0	0	This component of compensation is not applicable, as the compensation policy for the chairman of the Management Board for financial year 2022 does not provide for it.
Multi-year variable compensation	0	0	This component of compensation is not applicable, as the compensation policy for the chairman of the Management Board for financial year 2022 does not provide for it.
Special compensation	0	0	No amounts were paid in 2022 for previous financial years, nor awarded for 2022.
Equity-based compensation	1,079,453	2,050,986**	* Xavier Martiré acquired 78,108 performance shares upon delivery of plan no. 10-2019 on May 2, 2022 (0.03% of the capital as at December 31, 2022). At its meeting on March 8, 2021, the Supervisory Board reviewed the performance tied to the vesting of the performance shares awarded in 2019 to the members of the Executive Committee (including members of the Management Board) and whose vesting period expired in 2022. It concluded that in light of the Covid-19 crisis, which the Company has been forced to contend with since 2020, the revenue and EBIT criteria could not be fulfilled – as was the case for the plans expiring in 2021 – for reasons beyond the Company's control. Consequently, the Supervisory Board adjusted these two criteria. On the recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board, at its meeting on March 8, 2022, resolved that the Covid-adjusted objectives tied to 2021 revenue and 2021 EBIT had been achieved, but that the TSR criterion (share price) had not been fulfilled. As a result, 67% of the shares granted in 2019 were vested. The valuation was performed based on the Elis share price at the close of the financial year ended December 31, 2022, i.e. €13.82. ** On May 20, 2022, Xavier Martiré was awarded 144,334 performance shares (0.06% of the share capital as at December 31, 2022). 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, 2022. **The valuation of the performance shares at the award date using the method detailed in Table 6 on page 115 is not necessarily representative of their value at the vesting date, particularly if the performance conditions attached to their vesting are not met.**

components of compensation submitted for voting	Amounts paid during 2022 *(in euros)*	Amounts awarded for 2022 *(in euros)*	Description and comments
			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 2022 are defined in reference to four 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, one absolute internal CSR criterion 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 at the end of the vesting period will be determined in two stages: (i) a calculation depending on the attainment by each of the criteria of the threshold thus defined, the performance measurement being assessed on a straight-line basis between each limit and (ii) the application of a second limit to take account of the attainment or otherwise of the target thresholds. With regard to the economic and CSR criteria, the number of shares to be delivered will be 0% if the trigger threshold (lower limit) is not reached; 25% if the target threshold is reached; 37.5% if the outperformance threshold (upper limit) is reached. (For the stock market criterion, only the last two thresholds will apply). The second limit defined below will also apply: › if all four target thresholds have been achieved (or surpassed), the number of vested shares may not exceed 120% of the shares granted; › if only three target thresholds have been reached (or surpassed), irrespective of the deviation of the fourth criterion from the target threshold, the number of shares vested may not exceed 90% of the shares granted; › if only two target thresholds have been achieved (or surpassed), irrespective of the deviation of the other two criteria from their respective target threshold, the number of vested shares may not exceed 80% of the shares granted; › if only one target threshold has been achieved (or surpassed), irrespective of the deviation of the other three criteria from their respective target threshold, the number of vested shares may not exceed 70% of the shares granted; › if no target threshold has been achieved, the number of vested shares may not exceed 60% of the shares granted.
Benefits of any kind	4,914	4,914	Xavier Martiré enjoys the use of a company car.
Signing bonus	-	-	None.
Severance benefits	0	0	Xavier Martiré 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 19, 2022 (9th resolution), as part of the 2022 compensation policy. 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 19, 2022 (9th resolution), as part of the 2022 compensation policy. No benefit will be paid if the officer concerned exercises his retirement rights.

components of compensation submitted for voting	Amounts paid during 2022 *(in euros)*	Amounts awarded for 2022 *(in euros)*	Description and comments
Supplemental retirement plan	0	0*	No annuity has been paid/allocated to Xavier Martiré in 2022 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 2022 for this purpose was €466,679.
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

Components of compensation submitted for voting	Amounts paid during 2022 *(in euros)*	Amounts awarded for 2022 *(in euros)*	Description and comments
Fixed compensation	448,000	448,000*	** Amount of Louis Guyot's gross annual fixed compensation applicable since January 1, 2022. This amount corresponds to the fixed compensation granted for 2022 as approved by the annual ordinary general shareholders' meeting on May 19, 2022.
Annual variable compensation	452,213 (113% of fixed compensation) Payment of this component of compensation approved by the shareholders at the general shareholders' meeting in 2022.	515,413** (115% of fixed compensation) Payment subject to the approval of this component of compensation by the shareholders at the general shareholders' meeting in 2023.	*** Compensation paid in 2022:** This includes the amount of variable compensation relating solely to 2021, since Louis Guyot does not receive deferred variable compensation or multi-year variable compensation. This amount was paid in 2022 for the 2021 financial year in accordance with the 2021 compensation policy at the end of the general shareholders' meeting held on May 19, 2022, following the adoption of the 14th resolution (approval rate: 92.68%) **** Compensation awarded for 2022:** 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 2022 annual variable compensation, the financial and non-financial indicators used, their weighting and the level of achievement are detailed below on pages 109 and 110.
Deferred variable compensation	0	0	This component of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2022 does not provide for it.
Multi-year variable compensation	0	0	This component of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2022 does not provide for it.
Special compensation	0	0	No amounts were paid in 2022 for previous financial years, nor awarded for 2022.
Equity-based compensation	419,796*	794,055**	* Louis Guyot acquired 30,376 performance shares upon the delivery of plan no.10-2019 on May 2, 2022 (0.01% of the capital as at December 31, 2022). At its meeting on March 8, 2021, the Supervisory Board reviewed the performance tied to the vesting of the performance shares awarded in 2019 to the members of the Executive Committee (including members of the Management Board) and whose vesting period expired in 2022. It concluded that in light of the Covid-19 crisis, which the Company has been forced to contend with since 2020, the revenue and EBIT criteria could not be fulfilled – as was the case for the plans expiring in 2021 – for reasons beyond the Company's control. Consequently, the Supervisory Board adjusted these two criteria. On the recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board, at its meeting on March 8, 2022, resolved that the Covid-adjusted objectives tied to 2021 revenue and 2021 EBIT had been achieved, but that the TSR criterion (share price) had not been fulfilled. As a result, 67% of the shares granted in 2019 were vested. The valuation was performed based on the Elis share price at the close of the financial year ended December 31, 2022, i.e. €13.82. ** On May 20, 2022, Louis Guyot was awarded 55,880 performance shares (0.02% of the share capital as at December 31, 2022). 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, 2022. **The valuation of the performance shares at the award date using the method detailed in Table 6 on page 115 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.

Components of compensation submitted for voting	Amounts paid during 2022 *(in euros)*	Amounts awarded for 2022 *(in euros)*	Description and comments
			The performance conditions attached to the performance shares awarded in 2022 are defined in reference to four 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, one absolute internal CSR criterion 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 at the end of the vesting period will be determined in two stages: (i) a calculation depending on the attainment by each of the criteria of the threshold thus defined, the performance measurement being assessed on a straight-line basis between each limit and (ii) the application of a second limit to take account of the attainment or otherwise of the target thresholds. With regard to the economic and CSR criteria, the number of shares to be delivered will be 0% if the trigger threshold (lower limit) is not reached; 25% if the target threshold is reached; 37.5% if the outperformance threshold (upper limit) is reached. (For the stock market criterion, only the last two thresholds will apply). The second limit defined below will also apply: › if all four target thresholds have been achieved (or surpassed), the number of vested shares may not exceed 120% of the shares granted; › if only three target thresholds have been reached (or surpassed), irrespective of the deviation of the fourth criterion from the target threshold, the number of shares vested may not exceed 90% of the shares granted; › if only two target thresholds have been achieved (or surpassed), irrespective of the deviation of the other two criteria from their respective target threshold, the number of vested shares may not exceed 80% of the shares granted; › if only one target threshold has been achieved (or surpassed), irrespective of the deviation of the other three criteria from their respective target threshold, the number of vested shares may not exceed 70% of the shares granted; › if no target threshold has been achieved, the number of vested shares may not exceed 60% of the shares granted.
Benefits of any kind	1,819	1,819	Louis Guyot enjoys the use of a company car.
Signing bonus	0	0	-
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 19, 2022 (10th resolution), as part of the 2022 compensation policy. 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 approved by the general shareholders' meeting on May 19, 2022 (10th resolution), as part of the 2022 compensation policy. No benefit will be paid if the officer concerned exercises his retirement rights.

Components of compensation submitted for voting	Amounts paid during 2022 *(in euros)*	Amounts awarded for 2022 *(in euros)*	Description and comments
Supplemental retirement plan	0	0*	No annuity has been paid/allocated to Louis Guyot in 2022 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 2022 for this purpose was €330,606.
Profit sharing	4,580*	6,810**	* Profit-sharing amount paid to Louis Guyot for 2021 under his employment contract. ** Provisional profit-sharing amount due to Louis Guyot for 2022 under his employment contract – definitive payment May 2023.
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

Components of compensation submitted for voting	Amounts paid during 2022 *(in euros)*	Amounts awarded for 2022 *(in euros)*	Description and comments
Fixed compensation	336,000	336,000*	* Amount of Matthieu Lecharny's gross annual fixed compensation applicable since January 1, 2022. This amount corresponds to the fixed compensation granted for 2022 as approved by the annual ordinary general shareholders' meeting on May 19, 2022.
Annual variable compensation	342,309* (114% of fixed compensation) Payment of this component of compensation approved by the shareholders at the general shareholders' meeting in 2022.	379,503** (113% of fixed compensation) Payment subject to the approval of this component of compensation by the shareholders at the general shareholders' meeting in 2023.	*** Compensation paid in 2022:** This includes the amount of variable compensation relating solely to 2021, since Matthieu Lecharny does not receive deferred variable compensation or multi-year variable compensation. This amount was paid in 2022 for the 2021 financial year in accordance with the 2021 compensation policy at the end of the general shareholders' meeting held on May 19, 2022, following the adoption of the 15th resolution (approval rate: 92.68%) **** Compensation awarded for 2022:** 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 2022 annual variable compensation, the financial and non-financial indicators used, their weighting and the level of achievement are detailed below on pages 109 and 111.
Deferred variable compensation	0	0	This component of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2022 does not provide for it.
Multi-year variable compensation	0	0	This component of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2022 does not provide for it.
Special compensation	0	0	No amounts were paid in 2021 for previous financial years, nor awarded for 2022.
Equity-based compensation	299,853*	567,178**	* Matthieu Lecharny acquired 21,697 performance shares upon the delivery of plan no. 10-2019 on May 2, 2022 (0.009% of the capital as at December 31, 2022). At its meeting on March 8, 2021, the Supervisory Board reviewed the performance tied to the vesting of the performance shares awarded in 2019 to the members of the Executive Committee (including members of the Management Board) and whose vesting period expired in 2022. It concluded that in light of the Covid-19 crisis, which the Company has been forced to contend with since 2020, the revenue and EBIT criteria could not be fulfilled – as was the case for the plans expiring in 2021 – for reasons beyond the Company's control. Consequently, the Supervisory Board adjusted these two criteria. On the recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board, at its meeting on March 8, 2022, resolved that the Covid-adjusted objectives tied to 2021 revenue and 2021 EBIT had been achieved, but that the TSR criterion (share price) had not been fulfilled. As a result, 67% of the shares granted in 2019 were vested. The valuation was performed based on the Elis share price at the close of the financial year ended December 31, 2022, i.e. €13.82. ** On May 20, 2022, Matthieu Lecharny was awarded 39,914 performance shares (0.01% of the share capital as at December 31, 2022). 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, 2022. **The valuation of the performance shares at the award date using the method detailed in Table 6 on page 115 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.

Components of compensation submitted for voting	Amounts paid during 2022 *(in euros)*	Amounts awarded for 2022 *(in euros)*	Description and comments
			The performance conditions attached to the performance shares awarded in 2022 are defined in reference to four 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, one absolute internal CSR criterion 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 at the end of the vesting period will be determined in two stages: (i) a calculation depending on the attainment by each of the criteria of the threshold thus defined, the performance measurement being assessed on a straight-line basis between each limit and (ii) the application of a second limit to take account of the attainment or otherwise of the target thresholds. With regard to the economic and CSR criteria, the number of shares to be delivered will be 0% if the trigger threshold (lower limit) is not reached; 25% if the target threshold is reached; 37.5% if the outperformance threshold (upper limit) is reached. (For the stock market criterion, only the last two thresholds will apply). The second limit defined below will also apply: › if all four target thresholds have been achieved (or surpassed), the number of vested shares may not exceed 120% of the shares granted; › if only three target thresholds have been reached (or surpassed), irrespective of the deviation of the fourth criterion from the target threshold, the number of shares vested may not exceed 90% of the shares granted; › if only two target thresholds have been achieved (or surpassed), irrespective of the deviation of the other two criteria from their respective target threshold, the number of vested shares may not exceed 80% of the shares granted; › if only one target threshold has been achieved (or surpassed), irrespective of the deviation of the other three criteria from their respective target threshold, the number of vested shares may not exceed 70% of the shares granted; › if no target threshold has been achieved, the number of vested shares may not exceed 60% of the shares granted.
Benefits of any kind	3,929	3,929	Matthieu Lecharny enjoys the use of a company car.
Signing bonus	0	0	-
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 19, 2022 (11th resolution) as part of the 2022 compensation policy. 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 19, 2022 (11th resolution) as part of the 2022 compensation policy. No benefit will be paid if the officer concerned exercises his retirement rights.

Components of compensation submitted for voting	Amounts paid during 2022 *(in euros)*	Amounts awarded for 2022 *(in euros)*	Description and comments
Supplemental retirement plan	0	0*	No annuity has been paid/allocated to Matthieu Lecharny in 2022 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 2022 for this purpose was €290,240.
Profit sharing	4,580*	6,810**	* Profit-sharing amount paid to Matthieu Lecharny for 2021 under his employment contract. ** Provisional profit-sharing amount due to Matthieu Lecharny for 2022 under his employment contract – definitive payment in May 2023.
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 2022

The amount of variable compensation for the 2022 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 2022."

At its meeting on March 7, 2023, the Supervisory Board examined the level of fulfillment of the performance conditions relating to the annual variable compensation for 2022 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 component 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%	40%	360,000	125,440	94,080	Revenue of €3,821 million (up 25%, of which 21% on an organic basis). This figure is well above initial expectations: in addition to a sharp upturn in Hospitality beginning in the second quarter, the response in terms of pricing to inflation was swift and effective, while sales momentum and retention rates remained at very satisfactory levels.
EBIT compared to budget	30%	60%	540,000	188,160	141,120	The Group's EBIT was €544 million, which represents a 14.2% margin, an improvement of 150 bps compared to 2021. This remarkable performance was achieved by pursuing operational excellence, raising EBITDA to €1,260 million, despite significant and sudden inflation, particularly in energy costs. This was offset by a swift response in terms of pricing, and major productivity efforts, especially regarding energy consumption (-7% on the gas consumption ratio). Close control of investments, notably in linen, has also helped to contain the amortization.
Operating cash flow compared to budget	20%	38.9%	349,681	121,845	91,383	*Free cash flow* was €225 million, close to its 2021 level despite significant headwinds: › 20% inflation on linen; › mechanical effect of organic growth on accounts receivable. This strong performance reflects the Group's ability to adapt to circumstances and to deliver a steady cash flow, thanks in particular to robust EBITDA performance (see below), the control of fixed costs (rent, interest) and the control of investments (18.1% of revenue) amid high inflation in linen costs.
TOTAL	**70%**	**139%**	**1,249,681**	**435,445**	**326,583**	

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				
Acceleration of the CSR strategy	7.5%	7%	63,000	› The CSR Director is continuing to follow her roadmap and is speeding up its implementation; the CSR Department made a large number of hires in 2022. › Governance of the CSR strategy, the work of the CSR Committee and the involvement of the Supervisory Board were ramped up. › See chapter 3 on major accomplishments in 2022 and future goals.
Description of the Climate Strategy and formulation of the Climate Plan	7.5%	6%	54,000	› The climate strategy is entering its final phase, as explained during the 2022 general shareholders' meeting. › Work is continuing on defining objectives and the related action plans. › See chapter 3 for information on progress, and in particular the analysis of Scopes 1, 2 and 3.
Organic growth acceleration plan	7.5%	6.5%	58,500	› The action plans established by the Executive Committee and approved during the Supervisory Board's strategy planning days are being implemented. › They are communicated regularly to the market and are based on (i) fundamental trends among customers (hygiene, safety, CSR, etc.) (ii) acceleration of niche markets (pest control, cleanrooms, residents' personal laundry) (iii) the goal of introducing more products from Elis's product line to more types of customers in all our countries.
Deleveraging	7.5%	6%	54,000	› Free cash flow was €225 million thanks to the strong growth in EBITDA and the control of investments (18.1% of revenue), and despite headwinds affecting working capital. › Despite the Mexico acquisition, debt remained nearly stable at €3,178 million › Factoring in the sharp rise in EBITDA, financial leverage was 2.5x, down 0.5x from 2021.
TOTAL	**30%**	**25.5%**	**229,500**	
Louis Guyot, member of the Management Board				
Implementation of CSR financial communications	6%	5%	14,000	› CSR is featured in all marketing communications and promotional activities: press releases, presentations, *roadshows.* › Participation in CSR-specific roadshows, in collaboration with the CSR Director › Financing is now systematically "sustainability linked."
Risk control in Latin America	6%	5%	14,000	› Expansion of the Internal Control and Compliance Department in Brazil › Expansion of the Group Compliance Department and roll-out of procedures in all Latin American countries. › Reduction of risks and disputes in the region.
Integration of acquisitions into the systems	6%	5.5%	14,000	› Procedures are in place that make it possible to quickly integrate acquisitions into the financial systems. › This is the case for small bolt-on acquisitions. › As well as for larger acquisitions: the Mexico acquisition in July was connected to the management systems that same month, with a French Chief Financial Officer appointed by the Group.
Enforcement of the refinancing roadmap	6%	5%	11,200	› The roadmap is going according to plan. › In 2022, despite a challenging market environment that was often closed for sub-investment grade transactions, the Group found financing windows for the Mexico acquisition, with a 2027 bond, a 2029 OCÉANE and a 2032 USPP. › In addition, the Group is pursuing an active dialog with the rating agencies with the aim of obtaining investment grade status in the short term.
Deleveraging	6%	5%	9,800	› Free cash flow was €225 million thanks to strong growth in EBITDA and the control of investments (18.1% of revenue), and despite headwinds affecting working capital › Despite the Mexico acquisition, debt remained nearly stable at €3,178 million. › Factoring in the sharp rise in EBITDA, financial leverage was 2.5x, down 0.5x from 2021.
TOTAL	**30%**	**25.5%**	**79,968**	

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
Matthieu Lecharny, member of the Management Board				
Expansion of the CSR policy in Southern Europe and Latin America	6%	4.5%	15,120	› The product lines offered to customers – particularly workwear – consistently include sustainable options. › Productivity gains in terms of thermal energy and water consumption continue. › Latin America extensively uses biomass as thermal energy.
Incorporation of cost increases in prices across all scopes	6%	4.5%	15,120	› Despite sharp inflation in Southern Europe and Latin America, the inflation balance was maintained in these regions. › Ultimately, Southern Europe was able to limit its margin erosion to 140 bps while Latin America improved its margin by 30 bps.
ICS growth and health and well-being relaunch in Spain	6%	4.5%	15,120	› Workwear was up by 30%. › The hygiene service was up by 27%.
Growth excluding Healthcare in Brazil	6%	4.0%	13,440	› Workwear was up by 12%. › Brazil introduced the small accounts service in a third city; this service grew by 70% in 2022.
Identification of targets in Asia and pest control outside France	6%	5.0%	16,800	› A large-scale study of the Asian countries helped identify potential countries and targets. › In 2022, the positions in pest control in Ireland, the Netherlands and Denmark were consolidated and expanded.
TOTAL	**30%**	**22.5%**	**52,920**	

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 components 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 in 2020, 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. 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	2022	2021	2020	2019	2018
	€353 million	€223 million	€139 million	€256 million	€224 million
Change YOY	59%	60%	-46%	14%	37%
Change in average employee compensation	4.5%	7%	-3%	2%	18%
Change in median employee compensation	16%	6%	-3%	5%	8%
Xavier Martiré, Chairman of the Management Board					
Compensation and benefits due or paid for the financial year	4,271,936	2,953,693	3,347,217	3,491,573	3,707,976[(b)]
Change YOY	45%	-12%	-4%	-6%	8%
Ratio to average pay	39.7	28.7	34.8	35.1	37.9
Change YOY	38%	-17%	-1%	-7%	-8%
Ratio to median pay	57.6	46.2	55.5	56.3	63.1
Change YOY	25%	-17%	-1%	-11%	0%
Louis Guyot, member of the Management Board					
Compensation and benefits due or paid for the financial year	1,700,667	1,215,932	1,354,657	1,402,091	1,546,699[(b)]
Change YOY	40%	-10%	-3%	-9%	52%
Ratio to average pay	15.8	11.8	14.1	14.1	15.8
Change YOY	34%	-16%	0%	-11%	30%
Ratio to median pay	22.9	19.0	22.5	22.6	26.3
Change YOY	21%	-15%	-1%	-14%	42%
Matthieu Lecharny, member of the Management Board					
Compensation and benefits due or paid for the financial year	1,253,996	893,267	1,005,061	1,039,409	1,210,116[(b)]
Change YOY	40%	-10%	-3%	-9%	52%
Ratio to average pay	11.7	11.8	14.1	14.1	15.8
Change YOY	34%	-17%	0%	-16%	35%
Ratio to median pay	16.9	14.0	16.7	16.8	20.6
Change YOY	21%	-16%	-1%	-19%	47%
Thierry Morin, Chairman of the Supervisory Board					
Compensation and benefits due or paid for the financial year	231,000	229,600	70,000	77,200	64,800
Change YOY	0.6%	228%	-9%	19%	-5%
Ratio to average pay	2.1	2.2	0.7	0.8	0.7
Change YOY	-4%	207%	-6%	17%	-19%
Ratio to median pay	3.1	3.6	1.2	1.2	1.1
Change YOY	-13%	209%	-7%	13%	-11%

Summary tables of executive corporate officers' compensation for 2022

TABLE 1: SUMMARY OF THE COMPENSATION, OPTIONS AND SHARES GRANTED TO MANAGEMENT BOARD MEMBERS FOR FINANCIAL YEARS 2021 AND 2022

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, 2021 and 2022:

(in euros)	**Financial year ended December 31, 2022**	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]	2,220,950	1,404,716	1,945,006
Value of multi-year variable compensation granted during the year	0	0	0
Value of options granted during the year	0	0	0
Value of performance shares awarded during the financial year[b][c]	2,050,986	1,547,977	1,402,211
TOTAL	**4,271,936**	**2,953,693**	**3,347,217**
Louis Guyot, member of the Management Board			
Compensation paid for the financial year[a]	906,612	613,845	809,351
Value of multi-year variable compensation granted during the year	0	0	0
Value of options granted during the year	0	0	0
Value of performance shares awarded during the financial year[b][c]	794,055	601,987	545,306
TOTAL	**1,700,667**	**1,215,932**	**1,354,657**
Matthieu Lecharny, member of the Management Board			
Compensation paid for the financial year[a]	686,818	463,269	615,554
Value of multi-year variable compensation granted during the year	0	0	0
Value of options granted during the year	0	0	0
Value of performance shares awarded during the financial year[b][c]	567,178	429,998	389,507
TOTAL	**1,253,996**	**893,267**	**1,005,061**

(a) See breakdown in table 2.

(b) The vesting of performance shares awarded in 2022 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 four quantitative criteria linked to consolidated revenue, consolidated EBIT, CSR 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 2022 consolidated financial statements and 2022 parent company financial statements, respectively, included in chapter 6, "Financial statements for the year ended December 31, 2022" of this Universal Registration Document, detail the rules of the plan for performance shares granted in 2022 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, 2022, 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

(in euros)	Financial year ended December 31, 2022		Financial year ended December 31, 2021	
	Amount awarded(1)	Amount paid(2)	Amount awarded(1)	Amount paid(2)
Xavier Martiré, Chairman of the Management Board				
Fixed compensation	900,000(b)	900,000(b)	800,000(a)	800,000
Annual variable compensation	1,479,181(c)	1,316,036(d)	1,316,036(d)	600,000(e)
Special compensation				
Compensation allocated to members of the Supervisory Board	Not applicable	Not applicable	Not applicable	Not applicable
Retirement benefit	(f)		(f)	
Benefits in kind(g)	4,914	4,914	4,716	4,716
TOTAL	**2,384,095**	**2,220,950**	**2,120,752**	**1,404,716**
Louis Guyot, member of the Management Board				
Fixed compensation	448,000(b)	448,000(b)	400,000(a)	400,000
Annual variable compensation	522,223(c)	456,793(d)	456,793(d)	211,813(e)
Special compensation				
Compensation allocated to members of the Supervisory Board	Not applicable	Not applicable	Not applicable	Not applicable
Retirement benefit	(f)		(f)	
Benefits in kind(g)	1,819	1,819	2,032	2,032
TOTAL	**972,042**	**906,612**	**858,825**	**613,845**
Matthieu Lecharny, member of the Management Board				
Fixed compensation	336,000(b)	336,000(b)	300,000(a)	300,000
Annual variable compensation(2)	386,313(c)	346,889(d)	346,889(d)	159,313(e)
Special compensation				
Compensation allocated to members of the Supervisory Board	Not applicable	Not applicable	Not applicable	Not applicable
Retirement benefit	(f)		(f)	
Benefits in kind(g)	3929	3929	3,956	3,956
TOTAL	**726,242**	**686,818**	**650,845**	**463,269**

(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 2021 was determined based on the market practices of international listed companies. This compensation has applied since January 1, 2018.

(b) The fixed compensation of Xavier Martiré, Louis Guyot and Matthieu Lecharny for 2022 was determined based on the market practices of international listed companies. This compensation was reassessed on January 1, 2022.

(c) The variable compensation for 2022 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, 2022, following the advice of the Appointments, Compensation and Governance Committee. The fulfillment condition corresponding to the 2022 targets approved by the Supervisory Board at its meeting on March 7, 2023 is 164% of the fixed compensation for Xavier Martiré, Chairman of the Management Board, 115% of the fixed compensation for Louis Guyot, and 113% of the fixed compensation for Matthieu Lecharny. These amounts include profit-sharing compensation of €4,580 paid to Louis Guyot and Matthieu Lecharny as employees. Amount also including the estimated amount of profit-sharing for financial year 2022 to be paid to Louis Guyot and Matthieu Lecharny as Elis employees (final payment in May 2023), i.e., €6,810.

(d) Amount of annual variable target-based compensation for financial year 2021, paid in 2022 to Xavier Martiré, Louis Guyot and Matthieu Lecharny. Amount including profit-sharing compensation of €4,580 paid to Louis Guyot and Matthieu Lecharny as Elis employees for financial year 2021.

(e) Amount of annual variable target-based compensation for financial year 2020, paid in 2021 to Xavier Martiré, Louis Guyot and Matthieu Lecharny.

(f) No annuity was paid/allocated to members of the Management Board in 2021 and 2022 as they still held positions at Elis. However, a provision (excluding expenses) was recognized at December 31, 2022 for entitlements awarded in 2022 under the supplemental retirement plan, pursuant to Article L. 137-11-2 of the French Social Security Code, namely €466,679 for Xavier Martiré, €330,606 for Louis Guyot, and €290,240 for Matthieu Lecharny. At December 31, 2021, the recognized provision was €464,215 for Xavier Martiré, €186,097 for Louis Guyot and €288,431 for Matthieu Lecharny.

(g) 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.

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 2022	Value of performance shares(a) *(in euros)*	Vesting date(b)(e)	Availability date(c)	Performance conditions
Xavier Martiré Chairman of the Management Board	2022 plan May 20, 2022	€144,334, i.e., 0.063% of the share capital(d)	2,050,986	05/20/2025	May 20, 2025	› Revenue compared to business plan(f) › Consolidated EBIT compared to business plan(f) › Quantifiable CSR indicator(g) › Change in the relative performance of the Elis share price (TSR) compared to the EuroStoxx 600 index over three financial years(h)
Louis Guyot Member of the Management Board	2022 plan May 20, 2022	€55,880, i.e., 0.024% of the share capital(d)	794,055	05/20/2025	May 20, 2025	› Revenue compared to business plan(f) › Consolidated EBIT compared to business plan(f) › Quantifiable CSR indicator(g) › Change in the relative performance of the Elis share price (TSR) compared to the EuroStoxx 600 index over three financial years(h)
Matthieu Lecharny Member of the Management Board	2022 plan May 20, 2022	€39,914, i.e., 0.017% of the share capital(d)	567,178	05/20/2025	May 20, 2025	› Revenue compared to business plan(f) › Consolidated EBIT compared to business plan(f) › Quantifiable CSR indicator(g) › Change in the relative performance of the Elis share price (TSR) compared to the EuroStoxx 600 index over three financial years(h)
TOTAL		**€240,128, I.E., 0.10% 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, 2022, 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, 2022.

(e) The vesting of these shares is subject to the fulfillment of economic, CSR and stock market performance conditions assessed over three financial years and to a condition of continuous service with the Group throughout the vesting period. Furthermore, three thresholds have been defined to determine the achievement of the economic and CSR performance criteria at the end of the vesting period: a trigger threshold (lower limit), a target threshold and an outperformance threshold (upper limit). Regarding the stock market criterion, two thresholds have been defined (target and outperformance threshold). The performance measurement will be assessed on a straight-line basis between each limit.

(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 CSR criterion is determined in reference to a quantifiable indicator related to the Group's business.

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

(i) The number of fully vested shares will be determined in two stages: (a) a calculation depending on the attainment by each of the criteria of the threshold thus defined, the performance measurement being assessed on a straight-line basis between each limit and (b) the application of a second limit to take account of the attainment or otherwise of the target thresholds.

For this plan, with regard to the economic and CSR criteria, the number of shares to be delivered will be 0% if the trigger threshold (lower limit) is not reached; 25% if the target threshold is reached; 37.5% if the outperformance threshold (upper limit) is reached. For the stock market criterion, only the last two thresholds will apply. The second limit defined below will also apply:

- *if all four target thresholds have been achieved (or surpassed), the number of vested shares may not exceed 120% of the shares granted;*
- *if only three target thresholds have been reached (or surpassed), irrespective of the deviation of the fourth criterion from the target threshold, the number of shares vested may not exceed 90% of the shares granted;*
- *if only two target thresholds have been achieved (or surpassed), irrespective of the deviation of the other two criteria from their respective target threshold, the number of vested shares may not exceed 80% of the shares granted;*
- *if only one target threshold has been achieved (or surpassed), irrespective of the deviation of the other three criteria from their respective target threshold, the number of vested shares may not exceed 70% of the shares granted;*
- *if no target threshold has been achieved, the number of vested shares may not exceed 60% of the shares granted.*

TABLE 7: SHARES THAT VESTED DURING FINANCIAL YEAR 2022 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. 10 May 2, 2019	€78,108, i.e., 67% of the shares granted[c]	May 2, 2022	May 2, 2022	› 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
Louis Guyot Member of the Management Board	Plan no. 10 May 2, 2019	€30,376, i.e., 67% of the shares granted[c]	May 2, 2022	May 2, 2022	› 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
Matthieu Lecharny Member of the Management Board	Plan no. 10 May 2, 2019	€21,697, i.e., 67% of the shares granted[c]	May 2, 2022	May 2, 2022	› 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

(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, 2022.*

(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 May 2, 2022 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 determined 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.*

Target performance:

› *internal criteria: performance at least on par with the business plan;*

› *Stock market performance: TSR of Elis shares > change in EuroStoxx 600.*

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

Amount paid: *in view of the exceptional impact of the Covid-19 pandemic, 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 on May 23, 2019, and subsequently amended and approved by the general shareholders' meeting on May 20, 2021, to adjust the economic performance criteria applicable to the 2019 plan for the Executive Committee (including members of the Management Board) based on new projections established by the Board, factoring in the impact of the health crisis (in terms of customer business volumes and changes in the main exchange rates) on the Group's theoretical trajectory.*

In application of this adjustment, on the recommendation of the Appointments, Compensation and Governance Committee, the Supervisory Board at its meeting on March 8, 2022, resolved that the two criteria linked to revenue and consolidated EBIT had been fulfilled, while the stock market criterion had not. As a result, the number of vested shares acquired by members of the Executive Committee (including members of the Management Board) under the 2019 performance share plan represented 67% of the number of 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 2022 consolidated financial statements and Note 5.2 to the parent company financial statements for the year ended December 31, 2022, which are included in chapter 6, "Financial statements for the year ended December 31, 2022" of this Universal Registration Document.

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

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

Thierry Morin, Chairman of the Supervisory Board for 2022

Components of compensation paid or awarded for the financial year ended December 31, 2022	Amount or valuation submitted for voting *(in euros)*	Description and comments
Fixed compensation	0	Not applicable, as the 2022 compensation policy for non-executive corporate officers does not provide for it.
Annual variable compensation	0	Not applicable, as the 2022 compensation policy for non-executive corporate officers does not provide for it.
Deferred variable compensation	0	Not applicable, as the 2022 compensation policy for non-executive corporate officers does not provide for it.
Multi-year variable compensation	0	Not applicable, as the 2022 compensation policy for non-executive corporate officers does not provide for it.
Special compensation	0	Not applicable, as the 2022 compensation policy for non-executive corporate officers does not provide for it.
Stock options, performance shares or any other component of long-term compensation	0	Not applicable, as the 2022 compensation policy for non-executive corporate officers does not provide for it.
Compensation allocated to members of the Supervisory Board	231,000[(a)]	In accordance with the compensation policy for non-executive corporate officers approved by the general shareholders' meeting on May 19, 2022, the amount of compensation allocated to the Chairman of the Supervisory Board and paid in 2022 (in installments) and 2023 to Thierry Morin for the 2022 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 2022 financial year. For 2022, 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 2022, this variable compensation represents an amount of €27,000 (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 2022, the portion related to Thierry Morin's attendance at committee meetings amounted to €18,000, reflecting his attendance rate of 100%.
Benefits of any kind	0	Not applicable, as the 2022 compensation policy for non-executive corporate officers does not provide for it.
Severance benefits	0	Not applicable, as the 2022 compensation policy for non-executive corporate officers does not provide for it.
Non-compete benefits	0	Not applicable, as the 2022 compensation policy for non-executive corporate officers does not provide for it.
Supplemental retirement plan	0	Not applicable, as the 2022 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 2022 financial year or awarded for the 2022 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 components are the only compensation paid during the 2022 financial year or awarded for the 2022 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 19, 2022.

As a reminder, the amount of fixed compensation awarded to the Chairman of the Supervisory Board and committee chairs, which was increased in 2021, was the following:

- Chairman of the Board: €186,000;
- Chairman of a committee: €10,000.

The amount of variable compensation awarded to the members of the Supervisory Board for their attendance at Supervisory Board and/or committee meetings was:

- €3,600 for Supervisory Board meetings (50% of this amount for meetings held by conference call);
- €2,000 for committee meetings (50% of this amount for meetings held by conference call).

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 2022.

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)			
	2022		2021**		2022		2021	
	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable
Thierry Morin	186,000	45,000	186,000	43,600	0	0	0	0
Florence Noblot	28,000	31,200	28,000	25,600	0	0	0	0
Philippe Delleur	18,000	31,200	18,000	18,000	0	0	0	0
Magali Chessé[a]	0	0	0	0	0	0	0	0
Anne-Laure Commault	18,000	27,000	18,000	21,600	0	0	0	0
Joy Verlé[b]	12,000	16,600	18,000	33,600	0	0	0	0
Antoine Burel[c]	28,000	37,000	28,000	31,600	0	0	0	0
Amy Flikerski	18,000	31,200	18,000	18,000	0	0	0	0
Fabrice Barthélemy	28,000	35,000	28,000	33,600	0	0	0	0
Philippe Beaudoux[d]	0	0	0	0	0	0	0	0
Valérie Gandré[d]	0	0	0	0	0	0	0	0
TOTAL	**336,000**	**254,200**	**342,000**	**225,600**	**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) 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.

(b) Joy Verlé resigned as member of the Supervisory Board and as member of the Appointments, Compensation and Governance Committee on August 30, 2022. Compensation was calculated on a prorated basis in 2022.

(c) Antoine Burel was reappointed member of the Supervisory Board by the general shareholders' meeting on May 19, 2022, and as Chairman of the Audit Committee. He was appointed member of the CSR Committee in December 2022.

(d) Philippe Beaudoux and Valérie Gandré, as members of the Supervisory Board representing employees by the Group works council, do not receive any compensation for their service.

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 components 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.

11th resolution

Approval of the compensation policy applicable to the Chairman of the Supervisory Board for the year ending December 31, 2023

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, 2023, 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 2022 Universal Registration Document.

12th resolution

Approval of the compensation policy applicable to members of the Supervisory Board for the year ending December 31, 2023

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, 2023, 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 2022 Universal Registration Document.

13th resolution

Approval of the compensation policy applicable to the Chairman of the Management Board for the year ending December 31, 2023

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, 2023, 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 2022 Universal Registration Document.

14th resolution

Approval of the compensation policy applicable to members of the Management Board for the financial year ending December 31, 2023

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, 2023, 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 2022 Universal Registration Document.

15th resolution

Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code on compensation paid during the 2022 financial year or awarded for the 2022 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 provided for 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 2022 financial year or awarded for the 2022 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 2022 Universal Registration Document.

16th resolution

Approval of the fixed, variable and exceptional components 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, 2022

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 stipulated by Article L. 22-10-20 of the French Commercial Code, approves, pursuant to Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional components 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, 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 2022 Universal Registration Document.

17th resolution

Approval of the fixed, variable and exceptional components 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, 2022

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 stipulated 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 fixed, variable and exceptional components 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, 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 2022 Universal Registration Document.

18th resolution

Approval of the fixed, variable and exceptional components 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, 2022

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 stipulated 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 fixed, variable and exceptional components 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, 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 2022 Universal Registration Document.

19th resolution

Approval of the fixed, variable and exceptional components 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, 2022

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 stipulated 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 fixed, variable and exceptional components 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, 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 2022 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 authorization	Use in 2022	To be renewed in 2023 (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[a]	130 million	May 19, 2022 (18th resolution)	July 19, 2024	26 months	May 2, 2022[a] June 16, 2022[a] July 11, 2022[a] November 3, 2022[a] December 28, 2022[a]	N
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[b]	May 19, 2022 (19th resolution)	July 19, 2024	26 months	-	N
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[c][d]	May 19, 2022 (20th resolution)	July 19, 2024	26 months	-	N
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 1 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[d][e]	May 19, 2022 (21st resolution)	July 19, 2024	26 months	-	N
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	May 19, 2022 (22nd resolution)	July 19, 2024	26 months	–	N
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	May 19, 2022 (23rd resolution)	July 19, 2024	26 months	–	N
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	May 19, 2022 (24th resolution)	July 19, 2024	26 months	–	N
Share buyback program						
Share buyback	10% of the Company's share capital Maximum purchase price per share: €30 Maximum purchase amount: €650 million (€350 million for the 2021 resolution)	May 19, 2022 (17th resolution) for the period from May 19 to May 24, 2023 May 20, 2021 (20th resolution) for the period from January 1 to May 18, 2022	November 19, 2023	18 months	Use outside of the liquidity agreement: yes[g] Use under the liquidity agreement:[g]	Y
Capital reduction through the cancellation of treasury shares	10% of the Company's share capital per 24-month period	May 19, 2022 (28th resolution)	November 19, 2023	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 authorization	Use in 2022	To be renewed in 2023 (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	April 15, 2022(h) May 20, 2022(h) October 24, 2022(h)	Y
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(i)	May 19, 2022 (25th resolution)	July 19, 2024	26 months	November 3, 2022	N
Capital increase through the issue of ordinary shares or securities giving access to the Company's share capital reserved for employees	5 million(i)	May 19, 2022 (26th resolution)	November 19, 2023	18 months	November 3, 2022	Y

(a) Used in 2022 to cover the performance share plans implemented in 2019 and 2020, the payment of the dividend in shares and the matching contribution under the "Elis for All 2022" plan.

(b) Overall limit of capital increases with and without preferential subscription rights that may be carried out under the 19th to 21st and 23rd to 24th resolutions adopted by the general shareholders' meeting on May 19, 2022.

(c) Overall limit applicable to capital increases without preferential subscription rights that may be carried out under the 20th and 24th resolutions adopted by the general shareholders' meeting on May 19, 2022.

(d) Deducted from the overall limit of €110 million set by the 27th resolution adopted by the general shareholders' meeting on May 19, 2022.

(e) Deducted from the limit of €22 million set by the 20th resolution adopted by the general shareholders' meeting on May 19, 2022.

(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) See details in chapter 7, section 7.2.2 of this Universal Registration Document.

(h) Used in 2022 for the free performance share grant (see chapter 6 of this Universal Registration Document and Note 5.4 and Note 4.2 to the 2022 consolidated and parent company financial statements, respectively).

(i) Not deducted from the overall limit of €110 million set by the 27th resolution adopted by the general shareholders' meeting on May 19, 2022.

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, 2022, 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 2022, the consolidated financial statements for 2022 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 components 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 components 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


elis

3

Our environmental and corporate social responsibility AFR

Elis Toulouse

3.1 WHO IS ELIS?

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

With our international scale and position as market leader comes a responsibility not only for our employees and our customers, but also for the environment and Society as a whole. Acting as a responsible company has long been fully integrated as part of Elis' business model and is fundamental to who we are, reflected in our values of respect, integrity, responsibility and exemplarity.

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

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

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

Xavier Martiré,
Chairman of the Management Board

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

Product design

elis
(specifications, testing)

Le Jacquard Français

Kennedy

Suppliers
(custom-made for Elis)

Raw materials

Raw materials from the extractive industry:
- Polyester, recycled polyester and plastics
- Other

Raw materials from agriculture:
- Cotton, organic or fair-trade cotton
- Coffee, organic or fair-trade coffee
- Other

Product manufacturing

Elis

Le Jacquard Français

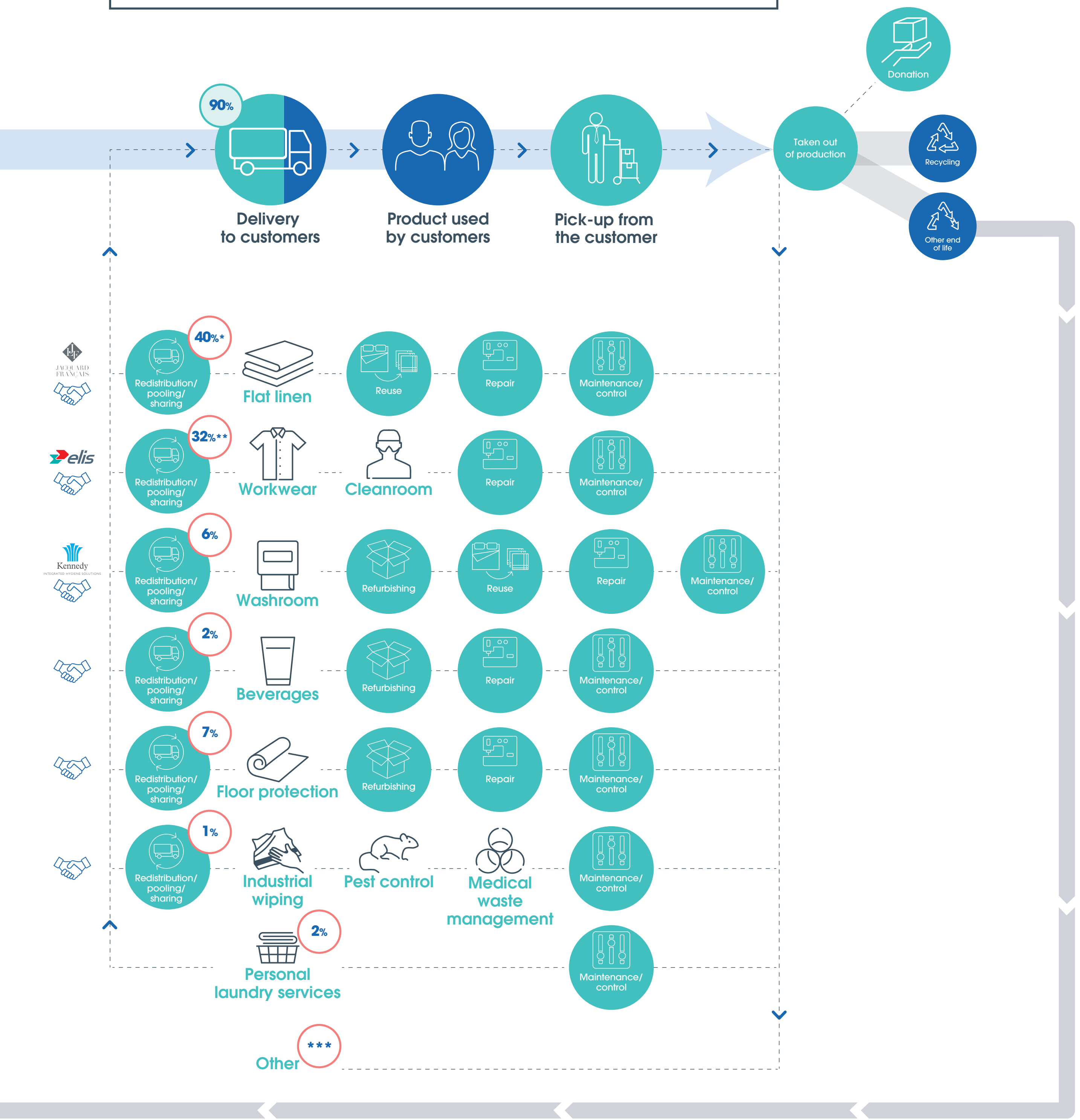
Kennedy

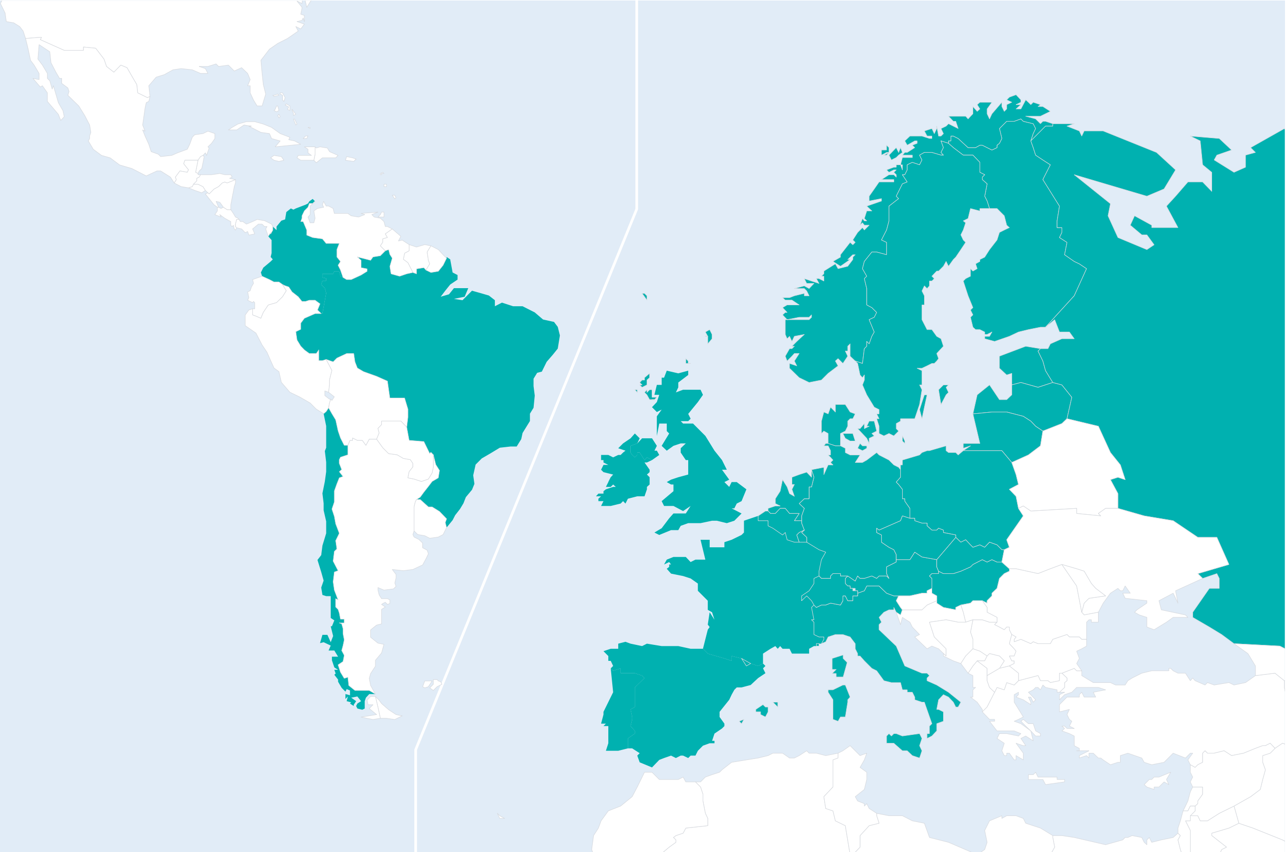
Other suppliers
(consumables)

elis
(test and control)

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-as-a-service business model: *: 5%, **: 2%, ***: 3%
Group subsidiaries that do business directly with consumers or other customers

Share of revenue from the circular economy: 88%





Our facilities

434 sites: 322 laundries, 8 production sites,
90 logistics centers or warehouses, 14 offices

146 ISO 14001-certified sites, 95 ISO 45001 sites,
27 ISO 50001-certified sites
and 31 Nordic Swan-certified sites

21% renewable energy (thermal and electrical)
Fleet mostly in-house (almost 90%),
with 715 alternative vehicles

Our people

51,343 employees

52% of women in the permanent workforce
34% of women in executive or managerial roles

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

76% of the workforce in Europe, of which 25% in France
24% 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 STRATEGY AFR

3.2.1 Integrated CSR governance and management

CSR governance structure in detail

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

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

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

In addition, a report on the Sustainable development program, its goals and its performance is delivered at least once per year to the Supervisory Board, either during specific presentations or as part of the presentation of the Group's industrial strategy or strategy planning days, and to shareholders during the general shareholders' meeting.

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

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

	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 considerations, risks and opportunities	› Confirms the strategic directions for Sustainable development › Monitors progress on strategic CSR projects › Reviews the performance and decides on action plans
	› 3 meetings of the CSR Committee in 2022 › CSR topics covered at 60% of the meetings of the Supervisory Board	› CSR topics covered at 5 meetings of the Executive Committee (50%)

	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

IMPLEMENTATION

Sponsors and their teams	Human Resources Department	Elis sites
› Oversee and implement certain strategic CSR projects › Monitor and report on the 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	› Apply the Group's standards › Implement projects › Communicate the Group's commitments to their customers › Relay the expectations expressed by stakeholders (mainly customers)

CSR Ambassadors and Coordinators	QHSE Coordinators
› Roll out and coordinate the CSR strategy in the Group's regions together with the HR, QHSE and operational teams › Coordinate the local rollout of certain strategic projects › Serve as the local contact for CSR aspects/considerations and help the teams respond to stakeholders › Engage and train the teams on sustainability › Communicate the emerging issues (regulations, expectations, etc.)	› Roll out and coordinate the 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

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

Our primary strategic focuses

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

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

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

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

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

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

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

THE CIRCULAR ECONOMY: OUR MINDSET FOR MORE THAN 75 YEARS

CIRCULARITY AND EXEMPLARITY TO REDUCE OUR IMPACT ON THE PLANET

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

EMPOWERING OUR EMPLOYEES AND SUPPORTING THEIR DEVELOPMENT

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

MAKING A POSITIVE CONTRIBUTION TO SOCIETY

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

Mechanisms to support the transition

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

Executive compensation

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

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

Finally, under long-term profit-sharing plans, some managers and employees are receiving a share of the Company's long-term performance and financial results. A CSR performance criterion was introduced in 2022 to supplement the financial indicators. Accordingly, the performance on water consumption per kilogram of linen delivered in European laundries affects these employees' compensation (see chapter 2, section 2.2.1 "Compensation policy").

Revolving credit facility

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

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

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

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

Employee engagement and awareness

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

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

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

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

Dialog with stakeholders

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

EXAMPLES OF DIALOG CHANNELS USED WITH STAKEHOLDERS

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

Mergers and acquisitions (M&A) process

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

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

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

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

3

3.2.3 Our CSR roadmap: clear and ambitious targets

The pillars of our strategy	Our key concerns, a source of risks and opportunities	Our 2025 commitments and goals	Progress as of 2022	Section	Contribution to the Sustainable Development Goals (SDGs)
Circularity and exemplarity to reduce our impact on the planet	Fighting and adapting to climate change	Reducing by 20% CO_2eq intensity (Scopes 1 and 2 location-based) in the operations between 2010 and 2025	-25%	3.3.6	9 Industry, innovation and infrastructure; 13 Climate action
	Minimizing our energy consumption	Improving the thermal efficiency of European laundries by 35% between 2010 and 2025	-26%	3.3.5	7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production
	Minimizing our energy consumption	Accelerating the transition of the logistics fleet toward alternative vehicles	A fleet of 232 alternative logistic vehicles (compared with 134 in 2020)	3.3.5	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	-43%	3.3.3	6 Clean water and sanitation; 12 Responsible consumption and production
	Further developing circularity & Reducing and properly managing our waste	Reusing or recycling 80% of our end-of-life textiles by 2025	70%	3.3.1 and 3.3.4	12 Responsible consumption and production; 17 Partnerships for the goals
	Eco-designing our products and services	Offering at least one collection composed of sustainable materials for each product family	51%	3.3.2	12 Responsible consumption and production
Empowering our employees and supporting their development	Protecting our employees	Reducing the frequency of Group employees' accidents by 50% between 2019 and 2025	+0.7%	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	Expanding the Group's Chevrons program	310 Chevrons (34% compared with 2018)	3.4.1	8 Decent work and economic growth
Making a positive contribution to Society	Contributing to our local communities and supporting the causes that we value	Tripling the impact of the Elis Foundation by 2025	Fourth cohort welcomed in September	3.5.5	4 Quality education
	Working responsibly with third parties	Achieving 95% of procurement spend from direct suppliers that have undergone a CSR assessment in the last three years	94%	3.5.3	8 Decent work and economic growth; 16 Peace, justice and strong institutions

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

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

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

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

The pillars of our strategy	Our key concerns, a source of risks and opportunities	Our 2030 commitments and goals	Progress as of 2022	Section	Contribution to the Sustainable Development Goals (SDGs)
Circularity and exemplarity to reduce our impact on the planet	Optimizing our use of resources and minimizing our impact on ecosystems	Reducing water consumption per kg of linen delivered by 30% between 2018 and 2030 in European laundries	-19%	3.3.3	6 Clean water and sanitation; 12 Responsible consumption and production
Empowering our employees and supporting their development	Ensuring non-discrimination and equal opportunities	Achieving a rate of 42% of women in executive or managerial roles by 2030	34%	3.4.4	5 Gender equality; 8 Decent work and economic growth

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

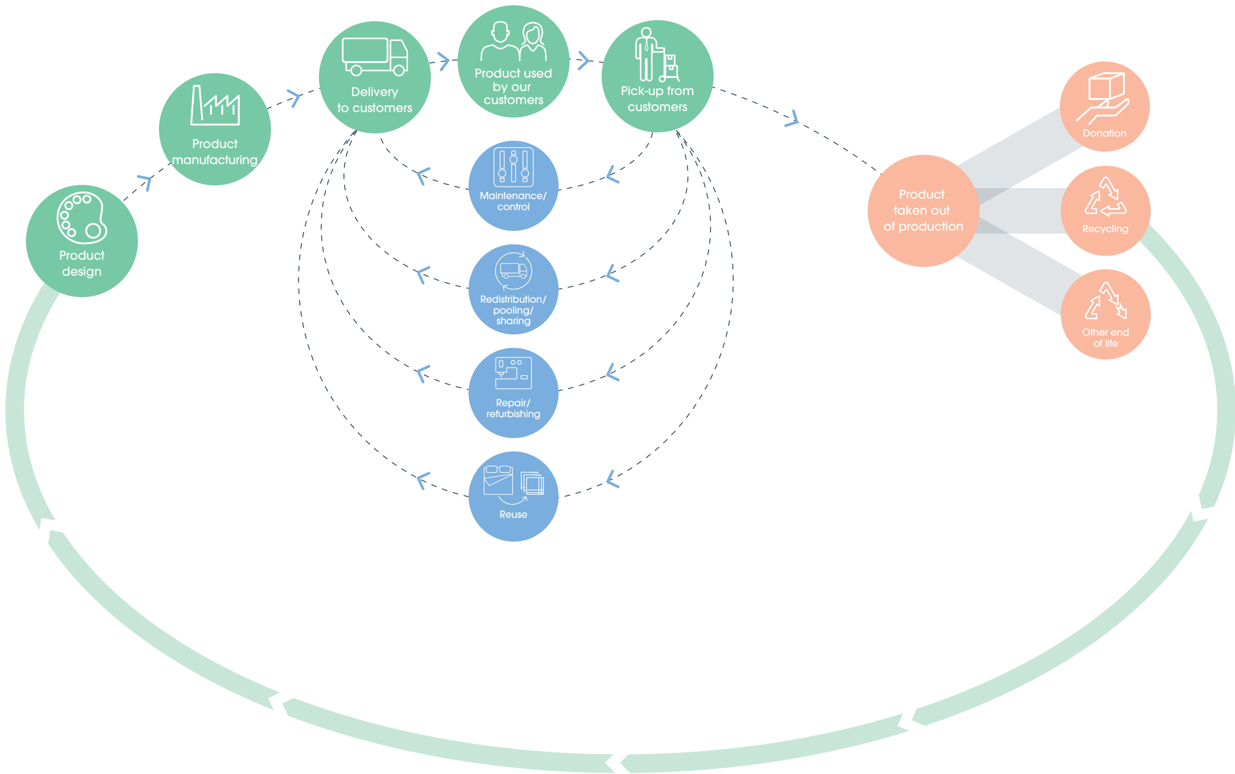
3

3.3 PLANET AND PRODUCTS

3.3.1 Being a circular economy player

Context

The Elis Group has been involved in the circular economy for more than 75 years, primarily through its business model, which is based on selling the use of a product rather than selling the product itself (product as a service[1]). In addition to this business model, the Group works in other areas of the circular economy such as repairing, reusing, refurbishing or recycling products in order to extend their life and thus keep the materials in use as long as possible.



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

The Ellen MacArthur Foundation stresses that "the circular economy is needed to get to net-zero emissions" and that "moving our business models toward a circular economy could reduce CO_2eq emissions by nearly 10 billion tons (or 20% of global emissions)."[2]

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

- the simple purchase or use of products: by maximizing their use through pooling, optimizing industrial maintenance processes (water and energy consumption, etc.), and repairing and reusing products throughout their life cycles. The product-as-a-service business model offers a solution to common events at companies such as changes in wearers' size, employee arrivals and departures, and new collections. For example, the use of workwear maintained by Elis allows a reduction in emissions of up to 37% compared to a purchase solution and up to 48% reduction in water consumption;
- single-use or disposable products: by offering reusable solutions, often maintained locally, hence supporting local employment and economic development within the regions. For example, the use of reusable scrubs in healthcare facilities reduces emissions by 31% to 62% compared to disposable scrubs, depending on actual consumption.

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

- The use of reusable scrubs in healthcare facilities **reduces CO_2eq emissions by 31% to 62%** compared to disposable scrubs, depending on actual consumption *(Source:* Cleaner Environmental Systems).

- The use of cloth roller hand towels **reduces CO_2eq emissions by 29%** compared to disposable paper towels (Source: ETSA).

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

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

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

Governance

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

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

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

Policy: goals and performance

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

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

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

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

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

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

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

Being a product-as-a-service company

Measures implemented

Rental offerings

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

Elis's intrinsically sustainable model guarantees the durability of its products for the customer. Elis has every interest in prolonging their lifespan by selecting quality products that meet expectations in terms of use, comfort and esthetics.

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

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

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

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

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

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

Resource scarcity, an opportunity for more sustainable solutions

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

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

The life cycle assessment conducted on reusable scrubs compared to disposable scrubs found that CO_2eq emissions fell by 31% to as much as 62%, depending on actual consumption.

Partnerships and co-innovation with customers

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

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

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

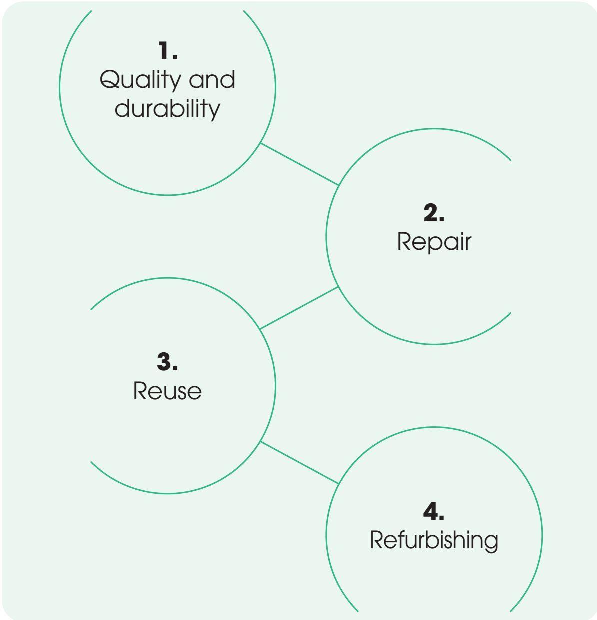
Over the last four years, the availability in Europe of nearly 19,500 disinfectable duvets in healthcare institutions has made it possible to replace the production, transportation, maintenance and logistics of nearly 50,000 quilted duvets.

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

Keeping our products in use: repair, reuse, refurbish

Measures implemented

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



Quality and durability

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

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

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

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

Repair

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

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

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

Reuse

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

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

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

Refurbishing and reassembly

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

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

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

Outlook

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

Recycle and reuse end-of-life products

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

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

Measures implemented

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

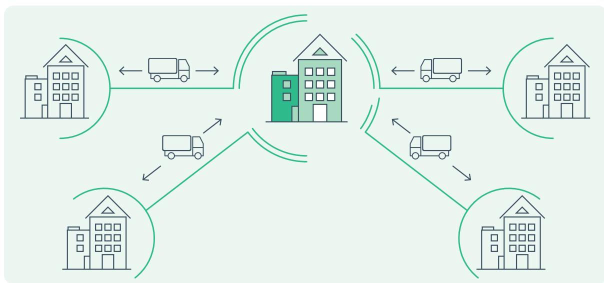
The Group uses limited quantities of consumables, and is continually looking to reduce them or find reusable alternatives. In this vein, Elis is taking steps aimed at reducing the quantity of plastic used to package certain workwear items – it is substituting plastic with cloth packaging and reducing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

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

In addition, in 2021, the Group launched a new cleanroom product line, Kangaroo®, which helps reduce plastic consumption in this business. A cloth pocket sewn into the inside of a decontaminated garment allows the garment to be folded and delivered to customers without any additional packaging, reducing plastic consumption by nearly 4 kg per operator. To meet the requirements in this sector (unparalleled hygiene, etc.), products are packaged after a special decontamination process with or without additional sterilization. This new design could thus help reduce CO_2eq emissions by up to 2.5 tons per year for a customer with 100 operators and 1,000 tunics and pants.

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

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



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Contribute to promote the circular economy among our stakeholders

Measures implemented

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

- directly, by participating in forums and events on these topics in the different regions where it operates and, more specifically, in France, the Netherlands and Sweden. In Sweden, in 2021 the CSR Coordinator led the "From Linear to Circular" working group on behalf of the Delegationen för Cirkulär Ekonomi (circular economy delegation), which was created by the Swedish government. In France, the Group regularly participates in events and webinars to promote circular models. In the Netherlands, in 2022 the Group organized a seminar that brought together public and private players to discuss this topic and share information;
- indirectly:
  - through its customers and users of its services, who are educated as part of their operations and jobs about sharing and reuse, which are fundamental values of the circular economy. This approach contributing to remove certain psychological barriers that are found today in the FMCG sector,
  - through its networks and professional associations, by helping them promote the circular economy and its benefits. In particular, the Group shares its commitment and positions within the professional associations it belongs to, such as the French private business association (Association française des entreprises privées – AFEP), the French industrial textile services business association (Groupement des entreprises industrielles de services textiles – GEIST), and the French water fountain industry association (Association française de l'industrie des fontaines à eau – AFIFAE) in France, and the European Textile Services Association (ETSA) across Europe. In Sweden, the Group is also a member of the Textile Exchange. In addition, the Group contributes to the AFEP's Ambition4Circularity platform. Participation in this initiative demonstrates companies' commitment to this topic,
  - through publications, including that of the sustainable investment forum (Forum pour l'investissement responsable – FIR), on the analysis of the SBF 120's circular economy practices, and of the International Center for Research and Innovation for Sustainable Development (Centre International de ressources et d'innovation pour le développement durable – CIRIDD), in partnership with GrandLyon, on "The sustainable transformation of companies and regions – 50 circular economy solutions."

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

Outlook

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

3.3.2 Eco-designing our products and services

Context

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

Governance

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

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

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: goals and performance

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

The Group works 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 itself the goal of:

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

Key performance indicator		2020	2021	2022
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%	51%

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

Developing products with lower environmental impact thanks to eco-design

Measures implemented

Ensuring the quality and durability of our products

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

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

Eco-design approach

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

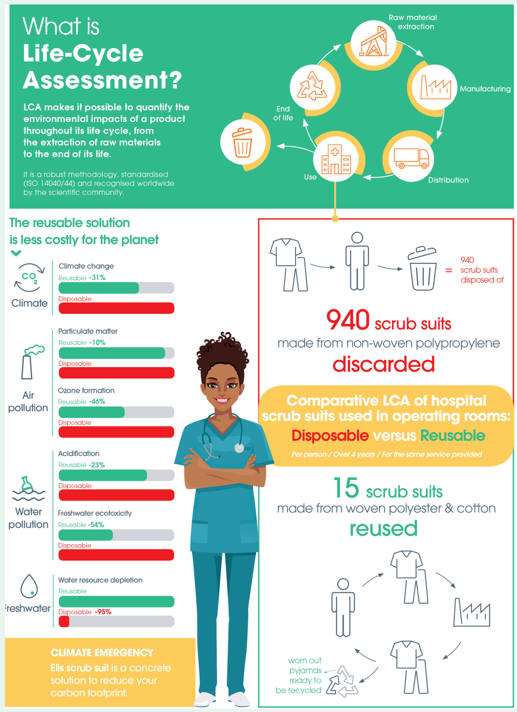
Workwear offering: the sustainability of Elis's hospital scrubs rental & maintenance solution

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

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

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

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



Hand drying offering: the cotton solution that respects the environment

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

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

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

- choice of materials and their durability. The Group is especially committed to offering at least one collection composed of sustainable materials for each product family by 2025. For example, the Group currently offers the Bio's Fair collection made of organic, fair-trade cotton for bath linen. Regarding the sustainability of materials, see section 3.3.1 "Being a circular economy player" of this Universal Registration Document;
- the origin and production methods of materials (see section 3.5.3 "Working responsibly with third parties" of this Universal Registration Document);
- extension of the products' lifespan and end-of-life recycling, by anticipating the repair and recycling phases when designing new collections. For garments, for example, this means avoiding, when possible, hard components that cannot be recycled easily.

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

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

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

3

Offering products to foster more sustainable consumption

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

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

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

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

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

Our Pest Control business

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

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

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

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

Outlook

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

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

Purchasing more sustainable materials and products

Measures implemented

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

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

Some examples below:

Raw materials: textile

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

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

Raw materials: paper and wood

Washroom offering

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

Workwear

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

Drawing on this experience, in 2021 Elis helped one of its healthcare customers in Sweden develop a bespoke workwear collection with fabric that was a 50% lyocell/50% polyester blend. In 2022, the Group also launched collections in Sweden that use bio-based materials and recycled polyester. The environmental impacts of these collections were compared with those of traditional solutions, and the results showed a significant reduction in water consumption and CO_2eq emissions.

Raw materials: fair-trade or organic coffee and cotton

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

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

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

Raw materials: plastic

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

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

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

Flat linen offering

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

Washroom offering

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

Products: Cradle to Cradle certification, Fusion Collection

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

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

Context

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

Governance

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

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

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

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

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

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

3

Policy: goals and performance

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

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

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

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

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

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

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

Reducing the pressure on water resources

Measures implemented

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

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

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

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

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

Reducing water consumption

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

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

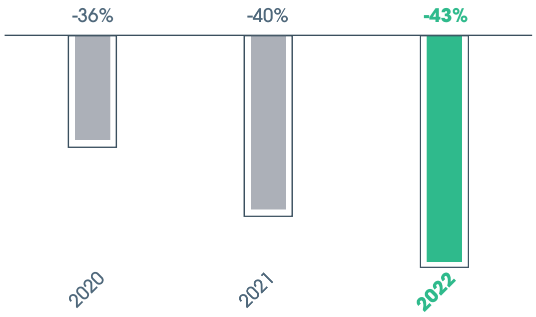
The Group also prefers to use tunnel washers where possible. Equipped with separate compartments, these washers allow linen to progress through the different stages of the process by moving from one compartment to another, and to optimize water consumption.

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

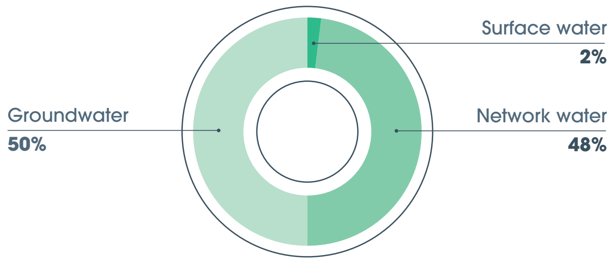
Finally, the Group's teams of water, energy and chemical engineers are training the sites' production and maintenance teams in the optimum washing methods (the "essentials" of washing, how to best use washing equipment, etc.). A tool to self-assess application of best practices in water consumption was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

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

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



WATER CONSUMPTION BY SOURCE (AS A %)



Water reuse and recycling

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

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

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

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

Climate change and water scarcity analysis

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

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

Outlook

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

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

Ensuring the quality of wastewater discharge

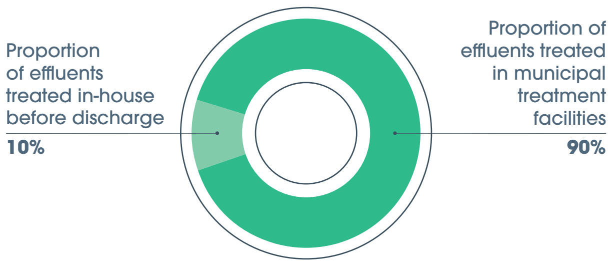
Measures implemented

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

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

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

BREAKDOWN OF GROUP WASTEWATER BY DESTINATION (MILLIONS OF M^3)



Linen maintenance and use of cleaning products

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

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

Limiting our impact on biodiversity

Measures implemented

Eco-design, organic ranges and certification

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

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

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

Site engagement

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

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

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

Controlling our other emissions, local pollution and environmental impacts

Measures implemented

Compliance with regulations and other environmental impacts

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

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

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

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

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

Soil pollution

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

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

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

Limiting our industrial risks

Measures implemented

Preventing and protecting against industrial risks

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

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

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

Checks and monitoring to prevent pollution risks

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

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

3.3.4 Reducing and properly managing our waste

Context

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

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

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

Governance

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

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

Policy: goals and performance

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

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

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

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

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

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

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

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

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

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

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

3

Recovering end-of-life textiles

Measures implemented

Recycling of end-of-life textiles

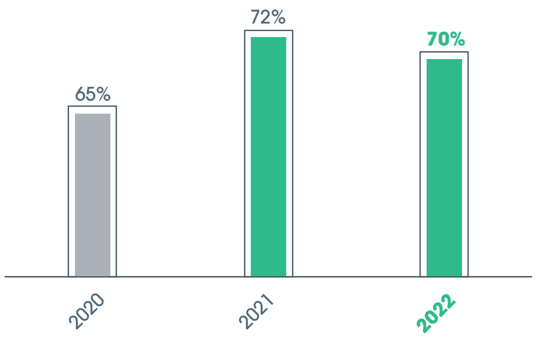
It can be challenging to recycle textiles, particularly post-consumer garments, as there are very few existing and mature channels and technologies. The Group is therefore working in its different countries to identify the best recycling pathways, and to innovate so it can develop satisfactory solutions.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

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

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

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

SHARE OF TEXTILES REUSED OR RECYCLED (%)



END-OF-LIFE TEXTILES SORTED AT SOURCE

Examples of recycling initiatives

Flat linen

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

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

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

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

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

Workwear

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

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

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

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

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

Making textiles from textiles: the "Workwear to Workwear" project

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

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

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

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

Outlook

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

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

Managing our waste

Measures implemented

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

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

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

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

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

3.3.5 Minimizing our energy consumption

Context

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

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

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

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

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

Governance

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

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

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

Policy: goals and performance

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

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

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

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

Accelerating the transition of the logistics fleet toward alternative vehicles

Key performance indicators		2020	2021	2022
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%)***	-18%	-22%	-26%
	Share of renewable energy in total energy consumption	21%	21%	19%
	Share of renewable thermal energy (biomass, biogas, etc.)	23%	23%	21%
	Share of renewable electricity	9%	8%	9%
Reducing energy consumption and achieving 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%	3.7%	3.7%
	Number of alternative vehicles[a] – whole fleet	258	488	715
	– of which logistics	134	224	232
	– of which commercial	124	264	483
	Kg of products delivered per liter of fuel[b]	37.1	42.7	48.7

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

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

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

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

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

Reducing consumption and achieving the energy transition of our operations

Measures implemented

Energy efficiency

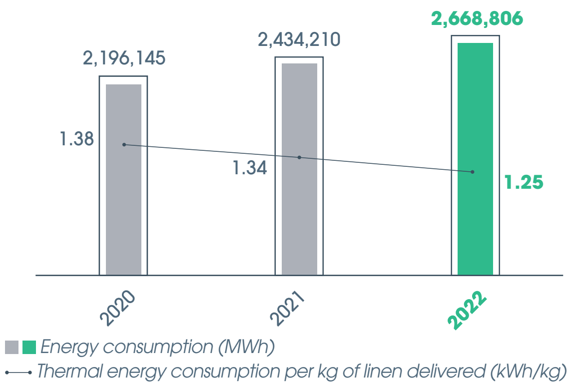
The Elis Group continuously works to improve its energy performance by involving all stakeholders, from the design and purchase of equipment to the daily operation of its plants. This approach is fully in line with the Elis Group's drive for operational excellence. It also helps to ensure that the Group is resilient to fluctuations in the prices of the thermal energy and electricity needed for the operation of the Group's laundry facilities and production centers. In addition, the Group has a centralized Purchasing Department supplemented by local buyers in the key countries where it operates. It has also implemented appropriate processes to ensure that purchases in Europe are coordinated by the central department. The Purchasing Department therefore actively monitors changes in energy costs and contracts with preferred suppliers.

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

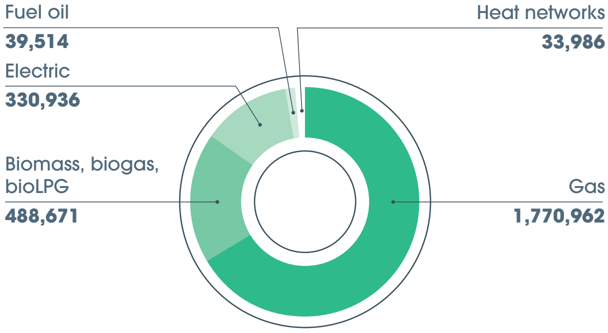
- optimizing the energy consumption of laundries: in-depth studies of possible angles for improvement, optimization of equipment settings (calenders, finishing tunnels, dryers, boilers), sharing of best practices, process adaptations (low-temperature washing), implementation of new technologies, integration of energy efficiency criteria into the design of facilities, etc.;
- installing new equipment that meets energy performance conditions as part of the investment plan (replacement of spin-drying presses, drying/ironing equipment, new boiler burners, installation of LEDs, reduction in energy consumption by the heating, ventilation and air-conditioning systems, etc.);
- monitoring improvements in energy performance through appropriate indicators and communicating them to all relevant levels of the organization to help achieve the objectives and targets set. In particular, the "thermal energy per kg of linen delivered" indicator is reviewed monthly for each site. Possible variances are analyzed and shared with the different levels of the organization;
- trialing new steam-free laundries with hot water tanks for washing (three new plants since 2019);
- monitoring new technologies and processes.

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

ENERGY CONSUMPTION AND ENERGY EFFICIENCY IN OPERATIONS (GROUP)



ENERGY CONSUMPTION BY TYPE OF ENERGY[(1)](MWH)



Green IT

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

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

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

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

Energy transition

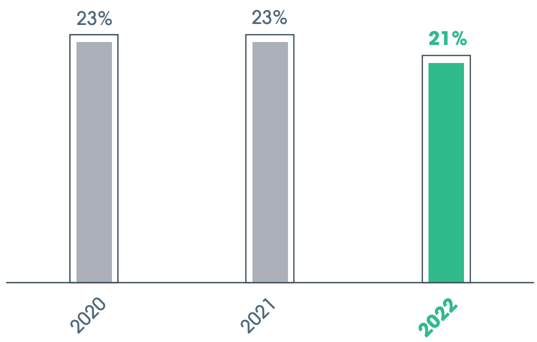
At the same time, the Group is working to transition its operations toward energies that generate fewer emissions. Consequently, the Group continues to study and roll out the use of alternative energies:

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

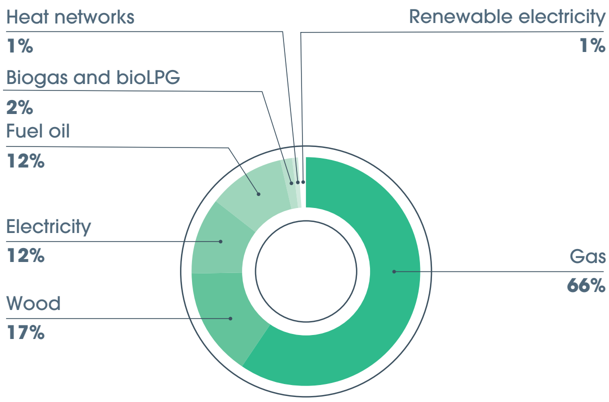
Some sites are also equipped with photovoltaic or thermal solar panels. In Europe, 11 sites are now equipped in this way (including four in 2022) and more will be soon.

The Barcelona site is thus equipped with photovoltaic and thermal solar panels, which reduces the energy needed to heat the water and wash the linen by 20%. This represents nearly 50 t/year of CO_2eq avoided, i.e. 4% of the site's emissions. In 2021, the total energy produced by the photovoltaic and thermal panels represented 3.5% of the site's total energy consumption.

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



BREAKDOWN OF ENERGY CONSUMPTION (AS A %)



(1) *Excluding fuel for vehicle fleets.*

Reducing energy consumption and achieving the energy transition of our vehicles

Measures implemented

Transportation energy efficiency

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

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

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

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

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

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

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

- GLAD eco-driving: GLAD informs service agents when they are driving too fast and when it records a sharp breaking and accelerating. At the end of the route, the service agents receive a summary of these two driving behaviors;
- training of new logistics managers: during the onboarding program, they are taught about eco-driving;
- training for driving electric vehicles: when an electric vehicle is handed over, every driver is trained on this new way of driving;
- fuel performance indicator monitoring: each Elis center monitors the L/100km indicator by delivery to raise awareness among service agents of their fuel consumption.

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

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

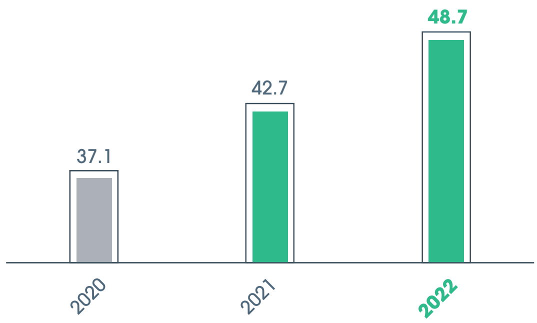
With regard to **fuel performance,** in order to better manage energy performance related to fuel consumption, the Group revised and optimized its logistics KPIs in 2021 for closer monitoring of its performance and also reviewed its fleet management tool. Fuel performance improved markedly compared to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

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

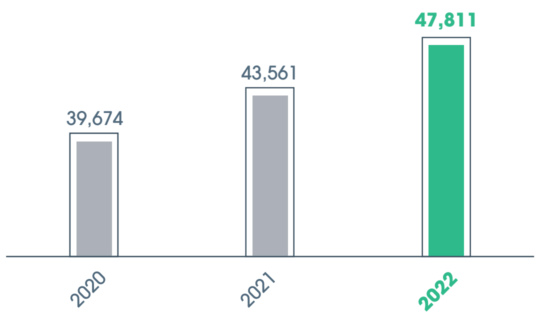
- entering into a master agreement for tire maintenance to maintain the right tire pressure and reduce fuel consumption;
- limiting all the Group's 3.5 T vehicles to 110 km/h, with the aim of curbing their consumption.

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

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



FUEL CONSUMPTION (THOUSANDS OF LITERS) – COMMERCIAL AND LOGISTICS FLEETS



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Energy transition

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

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

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

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

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

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

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

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

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

Trialing electric heavy trucks

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

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

Sub-contracted fleet

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

Outlook

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

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

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

3.3.6 Fighting and adapting to climate change

Context

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

For a long time, Elis has worked to reduce its energy consumption and CO_2eq. emissions. The Group thereby reduced the intensity of its thermal energy consumption by 26% in its European laundries between 2010 and 2022 and is committed to transitioning its vehicle fleet. In 2022, the Group achieved and exceeded its CO_2eq goal by reducing its CO_2eq emissions (Scopes 1 and 2) per kilogram of linen delivered by 25% since 2010 and reducing its CO_2 emissions in absolute terms by 17.5% between 2019[(1)] and 2022 (Scopes 1 and 2). This showcases the efforts made over the years by the Group. Conscious of the environmental challenges with regards to climate change, Elis is committed to an approach to reduce its emissions that is in line with the Paris Climate Agreements to contribute to keeping the temperature increase below 1.5°C compared to pre-industrial levels[(2)]. This approach was the subject of an advisory resolution adopted at the combined general shareholders' meeting of May 19, 2022, which received broad support. The setup of Elis' Climate plan that started in 2022 will continue in 2023 in order to be as accurate and fair as possible. The Group aims at presenting its climate objectives, aligned with the methodology of the Science Based Targets initiative in the second half of 2023. The Group currently plans to submit its climate objectives to the advisory vote of its shareholders at the 2024 General Shareholders Meeting.

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

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

Elis Carbon footprint

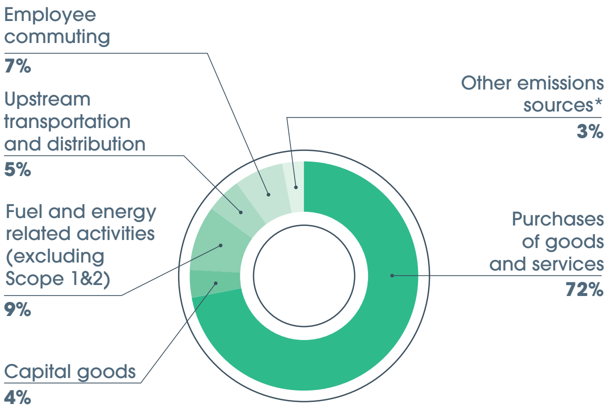
The Group's emissions are set out below and detail:

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

The Group's direct (Scope 1) and indirect emissions (Scope 2) represent 518,263 tons of CO_2eq, that is 28% of the Group's total emissions (Scope 1, 2 and 3).

BREAKDOWN OF THE GROUP'S GHG EMISSIONS

BREAKDOWN OF SCOPE 3 EMISSIONS



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

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

Governance

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

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

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

(1) Emissions for 2019 have been recalculated to account for some recent acquisitions.
(2) Reduction in line with the 1.5°C target for direct (Scope 1) and indirect (Scope 2) emissions, and the well below 2°C target for other indirect emissions (Scope 3).

3

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

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

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

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

Lastly, at the combined general shareholders' meeting of May 19, 2022, the Group asked its shareholders, via an advisory resolution, to support its plan to reduce its CO_2eq emissions in line with the Paris Climate Agreements. This resolution was approved with 95% of the vote.

Risks and opportunities

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

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

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

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

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

- €5.7 million in taxonomy-eligible capex for activity 4.25 "Production of heat/cool using waste heat" 7.3 "Installation, maintenance and repair of energy efficiency equipment";
- €2.2 million in taxonomy-aligned capex for activity 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles";
- €3.5 million in taxonomy-aligned capex for activity 6.6 "Freight transport services by road." Note that vehicles that use biofuels were not considered taxonomy-aligned;
- €0.8 million in taxonomy-aligned capex for activity 7.4 "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)."

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

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

Policy: goals and performance: Climate Plan

An enduring commitment

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

The Ellen MacArthur Foundation stresses that "the circular economy is needed to get to net-zero emissions" and that "moving business models toward a circular economy could reduce CO_2eq emissions by nearly 10 billion tons (or 20% of global emissions)."

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

Reducing by 20% CO_2eq intensity (Scopes 1 and 2 location-based) in the operations between 2010 and 2025

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

Accelerating the transition of the logistics fleet toward alternative vehicles

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

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

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

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

A renewed ambition

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

The setup of Elis' Climate plan that started in 2022 will continue in 2023 in order to be as accurate and fair as possible. The Group aims at presenting its climate objectives, aligned with the methodology of the Science Based Targets initiative in the second half of 2023. The Group currently plans to submit its climate objectives to the advisory vote of its shareholders at the 2024 General Shareholders Meeting.

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

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

(1) Reduction in line with the 1.5°C target for direct (Scope 1) and indirect (Scope 2) emissions, and the well below 2°C target for other indirect emissions (Scope 3). CO_2eq emissions are accounted for using the market-based method.

Performance

Key performance indicators			2020	2021	2022
Reducing our emissions globally		Direct CO_2eq emissions (Scope 1) (Kt CO_2eq)	381.2	413.8	450.3
		Indirect CO_2eq emissions (Scope 2) (Kt CO_2eq) – location-based	58.6	54.3	53.8
		Indirect Co_2eq emissions (Scope 2) (Kt CO_2eq) – market-based		76.4	68.0
		Other indirect CO_2eq emissions (Scope 3) (Kt CO_2eq)		1,500[(a)]	1,340.9
		Total CO_2eq emissions (Scopes 1, 2 and 3)			1,859
Reducing our Scope 1 and 2 emissions	Continually improving the energy efficiency of our industrial laundries	% reduction in CO_2eq emissions intensity (Scopes 1 and 2) since 2010 ***(2025 goal: -20%)*** – location-based	-12%	-19%	-25%
		CO_2eq emissions per ton of linen delivered (Scopes 1 and 2 – kg CO_2eq per ton of linen delivered) – location-based	319	294	270
		% reduction in thermal energy per kg of linen delivered since 2010 (European laundries) ***(2025 target: -35%)***	-18%	-22%	-26%
	Decarbonizing our energy mix	Share of renewable thermal energy (biomass, biogas, etc.)	23%	23%	21%
		Share of renewable electricity	9%	8%	9%
	Striving for exemplarity on a daily basis in our logistics	Share of alternative vehicles[(b)] – logistics fleet ***(2025 target: Accelerate the transition of the logistics fleet toward alternative vehicles)***	2.3%	3.7%	3.7%
		Number of alternative vehicles	258	488	715
		› of which logistics	134	224	232
		› of which commercial	124	264	483
Reducing our Scope 3 emissions		Share of product families with at least one collection composed of sustainable materials ***(2025 target: 100%)***	33%	46%	51%
		Share of end-of-life textiles reused or recycled ***(2025 target: 80%)***	65%	72%	70%
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%)***	-36%	-40%	-43%

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

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

In 2022, the Group exceeded its goal of reducing its CO_2eq emissions per ton of linen delivered[(1)] by 20% due mainly to a significant improvement in energy efficiency (thermal, electrical and logistics) and the impact of more favorable emissions factors. The Group also reduced its Scope 1 and 2 emissions in absolute terms by nearly 17.5% between 2019[(2)] and 2022, driven mainly by its enhanced energy efficiency programs and the energy transitions carried out at certain sites.

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

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

(1) Scopes 1 and 2 location-based.

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

Reducing our emissions globally

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

Supplier involvement

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

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

Customer involvement

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

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

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

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

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

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

Employee involvement

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

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

Reducing our Scope 1 and 2 emissions

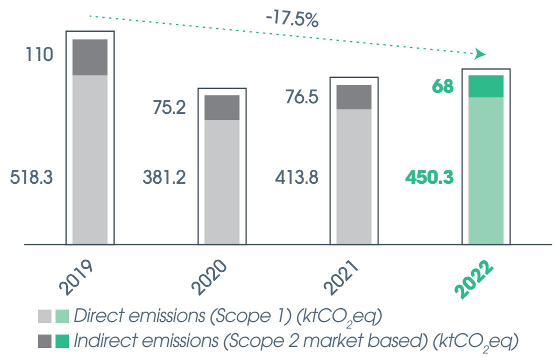
The Group's emissions (Scopes 1 and 2) can largely be attributed to the consumption of thermal energy and in particular to the consumption of natural gas at the Group's industrial sites. These emissions are:

Tons of CO_2eq	TOTAL	Europe		LATAM		Sites		Logistics	
Direct emissions (Scope 1)	450,264	413,226	87%	37,038	85%	333,120	83%	117,144	>99%
Indirect emissions (Scope 2 location-based)	53,836	47,440		6,397		53,793		43	
Indirect emissions (Scope 2 market-based)	67,999	61,602	13%	6,397	15%	67,874	17%	125	<1%
Total emissions (Scopes 1 and 2 market-based)	**518,263**	**474,828**	**92%**	**43,435**	**8%**	**400,994**	**77%**	**117,269**	**23%**

The Group's CO_2eq emissions fell by 17.5% between 2019 and 2022, driven mainly by the enhanced energy efficiency program and the energy transition initiated at certain sites and in logistics.

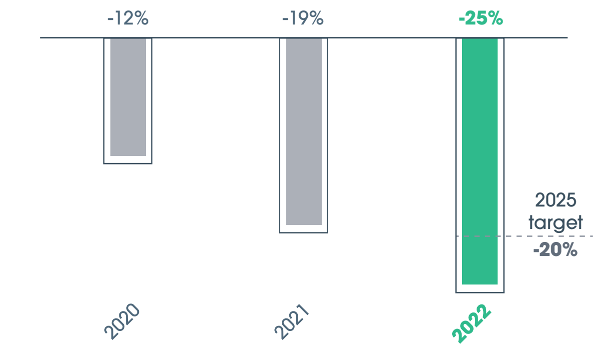
In 2022, CO_2eq. emissions (Scopes 1 and 2 location-based) per ton of linen delivered improved significantly and allowed the Group to exceed the goal set for 2025.

CO_2EQ EMISSIONS AND GROUP PERFORMANCE



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

% REDUCTION IN CO_2EQ EMISSIONS INTENSITY SINCE 2010



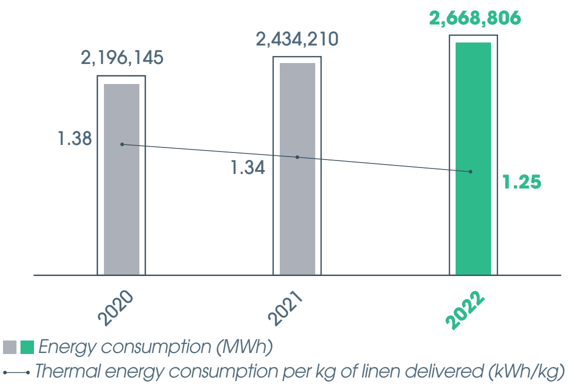
Continually improving the energy efficiency of our industrial laundries and decarbonizing our energy mix

The Group's approach hinges on two main axes:

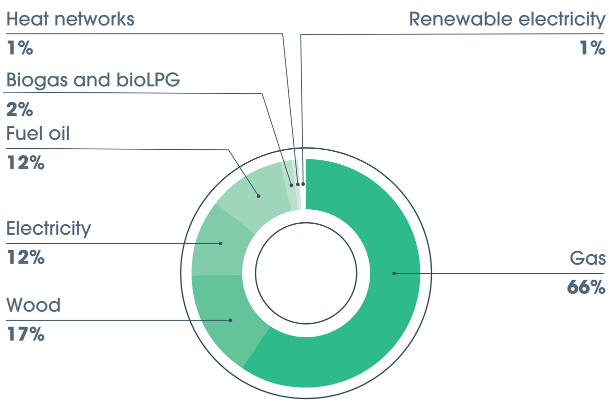
- continually improving the energy efficiency of its sites: implementation of new technologies and best practices, monitoring, performance reviews, etc.;
- transitioning the business toward renewable or lower-emissions energies.

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

ENERGY CONSUMPTION AND ENERGY EFFICIENCY IN OPERATIONS (GROUP)



BREAKDOWN OF ENERGY CONSUMPTION (AS A %)



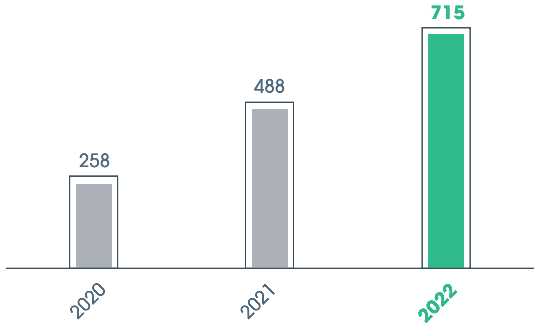
Striving for exemplarity on a daily basis in our logistics

The Group's approach hinges on two main axes:

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

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

NUMBER OF ALTERNATIVE VEHICLES[(1)]– WHOLE FLEET



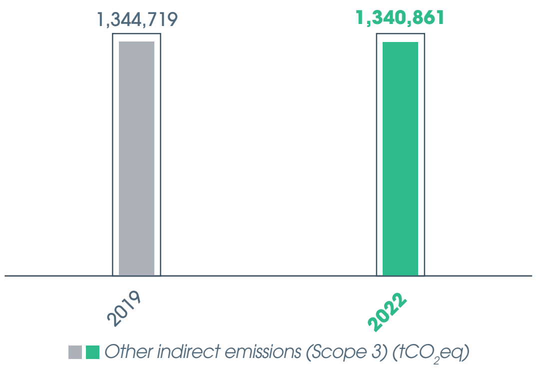
Reducing our Scope 3 emissions

Given its economic model, which is based on the circular economy, the Group keeps many of the impacts normally borne by other stakeholders in-house, enabling the development of effective optimization and emission reduction strategies. This is particularly the case with the laundering phase or the delivery of the products, presented above. Scope 3 emissions were estimated in 2021 based on the carbon footprint for France. In 2022, significant work was done on all sources and across the entire scope of the Group to create a more accurate assessment of these emissions for the 2019 baseline year. A calculation tool was developed to measure these emissions and monitor them over time, at both the Group level and in the countries that might wish to do so. That is the basis on which the 2022 emissions were measured and reported. In the coming years, the Group will continue to improve its data collection and reporting tools in an effort to determine the footprint of its other emissions with even greater accuracy.

OTHER CO_2EQ EMISSIONS (SCOPE 3)

Source of emissions/Emissions *(tCO_2eq)*	2019	2022
Purchased goods and services	912,080	960,355
Fuel and energy related activities (not including Scope 1&2)	129,080	120,700
Employee commuting	96,958	99,644
Upstream transportation and distribution	56,525	60,222
Capital goods	88,730	52,595
End-of-life treatment of sold products	22,787	19,944
Waste generated in operations	17,195	17,047
Business travels	18,559	7,265
Downstream leased assets	2,330	2,250
Use of sold products	475	839
Total Scope 3 emissions	**1,344,719**	**1,340,861**

CHANGE IN OTHER INDIRECT CO_2EQ. EMISSIONS (SCOPE 3)



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

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

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

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

The Group is working to reduce its emissions by:

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

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

The carbon impact of linen loss or misuse

Linen loss occurs every year, particularly in hospitals. For every item lost or damaged, a replacement item must be purchased. This results in additional emissions. A study conducted in the United Kingdom in 2022 assessed linen loss at about 70 items per month, representing 7.8 tCO_2eq in one year.

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

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

3.4 OUR PEOPLE

Governance

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

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

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

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

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

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

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

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

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

Context

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

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

Policy: goals and performance

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

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

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

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

Expanding the Group's Chevrons program

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

(*) Average rate of participation in the employee surveys conducted in 2021 in the Group (except in France and South America).
(**) Average rate of participation in the employee surveys conducted in France in 2022.

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

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

Listening to our employees

Measures implemented

Engaging our employees

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

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

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

› for France, surveys are conducted site by site, in turn, every two years. For 2022, participation at the 32 sites where surveys were conducted was high at 91%. The overall score for these sites was 14.38/20;

› for all other countries (excluding Latin America), the process was standardized for the first time at the end of 2021: the survey was carried out simultaneously via a single questionnaire sent to all permanent employees. Participation in the survey, which was conducted in all countries (excluding France and Latin America), was high in 2021, with 71.9% of the employees interviewed taking part and able to share their views. The overall satisfaction rate is 61/100;

› in Brazil, the employee survey is planned to be carried out during 2023.

The results of each employee survey are eagerly awaited and allow Elis to determine areas of improvement specific to each site. The results are shared with each country and each manager. The management team also shares the results with employees along with the action plans drawn up in response to the survey. The action plan is monitored locally. As such, in the United Kingdom, a specific "Employee Voice" system was put in place to tie the results of the survey to concrete actions. More than 500 actions have been identified as a result. At the end of 2022, more than 77% had been finalized, with the remainder planned for 2023.

This periodic measurement of employee engagement is essential for the relationship of trust that the Group maintains with its staff on a daily basis and that underpins the quality of its service. This employee survey is a key indicator of Elis's human resource management policy.

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

Ensuring ongoing social dialog with employees via their representatives

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

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

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

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

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

Improving employee conditions through agreements and collective agreements

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

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

Outlook

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

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

Valuing our employees

Measures implemented

Rewarding our employees' work: The Chevrons Club

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

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

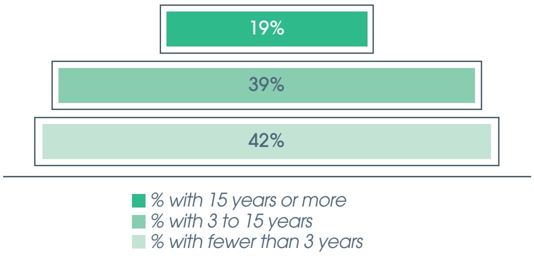
Recognizing the skills of our employees and supporting their development

Valuing employees with regard to their skills, contributions and performance, providing them with the appropriate training and supporting their development are pillars of the Group's HR strategy. Section 3.4.3, "Attracting and developing our employees," describes these points in more detail.

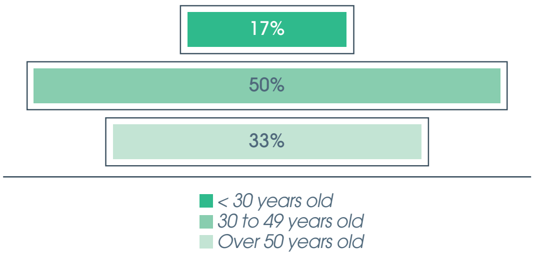
Long-serving employees

The Group's business culture, values and HR strategy contribute to the long-term retention of employees. As such, since 2018, the distribution of staff by length of service has remained stable. Almost 60% of the workforce has more than three years of service, with 19% of employees having more than 15 years.

BREAKDOWN OF STAFF BY LENGTH OF SERVICE



BREAKDOWN OF STAFF BY AGE IN 2022



Ensuring fair and attractive compensation and benefits

Measures implemented

The Group's policy is to offer all employees fair and market-competitive compensation that reflects their performance and level of responsibility. To that end, the Group seeks to follow the best practice of comparable sectors. This policy takes into account the local laws and business practices of each region and can include different types of non-statutory non-pay benefits (language classes, box lunches, access to bicycles, etc.).

Thus, employees' skills and level of responsibility are compensated with a fixed salary matching their experience and general market practice for their business line. Depending on the level of responsibility and the country, variable compensation schemes to reward collective and individual performance may be put in place:

- for the majority of operational managers, variable compensation schemes are defined in the same way in each country, with both collective and individual goals;
- for all the sales teams, including employees in operations. Service agents are responsible for sales in a number of geographic areas, including France, Spain, Portugal and Italy. In some markets, these bonuses can represent significant additional compensation;
- for about 750 employees in 2022 (senior managers, talent and expert employees): the Group awarded performance shares to give them a share of the long-term financial performance and results of the Company, principally through long-term incentive plans. The vesting of shares is subject to performance conditions and continuous service. A CSR criterion was introduced in 2022, based on performance on water consumption per kilogram of linen delivered. In addition, in 2022, the Group set up an exceptional bonus share award plan for non-senior executive employees;

- for all employees: compensation schemes based on collective performance may exist in some countries, whether they are compulsory legal arrangements (for example, mandatory profit-sharing in France) or are voluntarily set up by the Group according to local practices, such as in Portugal or the optional profit-sharing plan in France. Where these plans exist, they are accessible to all employees;
- in addition, the Group has an employee share ownership plan accessible to 89% of its employees (see below).

In all, components of compensation are tied to performance for more than 50% of the Group's workforce.

If necessary, the Group uses external information provided by specialist advisers in order to be certain of its positioning relative to the local reference market. Moreover, it ensures that the minimum salaries applicable in the different countries in which it operates are respected.

In 2022, the Group raised its wages significantly, mainly to increase its attractiveness on a particularly tight job market.

Employee share ownership

In an effort to strengthen employee engagement and a sense of belonging in the Group in its various countries, and to help share the value created, in 2019 Elis launched its first ESOP (employee stock ownership plan), Elis for all, in 16 countries. Employees can subscribe to Elis shares under preferential conditions via capital increases reserved for employees who are members of the Group savings plan.

There was a second launch in 2021 in 17 countries (covering 87% of the Group's employees) and the number of subscribers increased by 35%.

The Group launched its third plan in 2022, covering 17 countries and 89% of the Group's total workforce. All employees in these countries, regardless of whether they are permanent or temporary, are eligible for this program.

Elis also seeks to connect employees more closely to the Group's financial performance and retain a variety of talent by awarding bonus shares of the Company. Vesting is contingent on the fulfillment of performance conditions over a vesting period of at least two years.

As of December 31, 2022, the Group's employees held 2.54% of the share capital either directly (including performance shares) or through a mutual fund (FCP).

Savings plans and other non-statutory non-pay benefits

In France, employees can access a voluntary Group savings plan, which holds the employee share ownership funds as well as a wide range of dedicated diversified savings vehicles. In addition, as of 2021, every employee can build their pension savings at their own pace by making payments to the Group pension savings plan (PERCOL).

In other countries, some regions have also developed schemes that allow employees to save with terms adapted to local legislation or to supplement their pension through voluntary contributions with favorable terms.

Childcare programs (daycare, for example) may also be offered in certain regions.

In 2022, the Group estimates that at least 35% of its workforce had access to at least one non-statutory non-pay benefit related, for example, to pensions or healthcare. The Group will fine-tune its reporting for this indicator in the coming years.

Favoring permanent contracts and adjusting working time

Elis favors permanent contracts, which offer stability and security to employees and allow Elis to build stable teams involved in the life and development of the company.

As at December 31, 2022, 12% of Elis Group employees were temporary, due in particular to the seasonal nature of part of the Hospitality business.

Although the Group does favor full-time contracts, part-time contracts are also used, when appropriate, to encourage more diversity and inclusion. The share of part-time employees remains stable at close to 6% of the permanent workforce. Part-time contracts requested by employees are considered and agreed.

A practice of remote working

In the context of the public health crisis, Elis set up adapted ways of working to allow business continuity while guaranteeing employee safety. These ways of working included homeworking for the teams able to work remotely, thus allowing them to continue to operate. Since then, remote working has been made permanent for eligible employees.

Reducing stress at work

Measures implemented

As part of its general risk prevention policy, Elis is committed to promoting a healthy work environment for its employees, reducing, in particular, psychosocial risks. Through the surveys it undertakes with all its employees (see section 3.4.1 "Listening to, valuing our employees, and ensuring their well-being at work"), Elis can measure how they rate their working conditions and thus identify situations that create stress.

In France, training is given to employees, particularly management staff, as part of this preventive action. It is one way of raising awareness and understanding of psychosocial risks, their possible causes and how to prevent and overcome them. Support is also offered in some countries. In France, two social workers who are subject to professional confidentiality are available to help employees with their concerns. The main areas of concern are housing, retirement and life changes.

In the United Kingdom, the Group has created a dedicated helpline available to all employees 24 hours a day, 365 days a year. Mandatory training has also been rolled out to all managers to raise their awareness of mental health conditions. Actions were also taken on national mental health awareness day.

In addition, a whistleblowing procedure has been established which takes account of cyberbullying. The whistleblowing procedure is described in more detail in section 3.5.4 "Continuing to integrate ethics into our business practices."

Preventing absenteeism

Measures implemented

Absenteeism is a reality that affects all companies and that can have operational and financial consequences. Preventing short-term unforeseen absences is therefore key. This type of absence is indeed the most damaging in terms of productivity, the organization of work teams and the redistribution of work to other personnel or temporary employees.

This year, as in the previous two years and in particular at the beginning and end of the year, Elis was also confronted with absences related to Covid-19 (sick and vulnerable people, contact cases, childcare issues, etc.).

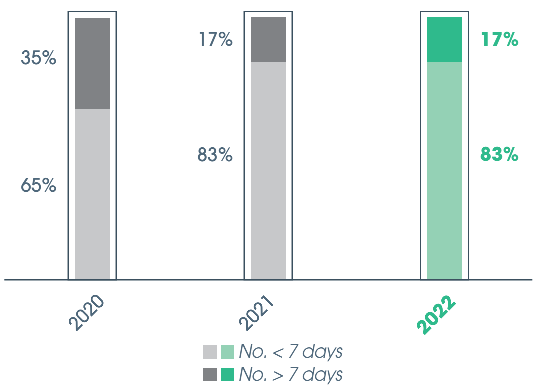
Each absence has its own particular characteristics and employers are not permitted to ask employees about the medical reasons for their absence. The Group is thus implementing a series of collective measures to try to prevent absences and limit their impact on its business.

There is no international absenteeism policy as this issue is very much linked to the local context (for example, influenza is not a major concern in Brazil, Chile or Colombia, unlike in European countries). Policies are decided at the national level, based on each country's legislation and regulations, and sometimes by collective agreements for each sector.

The number of employees with perfect attendance in 2022 continued to be affected by absences due to the health crisis and the winter outbreaks that re-emerged at the end of the 2022. A large number of employees were thus forced to stay off work due to illness and/or isolation rules.

SHARE OF EMPLOYEES WITH PERFECT ATTENDANCE IN 2022

BREAKDOWN OF DAYS ABSENT



Preventative measures

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

- vaccinations against influenza (or other diseases) are offered every year at certain sites;
- some sites pay a bonus to employees who have perfect or near-perfect attendance;
- committees review working conditions and possible accommodations;
- in 2012, French entities introduced the Gest'Elis program to prevent occupational diseases, primarily musculoskeletal disorders (see below), which will be rolled out at various Elis sites outside France;
- training sessions on job-specific body movements and postures are provided to production and customer distribution staff;
- initiatives are implemented to encourage employees to take care of their health;
- tools for monitoring absences are made available to managers and training is offered to provide them with the skills and knowledge to manage absenteeism.

Some countries link a portion of managers' variable compensation to the absenteeism performance of their teams.

Gest'Elis

In 2011, Elis launched an ergonomic measure called Gest'Elis. This measure is based on analysis of production work stations. For each of these work stations, information sheets offer solutions to improve the work station and its layout, equipment and tools used. Information sheets also describe how to perform the task correctly and highlight tips on comfort and safety for these work stations. Certain work stations are accompanied by a video promoting awareness of best practices, which is offered in order to train and improve the awareness of employees and their managers. The Methods Department supports the implementation of the relevant action sheets at the Group's production sites and the project teams take these sheets into account for new installations.

In 2015, Elis launched a similar measure in its Customer Distribution activity with an ergonomic analysis of the journeys made by service agents in vans. Best practice information sheets offer solutions for fitting out these vehicles and illustrate how to use them correctly.

In France, job-specific movement and posture training is given to production operators, service agents and warehouse operators and repeated every three years. A specific booklet for production operators has been created in collaboration with a dedicated partner. This booklet, entitled "Preventing risks related to repetitive work movements," introduces the principles of economy of effort and illustrates them in various work situations. Following the same principle, a specific booklet entitled "Preventing risks related to manual handling of loads" was created for service agents.

Ad hoc ergonomic studies of work stations have been carried out to improve the working conditions of employees with medical restrictions.

Suitable initiatives are taken in different countries, such as versatility (changing work station regularly), the compulsory breaks for exercise (10 minutes of exercise for every four hours of work) or warm-up sessions before starting work.

Return-to-work interview

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

Versatility

The Group encourages employee versatility, so they can step into a variety of positions at production workshops to replace an absent colleague. This is ensured by cross-functional training and job adjustments or modifications to documentation material, with the simplest positions being filled by employees on fixed-term contracts.

3.4.2 Protecting our employees

Context

The health and safety of employees and everyone else at Elis's sites is paramount for the Group. To this end, the Group strives to offer a safe and healthy working environment. The analysis of the health and safety risks of workstations also makes it possible to identify the level of risk and define actions to eliminate or reduce it and avoid the occurrence of accidents, injuries and occupational diseases. Strengthened by its expansion into new territories and markets, the Elis Group aims to become a leader in health and safety.

Policy: goals and performance

The Elis Group's health and safety policy, developed as part of its QHSE policy, is designed to reduce the accident rate to zero by improving safety. This means reducing risks, preventing accidents and applying the Group's safety standards in all countries and across all businesses with the involvement of all employees. This internal policy is rolled out internationally and reviewed frequently.

The main commitments in the Elis Health and Safety policy are:

› to ensure workplace safety by reducing and preventing accidents;

› apply the Group's safety standards and instructions in all countries and businesses;

› involve all employees, so they actively contribute to maintaining a safe work environment;

› ensure compliance with local regulatory requirements in all countries.

In addition, the Group launched its "10 golden safety rules" in 2020 with the aim of developing a safety culture by encouraging the adoption of good habits and helping to create a safe working environment.

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

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

Reducing the frequency of Group employees' accidents by 50% between 2019 and 2025

Key performance indicators		2020	2021	2022
Analyzing the risks and developing and disseminating the Group's safety standards	Improvement in frequency rate since 2019 (%) ***(2025 target: -50%)***	-15.5%	-6.3%	+0.7%
	Frequency rate[(a)]	14.32	15.84	17.02
	Severity rate[(b)]	0.70	0.67	0.72
	Lost-time accidents	1,141	1,370	1,580

(a) Frequency rate = Number of accidents resulting in lost time, excluding commuting accidents, during the year/Total number of theoretical hours worked x 1,000,000.

(b) Severity rate = Number of calendar days of lost work due to workplace accidents with lost work of more than one day, excluding commuting accidents/Total number of theoretical hours worked x 1,000.

In 2020 and 2021, hours not worked due to the partial shutdown during the public health crisis were excluded from theoretical hours.

The number of accidents increased in 2022. The significant recovery in activity, mainly at the hospitality plants, and the challenges of stabilizing new staff, had an adverse impact on results. The priority action plans concerned training, team accountability and rule following. The golden rules continue to be rolled out within the Group.

Some countries improved their performance compared to 2019, including Brazil, where the number of accidents fell by 36%, as well as Colombia, the United Kingdom, Sweden and France.

Analyzing the risks, and developing and communicating the Group's safety standards

Measures implemented

Analyzing the risks at work stations

Each of the Group's sites has a work station health and safety risk assessment that covers all relevant activities. These assessments are updated regularly in accordance with local country regulations.

Based on the results, actions to eliminate or reduce risks are defined and implemented to make the working environment safer.

Ongoing process to harmonize safety standards

In 2022, Elis continued to implement its safety strategy. In each operating region, the cluster/country QHSE teams work closely with the Group QHSE Department to define and improve the Group's safety standards. These teams also assist countries and sites with operational deployment and monitoring their application. The Group's countries thereby continued to implement the fire risk management standard and to harmonize accident and incident reporting.

Together with the cluster/country teams and the Group Maintenance Department, the Group finalized its "equipment safety and shutdown" standard. This standard harmonizes practices for facility operations to make them safer and eliminate the risk of accidents. This new standard is expected to be rolled out in 2023 to all Group regions.

Each country in the Group has its own methods and tools for identifying hazards and assessing health and safety risks. The Group wishes to harmonize these methods and use a common tool going forward.

Regular performance monitoring

In 2022, Elis continued the rigorous monitoring of incidents within the Group to record all information relating to incidents, their causes and the measures taken as a result, and to communicate the associated indicators. To achieve the goal of reducing the frequency of Group employees' accidents by 50% between 2019 and 2025, this goal has been broken down by region based on each region's current maturity.

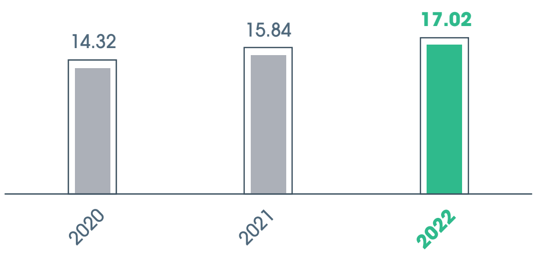
The Group's safety performance is thus monitored monthly for Elis employees (permanent and non-permanent – the Group seldom uses temporary workers) using two indicators: the frequency rate (FR) of lost-time workplace accidents, corresponding to the number of lost-time accidents per million hours worked, and the severity rate (SR), corresponding to the number of days of lost work due to workplace accidents per thousand hours worked. The indicators provide a comparison of the changes at each site, in each region and within the Group as a whole. A monthly report is made to Group management and to the clusters/countries. The latter are responsible for disseminating the indicators within their organization.

In addition, an analysis of accident types is consolidated at Group level by activity (production, maintenance, distribution, etc.), by nature of the injuries and by nature of the risks (human, technical). This analysis helps to identify improvement actions to be strengthened in each country.

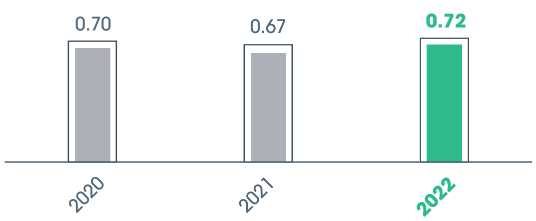
In 2022, 67% of lost-time accidents were related to the risks of manual handling of loads (bags, water fountain bottles, mats, linen, workwear), slip trip and fall, and mechanical handling of cages (linen, pallet trucks).

Actions are defined in each country and site of the Group in line with accident investigation to help reduce accidents.

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 QHSE cluster/country teams.

Internal audits, which cover safety, are also carried out every two years by the Group's internal audit team. These audits are currently being rolled out across the different Elis regions.

Insurance visits, related to fire and natural risks, are undertaken each year with the insurer at a representative sample of the Group's sites. These visits assess the level of protection, detection and organization in place to control and mitigate risks.

All Group sites comply with local regulations regarding regular scheduled regulatory checks of equipment. These checks are monitored and recorded locally and any observations are dealt with.

Management system and OHSAS/ISO 45001 certification

The Group has developed a health and safety maturity matrix structured to cover the main points of a health and safety management system. The evaluation of sites on the basis of this matrix started at the end of 2020 and was finalized in 2021 with the support of the QHSE cluster/country teams. This evaluation enables priority actions to be identified at the site, country or Group level in order to improve the management of the matter at hand. It is expected to be updated in 2023 to measure the progress made.

In addition, 95 Elis sites (in Sweden, Denmark, Norway, Poland, Ireland, Spain, Estonia and Finland) have a health and safety management system certified to ISO 45001. These certifications relate to the production centers and may include service centers and offices (headquarters). Spain plans to certify all of its sites within two years.

Outlook

In keeping with the 10 golden safety rules, Elis wishes to promote several tools to strengthen its accident prevention approach to protect the health of its employees. In particular, the recording and resolving of unsafe situations and near misses happens in some countries (UK, Ireland, Brazil, etc.) and will be developed in the future in the rest of the Group.

The first golden safety rule, "Get ready for work" refers to the "stop, think, act" tool that will be the focus of working sessions with the QHSE cluster/country teams in 2023 and will then be rolled out to all the regions. The purpose of this tool is to perform a rapid risk assessment of operations defined as high risk for which a risk analysis and/or specific instructions or operating procedures do not exist.

In 2022 the Group selected an IT tool to be used across all regions in order to facilitate the reporting and analysis of incidents, accidents and safety indicators in all its operations, as well as to harmonize the information and make it more reliable. The safety indicator component of the tool will be rolled out in 2023. An additional module for accident reporting and analysis will be created in 2023 and rolled out in 2024. and will provide the Group with a rapid and qualitative view of incidents at the Group, country and site level.

Lastly, the Group will implement mechanisms for indexing variable compensation to safety performance for certain managers.

Day-to-day health and safety training and activities

Measures implemented

Reinforcing the Elis safety culture by promoting safety

Elis's 10 golden safety rules are based on the Group's main business risks and identify key health and safety points. The proper application of these rules by everyone will assist the Group in achieving its target of reducing the frequency of Group employees' accidents by 50% between 2019 and 2025. After the launch of the 10 golden safety rules in October 2020 and an active messaging and promotion campaign in 2021, the rollout continued in 2022 with communication actions and integration into the onboarding process for all new employees.

All new employees receive a safety induction, particularly for their work station, to give them key information about work station risks and instructions for working safely.

In some countries, such as France, an annual reminder of work station safety rules is given.

Depending on the work station occupied, operators also receive additional regulatory training (electricals, machinery operation, etc.) or training specific to the Elis business (use/handling of chemicals, etc.). These training programs are monitored locally.

Sharing feedback and good practices

Feedback on incidents linked to personal and fire safety are shared in the Group with the operational teams via the QHSE cluster/country network.

This feedback is given on the most significant events whose severity was or could have been high (accidents related to operating machinery, chemicals, etc.), and on events with a lower severity but that occur more frequently (manual handling, mechanical handling of cages, slip trip and fall).

Training subcontractors and external companies working at our sites

The activities of subcontracting or external companies are carried out in accordance with local regulations. In Spain, Italy and France, for example, a risk assessment is carried out beforehand by the Elis site and the external company to identify the risks inherent in the task and the risks resulting from its interaction with the Elis's activity. This analysis enables any measures to be taken by Elis or the external company for safe operation to be specified.

The staff of the external company are informed by their manager of the measures specified with Elis.

Integrating ergonomics principles by continuing to implement the Gest'Elis program

The Gest'Elis program continues to be rolled out across the Elis business so that the greatest number of employees can benefit from improvements to their work stations. This program is explained in more detail in section 3.4.1 "Listening to, valuing our employees, and ensuring their well-being at work."

Defining and supporting the improvement plans

The QHSE cluster/country teams define and support the improvement plans within their respective scopes of activity. Thus, in 2022, initiatives were continued or new ones were launched:

- Brazil launched a training course for all managers (production, logistics, maintenance) called "Safety Behavior Leadership" to help managers handle deviations from the safety rules while reminding their teams of their responsibility in this respect. Every year Brazil also holds an event to raise all employees' awareness of occupational health and safety;
- The United Kingdom, for example:
  - continued its safety promotion campaign known as The Safety Premiership for the third year in a row. The campaign proactively creates competition between the sites, by communicating on safety observations and holding health and safety committee meetings every month to keep everyone engaged and empowered to make safety improvements,
  - continued the Safety Forum, with the sites giving a quick quarterly presentation of their safety initiatives and solutions,
  - organized a national subcontractors day to invite them to discuss health and safety best practices. The "Working together safely" campaign brought together industry-wide subcontractors who work with Elis UK and provided an opportunity to remind them of Elis's 10 golden safety rules. The day focused on workshops to clarify expectations and establish the basis for stronger safety relationships,

- started to use I-Auditor's "Safety Culture" application. This application gave the management teams a simplified way to carry out their monthly compliance audits. The tool was used to conduct more than 350 compliance audits and more than 7,000 safety inspections,
- conducted a campaign on the specific risks related to fire prevention by challenging the sites to identify 999 safety observations that could result in a fire. The suggestions and improvements were then shared with 30 sites to capitalize on best practices and observations,
- held more than 60 internal safety training sessions for more than 600 people;

› Denmark trialed five-minute ergonomics training sessions three times a week at one site;

› France:

- created a digital escape game based on the 10 golden rules with the aim of continuing to raise awareness of these rules among all personnel. It will be rolled out in the first quarter of 2023 to all production sites, services centers, warehouses and headquarters,
- rolled out a new version of the "equipment security and shutdown" procedure to ensure safer repairs, by retraining all the maintenance teams and raising awareness among production staff;

› Poland introduced an ergonomics improvement program for certain work stations to reduce the handling of heavy loads.

3.4.3 Attracting and developing our employees

Context

Attracting and developing employees is a key consideration for the Group to ensure its growth and development. Indeed, given the characteristics of the Group's economic model, some of its roles can only be learned over the long term. The Group thus invests in its teams to ensure their well-being and long-term development.

Policy: goals and performance

The Group's development strategy relies on its ability to recruit and retain competent, high-performing employees. Elis thus ensures that each employee can develop within the Group, according to their skills, desire for training and the roles within Elis. In addition, the Group promotes the values of proximity, autonomy and trust while offering its employees the career opportunities characteristic of a large international group. The Elis Group's culture is based on talent development and the company's ability to offer social mobility.

To ensure the lasting growth of the Group, its human resources policy is based on two pillars:

› attracting the best talent;

› training employees in the Group's business lines and supporting them in their development.

Key performance indicators		2020	2021	2022
Attracting the best talent	Hiring rate[(a)]	18%	27%	32%
	Share of young people in hires[(a)(b)]	41%	43%	38%
	Share of senior workers in hires[(a)(d)]			13%
Developing our employees	Training days per employee[(c)]	1	1	1.4
	Share of managers promoted internally	26%	16%	21%

(a) New permanent hires added to the workforce as at December 31 in the year in question.
(b) Under 30 age band
(c) Many training sessions given were not included in the hours reported (for example, training through shared platforms).
(d) Over 50 age band.

The share of young people in hires remained relatively stable in 2022 due to actions undertaken by the Group. The share of managers promoted internally, which had decreased in 2021 as the public health crisis affected the training programs, increased once again in 2022 (21%).

The hiring rate rose in 2022, primarily due to some employees with short-term contracts moving to permanent contracts and to the increase in the workforce.

Attracting the best talent

Measures implemented

Increasing visibility

Elis is endeavoring to increase the visibility of its brand as an employer and its presence in all recruitment channels. As a result, the communications and human resources teams are working together to ensure that the Company is well known across the different social networks, in particular LinkedIn. Articles, videos and photos are therefore posted regularly to develop the Company's brand as an employer and to communicate job opportunities.

In 2021, Elis France entered into a partnership with the Welcome to the Jungle website. In 2022, a dedicated Group webpage containing its vacancies and videos presenting the Company, its business lines and its employees was added. In Germany, the Group posts its offers on platforms such as StepStone and Indeed and experiments innovative approaches to identify talent, using artificial intelligence.

Targeted partnerships

With a view to increasing awareness of the Company and continuously enriching its pool of applicants, the Group maintains a close relationship with the best training courses (universities or schools) for all of its business lines. As such, the Elis teams, particularly in France, Germany, Sweden and Denmark, regularly take part in forums, organize site visits and participate in training programs at prestigious schools. In Denmark, for example, HR teams developed a partnership with Aalborg University, through which employees and alumni regularly speak to students about their careers. In France, the Group has signed a sponsorship agreement to strengthen its partnership with the Arts et Métiers engineering school (ENSAM) and with the NEOMA business school: Elis organizes plant visits for students from these schools and participates in collective roundtables to present aspects of the Group and its business lines. As part of their curriculum, students at the IESEG business school work on a project related to CSR and employee engagement for the Sustainable Development Week held at all Elis sites. Students from the ICAM engineering school will also be consulted on a project for the Group's Logistics Department.

In addition, Elis endeavors to create partnerships with local employment organizations as close as possible to its sites and, in doing so, to increase its flexibility with regard to absenteeism and the seasonality of some parts of its business.

Specific programs to attract and develop young graduates

Two specific programs are offered to attract recent graduates from the best training courses and thus create a pool of future leaders:

› the Elis Management Trainee Program is a personalized two-year course for young graduates, opening up a path to managerial responsibilities. It consists of four placements lasting six months, including one abroad and one that provides in-depth experience of a management position. Throughout the program, the Management Trainees interact with employees in various business lines and units, creating networks for themselves and preparing for roles with significant responsibility;

› the International Exchange Program: young people are hired and trained on the Group's key business lines (in the production and commerce segments), then sent to another country for 12 to 24 months to complete their training, share best practices and strengthen the Group's culture. The first exchange program took place in 2013 and involved young Spaniards coming to France. Additional exchanges were then organized between Brazil, Portugal, Sweden and France.

Internships and apprenticeship contracts are also offered to young graduates in order to train and then hire these young people.

Specific programs may also be put in place in some of the Group's business areas. This is particularly the case for Le Jacquard Français, where new employees in the textile lines (weavers, tufters, sizers, quality controllers, etc.) are trained by the Group's employees via a tutorial system. This contributes, in particular, to maintaining and developing textile industry knowledge and expertise in France.

Referral policy

In order to attract high-quality applicants, Elis has set up referral programs, enabling employees to share vacant positions and recommend suitable applicants for them. In the Netherlands, Germany, France and the United Kingdom, employees are rewarded if the candidate they referred is recruited. In France, employees can choose to pay back the sum received, making a donation to the Elis Foundation instead. This program was strengthened and expanded in 2022. For example, in France, nearly 10% of managers recruited in 2022 came out of the referral program.

This referral policy is a valuable and rich recruitment channel for identifying candidates and filling positions, while strengthening Elis's brand as an employer.

Onboarding program

Welcoming and onboarding new employees to Elis is a key priority of the human resources policy. Elis ensures that its new employees receive a warm welcome and support when they take up their positions. The Company's goal is to create a climate of trust and friendliness, foster a sense of belonging, and familiarize employees with its culture, while supporting them as they start their new position and providing them with the tools and training they need to succeed in their new role.

These onboarding programs are carried out for new employees regardless of their business line. These programs, which range in duration from a few days for production operators to several weeks for managers, are developed in every country and allow new hires to build an internal network and learn more about the values, culture, organizational structure, the Group's circular model and Elis's functions.

Onboarding kits are also being developed in the various countries where the Group operates. They contain information for new employees as well as tools and resources that can be adapted to suit different situations.

Most countries also have a buddy program in place for new employees (depending on the position) to help them in their new role.

Developing our employees

Measures implemented

Training in the Group's business lines

Training is a key factor of success for the Group. The HR teams in each country have the freedom to adjust their training initiatives to the challenges and opportunities specific to their scope. This gives them the flexibility to quickly adjust their approach when labor market dynamics change and to promote internal mobility.

The Group offers a variety of training programs enabling employee development. These programs cover various topics, such as health and safety at work, the technical skills required to run industrial sites, and developing managerial skills. The formats offered differ according to the topics discussed, the targets and the goals of the program. Training sessions can be conducted face-to-face or remotely (e-learning, virtual classes), either in a group or one-to-one.

In France, the Group has chosen to develop its own Qualiopi-certified training center at Janville, with 70 internal and external trainers. It functions fully as a training organization and offers programs validated by the business line teams. It runs several business line courses to impart the Group's essential knowledge to employees. A new training management tool, Training Orchestra, was introduced in 2022 to enable Elis employees to request training and track their training program. This tool enables the training courses taken by employees to be assessed on completion and after four months, as well as by the employee's manager.

In 2021, the HR teams introduced the Expert Manager program in France. This is a nine-month training program for managers with recognized business expertise. The aim of the course is to present the Group's ambitions and major projects, while offering training modules to strengthen managerial skills, to better understand the expectations of the next generation and to offer personal development tools.

Since 2010, the Group has also had the FED, the Filière d'Excellence DISCO: this is Elis's in-house certification course and enables service agents and, for the last two years, customer service assistants and small account managers to take a nine-month training course to qualify for business development manager positions. This program, which runs over a nine-month period and includes time in the company and in training at a dedicated Group center, helps employees gradually discover all the facets of their new profession while developing key competencies.

In addition, the Elis Academy, created in 2017, provides training for all Group employees, either face-to-face or online, in three major areas: service, the offering and sales. CSR modules were incorporated in 2022 to give the sales teams even more support on these topics and help them promote circular services.

For sales, the courses prepare employees for doing business with the Group's different customer types. All new sales staff have a structured, four-week onboarding period during which they learn about the Group's various business lines, from logistics to production. At the end of these four weeks, an online review takes place between a trainer from the Sales Department and the sales representative to identify the points that have been mastered and those that need improvement. The program continues a few weeks later with an immersive experience at the Group's dedicated training center to hone the employee's sales skills.

Training to improve sales techniques is ongoing and given in the field:

- at all times through a collaborative platform (Klaxoon) that offers 25 sales modules and 39 product training modules to employees in 12 of the Group's countries. In 2022, nearly 7,500 modules were taken as a result;
- every day by managers trained in coaching who work with sales staff on goals that they have set together;
- every month, with meetings of the Regional Sales Managers organized by the Sales Department, where the teams work on pre-selected themes through a gaming approach.

In 2023, the Group will roll out an e-learning tool to train all Group employees using modules developed by the support departments.

Developing internal mobility and career advancement

Internal promotion and mobility are at the heart of Elis's human-resources policy. Elis encourages its employees to progress their careers within the Company and considers the development of job mobility and internal career advancement to be a priority, thus ensuring that there is a pool of future leaders. To this end, Elis has made an online jobs board available to its employees in France. Consequently, all vacancies are visible to all employees who have access to the Talentsoft tool. Every employee submits a job application directly via this tool. This tool is intended to be rolled out gradually to all Group countries.

Elis is working to develop a common Group talent management policy for all managers, which is based on two main tools: the individual performance review and the talent review.

During **the individual performance review** which takes place annually, the manager and employee review the previous year, discuss measures for personal or professional development for the coming year and identify internal mobility opportunities or targeted training to help the employee grow within their field of expertise, broaden their skills or switch to a new role. This review has two parts:

- setting goals and reviewing the year's performance: For operational roles, Elis aims to align individual contributions with the organization's goals by setting realistic individual goals and reviewing their achievement. For the individual review, each employee and their manager meet at the start of the financial year to discuss and agree on individual goals. Achievement against these goals is reviewed at the next annual meeting;
- reviewing skills: each year, the employee reviews their own performance and the line manager reviews the employee. They then meet to discuss their respective reviews and decide, if necessary, on the development actions to be taken.

Since 2019, Elis has been gradually digitalizing the individual performance review for management staff using the Talentsoft platform, thus facilitating the sharing of information within line management and the human resources function.

The talent review process takes place annually and is led by the Human Resources Department in each country, and applies to all management staff. This process aims to build a collective and shared vision of the potential of employees and their development within the Group, as well as to prepare the next steps in their career, taking into account the aspirations expressed by each one and the needs of the Group. These reviews help to clarify each employee's development plan and identify the skills that need to be recruited or developed. They also serve as a basis for establishing succession plans for key positions, providing visibility on the pool of current and future leaders.

Since 2019, Elis has been gradually digitalizing the individual performance review platform via the Talentsoft tool, thus facilitating the sharing of information between management and the human resources teams, so that career development plans that are well suited to employees' plans and profiles can be offered. In addition, in certain countries, such as France and the United Kingdom, a mobility committee meets periodically to review the vacant positions and mobility requests of management staff. Every year, each site's Management Committee considers the development possibilities and opportunities for non-managerial employees, both at the site itself and at other locations. Support measures are in place to facilitate this professional and/or geographic mobility.

Supporting job mobility

The Group also offers specific vocational courses to help employees moving to a different position train for their new role. In France, for example, the training course for supervisors aims to enable employees going into middle management positions to acquire the skills required to supervise a production unit on a daily basis.

3

3.4.4 Ensuring non-discrimination and equal opportunities

Context

The Group believes that its performance depends on the quality and engagement of its people and that a pleasant work environment that is respectful of individuals benefits everyone and makes the Group more efficient and productive. Respect for individuals and equal opportunities are thus fundamental values for Elis, which seeks to promote an increasingly inclusive environment. In keeping with its values (respect, exemplarity, integrity and responsibility), Elis is committed to implementing quality and harmonious human and professional relations, both hierarchical and functional, loyal and respectful of all.

Diversity, equity and inclusion are thus central to Elis's identity.

Policy: goals and performance

In 2022, the Group sought to strengthen its commitment to diversity, inclusion and equal opportunities and adopted a **Diversity and Inclusion Charter**.

The Group is committed to:

- creating an inclusive workplace: training and awareness sessions will be organized for recruiters and managers on unconscious bias, stereotypes and non-discrimination;
- promoting equal opportunities and combating all forms of discrimination throughout the employee's entire career: a person's skills, experience and professional accomplishments are the only factors taken into account;
- promoting diversity and gender equality in all their forms: creation of action plans focused on career advancement, equal pay, training and work-life balance;
- promoting diversity of culture, ethnicity and origin: Elis expects its employees to recognize, respect and welcome all cultural differences wherever the Group operates;
- guaranteeing equal opportunities to people with disabilities: the Group supports integrating people with disabilities into the workforce and works to keep them in their jobs;
- respecting and accepting all sexual orientations and identities: Elis is committed to creating an inclusive work environment and would like everyone to be their true selves in the workplace;
- taking intergenerational differences into account: it is important for Elis to recognize both the experienced vision of older employees and the innovative spirit of young talent.

At the end of 2022, the Group also adopted a **Disability Charter**, which sets out the Group's commitment to diversity and inclusion as it relates to this specific topic. This charter reflects the Group's determination to develop initiatives at the international level and go beyond the relevant legal requirements.

The **Code of Ethics** also specifies the Group's commitments to non-discrimination, diversity and equal opportunities. It applies to its employees, as well as in its business practices with suppliers, customers and stakeholders and in the Group's activities with all other players. Accordingly, the Group:

- does not tolerate discrimination of any kind, whether due to gender, religion, origin, age, sexual orientation, physical appearance, health status, disability or political orientation;
- prohibits any behavior that may violate a person's dignity and, in particular, any harassment of any kind.

Many countries also have their own initiatives in areas such as gender equality, the fight against the gender pay gap, and the recruitment of people with disabilities.

As a sign of its commitment on this subject, the Group is working toward gender parity in particular and has set itself the following target within its ambitious 2025 program:

Achieving a rate of 40% of women in executive or managerial roles by 2025 (42% by 2030)

Achievement of this goal has been included in the Group's financing policy.

Key performance indicators		2020	2021	2022
Aiming for gender parity	Share of women in executive or managerial roles ***(target: 40% by 2025 and 42% by 2030)***	34%	34%	34%
	Share of female managers hired	30%	28%	34%
Including people with disabilities or with few qualifications	Share of employees with disabilities (France)	6%	6.2%	6.3%
Attracting young people	Share of young people in hires	41%	43%	38%

In 2022, the share in executive or management roles that are women remained stable.

Consistent with its equal opportunities and non-discrimination policy, in 2022 the Group reported a relatively stable share of young people (38%) and a six-point increase in the share of female managers (34%) among its hires. Despite the actions taken, the Group is facing challenges to attract and retain talent, including female talent, across all its regions. In addition, given the types of professions in the Group and the profiles sought (engineers), the Group has a smaller access to talent pool.

Aiming for gender parity

Measures implemented

The share of women in the permanent workforce has remained stable in recent years, at about 52%. However, aware of the benefits of diversity, the Group wishes to support gender equality throughout its organization. As such, the Group has set a goal of having at least 40% of its management roles held by women by 2025. As a sign of the Group's commitment, the annual gender parity performance is included in some of the Group's funding tools.

In 2021, a study on the proportion of women in the various management positions was carried out and an action plan proposed to the Executive Committee and the countries to help accelerate the transformation under way. Various actions are planned: changing recruitment processes to allow greater diversity in hiring; specifically monitoring women in the talent review system in order to identify women with potential, support them in their career development, and thus increase female representation in the top management roles; increasing awareness among human resources and management teams, for example, with regard to identifying and breaking down stereotypes and decision-making biases.

In 2022, an anonymous survey on gender equality was conducted among all Group executives (62.5% participation rate) and the results were shared on the intranet and in the Group's quarterly review. The results show that Elis's values, and respect in particular, guide the day-to-day actions within the Group and help create an environment that respects diversity and gender parity at every stage of an employee's career (recruitment, training, advancement) and in their work-life balance. Accordingly, 91% of respondents believe that Elis provides a work environment where differences are respected and 79% that Elis is effectively addressing harassment, sexism and violence at work. However, while management seems to be concerned about gender equality (83%), only 69% believe they have enough training on the topic and consider that there is still work to be done to combat stereotypes. Anti-stereotype education will therefore be organized soon.

A mentorship program was launched in 2022 to support high-potential women in their career development. In France, non-discrimination in all its forms is an integral part of the recruitment and management training modules. In Germany, managers are educated on gender equality in the workplace. In Portugal, practices were analyzed and reviewed to identify unconscious biases. In the United Kingdom, managers and employees were trained on diversity and unconscious biases, the sites took part in the diversity and inclusion week, and a policy was launched to take menopause into account in the workplace.

The Elis Group also endeavors to offer fair and attractive pay, which contributes to employee retention and the Group's long-term performance. The compensation policy is based on the principles of non-discrimination and equity among employees, regardless of their gender.

In some countries, such as France, Switzerland, the United Kingdom and Sweden, the Group publishes an index that measures any gender pay gaps.

In France, this index measures five indicators: pay gap, pay raise gap, promotion gap, percentage of female employees who receive raises when returning from maternity leave, and the number of men and women among the top 10 earners. In 2022, the average of the scores for all subsidiaries is 88.9/100. The same type of index is calculated in Switzerland, the United Kingdom and Sweden. It provides a clear picture of any gaps that might exist and of the action plans that should be implemented. The Group would like to implement an index in other countries to ensure that there is no difference in how women and men are being treated.

In addition, particular attention is paid to candidates of under-represented gender on final shortlists for positions. In Colombia, priority is also given to employing women with children in order to improve their living conditions.

In addition, in some countries, the Group has agreements on the subject, such as France on gender equality (2019) and Spain on equal opportunities for women and men (2020).

With regard to the composition of the Supervisory Board as at March 8, 2022: there were five women and four men on the Supervisory Board (excluding Supervisory Board members representing employees), or six women and five men when taking into account the Supervisory Board members representing employees.

The Group also has a whistleblowing procedure for reporting high-risk actions or situations. This system is described in more detail in section 3.5.4 "Continuing to integrate ethics into our business practices."

Outlook

In 2023, the Group will roll out initiatives under its Diversity and Inclusion Charter. The Group is also working on a Gender Equality charter.

Inclusion of people with disabilities

Measures implemented

At the end of 2022, the Group adopted a Disability Charter which reflects its determination to develop initiatives at the international level and go beyond the relevant legal requirements. This charter is in line with the non-discrimination, diversity and equal opportunities policy implemented by Elis, in particular via its Code of Ethics and its Diversity Charter, which serve as the Group's shared foundation for these aspects. With this charter, the Group commits to:

- respect and promote the rights of people with disabilities: starting in 2023, the Group will roll out education campaigns for managers and employees, in particular throughout November, which is disability awareness month, and at the International Disability Day held every year on December 3;
- employee retention: the Group is committed to promoting the professional integration and retention in employment of employees with disabilities. The aim is to enable people with disabilities, whatever the disability, to work in an ordinary environment, with work station adaptations or the implementation of specific measures, if necessary;
- oversee and monitor implementation of the policy for people with disabilities: the Group's Diversity and Inclusion Officer is responsible for coordinating and monitoring implementation of the Disability Charter and the Disability Ambassadors in the countries are responsible for its application on a daily basis.

Furthermore, in France, measures were negotiated in 2019 with the social partners to encourage the employment of people with disabilities and steps are being taken to increase awareness among managers and employees.

The Elis Group employs 681 people with disabilities at its sites in France, which represents 6.3% of its permanent employees and a 5% increase compared to 2021. Internationally, local regulations may prevent reporting on this indicator.

Actions are also being taken to include people with intellectual disabilities in the workplace: support from their mentor and specific monitoring by managers of people with intellectual disabilities if they work in industrial environments with stringent safety restrictions.

Elis also takes on employees from Établissements et Services d'Aide par le Travail (ESAT), a French network that promotes employment for people with disabilities, providing immersion internship in an ordinary work environment.

Elis has contracts for the supply of services with companies that employ people with disabilities. These include services such as cleaning, treatment or repair of linen, repair of cages or hangers, purchase of supplies, and maintenance of green spaces.

In France, Le Jacquard Français is having some of its products and covers for its new line of leather goods made by ESATs from scraps of fabric. Also, as part of its Workwear to Workwear project, in which workwear is recycled into new workwear, the Group is working with an ESAT in France to sort the fabric (removal of hard components, etc.) so it can be unraveled at a later stage to create a new thread.

In Spain, the Group has created two specialized employment centers, where people with disabilities make up 66% of employees:

- a center in the Madrid region that employs 59 people, of whom 40 have disabilities;
- a center in the Basque Country that employs 35 people, of whom 22 have disabilities.

These centers are small laundries that process linen from hospital customers or care homes, as well as customer linen that requires a significant amount of manual processing.

Example of services provided by AD3, a Group subsidiary specializing in residential care linen

ADAPEI 77 is an association that has 11 specialist care and nursing homes designed to house around 400 residents with physical or intellectual disabilities. In 2016, at the instigation of the association's CEO, research into setting up a new laundry facility began. In accordance with the association's social responsibility values, this project aims, above all, to provide jobs for workers with disabilities. Based on its expertise in the design and operation of laundry facilities specializing in processing the personal linen of care residents, AD3 was the natural choice to assist the association during the implementation phase, ranging from investment recommendations, set-up of the facility and installation of the equipment to the operational use of the site. Today, under the supervision of a sector head, an AD3 team composed of a laundry manager and three laundry operatives works together with 14 workers with disabilities who are supervised by two workshop monitors provided by the association.

In the Netherlands, the Group has an active policy of direct or indirect employment (via purchasing) of people with disabilities or those with difficulties finding employment. Thus, in 2022, some purchases were made from suppliers that hire the long-term unemployed: office cleaning services provided by people with hearing disabilities and purchases of bouquets of flowers assembled by refugees or people with disabilities. To demonstrate its commitment, the Group is working to obtain specific certification on this market.

Outlook

In 2023, the Group will roll out initiatives under its Diversity and Inclusion Charter and its Disability Charter.

Integration of employees with few qualifications

Measures implemented

Each Elis center is seeking to develop its own links with various local players in the employment market. Thus, in France, good relations are maintained with the local employment offices in the various cities where the Group operates, as well as with local social and employment organizations (missions locales). The simulation-based recruitment method proposed by employment centers has been used for many years at various Group sites in France in order to recruit people with diverse profiles.

In Switzerland, when offers are published by the Employment Office, individuals with no or few qualifications have priority for seven days. In Denmark, the Group is part of the Women in Jobs program that aims to help female immigrants find employment through a combination of education and internships. As a result, in 2021, the Taastrup center welcomed several women for six weeks as part of their course.

In Germany and Denmark, the recruitment tools have been adapted to make it easier for these types of candidates to apply.

Finally, many of the Group's sites offer their foreign employees courses in the host country's language to help them integrate within the Elis teams and the local community.

The Elis Centers in Europe also came together in 2022 to offer jobs to 325 Ukrainians.

Attracting young people

Measures implemented

The Group's actions to attract young people are further detailed in section 3.4.3 "Attracting and developing our employees" and are based on increased visibility in the media and tools favored by the younger generations, the development of targeted partnerships or the development of specific career paths for young graduates.

Due to its corporate culture and values, the Group also offers fast-track career paths for young graduates, offering them autonomy and responsibility, with near-term management opportunities.

3.4.5 Respecting Human and Labor rights

Context

Human rights are fundamental. Respecting them, promoting them and preventing them from being violated are at the heart of corporate social responsibility. As for all companies and their supply chains, this a Group priority.

Policy: goals and performance

The Elis Group has formalized its commitments under the Code of Ethics based on the Group's values of integrity, responsibility, exemplarity in its commercial environment, and respect for all of its employees. The Code of Ethics and its principles apply to the Group as a whole and to all of its activities, whether with its employees, the way it does business with its suppliers, customers and stakeholders, or its activities with other players.

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

› the United Nations Universal Declaration of Human Rights and the European Convention on Human Rights;

› the United Nations Convention on the Rights of the Child;

› the United Nations Global Compact.

All Group employees, regardless of their position, entity or geographical region of activity, must be both promoters and guardians of this Code of Ethics.

Furthermore, the Group ensures that all the applicable social standards in the labor laws of each country in which it operates are respected, and ensures compliance with major international legislation such as the conventions of the International Labour Organization and laws protecting the rights of children.

The vigilance plan put in place by the Group pursuant to law No. 2017-399 of March 27, 2017 on companies' duty of vigilance is set out in more detail in section 4.4 "Vigilance plan." Under the measures put in place in the vigilance plan, the Group has, in particular, a Sustainable and Ethical Purchasing Charter (also entitled "Supplier Code of Conduct") detailing the standards imposed by the Group on its suppliers and subcontractors with regard to fair practices, human rights, health and safety and environmental protection. The document is based on the UN Global Compact, the ILO core conventions, the UK Anti-Bribery and Corruption Act (UKBA) and the French Sapin 2 law and covers human rights, working conditions, environmental protection and applicable anti-corruption regulations.

Key performance indicators		2020	2021	2022
Respecting human and labor rights	Share of permanent employees located in countries with no human rights risks[a]	98%	98%	98%
	Share of revenue originating from countries with no human rights risks[a]	99%	99%	99%

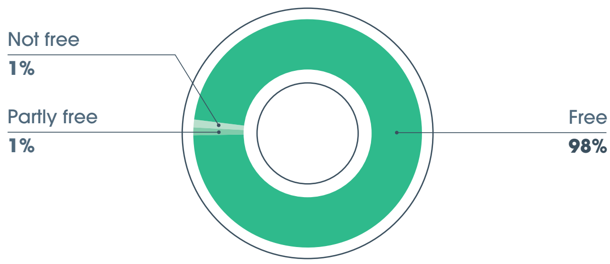
(a) Source: Freedom House.

Respecting human rights in our operations

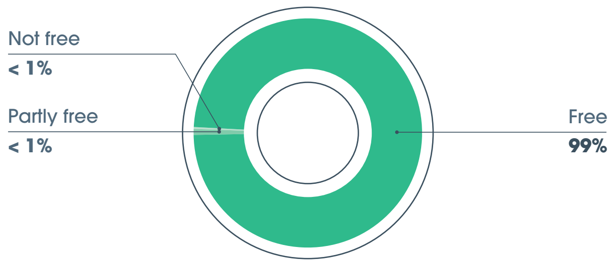
Measures implemented

According to Freedom House, the Group is mainly located in geographic areas with no human rights risks ("Free" status). Thus 98% of the Group's permanent workforce is located in these areas and 99% of its revenue originates there.

BREAKDOWN OF PERMANENT STAFF BASED ON THE LEVEL OF HUMAN RIGHTS RISK[1]



BREAKDOWN OF REVENUE BASED ON THE LEVEL OF HUMAN RIGHTS RISK[1]



(1) Source: Freedom House.

Awareness-raising and communication

The widespread dissemination of the Code of Ethics within the Group enables it to ensure that its employees are informed of the existence and content of the Group's policy on the subject, in particular in terms of child labor, forced labor and decent working conditions (health and safety, working time, wages and benefits, harassment, data confidentiality, etc.) and of equal opportunities (non-discrimination, diversity and inclusion, skills development, etc.). The Group's actions and policies on working conditions and equal opportunities are described in more detail in the previous sections of this non-financial performance statement.

In its capacity as a signatory of the Global Compact, the Group reaffirms its commitments every year and reports on its progress within the communications framework regarding four fundamental principles: respect for human rights, respect for labor standards, the fight against all forms of corruption and respect for the environment.

Whistleblowing procedure

In 2018, the Group established an outsourced whistleblowing system, which allows for any violation of Elis's Code of Ethics to be reported. This system is described in more detail in section 3.5.4 "Continuing to integrate ethics into our business practices."

No incidents were reported in 2022 through the whistleblowing system in relation to human rights violations. If a violation were to be reported, it would then be investigated and the accompanying action plan would be implemented.

Child labor

The Group is particularly vigilant with regard to the rights of children and has been a signatory of the Global Compact for more than 10 years. In keeping with its equal opportunities values, the Group also strives to support young people developing their skills and integrating into the professional world.

In 2022, the Group reiterated that Elis does not allow people under the age of 18 to work at its facilities, with the exception of summer jobs and internships or apprenticeship contracts that are governed by specific rules, and does not allow such recruitments under permanent contracts.

As such, in 2022, the Group hired 334 young people on apprenticeship, summer job or short-term contracts. Some of these young people, who were recognized for the high quality of their work during successful apprenticeships, were subsequently hired.

These contracts are strictly governed by applicable regulations and agreements with schools, where applicable.

Commitment to preventing harassment in the workplace

Elis does not tolerate any behavior that may violate the dignity of an individual, including harassment of any kind. In addition to the Group's global whistleblowing procedure (described in section 3.5.4 "Continuing to integrate ethics into our business practices"), procedures to address such situations and measures to raise awareness have also been implemented. As such:

- the Netherlands has a toll-free number that employees can use if they are the victim of assault/discrimination or any inappropriate/undesirable behavior at work. They may also seek assistance from external committees;
- in France, measures have been taken under agreements for preventing psychosocial risks;
- in Germany, officers were appointed at the sites and management was educated on the topic;
- in Denmark, employees have access to a platform that sets out the Group's policy and the procedure to be followed if they are subject to harassment or sexist conduct.

Ensuring decent working conditions

Measures implemented

General organization

Working time is organized in line with the Group's needs. The work of employees is organized within the framework of local regulations, which vary from one legal jurisdiction to another.

Given the nature of the services provided to customers, some employees in France may be required to work at night; such shifts are strictly governed by specific agreements entered into by the relevant entities. Similarly, some employees may be required to work on Sundays, in accordance with any exceptions set out by law. In other countries, working time is regulated by law or employment contract.

Working conditions, local legislation and negotiations

Information relating to working conditions and social dialog with employees is set out in more detail in the previous sections. Furthermore, the Group undertakes to respect the regulations concerning working conditions (working time, breaks, holidays, etc.) in its capacity as signatory of the Global Compact and annually reports on its performance and progress in these areas.

Restructurings and reorganizations

The Group's sites must continuously evolve in order to improve operational performance and the working conditions of its employees.

As part of its work to boost its growth, the Group is building new operating sites and expanding existing facilities (Denmark, France, Poland, Portugal, etc.) to provide employees with a better work environment.

There have been no restructurings in recent years.

3.5 SOCIETY

3.5.1 Providing products and services that contribute to hygiene, well-being and protection and reduce resource consumption

Context

The business model Elis has operated under for more than 75 years and in 29 countries is virtuous by nature, combining economic and environmental performance while meeting its customers' hygiene, well-being and protection needs and helping them meet their own environmental and social goals.

Based on its experience in the healthcare sector (around 30% of its revenue), the Group has developed expertise in several countries to meet specific hygiene needs and offers product ranges that respond to these challenges, for example, hygiene solutions for the most vulnerable members of society and the most sensitive environments, as well as solutions that meet the essential hygiene needs of customers, residents, patients, visitors and users of its products. The Group also offers products designed to ensure the well-being of their users, be they employees, patients or visitors.

Lastly, some of the Group's products and services help protect people from their environment (mainly workwear and personal protective equipment) and the external environment from people (mainly in the cleanroom business).

In addition, the Group's product-as-a-service business model allows it to offer its customers solutions that consume fewer resources and thus have less impact (see section 3.3.1 "Being a circular economy player").

Governance

Responding to the needs and considerations of its customers is a priority for the Group. Aware of its expertise in hygiene, well-being and protection, and in the face of current environmental issues, the Group endeavors to support its customers, offering them solutions and services that are increasingly adapted to their needs and more responsible.

The entire Group thus stands ready on a daily basis to meet these challenges.

Policy: goals and performance

The Group provides its customers and product users with circular services that contribute to hygiene, well-being and protection and reduce resource consumption. The Group thus intends to bring safe and more sustainable solutions to as many people as possible.

Key performance indicators		2020	2021	2022
Providing solutions that are more responsible and help reduce consumption of resources	Product-as-a-service share of the Group's revenue	88%	89%	88%
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	120,710
Ensuring the provision of essential hygiene systems to customers, residents, patients, users and visitors	Share of revenue of the Washroom and Beverages businesses	10%	10%	8%
Protecting workers	Share of revenue of the workwear and cleanroom businesses	38%	38%	34%

In 2022, the Group maintained its commitment to offering products and services that contribute to hygiene, well-being and protection and reduce resource consumption. These types of products and services represent a significant part, ever-increasing, thanks to its overall growth.

Providing solutions that are more responsible and help reduce consumption of resources

Measures implemented

The Elis Group has been involved in the circular economy for more than 75 years, primarily through its business model, which is based on selling the use of a product rather than selling the product itself (product as a service). In addition to this product-as-a-service business model, the Group works in other areas of the circular economy such as reusing, repairing, refurbishing or recycling products in order to extend their life and thus keep the materials in use for as long as possible.

The Elis Group believes that the circular economy business model is a sustainable solution to address current environmental challenges and our planet's finite boundaries, primarily through reducing the consumption of natural resources and keeping products in use.

The Elis model and its approach to addressing these considerations are presented in more detail in sections 3.3.1 "Being a circular economy player" and 3.3.2 "Eco-designing our products and services."

Providing solutions that contribute to hygiene for all members of society

Measures implemented

Recognized expertise in hygiene and healthcare

The Group has extensive expertise in hygiene and healthcare and approximately 30% of its revenue originates from this sector.

In this way, Elis supports many healthcare facilities that need linen and workwear of unparalleled hygiene. This expertise in health and hygiene covers the needs of patients and residents as well as healthcare professionals, both in the washroom sector and in the residential and social care sector. Elis supplies products that meet the strict hygiene standards that apply to this sector and that limit the risk of cross-contamination. These community-based places, which bring together vulnerable people, very old, very young, ill or with disabilities, require increased vigilance in terms of hygiene.

Home or industrial washing: which is the best solution?

To maintain the protection provided by personal protective equipment (PPE) and ensure wearers' health and safety, PPE must be washed and dried under specific conditions. Some countries also have standards for the number of washes. Professional maintenance will preserve the protective properties of this equipment and ensure compliance with regulations.

More generally with respect to workwear, maintenance performed in an industrial laundry helps ensure optimal washing when it comes to hygiene or even disinfection, as needed. Proper washing can prevent risks of cross-contamination with personal linen.

The Group also operates in sectors where there are specific requirements. This is particularly true for the cleanroom businesses and with players in the agrifood, pharmaceuticals, micro-electronics or life sciences industries.

For residents with disabilities and for care homes and childcare facilities, the Group offers specific personal laundry services through its laundry business for residents.

The Group also has 45 RABC-certified sites in France and Belgium (a system for managing the risks of biological contamination of linen) to meet its customers' requirements.

Products that ensure good personal hygiene and help to protect the health of all

The Group offers services that help to fight health and contamination risks, notably through soap and hand sanitizer dispensers. This Group business had strong growth during the specific context of the health crisis.

Since then, Elis has continued to support its customers in a demanding public health context with its No Touch washroom appliance solutions, produced largely by its subsidiary, Kennedy, in the United Kingdom. These dispensers, together with the service and support provided by Elis in teaching users about hand hygiene, enable customers to protect their employees, customers and patients. Pedal systems were also offered for some water fountains.

In addition, the Group offers automatic clothing dispensers (ACDs). These no-contact devices give users easy access to folded or hanging clothes. Using a card that indicates what they are allowed to take, employees collect the clothes they need at the beginning of their shift and return them to the dirty linen point at the end of the day.

A service ensuring essential hygiene needs for customers, residents, patients, users and visitors

The Group also offers products in its washroom range that enable its customers to easily manage stocks of products that meet essential hygiene needs (toilet paper, for example). Beyond the provision of these products and their consumables, the Group, thanks to its service offering and the development of products equipped with a back-up supply, continually helps to ensure an uninterrupted service for its customers and users, to increase the appliances' autonomy, and to limit waste by reducing the use of consumables. In 2022, the Group thus expanded the range of products on its markets that are equipped with a back-up supply, notably with new soap and paper towel dispensers.

Ensuring the well-being of people and helping to protect workers

Measures implemented

Product ergonomics to contribute to employee well-being

Elis offers various products that improve workplace ergonomics and help to protect the health of its customers and users of its products, such as:

- **Ergo mat:** an "anti-fatigue" mat for standing work stations which limits the impact of standing in the same spot and reduces back and joint pain;
- **Sloopy mop:** a specially designed, more lightweight mop with a curved neck and connector to facilitate cleaning and reduce wrist rotation;
- **Duvet cover:** sizes can be easily identified by a colored thread, and the covers are designed to make it easier to make the bed (reversible, finished straight, bottom open over the entire width, side slits);
- **Regencia collection:** specially designed workwear for housekeepers that is more comfortable and uses Tencel fiber to regulate perspiration and neutralize odors.

Hygiene and employee protection

Every day, Elis clothes several million workers in compliance with hygiene and current standards. As such, the Company enables millions of employees to work in optimum safety and comfort. The Group generated 34% of its 2022 revenue from this sector. In the Industry and Commerce and Services sectors, this figure represents more than 3.8 million wearers.

In particular, Elis has gained expertise in the development and maintenance of personal protective equipment (PPE) for the following risks:

- welding activities;
- heat and flames;
- limited liquid chemical splatter;
- thermal hazards relating to electrical arcing;
- poor visibility;
- health.

The traceability systems in place allow the number of washes carried out to be monitored and ensure that the protective properties of the PPE are preserved, according to the standards in force in each region.

In addition to providing a service that helps to protect employees from their environment, the services offered by the Group allow them to mitigate the risk of contaminating their own washing machine and the linen of their household.

3.5.2 Satisfying and engaging our customers

Context

A Customer Experience Department was formed within the Marketing Department in 2015, reflecting the Group's strengthened commitment to adopting an approach that places the customer at the heart of everything it does. This desire is also demonstrated in the 5-star customer satisfaction program, which engages all employees around five key commitments:

- ensuring that the services put in place provide total satisfaction;
- delivering a service that meets customer expectations;
- providing local and personal customer follow-up;
- ensuring solid and responsive customer service;
- being proactive and solutions-oriented.

In addition, the Group is working on its customer communications tools so that it can inform customers of its commitments, meet their expectations and support them with more responsible choices.

Governance

The customer satisfaction program, Satisfelis, is led by a dedicated team at Elis's head office, which works closely with local contacts. The program is conducted centrally so that measurement tools can be standardized as well as possible, to ensure an international benchmark and to share best practice. Each local contact is an expert in their country and the specific concerns of that country's customers, and is able to use the results to drive appropriate local action.

The Communications Department is responsible for the development and deployment of all the Group's communications tools, including those that relate to CSR. To this end, weekly meetings take place between the Communications Department and the CSR Department. Projects are carried out jointly and are regularly presented to the communications officers of each country. The Communications Department ensures thus efficient tool sharing between the countries.

Policy: goals and performance

Customer satisfaction is one of the Group's priorities. It has set a goal of achieving a customer satisfaction rate of 87%. Countries or branches may set more ambitious local goals in the interests of even sharper improvements. In 2022, the Group achieved its goal with a rate of 88%.

Given the importance of partnerships on CSR issues to overcome current challenges, the Group intends to engage more with its customers on these aspects, by sharing with them the Group's commitments in this area, the benefits of circular business models, and by offering them more responsible alternatives.

Key performance indicator		2020	2021	2022
Satisfying our customers	Aim for a satisfaction rate of > 87%	86%	87%	88%

Satisfying our customers

Measures implemented

Keen to listen to customers as closely as possible, the Satisfelis program comprises different tools that are adapted to the cultural differences or to the needs of certain customer types:

- a telephone service active throughout the year (France, Spain, Brazil, etc.);
- an email service active throughout the year (Denmark, Netherlands, etc.);
- specific initiatives (cleanroom customers, cleaning companies, etc.).

These measures have the same goal: to deliver actionable results to meet local customer expectations and to move Elis forward. There are three principles essential to achieving this:

- notifying the local branch immediately after a survey;
- the local branch systematically calling dissatisfied customers to understand the issues and to implement long-term corrective actions;
- carrying out a second survey of dissatisfied customers to ensure that the solution provided by the branch meets their expectations.

There are three call centers within this unique program that are steering the work:

- one located in Villeurbanne, near Lyon, which is an integral part of the Elis Group;
- two others, in Barcelona and London, which are managed by a long-standing partner.

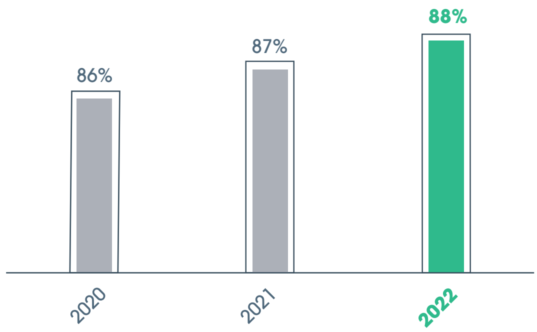
Advisors at these call centers are impartial and are not paid based on the level of customer satisfaction in their surveys. Their role is key because they are responsible for listening to the voice of the customer as accurately and factually as possible. At the end of each survey, they take the time to add additional comments so that the feedback that the branches receive is as detailed as possible.

Depending on the year, between 45,000 and 50,000 surveys are carried out around the world.

Since January 2022, a single "satisfaction rate" indicator has been used Group-wide to manage customer satisfaction. It is a simple, actionable indicator that can be adapted for cultural differences. Measuring the same indicator in all countries gives the Group a harmonized customer satisfaction rate.

In 2022, the satisfaction rate was 88%.

IMPROVEMENT IN THE CUSTOMER SATISFACTION RATE



Adapting actions to each region to be as close as possible to our teams and our customers

In order to adapt the results for local use, all Group employees have access to a dedicated portal where they can view the results of the surveys conducted on their portfolio, agency, region or country.

Every local stakeholder can therefore look at their results by customer or overall. This overview allows the stakeholder to check the quality of a service (for example, workwear) and the reasons for dissatisfaction highlighted.

For a more international overview, a Group analysis is carried out and communicated to all countries and management. This central view helps to identify general trends and can lead to more crosscutting actions.

The notifications sent to the branch once the survey is completed allow line staff at each plant to identify customer complaints in real time. Customers must be contacted within 24 hours to confirm receipt of their complaint and create an immediate and customized action plan.

National or Group action plans may be implemented as necessary, for example, to reduce product implementation times.

Outlook

Every year, customers take the time to respond to Elis's questions, and taking their feedback on board helps the Group improve.

To supplement the optimizations provided by the Satisfelis program, the Group expects to roll out additional customer care programs to better evaluate certain key moments of the customer experience.

Communicating responsibly and engaging our customers

Measures implemented

Supporting our customers in the move toward the circular economy and more responsible solutions

The Group continually seeks to encourage its customers to switch to product-as-a-service models (rental & maintenance). All of the Group's materials include information related to the benefits of the circular economy and the sales teams have heightened awareness of this subject. The Group's sales presentations further emphasize the benefits of rental & maintenance compared to buying or single-use solutions. This mindset is part of the Group's identity. For example, since acquiring its subsidiary in Brazil, the Group has gradually transferred its maintenance solution customer portfolio (about 50% of its revenue in 2014) to rental & maintenance solutions (almost 85% of its revenue).

In addition to encouraging its customers to move toward more sustainable business models, the Group aims to recommend them more responsible product and service alternatives. As such, product presentations incorporate a focus on characteristics related to Sustainable development, (for example, organic fair-trade offerings, Ecolabels, the use of recycled fibers, reusable flasks, etc.). Customers are consequently informed of the more responsible options available to them.

In 2022, the Group also launched its new Phoenix range of washroom products made from recycled plastic (see 3.3.2 "Eco-designing our products and services"). To help its customers transition, the Group is offering this solution at the same price as the standard range.

Finally, educational tools (brochures, PowerPoint presentations, videos, etc.) have been developed to raise awareness and engage customers on CSR topics as varied as: "What is fair trade?"; "What is organic cotton/coffee?"; and "How is polyester recycled into fabric?"

At the end of 2021, the Group launched a study to both better understand and better meet customers' sustainability expectations. Interviews were conducted with the sales forces in four countries (France, Sweden, the United Kingdom and the Netherlands) as well as with the Group's sales departments. This study led, in particular, to the development of specific tools (videos explaining the benefits of circular models, presentation materials, training materials for the sales forces, etc.). The rollout of these training modules began in the summer of 2022 and will be continued in 2023.

Promoting circular services and their benefits

The Group conducted a life-cycle analysis to compare the environmental impact of disposable and reusable scrubs. The results show that disposable scrubs have more impacts than reusable scrubs. Even though it takes more water to produce the cotton used in reusable scrubs than the polypropylene used in disposable scrubs, the latter has more impact during is end-of-life. On average, a physician will use 940 disposable scrubs versus only 15 reusable scrubs over four years.

The results of this life-cycle analysis have been widely communicated to the Group's stakeholders and are included in dedicated and educational communications materials (simplified infographic and training video).

Helping our customers and users adopt more responsible behaviors

In order to raise customer awareness of product issues, product life cycle analysis can be carried out in partnership with customers. This joint work helps to increase knowledge, and to support decision-making in moving toward more responsible solutions. The Group also uses nudges to raise awareness among customers and users of how to use products better. This is done particularly in the case of linen in order to maximize the lifespan of the product. These nudges can take the form of posters, stickers or visible message mats at customers' premises.

Working alongside customers to reduce linen loss: "Healthcare Textile Improvement Program" in the United Kingdom

Linen that is lost, misused or discarded, in addition to potentially generating additional costs, can have significant environmental impacts. In the United Kingdom, Elis has estimated that linen lost or misused could cover the equivalent of 190,000 tennis courts. This is why an initiative was launched on this market: the Healthcare Textile Improvement Project (HTIP). The goal of this project is to partner with customers to understand why linen is lost and to reduce these losses by 30%.

A communications campaign focused on the four Rs – "Rent it, Respect it, Return it, Reuse it" – was rolled out to engage customers and ensure that all stakeholders (staff, patients, management, etc.) would commit to the project and change their practices.

Communicating responsibly

In order to further engage with its stakeholders on Sustainable development stakes, the Group promotes its commitments in this regard and the benefits of circular business models and offers more responsible alternative products.

The Group also strives to implement responsible communication principles on a daily basis. All of the Group's communications teams received the relevant training in 2022. The training mainly covered the graphics and text used in CSR-related content and reviewed best practices for responsible communications (well-substantiated claims, etc.). A responsible communications guide has therefore been prepared that incorporates this information and these best practices.

The Group endeavors to choose the best media for its communications. As such, printing is mostly done on paper from sustainably managed forests and the Group prefers to use digital media over paper. In 2022, the Group made an effort to select more responsible year-end gifts: recycled or recyclable materials, and manufactured in Europe whenever possible.

3.5.3 Working responsibly with third parties

Context

Since 2006, the Group's commitment has been detailed in its Sustainable and Ethical Purchasing Charter, also known as the Supplier Code of Conduct, which describes Elis's relationships with suppliers beyond the mere purchase of goods and services. The Purchasing Departments play an important role in choosing suppliers of products and services around the world. The Elis Group's priority is to guarantee the quality of the products delivered as part of its sustainable, ethical strategy. In 2022, nearly 40% of the Group's purchases were made in Europe.

The Group's purchasing is divided into three segments: direct purchases (textiles and hygiene and well-being), indirect purchases and industrial purchases. Indirect purchases (energy, IT, etc.) and industrial purchases (construction, machinery, etc.) are associated mainly with large European companies that produce in Europe and have limited CSR risk factors. Purchases of textile products and HWB (hygiene and well-being) appliances are a key concern for the Group. The supplier base is extensive and comprises "corporate" third parties, which are managed centrally, and suppliers that are managed locally, i.e. at the country or site level. Elis purchases textile products and hygiene and well-being products mainly in Europe (45%), Asia (19%) and Africa (15%). In addition, the Group has a workwear manufacturing plant in Estonia (700,000 items per year), a plant in France that makes table linen (Le Jacquard Français) and a hygiene appliance production plant (Kennedy).

The analysis of the risk posed by suppliers is based mainly on their geographic location. This risk analysis also incorporates third parties' ability to demonstrate their commitment to assessing societal and environmental responsibilities and their strategic impact on the Elis Group's business. This process guarantees a stable business relationship grounded in the social, ethical and environmental responsibilities that form the pillars of the Group's Code of Conduct.

Governance

The Group's Purchasing Director reports to the 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 topics described in the Group's Supplier Code of Conduct.

Policy: goals and performance

Elis strives to forge stable and long-term relationships with its suppliers by improving the management and consolidation of relationships while ensuring the respect of human rights and labor rights, environmental protection and prevention of 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 the Supplier Code of Conduct. This Code, other guidance documents and the measures derived from them help reduce the risk of unethical practices. It also encourages suppliers to take into account environmental challenges and to implement internationally recognized social, environmental, quality and energy certifications. Moreover, Elis encourages suppliers to obtain Oeko-Tex standard 100 certification for all textiles delivered.

The Groupe has set a goal to achieve by 2025:

Achieving 95% of procurement spend from direct suppliers that have undergone a CSR assessment in the last three years

Key performance indicators		2020	2021	2022
Implementing an integrated sustainable purchasing approach	Share of procurement spend from direct suppliers that have undergone a CSR assessment in the last three years ***(2025 target: 95%)***[(b)]	92%	93%	94%
	Number of on-site CSR audits conducted during the year[(a)]	14	28	36
	Share of Group and country buyers that have received training on CSR topics	19%	38%	75%
	Share of Group buyers that have set targets including the signing of the Code of Ethics for framework agreements		100%	100%

(a) The on-site audits conducted for third parties have been included since 2021.
(b) Spending in 2021 is taken into account when calculating this indicator.

The Group improved its performance in 2022 and achieved a level of 94% of its procurement spend from direct suppliers that have undergone a CSR assessment in the last three years.

3

Develop long-term business relationships

Measures implemented

Long-term relationships

The Purchasing Department naturally gravitates toward genuine partnerships, fostered by recurrent collections and stable production cycles. Most of the Company's suppliers have built and continue to maintain strong relationships with Elis, some of them going back nearly 40 years. These relationships are essential to the Group's long-term success and customer satisfaction.

In 2022 in the Textile segment (flat linen and workwear), business relationships continued with third parties that were already bound by master agreements. Thus the supplier base was maintained to ensure continuity. The strategy has remained similar with the hygiene and well-being segment.

Partnership-based approach

The Group approaches its relationships with its suppliers as a partnership. When the Group and its suppliers work as partners, suppliers have the potential to help devise new solutions to meet today's sustainability considerations or support the Group's CSR strategy. This can be seen, for example, with:

- the development of new cleaning technologies that reduce water and energy consumption during the washing processes, or the identification and development of recycling channels for its end-of-life products;
- the development of new product offerings, such as the Phoenix washroom range made from recycled plastic; and
- the implementation of the Group's partnership-based approach with certain automakers and energy companies to participate in calls for projects under grants (the Environment and Energy Management Agency (Agence de l'environnement et de la maîtrise de l'énergie – ADEME) in France, for example) or to study potential ways to transition vehicle fleets to electric based on information provided by the route optimization tool (GLAD).

Master agreements, Code of Conduct and listing tool

Elis supplier requirements are formalized in the Supplier Code of Conduct. This document is based on the United Nations Global Compact, the ILO fundamental conventions, the UK Bribery Act (UKBA) and the French Sapin II anti-corruption law. This Code consolidates the Elis Group's commitments for its third parties and covers human rights, working conditions, protection of the environment and anti-corruption regulations. It applies to all tier 1 suppliers (in the direct, indirect or industrial scopes), whether new or existing partners.

In the workwear segment more specifically, it is also signed by tier 2 suppliers (when Elis assigns the textile manufacturer to the clothing manufacturer, which applies to over 90% of cases for the Group's catalog suppliers).

When a master agreement is signed or renewed, every supplier is asked to formally sign the Supplier Code of Conduct. To date, for direct purchases and the Group's Top 100 suppliers, 73% of third parties have signed the Supplier Code of Conduct. Having suppliers sign this Supplier Code of Conduct for master agreements is a priority goal for Group buyers.

In 2022, Elis implemented a Group-wide S2C (Source to Contract) tool, which is used to archive documents such as master agreements, signed Supplier Codes of Conduct, and the REACH commitments that have been incorporated into quality specifications. The Group's suppliers are assessed regularly on the implementation of the Code of Conduct through a targeted questionnaire to make sure they follow a common approach of continuous improvement on social, ethical and environmental practices.

Employee training

The purchasing team, joined by the local country buyers, runs an annual seminar that includes a session on sharing new practices for managing the supply chain and, in particular, overseeing suppliers as part of a sustainable purchasing approach. In 2022, this seminar focused mainly on rolling out the Group's CSR strategy and the role of purchasing and its contribution to achieving the goals, primarily with respect to climate. In addition, one section of the internal training course for buyers is dedicated to sustainable purchasing, including aspects related to ethics, anti-corruption, social audits and human rights.

During their first year on the job, the Purchasing Department managers participate in anti-corruption training organized by the Group's Compliance Department. Additionally, Group and local buyers complete a training program developed with an external partner that includes a section on sustainable purchasing.

Implementing an integrated sustainable purchasing approach

Measures implemented

Risk and supplier assessments

Due to their specific features, suppliers of direct purchases are subject to their own assessments. The risk assessment is based on factors such as geographic area, risk level (human rights, corruption, etc.), volumes or topics associated with the products in question, and the supplier's CSR maturity. Geographic areas are classified as high, moderate or low risk. The completed matrix defines the parameters for the conduct of an on-site audit by an independent third party. The maturity of suppliers operating in medium- or high-risk areas is assessed beforehand based on a questionnaire that provides detailed information on their position with regard to international standards such as ISO 26000, SA 8000 or ISO 14001.

Since 2020, all suppliers that are assessed through a CSR audit are monitored to ensure that the corrective action plans identified are implemented. These action plans serve as the basis for discussions to help suppliers improve their practices. In 2022, the Group decided to refine its assessment of the cotton supply chain for suppliers responsible for textile weaving in both the flat linen and workwear fabric scopes by including additional constraints and demands related to the source of the raw materials.

External audits may be commissioned by Elis or on behalf of other third parties if the standards meet the Group's criteria. In particular, Elis recognizes SMETA and BSCI audits. The Group's goal is to achieve, in 2025, a level of 95% of its procurement spend from direct suppliers that have undergone a CSR assessment in the last three years.

The analysis process for Group suppliers is based on the previous year's expenses. The schedule is determined according to the cycle but also on expenses with certain third parties. If expenses with a supplier become significant and that supplier is located in a country classified as at high risk, this supplier will be prioritized for an audit.

These CSR audits align with the Code of Conduct and cover factors such as production site hygiene and safety, waste management, analysis of the workforce to confirm that there are no child laborers or forced labor, wage and employee benefit management, and environmental impacts. In addition to this formal audit matrix, there are more specific aspects related to quality management and the enforcement of the Elis Group's Code of Conduct.

As part of its approach to continuous improvement, Elis subsequently ensures the implementation of action plans arising from these audits. A more focused monitoring procedure is systematically triggered if the Group's standards are not met. When this occurs, corrective actions are identified, a compliance plan with fixed deadlines is implemented and a new audit may be planned to confirm compliance.

Any new supplier of items for any Elis service or product must have a satisfactory CSR assessment in order to be listed. Elis's CSR management policy and the supplier management policy describe this supplier selection procedure in detail. This assessment system applies to the entire supply chain of products distributed by the Group and more specifically for the vast majority of workwear, from the fabric supplier (tier 2 supplier) to the clothing manufacturer (tier 1 supplier).

In 2022, Elis mandated 24 CSR audits, and 12 audits were conducted on the initiative of third parties by an accredited organization. In addition, 8 direct suppliers earned SA 8000 or ISO 26000 certification.

Certified products

Engaging with a supply chain able to offer certified products ensures that third-party partners comply with social and environmental requirements. This is discussed in greater detail in section 3.3 "Planet and products."

Outlook

As part of a continuous improvement process related to implementation of the duty of care within the Group, specific monitoring of all major or significant non-conformities identified by Elis's audits was initiated in 2022. More broadly, the Group has introduced an audit of the existing supplier base and a procedure is currently being rolled out to assess potential suppliers (see section 3.5.4 "Continuing to integrate ethics into our business practices"). In 2023, the Group plans to develop its Supplier Code of Conduct to better incorporate considerations related to embargoes, climate change and the cotton supply chain. The rollout of the S2C tool will also continue in order to ensure reliable tracking of Purchasing-related documents for all suppliers within the base, whether they are managed at the Group level or locally.

3.5.4 Continuing to integrate ethics into our business practices

Context

The Group's ethical and responsible conduct is key to its success and longevity, and Elis is committed to building trust with its internal and external stakeholders. The principles of respect, integrity, responsibility and exemplarity constitute the foundation of the Group's commitments, as reflected in its Code of Ethics. As such, the Group whishes to actively take part in the current movement in which society, regulators and various stakeholders hold economic operators to increasing standards when it comes to ethics, transparency and anti-corruption.

With a presence in 29 countries and international sales accounting for 69% of its consolidated sales revenue, Elis is subject to an increasing number of ethical regulations, including those relating to the fight against corruption, bribery, influence peddling, money laundering, modern slavery and human rights abuses. A description of the main binding regulations to which the Group is subject is given in section 4.1.4 "Legal, regulatory and tax risks" in chapter 4 of this Universal Registration Document.

This multiplicity of aspects and the need to take into account local requirements and expectations are integrated into the strategic direction of the Group, who is working on implementing a compliance program that is adapted to each country, where appropriate, and that seeks to identify, prevent and mitigate the risks of corruption and influence peddling, based on core international legislations and applicable national legislations.

Elis has also made voluntary commitments in the area of ethics, and is, for example, a member of the United Nations Global Compact, the tenth principle of which is to fight corruption.

Governance

The Group's executives embody the Group's culture of integrity and have a "zero-tolerance" stance regarding any form of corruption. This message is relayed to all Group management levels, in particular through the Code of Ethics, which has a preface written by the Chairman of the Management Board.

The main features of the anti-corruption and influence peddling compliance program and its implementation are reviewed and examined by the Executive Committee. The Executive Committee has thus been directly involved in preparing and validating the corruption and influence peddling risk map, in identifying certain essential components of the compliance program, and may be asked to make certain operational decisions. In 2022, for example, the Executive Committee was consulted on approval of a Group policy to standardize the third-party integrity assessment, in order to ensure the support of all senior executives for its implementation.

The Group's Legal Services Department is responsible for implementing the program. During the 2022 financial year, Elis chose to further strengthen the resources dedicated to this matter and hired a in-house legal counsel specialized in compliance to support the efforts of the Group Compliance Manager, who reports directly to the Legal Director and Compliance Officer. The compliance team continues to develop and improve the measures for detecting and preventing corruption and influence peddling, supervises their implementation across all the Group's businesses and employees, and ensures appropriate reporting to the Company's management body and Audit Committee.

As part of its mission, the Group's compliance team relies on a network of designated anti-corruption officers in each country where the Group is active. These officers are, with some exceptions, Group employees who hold an official position in the company hierarchy, and are either specifically dedicated on this matter (as is the case in some countries) or have other roles within the Group. Regardless of their position, officers have the powers and independence necessary to exercise their duties. Within this context, the Group compliance team ensures that anti-corruption officers are involved in updating the corruption risk map, oversee subjects that require the program to be adapted in accordance with local regulations, conduct ethical incident investigations and assist local leaders in promoting ethical principles.

Finally, the Audit Committee, a specialized committee of the Company's Supervisory Board, regularly monitors the system for preventing and detecting corruption, bribery and influence peddling risks, ensures the effectiveness of the internal audit and control systems, and tracks progress made on action plans.

Fiscal matters are duly covered and managed by a Group tax division, also within the Group's Legal Department. The Group uses external consultants for significant transactions and whenever the necessary expertise is not available in-house. The Group tax division interacts regularly with the administrative and financial Directors of each country to ensure the proper implementation of the Group's fiscal strategy.

Policy: goals and performance

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

This program is tailored to the specific requirements of some of the Group's countries. For example, the existing system for the former Berendsen scope has been merged into the Group's anti-corruption and corruption risk prevention program, in application of UK anti-corruption regulations. Similarly, some of Elis's countries are subject to local anti-corruption compliance obligations, such as Brazil, where the provisions of the Anti-Corruption Law, which took effect on January 1, 2014, have been incorporated into the Group's compliance program.

Elis is careful to ensure that its compliance programs are in line with legal requirements and that they are regularly updated and adapted to reflect the reality of the Group's exposure to the risks of corruption, bribery and influence peddling.

The Group is committed to developing a culture of anti-corruption, the principles for which are formalized in the Code of Ethics, which provides a complete framework for what the Group expects from all its employees, executives and partners:

- the Group and all of its employees undertake to comply with applicable competition regulations;
- Elis employees may only offer or receive gifts or entertainment authorized under the Gifts, Entertainment, Donations and Sponsorship Procedure;
- facilitation payments and the use of Group funds or assets for the benefit of a political party or a person in or running for elected office are prohibited;
- employees must prevent or avoid all conflict of interest situations and must act according to the principles of immediate disclosure and withdrawal, where applicable;
- interest representation is subject to strict regulation;
- Elis strives to respect and to have its suppliers respect the various applicable laws and regulations and the values set out in the Code of Ethics.

The Group's compliance program is built on the Code of Ethics, supplemented with policies and procedures, as well as practical tools to assist employees in their operations and projects.

With the meaning of the Group's general risk map, corruption risks were not identified as being amongst the most significant, due to the steps taken to combat corruption and influence peddling risks within the Group – in particular within Group countries considered to be sensitive – and also due to the limited share of activities and locations at Group level that may be considered sensitive to these risks. During the 2022 financial year, the share of the Group's revenue generated by countries at high risk of corruption (those with a score below 50/100) according to Transparency International's Corruption Perceptions Index was less than 9%. The Group nevertheless continues to closely monitor changes in its exposure to corruption and ethics violations, mainly with respect to its external growth transactions: the 2022 acquisition of the leading player in the Mexican market resulted, for example, in the creation of a dedicated plan for integrating the compliance program to reflect and account for this country's specific considerations and risks, and to harmonize preexisting policies and procedures with the Group's standards.

In the area of taxation, the Group also endeavors to comply with local laws and this is part of a transparent approach to the tax authorities.

Key performance indicators		2020	2021	2022
Ensuring Group compliance with Sapin II and other local laws	Number of whistleblower incident reports	173	187	197
	Percentage of relevant incidents	57%	52%	62%
	Out of the number of relevant incidents, percentage of proven incidents	52%	55%	26%
	Percentage of proven incidents that have been subject to disciplinary action or a disciplinary reminder of any kind	96%	93%	100%

In 2022, of the 197 incidents reported, 62% were deemed relevant, and 26% of those were deemed proven. 100% of the proven incidents were the subject of disciplinary action of various kinds.

Fighting corruption, money laundering and anti-competitive practices

Measures implemented

During the 2022 financial year, the Group, taking the eight pillars required by the Sapin II provisions as a basis, continued to roll out measures that constitute its internal system for the prevention and detection of corruption, bribery and influence peddling risks, seeking to prioritize regions where necessary.

Risk mapping and assessment

Corruption and influence peddling risks are assessed using a dedicated mapping tool that has been used since 2017. The purpose of this map is to identify, assess and prioritize the risks of corruption and influence peddling for each business line and in each of the countries in which the Group operates, with the aim of accurately reflecting the risks to which the Group is specifically exposed. This methodology is applied uniformly within the Group in order to enable changes in the results of the risk assessment to be monitored and priority actions to be defined. It constitutes the basis of Elis's internal anti-corruption program, with measures adapted and proportionate to the results of the risk assessment.

The map has been developed and is regularly updated with the assistance of the executive roles, thus contributing to its continuous improvement. Accordingly, every year, the need to update the map is discussed to ensure its continuous relevant with developments within the company's operations and in the market.

At the end of 2022 financial year, 7% of scenarios were considered particularly at risk, that is, representing a gross risk whose criticality (measured in terms of the risk of it occurring and its potential impact) falls in the top quartile on the measurement scale.

Code of Ethics

The Group's ethical principles are set out in the Group Code of Ethics, which was distributed to all employees for the first time in 2012 and revised in 2018 to comprehensively incorporate the anti-corruption and influence peddling measures.

This Code reaffirms the Group's obligation to respect local laws and sets the rules of conduct to be adopted by all stakeholders, namely its employees, its customers and consumers, its trading partners and its competitors, the environment and civil society. It provides concrete examples so that employees can take appropriate action if unsure.

This Code is intended to form the foundation on which all internal standards and Codes adopted by the Group are based, including the Supplier Code of Conduct, the Code of Conduct for Trading and Market Activities, and the anti-corruption resources developed by the Group. These documents are available to the public on the Group's website (www.elis.com) under the heading "Our CSR policy."

The Code of Ethics is formally agreed upon by all of the Group's senior managers and the heads of each Group's country. The Company's main suppliers are informed about the Group's anti-corruption strategy and agree to comply with it. This includes them agreeing to the Supplier Code of Conduct as outlined in the "Risk management in relationships with third parties" section below. Proven violations of the Code of Ethics are sanctioned according to the principle of proportionality, and this Code is integrated into the disciplinary system wherever the applicable national legislation permits.

Whenever necessary, the Group Code of Ethics is adapted to local requirements. It is intended to be communicated in all Group countries and has been translated into all local languages.

All Group employees, regardless of their position, entity or geographical region of activity, must be both promoters and guardians of this Code of Ethics.

Gift procedures

The Gifts, Entertainment, Donations and Sponsorship Procedure was put in place in 2018. In particular, it lays down the principles that strictly regulate the offering or acceptance of benefits of any kind and sets limits on their value. In the circumstances defined by the procedure, exchanges of gifts and entertainment must be declared to managers, who ensure that these declarations are filed and adequately archived. Special attention is paid to relations with public officials and prior approval from the Compliance Officer may be required.

Risk management in relationships with third parties

The Group places a particular emphasis on managing third party risks and in 2016, as part of its vigilance plan implementation, it adopted a Sustainable and Ethical Purchasing Charter (or "Supplier Code of Conduct"), as well as supplier risk assessment and CSR audit procedures (see section 3.5.3 "Working responsibly with third parties").

With the aim of strengthening its anti-corruption and continuous improvement process, Elis reinforced its third-party assessment management system in 2022 and adopted two new procedures, namely an Embargo policy and a Third-party Due Diligence policy (rolled out gradually), which cover potential customers, suppliers, intermediaries, and beneficiaries of donations and sponsorships, as well as acquisition targets.

These third parties are individually assessed by the operational teams to determine the type of checks to be performed before the third party is approved and an agreement formalizing the relationship is signed. Where a risk exists, specific due diligence procedures are then carried out using the tools and resources made available by the Group: for example, in 2022, the Group susbcribed to specialized tool for screening stakeholders, and the third parties scoring the highest risks are then subject to "enhanced" due diligence by a compliance expert (or by another officer appointed by that expert). The local or Group governing body may also be asked to handle particularly sensitive cases.

When the assessment is completed, the persons designated in the policy as responsible decide whether or not to enter into the business relationship, and where applicable, whether to take measures to mitigate specific risks, such as having the third party sign the Supplier Code of Conduct, incorporating ethics clauses into the contractual instrument, notifying employees of the existence of a risk, etc. The final risk is assessed mainly on the basis of any unfavorable information identified about the third party, but also regarding its shareholding structure, ultimate beneficiaries and main executives (including checks against international economic sanctions). The nature of the expected relationship, country risk, and the sensitivity of the business sector are also taken into consideration.

The goal is to ensure a formalized, harmonized and consistent approach across all the Group's countries, incorporating local regulatory requirements where applicable. Like all the components of the Group's anti-corruption compliance system, this procedure will be monitored and reviewed on a regular basis to ensure its ongoing relevance and effectiveness.

Training

The widespread diffusion of the Code of Ethics within the Group ensures that employees are informed of the existence and content of Elis's anti-corruption policy.

Employees identified as exposed to corruption, bribery and influence peddling risks based on the results of the above-mentioned mapping receive dedicated training in the internal anticorruption compliance framework, with priority given to the most sensitive regions and roles. These employees are primarily senior executives, head office and operational center managers, as well as members of the commercial and purchasing functions. Specific training on implementation of certain procedures, such as the third-party due diligence procedure referred to above, is also provided to certain internal functions that are particularly concerned by their adoption.

Training is provided by officers within the countries, which allows the requirements of local compliance programs and applicable national legislation to be taken into account.

Whistleblowing procedure

In 2018, the Group established an outsourced whistleblowing system, which allows for any violation of Elis's Code of Ethics to be reported. The whistleblowing procedure allows all employees, customers and suppliers to use a dedicated website to send a message (and/or a voice message), accessible 24 hours a day, 7 days a week, in all 18 different local languages. This system allows anonymity and ensures confidentiality at all stages of the process. The existence of this alert system is actively communicated to all internal and external stakeholders, in particular through the Code of Ethics and the Supplier Code of Conduct.

The Group undertakes to protect whistleblowers from any negative consequences or retaliation, provided that reports are submitted in good faith and are based on verifiable information.

All admissible whistleblowing reports are investigated in accordance with the principles laid down in the report handling procedure, which may give rise to sanctions, and are reported to the Audit Committee twice a year.

The procedure for handling whistleblowing reports is revised on a regular basis to consider changes in applicable regulations and, more specifically, it was updated in 2022 to account for the transposition of Directive (EU) 2019/1937 on the protection of whistleblowers into the national laws of Member States.

In the 2022 financial year, of the 194 incidents reported, 62% were deemed relevant, and 26% of those were deemed proven. 100% of the proven incidents were the subject of disciplinary action of various kinds.

3

Internal and accounting controls

An internal control and risk management system, covering all controlled companies within the Group's scope of consolidation, has been set up to ensure the reliability of its parent company and consolidated financial statements and the compliance by the Group's activities with applicable laws and regulations. Risks are handled through specific control procedures forming part of the operating and accounting processes. Their implementation is monitored under this internal control system, as described in section 4.2 "Elis Group's internal control and risk management system" of the Universal Registration Document.

The internal control and risk management procedures relating to the preparation and processing of accounting and financial information are an integral part of the Group's corruption prevention and detection system.

Starting from 2021, an initiative to structure and formalize the process was introduced jointly with the Internal Audit Department, with the goal of integrating controls for the rollout of the program to prevent and combat the risks of corruption and influence peddling into the internal control and risk management system. This formalization initiative led to the implementation of specific checkpoints that have been incorporated into the Group's overall internal control system. These checkpoints will gradually be rolled out and tested in all countries starting in 2023 as part of the overall internal control system. Specific action plans will be developed for any non-compliant checkpoints. Implementation of these plans will be monitored by the Internal Audit Department in collaboration with the Compliance function.

Committing to responsible taxation

Measures implemented

The Group is committed to complying with and strictly abiding by local laws and paying the taxes it owes in the countries in which it does business.

The Group's tax principles are set out below:

- taxes and duties are paid in accordance with all rules and regulations applicable in the countries in which the Group operates. The Group undertakes to abide by both the spirit and the letter of the law. The Group pays corporate income tax, withholding tax, customs duties and other taxes to which it is subject in the countries in which it operates, in accordance with national and international rules (i.e. OECD guidelines, local tax laws, international tax treaties, EU directives, etc.);
- the Group encourages open, respectful and constructive relationships with the tax authorities in each jurisdiction in which it operates. It provides factual and relevant information in accordance with OECD recommendations (Country-by-Country Reporting);
- the Group is transparent about its tax strategy. Declarations are made in accordance with applicable national legislation and current reporting requirements.

The Group prohibits any tax evasion or artificial tax arrangements that could compromise the Group's reputation and values. Moreover, the Group does not use tax structures for the purposes of tax evasion and does not invest in tax structures located in tax havens for the purposes of not paying its taxes.

In principle, the Group operates through legal entities established in each of the relevant countries.

The Company's decision to invest in a particular country is driven primarily by commercial goals and investment strategies, as well as the Company's commitment to develop the best solutions and offer its customers the best service.

Transactions between Group subsidiaries are carried out solely for commercial reasons. They are conducted according to the arm's length principle in accordance with international standards (OECD guidelines) and local transfer pricing rules to ensure they are fairly taxed (i.e. the taxation of profits in the place where value is created).

As a matter of principle, the Group also avoids acquisitions in places that are considered tax havens or Non-Cooperative Countries and Territories ("NCCT") under French law or by the OECD. Russia, due more specifically to the situation in Ukraine and its impacts on Russia's relationships with certain states, including EU member states, has been on the EU's NCCT list since February 14, 2023. However, the Group, whose presence in the region through its operating companies predates these events, complies with the specific tax rules on operations with NCCTs.

	2020		2021		**2022**	
Geographic areas	Profit (or loss) before tax *(In millions of euros)*	Tax paid *(In millions of euros)*	Profit (or loss) before tax *(In millions of euros)*	Tax paid *(In millions of euros)*	**Profit (or loss) before tax** *(In millions of euros)*	**Tax paid** *(In millions of euros)*
France	3.6	17.1	47.3	27.0	128.1	32.1
In the European Union (excluding France)	27.8	31.9	94.2	37.8	134.4	49.3
Excluding the European Union	(1.8)	16.8	29.5	18.4	22.6	18.7
Total Group	29.7	65.8	171.0	83.2	285.1	100.1

3.5.5 Contributing to our local communities and supporting the causes that we value

Context

The Elis Group is present in nearly 30 countries and has more than 434 sites. The Group's operations are intrinsically designed to be as close as possible to its customers (generally within 30 to 100 km) and to offer a dense service network. This unique positioning allows the Group to be strongly rooted in its regions and to contribute to them both directly (through employment, local partnerships, donations, taxation) and indirectly (through its contribution to the local economic fabric or its purchasing).

Governance

Locating the Group's sites in proximity to its customers is an intrinsic part of the Group's model, which it replicates in its different markets and countries.

With regard to the Group's engagement with its communities, it favors a local approach, enabling sites and countries to respond as best as possible to the challenges faced in their regions and to support the causes they value.

In addition, in 2019, the Group launched a Foundation in France, chaired by the Chairman of the Management Board.

Policy: goals and performance

Aware of its strong local presence, the Group intends to support the transformation of its regions and be a local player in supporting its communities and their development.

In line with the Group's corporate culture, the Elis Foundation also seeks to help talented young people with ambitious academic projects.

The Group has therefore set a target of:

Tripling the impact of the Elis Foundation by 2025

In 2022, the Group pursued its commitment in its regions by providing support through monetary donations, donations of products and services, and volunteering.

The Foundation also expanded its efforts in France. In 2022, it welcomed its fourth cohort and the Group forged a partnership with the association NQT (*Nos Quartiers ont des Talents* – Our Districts have Talent) to better support young talent and give employees more opportunities to become involved.

Supporting social mobility through our Foundation

Measures implemented

The Elis Foundation

The Elis Foundation, launched in 2019, is fundamentally rooted in Elis's philosophy and culture of supporting the development of its employees and helping to make them the leaders of tomorrow by entrusting them with significant responsibility. The foundation aims to identify and support young, motivated and outstanding high-school graduates to achieve their academic ambitions. The Group offers them a scholarship and the support of an Elis employee as a sponsor during their studies.

Each sponsor acts as a mentor and provides regular advice and support. This support is allocated for one year and may be renewed depending on school results, problems encountered or changes in the situation.

This young Foundation, which currently operates only in France, welcomed its fourth cohort in September 2022 at the Group's headquarters in Saint-Cloud at a cocktail party for the start of the academic year. This event was an opportunity for the Group to reiterate its commitment to supporting young people with exemplary academic records seeking to undertake long-term, complex or competitive studies.

In 2022, the Foundation conducted a number of communication initiatives (social media, internet, direct actions in high schools, posters, etc.) to raise its profile among high school graduates and thus be able to assist more talent over time.

In addition to its direct actions via the Elis Foundation, in 2022 the Group launched a partnership with NQT (Nos Quartier ont des Talents – Our Districts have Talent). This association, with a presence in 13 French regions, has much in common with the Foundation, namely its goal of helping young talent (with a minimum of three years of higher education) in difficult situations or from priority neighborhoods or revitalization zones to find their first job or work/study position through mentoring programs. This initiative makes it possible to support more young people while also offering the Group's employees greater opportunities to become a mentor and have an impact. Since the partnership's launch before the summer, the Group has already successfully involved nearly 2% of its French managers.

Outlook

Backed by several years of experience, the Elis Foundation continues to grow in France. In addition, it is exploring opportunities to expand its impact in the coming years.

Strengthening our impact and local presence

Measures implemented

Establishing our activities in the regions

Due to its economic model, its activities and its positioning, the Group's business operations cannot be relocated and they contribute to the economic development of its regions both directly (through employment, taxation, local partnerships, etc.) and indirectly (through its contribution to the local economic fabric or its purchasing). A study carried out in 2016 thus assessed, for the workwear business, that more than four times the number of direct and indirect jobs were generated, of which more than 30% in Europe.

This regional approach is reflected in the Group's commitment to support the maintenance of expertise and know-how locally, as evidenced by the subsidiary Le Jacquard Français, located in Gérardmer in France. In addition, the Group has a workwear manufacturing plant in Europe (700,000 garments made per year).

Le Jacquard Français certified as a living heritage company

The 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 French law on SMEs 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 Ministry of the Economy and Finance, since 2010.

Commitment to local communities

Decisions and actions relating to the Group's commitment to its communities are made and implemented at the local level so that it can always remain as close as possible to the needs and considerations faced by the regions in which it is located. This philosophy is reflected in its support for its communities. From donating linen to helping disadvantaged communities, some examples of our actions in 2022 are detailed below:

- in France, Le Jacquard Français donated fabric scraps to certain associations, for example, to make bags for women hospitalized with breast cancer. As part of Breast Cancer Awareness Month in October, a walk was organized at one of the sites along with a sports challenge at the headquarters to raise funds for the RoseUp association. The Group has also supported the Écoles de la Seconde Chance (Second Chance Schools) in Essonne and Val-de-Marne for several years by paying the apprenticeship tax. These schools provide assistance with the social and vocational integration of hundreds of young people who have been out of the educational system for more than a year and have no diploma or qualifications.
- In Denmark, the Group offers its linen and laundry services to certain associations (notably to support Ukraine) or certain events, such as the Red Cross summer camps. In addition, the cleanroom business donates between 2,500 and 3,000 textile items every month to Global Medical Aid. These are then used in countries where they may be lacking (for example, Burundi, Nepal, Sri Lanka, Kenya and Afghanistan).
- in Portugal, about 50 employees helped distribute about 100 meals to Lisbon's homeless population;
- in the Czech Republic, 500 kg of workwear was donated to a prison service;
- in Colombia, sheets were donated to an association working with the country's indigenous communities in the Cartagena region. The indigenous populations used this donation to make their traditional garments out of white sheets;
- in the United Kingdom, donations were made to local associations that work mainly in healthcare and with people living in poverty.

In collaboration with its insurance company, in 2022 the Group also reinvested some of its insurance premiums in specific projects that have a positive social or environmental impact.

Local sourcing

Local European sourcing is preferred for direct purchases, and in hygiene and well-being more specifically. This is true in particular for segments such as mats, water fountains and paper. In 2022, nearly 100% of direct hygiene and well-being suppliers were based in Europe. Le Jacquard Français also works continually to move its products closer or relocate them when they are not produced internally. In 2021, it relocated the manufacture of its aprons to France to an ESAT (Établissements et Services d'Aide par le Travail, a French network that promotes employment for people with disabilities). In 2022, some of the toweling ranges were manufactured in Portugal to reduce transportation. In terms of its direct purchases, the Elis Group sources almost 45% of its purchases of workwear, hygiene and well-being products from local European suppliers.

Nearly 40% of direct workwear suppliers are based in Europe

Nearly 100% of direct hygiene and well-being suppliers are based in Europe

3.5.6 Keeping the IT system secure for us and our employees

Context

As operations become more digitalized and people use digital technology more, Elis's environment is changing, and this creates new challenges. In response, the Group has devised policies focused on bolstering cybersecurity and protecting personal data and privacy.

The aspects relate particularly to:

- operating loss following a cyberattack targeting IT systems that could affect Elis's business; and
- the protection of the personal data Elis processes. These are mainly employee and job applicant data and data collected from customers, suppliers and stakeholders.

Governance

The strategic direction for cybersecurity is set by the IT Systems Department. Within the IT Systems Department, the IT System Security Department, via the Group Chief Information Security Officer (CISO), is responsible for shaping and implementing the security policy.

Elis is strengthening its cybersecurity structure by building a multicountry, global team and forming outside partnerships to monitor cyberattacks 24 hours a day, 7 days a week, 365 days a year. This structure covers governance, risks, compliance, the incorporation of security into projects and keeping assets secure.

The cybersecurity management approach is based on a risk analysis. These risks are identified in conjunction with all the organization's departments, business lines and IT. Elis maps IT system risks and ensures that measures to protect the assets are established, adjusted to the risks, and then implemented.

When it comes to data protection, each country has a structure for following the relevant rules. The Data Protection Officer for France (DPO) serves as a coordinator who makes sure that compliance is standardized. A central steering committee meets regularly. The mechanism set up by the Group has been reviewed by the Audit Committee.

Policy: goals and performance

The security policy addresses the major issues concerning the security of IT systems, particularly data protection, and outlines for each of them the overarching principles that must be applied. It conveys clear goals, best practices and levels of control that are suited to the risks incurred, particularly cyberattack risks.

The Group's policy on the management of personal data is posted on the Group's various websites and shared with its employees and customers. In this policy the Group lays out its commitments regarding data collection, processing, use and storage, as well as the procedures that individuals can follow to exercise their rights.

The cybersecurity policy is based on ISO 27001 and international guidelines such as the National Institute of Standards and Technologies (NIST) and the Center for Internet Security (CIS). It includes directives, standards, procedures and companion guides that are enforced in and adapted to all the countries where the Group operates.

When it comes to cybersecurity, the Group focuses especially on:

- ensuring business continuity: the IT system must be ready to restore interrupted services in the event of an attack;
- protecting user and customer data;
- making sure that the IT system complies with the security policy and regulations;
- providing advice and support to Elis's business line departments so they can design new services securely.

Priority is placed on:

- protecting the sites against operating losses (service interruption as a result of a cyberattack) by managing the backup systems and processes (both connected to and isolated from the network), isolating the networks to limit the impact of an attack and being able to respond to security incidents 24/7/365 in all the countries where Elis operates;
- protecting the financial transaction management systems;
- complying with current regulations on personal data.

This policy is reviewed regularly based on threat evolution, incidents, compliance level, the organization's business, and regulatory requirements.

The Group applies the cybersecurity policy and standardized tools in all the countries where it does business.

Education and training

Measures implemented

Internal IT Charter

When the General Data Protection Regulation (GDPR) entered into force, the Charter on Acceptable Use of Electronic Communication Technologies was reviewed and rolled out within the Group. This Charter outlines data protection measures as well as security measures. It was revised in 2022 to account for changes in practices and technologies and to continue to strengthen the protection of the IT systems.

Employee education and training

Education initiatives focused on the principles of data protection are renewed regularly.

The Group issues frequent reminders to employees about aspects of cybersecurity. There is a process to educate employees about IT system security, reminding users about cybersecurity good practices. Phishing tests are also run regularly and video training on security best practices is provided for all the countries where Elis operates.

Outlook

As part of its continuous improvement process for the system, Elis continues to expand its cybersecurity education and training plan with new content – mainly cyber crisis management testing – tailored to the various business lines and with new e-learning tools.

Keeping our IT systems secure

Measures implemented

Prevention

Elis applies an IT system security risk management process and identifies, classifies and addresses these risks: the nature and level of the risk dictates the priority of the security measures that are implemented to protect assets. The IT risk map is reviewed regularly and updated in response to feedback and the manifestation of new risks.

To guarantee compliance with current regulations on the management of personal data, this stage is anticipated during the design phase ("privacy by design") of every new project or request for change. This includes risk identification and evolution and the determination of organizational and technical security measures.

Elis enforces a series of principles governing access to IT systems. Access to IT systems is limited to authorized users and systems. In addition, the Group isolates third-party data (e.g. customers, suppliers, partners). Additional mechanisms such as encryption may also be used.

Mechanisms to assess, process and monitor the vulnerabilities of products are implemented for the Group.

New technologies are also used to increase the security of the Group's work stations and servers. For example, the Group has selected and is rolling out a single EDR (Endpoint Detection & Response) solution to all the Group's countries.

Elis is strengthening and standardizing the security of its infrastructure to reduce the risk of spread of cyberattacks and guarantee the IT system's availability and integrity, as well as the confidentiality of its services and data.

Detection

There are established mechanisms and a structure to monitor events that could cause a security incident. Should an incident occur, remediation actions are immediately set in motion. These special tools have been rolled out to all countries and monitor attacks and attempted attacks in real time. Annual security audits are also conducted on critical assets. The audit reports and compliance monitoring tools serve as the basis for a formalized remediation and monitoring plan until the detected breaches are resolved. Elis carries out penetration tests on its applications and on any high-risk system.

Elis's Security Operation Center (SOC) conducts 24/7/365 monitoring of malicious events that occur on the IT systems (e.g. networks, collaborative systems) and deploys the appropriate responses depending on the criticality of the incident.

Response to security incidents

The incident response team is equipped to respond remotely or on-site at any time in all the countries where Elis operates. Elis has identified sources of risks and devised a suitable response plan and targeted procedures to respond to them quickly and effectively. Security incident management is being continuously improved. Elis delivers frequent training to the relevant teams about new attacks and ways to respond to them.

Outlook

As cyberthreats evolve, the Group needs to update its strategic plan and cybersecurity roadmap. This plan and roadmap include new programs and initiatives that aim to improve mechanisms to protect systems and prevent, detect and react to incidents and crises, and to incorporate new technologies to advance cybersecurity, such as artificial intelligence. Elis will continue to ensure that the plan to secure the IT system is closely connected to the modernization plan for its infrastructure and applications, and will guarantee high security in the transition to the Cloud.

Respect and security of personal data

Measures implemented

Respect and security of personal data

The current processes meant to keep personal data secure are discussed above in the paragraph "Keeping our IT systems secure." In addition, Group employees are educated about the concepts of "privacy by design" and "privacy by default" so these elements are included from the upstream phases of any project that involves the processing of personal data.

Elis has begun to overhaul the structure of its policy on the international flow of personal data. Elis is supplementing current measures with additional guarantees that take into account the latest relevant requirements.

Notifying data subjects

As soon as it is anticipated that personal data will be collected, the data subjects are notified about the purpose of the processing and the legal grounds for the data collection. Clear, accessible mechanisms inform data subjects and give them an opportunity to question the protection of personal data. If the data subjects' privacy must be infringed, the Group implements the procedure established in accordance with the regulations in force.

Monitoring incidents and requests for access rights

A security-incident response procedure applies across the countries where the Group operates. A log of personal data breaches and log of security incidents are kept; they include the incident reports and areas for improvement that have been pinpointed.

The exercise of rights of access to personal data during the year applies mainly to human resources subjects and are processed.

Outlook

Elis will continue to implement the necessary measures to protect personal data and will keep an eye on changes to regulations in the countries where it operates.

3.6 APPENDICES

3.6.1 Non-financial performance statement

Presentation of the business model

The Group's business model is presented in chapter 1, section 1.2 of this Universal Registration Document.

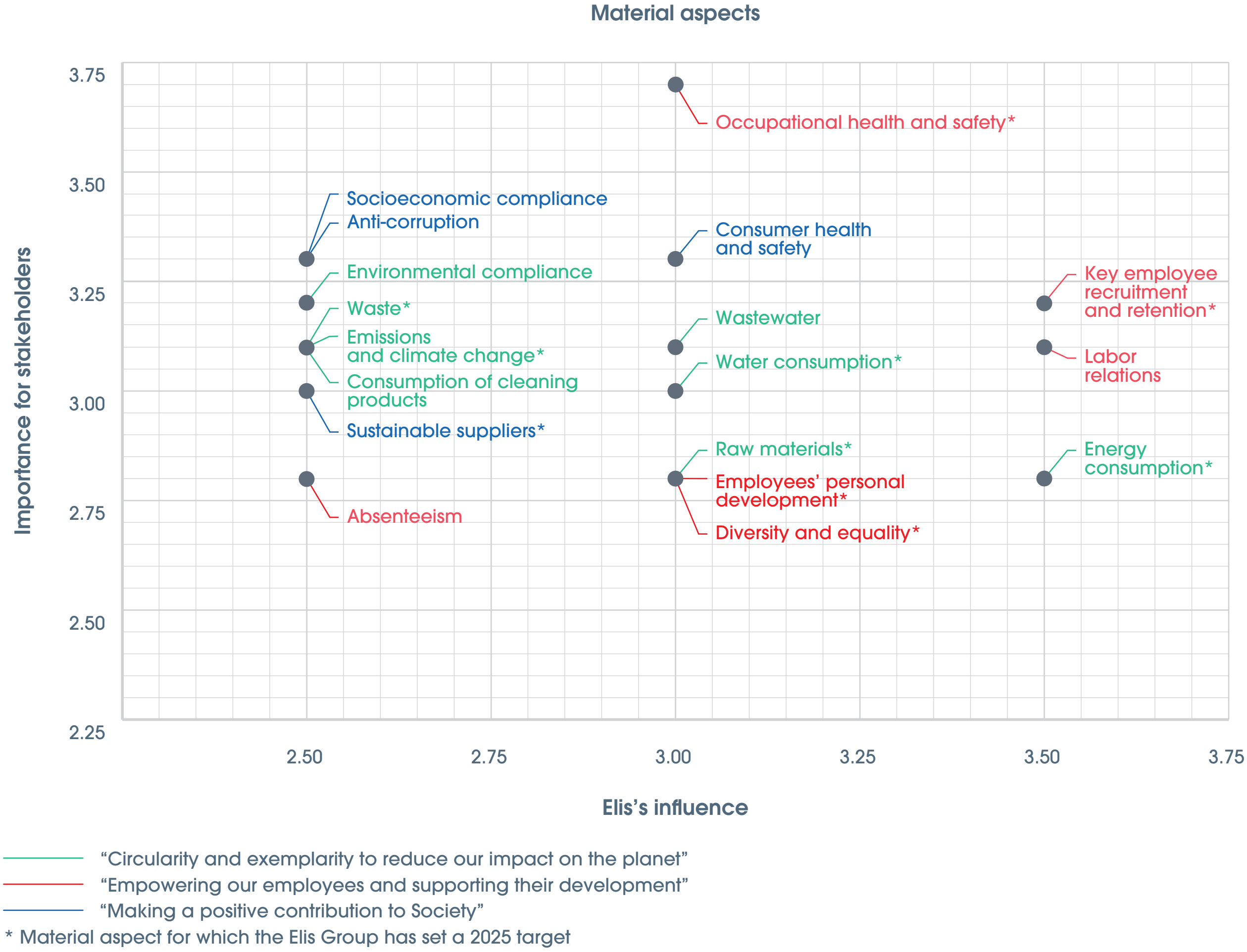
Materiality matrix

The Group developed a materiality matrix in 2019 to put CSR considerations and their importance into perspective for the various stakeholders and for the company. This work was especially used when updating its sustainability strategy, presented in section 3.2.3 "Our CSR roadmap: clear and ambitious targets."

Five major categories of stakeholders were considered during this analysis: investors, employees, authorities, direct suppliers and customers. The CSR considerations were then ranked based on two criteria: "Elis's influence" over these aspects and their "importance for stakeholders," measured on a scale of 1 to 4.

The topics covered by the Group's 2025 targets are marked with an asterisk in the materiality matrix below.

MATERIALITY MATRIX EXCERPT



Risk analysis methodology and presentation of the major risks

The CSR Department, in conjunction with the Human Resources, Legal Services, Quality, Safety and Environment, and Purchasing departments, carried out an in-depth review of the Group's CSR-related considerations in 2021 to map its risks and opportunities.

This analysis, intended to assess the considerations for both the company and its stakeholders, took into account short-, medium- and long-term considerations in the following areas:

- the environment
- social aspects
- societal aspects
- respect for human rights and business ethics;
- customers and product and service users;
- purchases;
- governance.

Each area was individually analyzed and assessed in terms of its impacts (financial, strategic, reputational, environmental, health and safety, and the local population) and their likelihood of occurring.

This review of the risks and opportunities was based on interviews with key company personnel who are in direct contact with stakeholders, interviews with certain external actors (investors, in particular), an in-depth document review (ESG questionnaires, customer questionnaires, etc.), and the Group materiality matrix developed in 2019 presented above. This matrix of the risks and opportunities was also presented to the Executive Committee, the CSR Committee and the Supervisory Board.

In 2022, this Group risk and opportunity matrix was updated in collaboration with the CSR coordinators in several of the Group's major countries and internal experts.

These stakes form the foundations of the Group's CSR strategy thanks to the prioritization of the non-financial risks in the short, medium and long term. The risks with the greatest impact are thus included in the Group Risk Assessment presented in chapter 4 of this Universal Registration Document. A table for cross-referencing with the non-financial performance statement is presented below.

Other risks could also exist that the Group is currently unaware of or that are considered non-material as at the date of this Universal Registration Document. If those risks were to materialize, they could have a material adverse impact on the Group and its business, financial position, results, ability to achieve its objectives or reputation.

Cross-reference between the non-financial performance statement risks and the sections of chapter 3

Elis presents its CSR strategy both to comply with regulatory requirements (such as the non-financial performance statement or taxonomy, for example) and to meet the expectations of its stakeholders. Thus, policies, goals, performance indicators and actions are presented to illustrate the Group's commitment on these matters.

As such, the table below presents the links between the main non-financial risks and the majors considerations faced by the Group. All policies implemented, performance indicators and outcomes in relation to preventing, identifying and mitigating these risks are presented in the referenced sections.

The significant associated risks have been included in the Group's risk assessment, presented in chapter 4.

Major risks	Detailed description of the risk	Associated considerations	Key performance indicator and outcomes	Section
Risk of increased stakeholder expectations in terms of contribution to climate change mitigation	The emissions from the Group's activities contribute to climate change. The Group is therefore working to reduce its emissions in its different scopes to contribute to the global effort to limit global warming and meet its stakeholders' expectations.	› Fighting and adapting to climate change	› Change in direct and indirect emissions (Scopes 1 & 2 market-based) since 2019 › Change in other indirect emissions (Scope 3) since 2019 › Change in other indirect emissions (Scope 3; more limited scope of emissions) since 2019 › Direct CO_2eq emissions (Scope 1) › Total indirect CO_2eq emissions (Scope 2) – location-based › Total indirect CO_2eq emissions (Scope 2) – market-based › Total other indirect CO2eq emissions (Scope 3) (including purchases of products, services and equipment; employee travel; upstream and downstream transport of goods; upstream emissions related to energy; and other emissions sources) › Total other indirect CO_2eq emissions (Scope 3 – more limited scope of emissions) › 2019 emissions for each emissions source (Scope 1, Scope 2 and Scope 3) › CO_2eq emissions per ton of linen delivered	3.3
Risks related to energy consumption in the operations	The Group mainly uses thermal energy and electricity at its industrial sites, and fuel for its vehicle fleet. Given the growing consideration related to energy (costs, regulations, climate), the Group is exposed to increasing risks in this area. The Group is thus committed to an ambitious approach to reducing energy consumption and to a transition toward less emiting energy in order to contribute to the fight against climate change.	› Minimizing our energy consumption › Fighting and adapting to climate change	› Ratio of thermal energy consumption of European plants per kilogram of linen delivered › % reduction in thermal energy per kg of linen delivered since 2010 (European laundries)	3.3

3

Major risks	Detailed description of the risk	Associated considerations	Key performance indicator and outcomes	Section
Risk of reputation, operation and mismatch with customers expectations of the group logistic fleet	The Elis Group operates a logistics fleet to provide its services and deliver its products. Given the increasing regulations related to access to certain city centers, reputational concerns and growing customer expectations, there is a risk that the Group's vehicle fleet will prove inadequate.	› Minimizing our energy consumption › Fighting and adapting to climate change	› Number of alternative vehicles	3.3
Risk related to business disruption due to pressure on water resources and adaptation to climate change	Water is a strategic global resource and a real sustainability consideration for communities, companies and for Elis in particular. Furthermore, given the effects of climate change, it is possible that some extreme events will become more frequent (for example, storms, floods) or that local climate conditions will be affected over the longer term (rising temperatures, more frequent droughts, depletion of local water resources, etc.). In particular, the Group's business could be affected by the availability of water resources. For Elis, there are two aspects to water resource management: › limiting water consumption; › managing the impact of its discharges. Water supply is crucial to operating an industrial laundry, mainly because of the linen washing activity. Unlike traditional modes of consumption, the rental & 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 & maintenance model is able to substantially reduce water consumption compared to a solution based on purchasing and in-house laundering.	› Optimizing our use of resources and minimizing our impact on ecosystems	› Water consumption of European laundries per kilogram of linen delivered › % reduction in water consumption per kg of linen delivered between 2018 and 2030 (European laundries)	3.3.3
Risk related to the product portfolio not meeting customers' environmental expectations	Given the risks associated with resource consumption, climate change and exceeding the planet's finite resources, traditional consumption models have been called into question and products have been challenged with regard to the way they are manufactured, their use, and their end of life. The Elis Group's business model is based on the circular economy and, as such, offers products and services that have a smaller environmental impact and encourage sustainable product use and a longer product lifespan compared with more traditional approaches. The Group also manages these risks by working on: › the eco-design of products (incorporating recycled or alternative materials, design to recycle, etc.); › extending the lifespan of products (linked to circular economy principles); › the ability to recycle products; › the supply chain for its products (production method, sustainability commitments, etc.).	› Eco-designing our products and services › Being a circular economy player › Reducing and properly 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 procurement spend from direct suppliers that have undergone a CSR assessment in the next 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
Operational and reputational risk linked to a lack of diversity in our teams	The Group may experience difficulties implementing its strategies and measures for equal opportunities and diversity, which could affect its brand image, its ability to attract employees or have regulatory consequences.	Ensuring non-discrimination and equal opportunities	Share of women in executive or management roles	3.4.4
Reputational risk for the Group linked to poor environmental and social practices in the supply chain	The Group aims to comply with environmental and human rights regulations throughout its supply chain. However, if a supplier were to breach these regulations, the Group's reputation could be adversely affected in the long term.	Working responsibly with third parties	Share of procurement spend from direct suppliers that have undergone a CSR assessment in the previous three years	3.5.3

Tax avoidance, bribery, anti-corruption and human rights are presented in this document in sections 3.4.5 "Respecting human and labor rights" and 3.5.4 "Continuing to integrate ethics into our business practices." However, these matters have not been identified significant risks at the date of this document.

In addition, some topics (food waste, sustainable and responsible food, food insecurity, respect for animal welfare, promotion of physical activity and sports and the use of conflict minerals) have not been included in this document, as they do not currently represent major challenges for the Group.

Finally, topics related to collective agreements are presented in section 3.4.1 "Listening to, valuing our employees, and ensuring their well-being at work."

3.6.2 Taxonomy

Context

EU taxonomy regulations[1] are a key part of the European Commission's action plan on sustainable finance which aims to reorient capital flows toward a more sustainable economy. As European taxonomy is a system for classifying environmentally "sustainable" economic activities, it represents an important step toward the European goal of carbon neutrality by 2050.

As a group that is subject to the requirement to publish non-financial information in accordance with Article 29a of Directive 2013/34/EU, Elis falls within the scope of Article 8 of the EU taxonomy regulation.

Since 2021, the Group has thus disclosed information about how and to what extent its activities are initially "eligible." Under the EU taxonomy, an "eligible" economic activity means an economic activity that is listed and described in the delegated acts, irrespective of whether that economic activity meets any or all of the "environmental" criteria laid down in those delegated acts. The environmental goals defined in the EU taxonomy regulation are as follows: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and reduction, and protection and restoration of biodiversity and ecosystems.

As of 2022, the taxonomy reporting includes the alignment of these eligible activities. An eligible activity qualifies as "aligned," i.e. classified as environmentally sustainable, if it makes a substantial contribution to one or more of these environmental goals while meeting the criteria for substantial contribution defined by the European Commission. At the same time, this economic activity must do no significant harm to one of the other environmental goals. Furthermore, these economic activities must be carried out in compliance with the minimum safeguards.

For now, technical criteria have been established for the first two goals in the Climate Delegated Act. The information published under the EU taxonomy is therefore limited to these two goals.

List of eligible activities applicable to the Elis Group

The Climate Delegated Act focuses primarily on the economic sectors and activities that have the greatest potential to contribute to the goal of mitigating climate change, i.e. preventing the production of greenhouse gas emissions, reducing these emissions and increasing carbon capture and storage in the long term. The sectors covered thus relate mainly to energy, certain manufacturing activities, transport and buildings.

In order to determine which activities are eligible under the European taxonomy, the Group examined all the taxonomy-eligible economic activities listed in the Climate Delegated Regulation in light of the activities carried out by the Group in its various regions and subsidiaries.

A thorough review involving various Group functions (finance, Sustainable development, QHSE, industrial projects, logistics, IT, etc.) concluded that the Group is not significantly concerned by these first two goals. As the Group did not have any economic activity generating revenue eligible for taxonomy, only expenditure (hereinafter, "capex") related to purchases of eligible products and services or to the undertaking of eligible activities for its own internal requirements was taken into consideration. The activities selected are presented in the capex table below and are the same as last year.

The Group chose to allocate its eligible activities to the climate change mitigation goal.

However, the Group anticipates that a significant proportion of its activities will fall within the scope of the regulation when it comes to the goal of the transition to a circular economy, particularly with respect to its product-as-a-service model.

Reporting methodology

In order to report and publish information on activities eligible for European taxonomy in 2022, the Group:

- analyzed in detail the activities eligible for taxonomy, comparing each of the activities listed in the Annex to the Regulation with Elis's operations (commercial activities, operations, investments, etc.);
- defined the activities and related requirements in terms of alignment and do not significant harm criteria into operational criteria for the Group's teams
- reviewed its industrial investments, having previously identified the capex relating to eligible activities under the regulation in 2022 (individually eligible capex);
- conducted training sessions in its main languages with its key contacts in the various regions and subsidiaries;
- supplied its subsidiaries with a reporting format allowing them to report financial information for each of the eligible activities that may be applicable to the Group;
- set up a cross-functional team responsible for assisting and answering questions from local teams and reviewing the data reported;
- consulted with external sector experts and peers to ensure that the regulatory texts were being correctly interpreted.

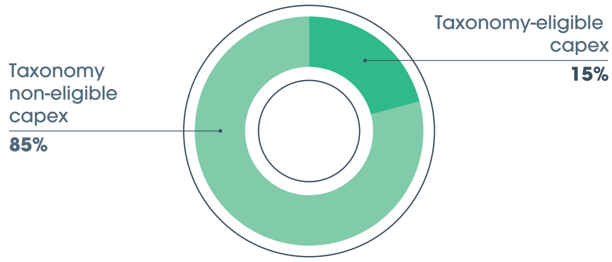
(1) Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

Method for calculating the indicators

Indicators related to the proportion of taxonomy-eligible activities have been reported in accordance with the provisions set out in Annex 1 of Article 8 of Delegated Regulation C (2021) 4987 supplementing Regulation (EU) 2020/852. In particular, given the Group's low exposure to eligible activities under the climate target taxonomy and the definitions of these indicators:

- the Group reports zero revenue from eligible activities;
- eligible capex is 15% and consists exclusively of individually eligible capex not linked to Elis's commercial activity in the absence of eligible revenue;
- eligible opex is considered non significant.

SHARE OF CAPEX ELIGIBLE FOR TAXONOMY



Eligible revenue

The proportion of taxonomy-eligible economic activities in total revenue is calculated as the share of net revenue derived from products and services associated with taxonomy-eligible economic activities (numerator) divided by net revenue (denominator). The revenue denominator is based on consolidated net revenue in accordance with IAS 1.82(a).

For more details on the accounting policies for consolidated net revenue, see chapter 6, section 6.1, Note 4.1 to the consolidated financial statements of this Universal Registration Document.

As the Group did not have any economic activity generating revenue eligible for taxonomy, only expenditure (hereinafter, "capex") related to purchases of eligible products and services or to the undertaking of eligible activities for its own internal requirements was taken into consideration.

				Substantial contribution criteria						Do no significant harm criterion										
		Absolute revenue	Share of revenue	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Share of taxonomy-aligned revenue year N	Share of taxonomy-aligned revenue year N-1	Category (enabling activity)	Category (transitional activity)
Economic activities	Code	In millions of euros	as a %	as a %	as a %	as a %	as a %	as a %	as a %	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	as a %	as a %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Revenue of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%								0%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Revenue of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		0	0%														0%			
TOTAL REVENUE OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) (A)		**0**	**0%**														**0%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Revenue of taxonomy-non-eligible activities (B)		3,820.9	100%																	
TOTAL (A + B)		**3,820.9**	**100%**																	

Individually eligible capex

As the Group did not have any economic activity generating revenue eligible for taxonomy, only expenditure related to purchases of eligible products and services or to the undertaking of eligible activities for its own internal requirements was taken into consideration.

				Substantial contribution criteria						Do no significant harm criterion										
	Code	Absolute capex	Share of capex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Share of taxonomy-aligned capex, year N	Share of taxonomy-aligned capex, year N-1	Category (enabling activity)	Category (transitional activity)
Economic activities		In millions of euros	as a %	as a %	as a %	as a %	as a %	as a %	as a %	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	as a %	as a %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	2.2	0.2%	100%							YES		YES	YES		YES	0.2%			
Freight transport services by road	6.6	3.5	0.4%	100%							YES		YES	YES		YES	0.4%			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	0.8	0.1%	100%							YES					YES	0.1%		E	
Acquisition and ownership of buildings	7.7	1.0	0.1%	100%							YES					YES	0.1%			
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		7.6	0.8%	100%	0%	0%	0%	0%	0%								0.8%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Electricity generation using solar photovoltaic technology	4.1	0.1	0.0%																	
Transport and distribution networks for renewable and low-carbon gases	4.14	0.0	0.0%																	
Installation and operation of electric heat pumps	4.16	0.0	0.0%																	
Production of heat/cool from solar thermal heating	4.21	0.2	0.0%																	
Production of heat/cool from renewable non-fossil gaseous and liquid fuels	4.23	0.1	0.0%																	
Production of heat/cool from bioenergy	4.24	1.0	0.1%																	
Production of heat/cool using waste heat	4.25	3.0	0.3%																	
Construction, extension and operation of wastewater collection and treatment	5.3	2.7	0.3%																	
Renewal of wastewater collection and treatment	5.4	2.5	0.3%																	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	15.6	1.7%																	
Freight transport services by road	6.6	43.2	4.8%																	
Infrastructure enabling low carbon intensity road transport and public transport	6.15	0.0	0.0%																	
Renovation of existing buildings	7.2	10.0	1.1%																	
Installation, maintenance and repair of energy-efficient equipmen	7.3	2.8	0.3%																	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	0.0	0.0%																	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0.1	0.0%																	
Installation, maintenance and repair of renewable energy-technologies	7.6	0.0	0.0%																	
Acquisition and ownership of buildings	7.7	50.4	5.6%																	
Data processing, hosting and related activities	8.1	0.1	0.0%																	
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		132.0	14.6%														0%			
TOTAL CAPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) (A)		**139.6**	**15.4%**														**0.8%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Capex of taxonomy-non-eligible activities (B)		765.0	84.6%																	
TOTAL (A + B)		**904.6**	**100.0%**																	

Explanations and main assumptions relating to capex

An activity was considered eligible on the basis of its description, irrespective of any assessments of the technical alignment criteria, of any significant harm caused to any of the other environmental goals, or of minimum safeguards.

The main assumptions made by the Group in its reporting are as follows:

- activities 4.23 and 4.24: investments in eligible facilities that produce heat (particularly from renewable energy) have been taken into account in their entirety, including if they fulfill additional functions (for example, drying linen). Their ability to produce heat in situ (particularly from renewable energy) means they can be a more flexible and efficient alternative to a central heating system;
- activities 5.3 and 5.4: investments associated with the renovation or construction of wastewater treatment systems have been reported by the Group, as these systems complement or replace municipal systems;
- activities 6.5 and 6.6: as far as European vehicle regulations (e.g. Euro 6) are concerned, the Group did not consider equivalence with local regulations for this reporting. As such, the Group does not report aligned capex for these activities for its Central and South American countries;
- activity 7.7: investments associated with new buildings acquired or held by the Group have been included for the eligibility analysis regardless of the energy performance of the building;
- where several eligible activities could have been selected, the expenditure was reported in a single activity. As such, some investments related to major industrial projects were not considered separately within different eligible categories. For the construction of a new building, all investment was allocated to activity 7.7.

For the substantial contribution criteria and the do no significant harm criteria, as the first two goals of the EU taxonomy do not significantly concern the Group, a detailed analysis of the requirements was conducted for the Group's most significant activities: 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles," 6.6 "Freight transport services by road," 7.4 "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)," 7.7 "Acquisition and ownership of buildings." The requirements were translated into operational terms and their applicability was reviewed by the operational or local teams.

In accordance with the European definitions, the key performance indicator for capex is defined as capex eligible for taxonomy (numerator) divided by total capex (denominator). Total capital expenditure includes additions to property, plant and equipment and intangible assets during the financial year, before amortization, depreciation and any revaluations, including those resulting from impairment and changes in fair value. It includes additions to fixed assets (IAS 16 – €684 million as shown in Note 6.2 to the 2022 consolidated financial statements), to intangible fixed assets (IAS 38 – €26.5 million as shown in Note 6.1 to the 2022 consolidated financial statements) and right-of-use assets (IFRS 16 – €90.4 million as shown in Note 6.4 to the 2022 consolidated financial statements). Additions resulting from business combinations are also included (€103.7 million as shown in Note 2.4 to the 2022 consolidated financial statements). Goodwill is not included in capital expenditure as IAS 38 does not define it as an intangible fixed asset. For more details on our accounting methods as regards capital expenditure, please refer to the introduction of the aforementioned notes to the consolidated financial statements in chapter 6.1 of this Universal Registration Document.

3

Eligible opex

In accordance with the European definitions, the key performance indicator for opex is defined as opex eligible for taxonomy divided by total opex. Total opex is comprised of uncapitalized direct costs related to research and development, building renovation measures, short-term rental, maintenance, repair, and any other direct expenditure related to the day-to-day maintenance of tangible fixed assets.

Given the nature of the Group's business, opex that meets the taxonomy's definition is €219.6 million. The Group therefore chose to use the exemption provided for in the regulation in light of the low materiality of opex within the meaning of the taxonomy.

				Substantial contribution criteria						Do no significant harm criterion										
Economic activities	Code	Absolute opex	Share of opex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Share of taxonomy-aligned opex, year N	Share of taxonomy-aligned opex, year N-1	Category (enabling activity)	Category (transitional activity)
		In millions of euros	as a %	as a %	as a %	as a %	as a %	as a %	as a %	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	as a %	as a %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%								0%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		0	0%														0%			
TOTAL OPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2) (A)		**0**	**0%**														**0%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Opex of taxonomy-non-eligible activities (B)		219.6	100%																	
TOTAL (A + B)		**219.6**	**100%**																	

Minimum safeguards

To confirm compliance with the minimum safeguards, the Group relies on the processes in place to ensure compliance with human rights and corruption regulations (Duty of Vigilance, Sapin II, etc.) and with its ethics and tax policy practices. These are described in more detail in section 3.5.3 "Working responsibly with third parties" and section 3.5.4 "Continuing to integrate ethics into our business practices."

In 2022, neither the Group nor its directors were convicted of a criminal offense within the meaning of the minimum safeguards.

3.6.3 Non-financial ratings and prizes

The Elis Group is assessed on its environmental, social and governance (ESG) performance by several non-financial ratings agencies.

These annual or biannual reviews enable the Group to communicate its commitment, identify areas for improvement and position itself relative to its peers. In particular, in 2022:

After achieving Gold in the EcoVadis questionnaire for five years in a row, Elis received the Platinum medal, the highest possible award. This medal positions the Group in the top 1% of the approximately 90,000 companies assessed by EcoVadis. This crucial questionnaire for the customer-supplier relationship assesses companies on 21 aspects grouped into four themes (Environment, Labor & Human Rights, Ethics and Sustainable Procurement).

The Group achieved an A- the second time it participated in the climate questionnaire conducted by the Carbon Disclosure Project (CDP), compared with its B in 2021. The CDP is a non-profit organization that carries out independent assessments (with ratings ranging from D- to A Leadership) based on information provided by companies on their strategy, management, performance or even their role in engaging with their stakeholders about climate issues. The Elis Group is thus positioned higher than the average score for the sector in Europe (C) for this first reporting year. The improvement in the Group's rating from B in 2021 to A- highlights the Group's climate efforts and commitment. In 2022, the Elis Group was on the CDP Supplier Engagement Leaderboard (note A), which recognizes the top 8% of companies engaging with their supply chain on climate.

In 2022, Sustainalytics significantly upgraded Elis's ESG rating by nearly 10 points to 14.8 ("low risk").

Elis maintained its excellent score from the Gaïa rating agency (72/100), putting it in the Gold category.

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3.6.4 Details of Group performance

Summary of environmental information

	Unit	Group 2022	Group 2021	Group 2020
Scope				
Gross revenue of sites within the scope	Millions of euros	3,469.1	3,047.6	2,646.4
Number of sites included in the scope	Number of sites	434	425	425
General environmental policy				
ISO 50001 certified sites	Number of sites	27	78	81
ISO 14001 certified sites		146	141	143
% of industrial sites that are ISO 14001-certified[(a)]	as a %	39%	39%	
Amount of expenses for work to achieve compliance	Millions of euros	8.7	8.1	5.6
Amount of environmental provisions and guarantees	Millions of euros	73.4	71.2	72.1
Amount of compensation paid for environmental litigation	Millions of euros	0	0	0
Pollution prevention and waste management				
Total amount of waste generated	Tons	41,390	37,925	35,733
Share of waste recovered		63%	60%	61%
Amount of hazardous waste generated	Tons	7,173	6,766	6,958
Hazardous waste as a share of total waste	as a %	17%	18%	19%
Proportion of hazardous waste recovered	as a %	71%	42%	56
Amount of non-hazardous waste generated	Tons	34,217	31,159	28,775
Proportion of non-hazardous waste recovered	as a %	62%	64%	63
Sustainable use of resources				
Total volume of water consumed	Millions of m^3	15.8	14.4	13.0
Water consumption per kg of linen delivered (all Group sites)	L/kg	8.5	9.0	9.4
Proportion of water from a public source	as a %	48	47	48.5
Proportion of groundwater	as a %	50	51	50.5
Proportion of surface water	as a %	2	2	1
Volume of industrial effluents discharged	Millions of m^3	13.7	12.3	10.8
Volume of industrial effluents treated	Millions of m^3	13.7	12.3	10.8
Proportion of industrial effluents treated in municipal treatment facilities	as a %	90	90	92
Proportion of industrial effluents treated in-house before discharge into the natural environment	as a %	10	10	8
Total energy consumption (excluding vehicles)	MWh (HHV)	2,664,806	2,433,931	2,196,145
Electricity consumption	MWh	330,936	300,357	289,827
Consumption of renewable energy (thermal)	MWh (HHV)	488,671	497,458	435,649
Consumption of natural gas/propane/butane	MWh (HHV)	1,770,962	1,555,254	1,390,895
Consumption of fuel oil (excluding fuel for vehicles)	MWh (HHV)	39,514	43,497	50,658
Consumption of other energy sources	MWh (HHV)	33,986	40,471	29,116
Total fuel consumption for vehicles (deliveries and services)	Thousands of liters	47,810.8	43,560.7	39,674.3
Gasoline consumption	Thousands of liters	1,317.2	933.0	594.3
Diesel consumption	Thousands of liters	45,962.9	42,178.0	38,749.4
Thermal energy consumption per kg of linen delivered (all Group sites)	kWh/kg	1.25	1.34	1.38

	Unit	Group 2022	Group 2021	Group 2020
Fight against climate change				
Direct GHG emissions – Scope 1	Kt CO_2eq	450.3	413.8	381.2
Indirect GHG emissions – Scope 2 (location-based)	Kt CO_2eq	53.8	54.3	58.6
Indirect GHG emissions – Scope 2 (market-based)	Kt CO_2eq	68.0	76.5	
Indirect GHG emissions – Scope 3 *(Baseline 2019): 1,344.7 Kt CO_2eq*	Kt CO_2eq	1,340.9	1,500[b]	
Indirect GHG emissions – Scope 3 (for a more limited scope of emissions) *Baseline 2019: 967.6 Kt CO_2eq*	Kt CO_2eq	1,035.8		
Total GHG emissions – Scope 1 and 2 (location-based)	Kt CO_2eq	504.1	468.2	439.8
Total GHG emissions – Scope 1 and 2 (market-based) *Baseline 2019: 628.3 Kt CO_2[c]*	Kt CO_2eq	518.3		
Total GHG emissions – Scope 1, 2 (market-based) and 3	Kt CO_2eq	1,859		
Change in direct and indirect emissions (Scopes 1 & 2 market-based) since 2019	as a %	-17.5		
Change in other indirect emissions (Scope 3) since 2019	as a %	-0.29%		
Change in other indirect emissions (Scope 3; more limited scope of emissions) since 2019	as a %	+10%		

(a) Industrial sites are defined as production or manufacturing sites.

(b) Scope 3 emissions were estimated in 2021 based on the carbon footprint for France. In 2022, significant work was done on all sources and across the entire scope of the Group.

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

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Summary of social information

	Unit	Group 2022	Group 2021	Group 2020
Total workforce	**Number of employees**	**51,343**	**48,738**	**44,496**
Permanent workforce		**45,126**	**42,292**	**40,171**
Permanent female workforce		23,428	22,292	21,297
Permanent male workforce		21,698	20,000	18,874
Permanent executives or managers		3,718	3,592	3,209
Permanent female executives or managers		1,262	1,213	1,082
Non-permanent workforce		**6,217**	**6,446**	**4,325**
Total workforce – France		12,994	12,385	11,575
Total workforce – Europe (excluding France)		26,148	24,135	21,611
Total workforce – Latin America		12,201	12,218	11,310
Permanent workforce aged 17 or under as at December 31		33	45	11
Permanent workforce aged 18-29 as at December 31		7,542	7,114	6,406
Permanent workforce aged 30-49 as at December 31		22,526	21,294	20,505
Permanent workforce aged 50 years and over as at December 31		15,025	13,839	13,249
Based on the social reporting scope				
Number of new permanent hires		**15,728**	**13,070**	**7,955**
Hiring rate in the permanent workforce *New permanent hires as a proportion of workforce as at December 31*	as a %	30.6	26.8	17.9
New permanent female hires	Number of employees	6,959	5,786	3,732
New permanent male hires	Number of employees	8,769	7,284	4,223
New permanent hires aged 17 years or under	Number of employees	46	157	13
New permanent hires aged 18–29 years	Number of employees	6,005	5,424	3,262
New permanent hires aged 30–49 years	Number of employees	7,558	5,970	3,811
New permanent hires aged 50 and over as at December 31	Number of employees	2,119	1,519	869
New permanent hires in France	Number of employees	2,956	1,764	1,052
New permanent hires in Europe (excl. France)	Number of employees	7,745	5,458	2,294
New permanent hires in Latin America	Number of employees	5,027	5,848	4,609
Number of departures in the permanent workforce *Permanent employees who leave the organization voluntarily*	Number of employees	6,863	6,436	4,136
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 %	16.1	10.4	6.9
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 %	20.5	17.5	9.6
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 %	29.7	34.7	28.1
Departures in the permanent workforce in France	Number of employees	1,220	817	548
Departures in the permanent workforce in Europe (excluding France)	Number of employees	2,997	2,998	1,841
Departures in the permanent workforce in Latin America	Number of employees	2,646	2,621	1,747
Departure rate *Departures of employees who leave voluntarily as a proportion of the workforce as at December 31*		13.4	13.21	9.30

	Unit	Group 2022	Group 2021	Group 2020
Compensation	**Euros**			
Fixed and variable compensation, collective and individual		1,052,976,356	897,722,964	861,799,365
Of which individual and collective bonuses and discretionary profit-sharing		19,375,983	15,463,972	14,523,813
Organization of work	as a %			
Proportion of full-time permanent employees		94.4	93.50	94.20
Proportion of part-time permanent employees		**5.6**	**6.50**	**5.80**
Absenteeism rate		8.6	7.19	6.64
Number of absences shorter than seven days (paid or unpaid)	Number	185,988	106,561	78,518
Average number of training days per employee *Number of training days in proportion to the permanent and non-permanent workforce*	Number	1. 1.44	1	1
Workplace accidents				
Number of fatal accidents		0	0[a]	0
Number of lost-time accidents		1,580	1,370	1,140
Frequency rate *[Number of lost-time accidents (excluding commuting accidents) relative to the number of hours worked during the year] x 1,000,000*		17.02	15.84	14.31
Frequency rate in Europe (including France)		19.36	17.97	15.98
Frequency rate in Latin America		9.68	10.24	9.71
Accident severity rate *[Number of calendar days off related to lost-time accidents with more than one day off (excluding commuting accidents) relative to the number of hours worked during the year] x 1,000*		0.72	0.67	0.70
Severity rate in Europe (including France)		0.88	0.85	0.87
Severity rate in Latin America		0.22	0.20	0.23

(a) In 2021, a Group employee regrettably passed away after falling ill during a work break.

3.6.5 Methodology note

The reporting period covered by this Universal Registration Document is January 1 to December 31, 2022.

A reporting protocol detailing the collection, calculation, and consolidation rules is updated annually and shared with key contributors.

Indicator reporting scope

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

Entities acquired or formed in 2022 (Textil Services Golden Clean and Clean Master in Chile; Textil Service Jöckel GmbH & Co. KG and Niessing Miettextil GmbH & Co. KG in Germany; Decomtam Schweiz in Switzerland; Hexapoda Ongediertebestrijding in the Netherlands; Centralvaskeriet in Denmark; Lavanderia Alba, Alba Service Lavanderia and Sinop Higienizacao Textil Hospitalar in Brazil; Anchain Trade Services in France; Independent Workwear Solutions and Northern Pest Control in the United Kingdom; and the following 17 companies in Mexico: Empresas HTX, Grupo Codeli, Bristol Holding, Lavartex, Manteles, Lavanderia La Europea, Lavanderia de Hospitales y Sanatarios, Lavasan, Servicios y Suministro a Lavanderias, Servisan, Grupo Empresarial Bousi, Adoos, Higiene Textil del Noreste, Mas Limpio, Servicios Estrella Azul de Occidente, Higienica Textil, Renta de Blancos) are excluded from the 2022 reporting scope (with the exception of chapter 3.6.2 "Taxonomy"). In accordance with the Group's reporting protocol, these entities will be integrated within no more than two years, that is, within 2024 reporting at the latest to ensure the integration of the acquired entities, the implementation of the reporting processes and the collection of reliable data.

In 2022, the companies in Mexico represented €92 million in revenue and more than 2,600 employees. In 2022, the Elis Group reported more than 51,000 employees and €3.8 billion in revenue.

Where applicable, new entities related to acquisitions in previous years have been included in the 2022 reporting scope.

A few minor logistics sites have been excluded from the scope of environmental reporting, as they have no staff and no vehicles.

3.6.6 Cross-reference tables: GRI, TCFD, Global Compact, SASB

Chapter 3 of the Universal Registration Document follows the guidelines and main recommendations of the international approaches, such as those of the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), the Sustainable Development Goals (SDGs) and the United Nations Global Compact.

Detailed cross-reference tables are presented on the following pages to meet the growing expectations of the Group's stakeholders.

GRI cross-reference table

The Group complies with the core option of the Global Reporting Initiative (GRI) framework[1].

To illustrate compliance and demonstrate that this report has been prepared in accordance with the GRI, the cross-reference table below includes the general and specific disclosures related to the Group's most material aspects and provides references to the appropriate chapters or sections of the document.

The Group's most material aspects (presented in 3.6.1 "Non-financial performance statement") are thus cross-referenced with the GRI's specific disclosures:

Major risks	Cross-referencing with specific GRI elements
Risks related to climate change	Emissions (305)
Risks related to energy consumption (including the vehicle fleet)	Energy (302)
Risks related to water resources	Water and effluents (303)
Risks related to the product portfolio	Materials (301)
Risks related to human resources (attraction and retention)	Employee recruitment and retention (401)
Risks linked to human resources (diversity)	Diversity and equal opportunities (405)
Risks related to the value chain	Procurement practices (204), Supplier Environmental Assessment (308) and Supplier Social Assessment (414)

(1) *Most recent version available at www.globalreporting.org*

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	Geographical locations of the business sites	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 workforce	3.1
102-9	Organization 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	Supplier Code of Conduct, Code of Ethics, CSR policy, QHSE policy
102-13	Membership of national or international associations	1.1
102-14	Statement from senior decision-maker about the relevance of sustainability to the organization and its strategy	3.1
102-16	Values, principles, standards, and norms of behavior in the organization, such as Codes of Conduct and Ethics Codes	1.1; 3.1; 3.2; 3.5.3; 3.5.4
102-18	Governance structure of the organization, including committees of the highest governance body	1.4; 3.2.1
102-40	List of stakeholder groups with which the organization is in dialog	3.2.2
102-41	Percentage of total employees covered by collective bargaining agreements	3.4.1
102-42	Basis for identifying and selecting stakeholders with whom to establish dialogue	3.2.2
102-43	Approach to stakeholder engagement	3.2.2
102-44	Key considerations and concerns raised	3.2.2
102-45	Entities included in the consolidated financial statements, including reasons for exclusion	3.6.5; 6.1.7 (Notes 2 and 11)
102-46	Defining report content and aspect boundaries	3.6.6
102-47	List of material aspects	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, 2022 to December 31, 2022
102-51	Date of most recent report published, where applicable	2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report or its content	sustainability@elis.com
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 local purchases (where local means Europe)	3.5.5
301 – Materials		
301-3	Products and packaging materials recovered	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 – Employee recruitment and retention		
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; 3.4.4
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[1] recommendations is presented below. This document, and chapter 3.3.6 "Fighting and adapting to climate change" in particular, is meant to cover key elements of these recommendations. Elis also communicates on how the Group is addressing climate considerations by responding to the Carbon Disclosure Project (CDP), a platform aligned with both best practices in climate reporting and the Task Force on Climate-related Financial Disclosure's (TCFD) recommendations.

In 2022, the Elis Group received an A- rating on the CDP's climate questionnaire. In 2023, the Group will continue to improve its reporting to more effectively meet the recommendations of the TCFD.

The Elis Group's response to the CDP also gives more detail on some of the items.

Themes	Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)	Status	Cross-reference
Governance	Describe the board's oversight of climate-related risks and opportunities	Level 2	3.3.6
	Describe management's role in assessing and managing climate-related risks and opportunities	Level 3	3.3.6
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Level 2	3.3.6
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Level 1	3.3.6
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Level 1	3.3.6
Risk management	Describe the organization's processes for identifying and assessing climate-related risks	Level 2	3.3.6; 3.6.1
	Describe the organization's processes for managing climate-related risks	Level 1	3.3.6
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Level 2	3.3.6
Performance and goals	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Level 1	3.3.6; 3.6.1
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Level 3	3.3.6
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Level 2	3.3.6

Level 1: achieved and to be further developed in the coming years <-> Level 3: advanced.

Table for cross-referencing with the United Nations Global Compact

The Group has been a signatory of the Global Compact for more than 10 years. As such, the Group issues a Communication on Progress (CoP) each year, which is published[2] on the United Nations website. The Group's 2022 Communication on Progress, to be published in 2023, will be aligned with the United Nations' new reporting requirements, which aim to provide a better understanding of companies' performance and progress on each commitment. A cross-reference table is presented below, however, to reconcile the major categories for aspects with the sections of this report.

Category		Principles of the United Nations Global Compact	Sections
Human Rights	1	Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	3.4.5; 3.5.3; 3.5.4
	2	Businesses should make sure that they are not complicit in human rights abuses.	3.4.5; 3.5.3; 3.5.4
Labor	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	3.4.1; 3.4.5; 3.5.3; 3.5.4
	4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	3.4.5; 3.5.3; 3.5.4
	5	Businesses should uphold the effective abolition of child labor.	3.4.5; 3.5.3; 3.5.4
	6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	3.4.4; 3.4.5; 3.5.3; 3.5.4
Environment	7	Businesses should support a precautionary approach to environmental stakes.	3.3
	8	Businesses should undertake initiatives to promote greater environmental responsibility.	3.3
	9	Business should encourage the development and diffusion of sustainable technologies.	3.3
Anti-corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery.	3.5.3, 3.5.4

(1) Recommendations available at https://www.fsb-tcfd.org/recommendations/
(2) https://www.unglobalcompact.org/what-is-gc/participants/4327

SASB cross-reference table

Since 2021, the Group has provided a cross-reference table for the Sustainable Accounting Standards Board (SASB) reporting framework to meet the growing demands of its stakeholders. Because of the specific nature of the Group's activities, based on the circular business model, the Group does not fit into any specific category defined by the SASB[(1)]. The Group has therefore chosen the following two sectors as the most representative:

- Apparel, Accessories & Footwear;
- Household Personal products.

The cross-reference table between the SASB reporting requirements and the reporting in this chapter is presented below. The Group will continue to work in the coming years to publish additional information, in particular in relation to revenue from certain types of product rentals:

Aspect (SASB)	Topic (SASB)	Indicator (SASB)	Code	Section
Water & wastewater management	Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	CG-HP-140a.1	3.3.3 Optimizing our use of resources and minimizing our impact on ecosystems
		Description of risks connected to water management and discussion of strategies and practices to mitigate those risks	CG-HP-140a.2	
Product Quality and Safety	Management of chemical substances in products	Discussion of processes to ensure compliance with the regulations on restricted substances	CG-AA-250a.1	The Group conducts regular monitoring through its teams and professional associations.
		Discussion of processes for the assessment and management of risks and/or hazards associated with chemicals contained in products	CG-AA-250a.2	3.2; 3.3.1 Furthermore, the Supplier Code of Conduct applies to all Group suppliers (direct, indirect and industrial), whether new or existing partners. In addition, the master agreements include a document signed by third parties agreeing to respect the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) requirements for products delivered to the Group.
	Product environmental, health, and safety performance	Revenue from products that contain REACH substances of very high concern (SVHC)	CG-HP-250a.1	Commitment from third parties to comply with REACH and to not use substances of very high concern (SVHC), mainly by signing the Code of Conduct and a specific appendix
		Revenue from products that contain substances on the California DTSC Candidate Chemicals List	CG-HP-250a.2	Not applicable (not operating on the US market)
		Discussion of process to identify and manage emerging materials and chemicals of concern	CG-HP-250a.3	The Group conducts regular monitoring through its teams and professional associations. 3.2; 3.3.1
		Revenue from products designed with green chemistry principles	CG-HP-250a.4	Elis reports the share of its product families with at least one collection composed of sustainable materials. 3.3.1; 3.3.2
Product Design & Lifecycle Management	Packaging lifecycle management	(1) Total weight of packaging, (2) percentage of packaging made from recycled and/or renewable materials, and (3) percentage of packaging that is recyclable, reusable, and/or compostable	CG-HP-410a.1	The Group does not sell products, but the use of products. In its operations, the Group limits the use of packaging, which is usually reusable. 3.3.1; 3.3.2; 3.3.3
		Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	CG-HP-410a.2	3.3.1; 3.3.2; 3.3.3

(1) *Standard available at https://www.sasb.org/standards/download/*

Aspect (SASB)	Topic (SASB)	Indicator (SASB)	Code	Section
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 agreement	CG-AA-430a.1	The percentage of procurement spend from direct suppliers that have undergone a CSR assessment is shown in section 3.5.3
		Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Higg Facility Environmental Module (Higg FEM) assessment from the Sustainable Apparel Coalition (SAC) or an equivalent environmental data assessment	CG-AA-430a.2	The percentage of procurement spend from direct suppliers that have undergone a CSR assessment is shown in section 3.5.3
	Labor conditions in the supply chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a Labor Code of Conduct, (3) percentage of total audits conducted by a third-party auditor	CG-AA-430b.1	The percentage of procurement spend from direct suppliers that have undergone a CSR assessment is shown in section 3.5.3
		Priority non-compliance rate and associated corrective measures rate for suppliers' Labor Code of Conduct audits	CG-AA-430b.2	The percentage of procurement spend from direct suppliers that have undergone a CSR assessment is shown in section 3.5.3
		Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	CG-AA-430b.3	3.3.2; 3.3.3; 3.5.3; 3.5.4; 3.5.5
	Environmental and social impacts of the palm oil supply chain	Quantity of palm oil sourced, percentage certified by Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity preserved, (b) Segregated, (c) Mass balance, or (d) Book and Claim	CG-HP-430a.1	Not applicable
Raw materials sourcing & Performance	Raw materials sourcing	Description of environmental and social risks associated with sourcing priority raw materials	CG-AA-440a.1	3.3.2; 3.3.3; 3.5.3; 3.5.4
		Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	CG-AA-440a.2	Elis reports the share of its product families with at least one collection composed of sustainable materials. 3.3.1; 3.3.2; 3.3.3

3.7 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

(For the year ended December 31, 2022)

In our capacity as the Statutory Auditor of Elis (the "Company") appointed as an independent third party (the "third party") and accredited by Cofrac (Cofrac Inspection Accreditation No. 3-1862, the scope of which is available at www.cofrac.fr), we conducted our audit with the aim of formulating a reasoned opinion expressing a limited assurance conclusion on the historical information (reported or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (the "Reporting Framework"), for the financial year ended December 31, 2022 (the "Disclosures" and the "Statement" respectively), presented in the Group's management report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we performed, as described in the section entitled "Nature and scope of our work," and the information we obtained, we have not identified any material misstatement that causes us to believe that the consolidated non-financial performance statement is not consistent with applicable regulations or that the Disclosures, considered as a whole, are not presented fairly in accordance with the Reporting Framework.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of the Disclosures means that different, but acceptable, measurement techniques may be used that could affect comparability between companies or over time.

Consequently, the Disclosures should be read and understood with reference to the Reporting Framework, the material elements of which are available on request from the Company's registered office.

Limitations inherent in the preparation of the Disclosures

The Disclosures may be subject to uncertainty inherent in current scientific or economic knowledge, or in the quality of external data used. Some disclosures are sensitive to the methodological choices, assumptions and/or estimates used in their preparation and presented in the Statement.

Responsibility of the Company

Management's role is to:

- select or establish appropriate criteria for the preparation of the Disclosures;
- prepare a Statement in accordance with the legal and regulatory provisions in effect that includes a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to those risks, and the results of those policies, including key performance indicators, and the disclosures required under Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- prepare the Statement by applying the Company's aforementioned Reporting Framework;
- implement the internal control measures it deems necessary to ensure that the prepared Disclosures are free from material misstatement, whether due to fraud or error.

The Statement was prepared by the Management Board.

Responsibility of the Statutory Auditor appointed as independent third party

It is our role, based on our work, to formulate a reasoned opinion expressing a limited assurance conclusion that:

- the Statement complies with the provisions of Article R. 225-105 of the French Commercial Code;
- the Disclosures (reported or extrapolated) made pursuant to Article R. 225-105(I)(3) and (II) of the French Commercial Code, namely the policy outcomes, including the key performance indicators, and actions in relation to the main risks are fairly presented.

As our role is to issue an independent opinion on the Disclosures as prepared by management, we are not permitted to be involved in their preparation, since that could compromise our independence.

It is not our responsibility to comment on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the disclosures required under Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance plan and the fight against corruption and tax avoidance);
- the fair presentation of the disclosures required under Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional guidelines

Our work, which is described below, was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional guidelines issued by the French Association of Statutory Auditors (Compagnie nationale des commissaires aux comptes) with respect to this engagement, in particular the technical opinion of the French Association of Statutory Auditors, *Engagement of the Statutory Auditors – Engagement of the Independent Third Party – Non-financial performance statement*, in lieu of an audit program, and international standard ISAE 3000 (revised) – *Assurance engagements other than audits or reviews of historical financial information.*

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for Statutory Auditors. We have also implemented a quality control system that includes documented policies and procedures for ensuring compliance with applicable legal and regulatory requirements, the Code of Ethics, and the professional guidelines issued by the French Association of Statutory Auditors with respect to this engagement.

Means and resources

Our work called on the expertise of six people and took place between December 2022 and March 2023 over a total engagement period of seven weeks.

We were assisted in our work by our specialists in sustainability and corporate social responsibility. We conducted 30 interviews with the persons responsible for preparing the Statement, who were mainly from the CSR; HR; Environment; Purchasing; Water, Energy and Chemical (WECO) Engineering; Design; and Supply Chain departments.

Nature and scope of our work

We planned and performed our work taking into account the risk of material misstatement in the Disclosures.

We believe that the procedures we followed when exercising our professional judgment allow us to express a limited assurance conclusion:

- we learned about the business of each of the companies included in the scope of consolidation and their exposure to the main risks;
- we assessed the suitability of the Reporting Framework in terms of its relevance, completeness, reliability, objectivity and clarity, taking into account industry best practices, where appropriate;
- we verified that the Statement covers each category of social and environmental information provided for in Article L. 225-102-1(III) concerning respect for human rights and the fight against corruption and tax avoidance;
- we verified that the Statement contains the information required under Article R. 225-105 (II) where relevant in view of the main risks and includes, where applicable, an explanation of the reasons for not including the information required by the 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 the "Reputational risk for the Group linked to poor environmental and social practices in the supply chain," we performed our work at the level of the parent company; for other risks, work was performed at the level of the parent company and selected sites: Wattrelos plant (France), Clisson plant (France) and Southampton plant (UK) and at the France and UK country level;
- we verified that the Statement covers the entire scope of consolidation, i.e. all of the entities included in the scope of consolidation in accordance with Article L. 233-16;
- we examined the internal control and risk management procedures implemented by the company and evaluated the data-gathering process aimed at ensuring that the Disclosures are fair and complete;
- for key performance indicators and other quantitative results, as presented in the appendix, that we considered material, we conducted:
  - analytical procedures to check that the data gathered had been consolidated correctly and that trends in the data were consistent;
  - a thorough examination on a test basis or using other selection methods to verify the correct application of the definitions and procedures and reconcile the data with the supporting documents. The audit was performed on a selection of contributing sites, namely the Wattrelos plant (France), the Clisson plant (France) and the Southampton plant (UK), and at the France and UK country level, and covers between 32% and 39% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement with our knowledge of all of the entities included in the scope of consolidation.

The procedures set up for a limited assurance audit are less extensive than those required for a reasonable assurance audit performed according to the professional guidelines issued by the French Association of Statutory Auditors (Compagnie nationale des commissaires aux comptes); a higher level of assurance would have required more extensive verification work.

Neuilly-sur-Seine, March 7, 2023

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Bardadi Benzeghadi	Aurélie Castellino-Cornetto
Partner	*Sustainable Development Director*

Appendix: List of CSR information that we considered to be the most material

Key performance indicators and other quantitative results

- Change in direct and indirect emissions (Scopes 1 & 2 market-based) since 2019
- Change in other indirect emissions (Scope 3) since 2019
- Change in other indirect emissions (Scope 3; more limited scope of emissions) since 2019
- Total direct CO_2eq emissions (Scope 1)
- Total indirect CO_2eq emissions (Scope 2) – location-based and market-based
- Total indirect CO_2eq emissions (Scope 3) (including purchases of goods and services, non-current assets, employee commuting, business travel, upstream transport and distribution, upstream emissions related to energy, waste generated in operations, use of sold products, end-of-life of sold products and use of leased products)
- Total other indirect CO_2eq emissions (Scope 3 – more limited scope of emissions)
- 2019 emissions for each emissions source (Scope 1, Scope 2 and Scope 3)
- CO_2eq emissions per ton of linen delivered
- Share of renewable energy in total energy consumption
- Share of renewable electricity
- Ratio of thermal energy consumption of European plants per kilogram of linen delivered
- Percentage reduction in thermal energy per kg of linen delivered since 2010 (European laundries)
- Number of alternative vehicles
- Percentage of wastewater treated before being discharged into the natural environment
- Water consumption of European laundries per kilogram of linen delivered
- Percentage reduction in water consumption per kg of linen delivered between 2018 and 2030 (European laundries)
- Share of refurbished washroom and beverage products refurbished and put back on the market (in France)
- Total amount of waste generated (tons)
- Share of product families with at least one collection composed of sustainable materials
- Share of end-of-life textiles reused or recycled
- Share of procurement spends from direct suppliers to have undergone a CSR assessment within the previous three years
- Share of young people in hires
- Training days per employee
- Share of managers promoted internally
- Share of employees with disabilities (France)
- Share of women in executive or managerial roles
- Number of on-site CSR audits conducted during the year

Qualitative information (actions and outcomes)

- 2022 Sustainable Development Week
- Analysis of the transition of Elis's automobile fleet toward electric vehicles
- Analysis of energy efficiency opportunities
- Multilingual GLAD tool rolled out in 2022 and 2023, with the aim of nearly 2,000 European routes being planned under GLAD by the end of 2022
- Review of Elis's portfolio of technologies and approaches with the aim of reducing water consumption
- Recycling project at one site in Sweden
- Acquisition by Elis of an eco-design tool at end-2022
- Cross-functional working group launched in the washroom sector on the circularity of these products
- New Training Orchestra training management tool implemented in 2022
- CSR training modules for the sales teams
- Composition of the Supervisory Board as at March 8, 2022 (excluding members of the Supervisory Board representing employees)
- Adoption by Elis of a Disability Charter at end-2022

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 219-221)

- 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 stakeholder expectations

Operational risks specific to the Group's business
Section 4.1.2 (pages 222-225)

- Risks related to IT systems
- Risks related to the customer portfolio
- Risks related to supply chain disruptions
- Risks related to the Group's international operations
- Risks related to industrial activities
- Physical risks related to climate change

Financial risks
Section 4.1.3 (page 226)

- Liquidity risk
- Currency risk

Legal, regulatory and tax risks
Section 4.1.4 (pages 227-229)

- 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

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, whether health-related (epidemics in particular), geopolitical (terrorist attacks, for example) or economic, 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 (since the spring of 2022, Hospitality customer activity has been above that of 2019).

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 adapt and 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.

During the Covid-19 crisis, although revenue fell by 14.5% in 2020 compared with 2019, the Group's ability to adapt meant that EBITDA margin increased by 20 bps, and free cash flow by €43 million. In 2021, EBITDA margin rose by 90 bps compared with 2019 and *free cash flow* by €54 million, despite revenue being 7% lower than in 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.

4

Risks related to acquisitions, mergers and disposals

Criticality 3

Description

As part of its development strategy, the Group is making numerous significant acquisitions. The Group had previously made the following major acquisitions: Atmosfera, Indusal, Lavebras and Berendsen. It intends to pursue this external growth, opening up new countries where possible. 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.

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, creditors 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_2eq 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 is also committed to having targets aligned with the Paris Agreements.

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 the service lines (flat linen, workwear and hygiene and well-being).

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 customer portfolio

Criticality 4

Description

The Group's organic growth rests on its ability to win new contracts, build customer loyalty over the long term, and reflect higher costs in the price of its services.

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.

Similarly, the Group may, for commercial reasons or because of the competitive environment, be unable to reflect all or even a significant proportion of its higher costs in the price of its services, which could have a material adverse effect on the Group's results, financial position or outlook.

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. A specific process was implemented to measure the satisfaction of Group customers and to use this indicator as a management tool.

In addition, through its customer contracts, the Group can usually adjust the prices of its services to reflect some or all of the higher costs it faces, particularly energy costs. The Group has also set up a sales organization so that these higher costs can be reflected more efficiently in the prices of its services.

Lastly, customer attrition rates are monitored at the Executive Committee level across all operating regions to ensure a timely and effective responsive.

4

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 also faces supply risks, as well as sharp increases in supply costs, or may 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, new regulations (in particular those relating to carbon emissions) 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 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 duty of care section of this chapter and the components discussed in section 3.5.3 "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 Group's international operations

Criticality 4

Description

Elis operates in 29 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 2021 and 2022. Due to the international scope of its activities, the Group is exposed to a certain amount of risk that is beyond its control.

The Group operates in Russia, albeit to a limited extent, but not in Ukraine.

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, including those relating to international sanctions.

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 industrial activities

Criticality 2

Description

The Group's processing centers (over 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. As such, since July 2021, 70 sites have been visited 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 over 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

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, 2022 totaled €3,463.8 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 2022 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 3.75x at December 31, 2022, as well as on the dates of the subsequent half-yearly tests. As at December 31, 2022, the total net leverage ratio was 2.5x.

As at December 31, 2022, the Group was complying with all covenants. The maturities of the Group's financial liabilities can be found in Note 8.1 to the 2022 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.

This prudent financial policy therefore led the Group in 2022 to secure the refinancing of all of its 2023 debt maturities (€450 million bond issue maturing in February 2023 and €400 million in OCÉANEs maturing in October 2023) through (i) a new €300 million bond issue maturing in 2027, (ii) the arrangement of new USPP financing for a final amount of €159 million and (iii) a new issue of €380 million in OCÉANEs maturing in 2029. Also in 2022, Elis arranged a one-year extension from November 2026 to November 2027 of its €900 million syndicated revolving credit facility set up in November 2021. The credit facility, which was entirely undrawn at December 31, 2022, provides 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)

For more details, see the paragraph "Liquidity risk" in Note 8.1 ("Financial risk management") to the 2022 consolidated financial statements, included in chapter 6 "Financial statements for the year ended December 31, 2022" of the 2022 Universal Registration Document.

Currency risk

Criticality 1

Description

Because the Group operates in 29 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 (61% of revenue is in euros, 10% in pounds sterling, 14% in Scandinavian currencies, and 9% in Latin American currencies). 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 2022 consolidated financial statements, included in chapter 6 "Financial statements for the year ended December 31, 2022" of the 2022 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 2022 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 2022 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 attorneys 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.

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.

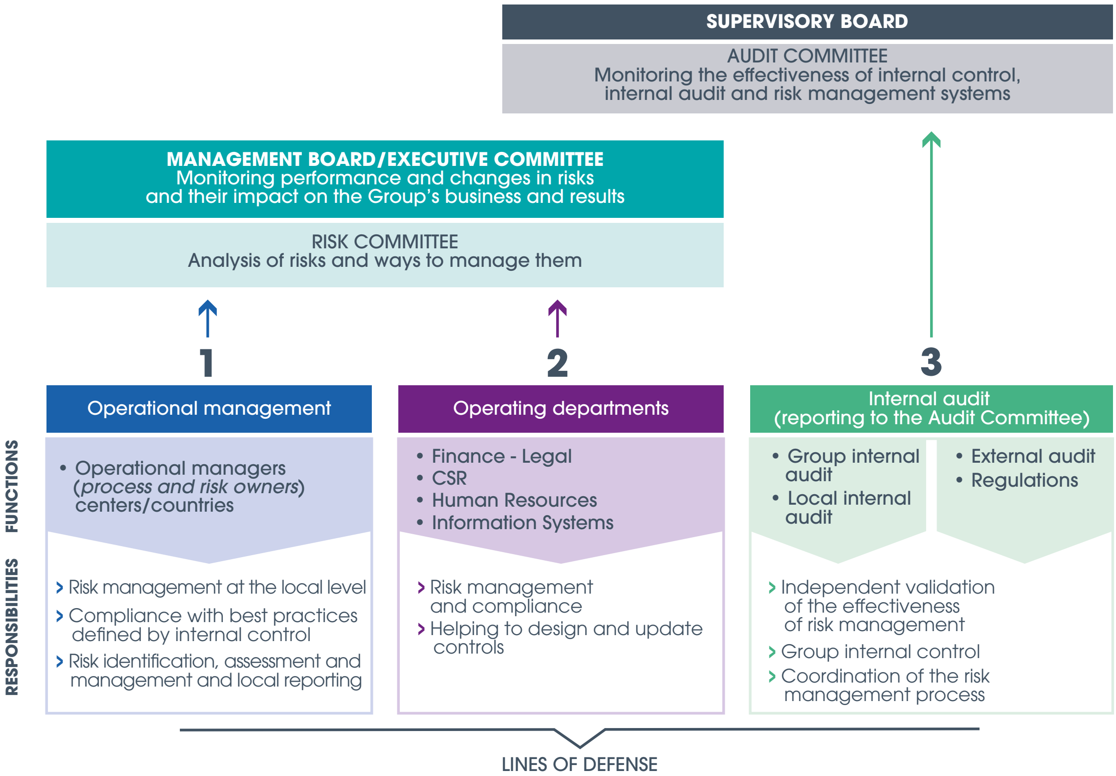
Where necessary, the Group – usually assisted by local legal advisers – makes sure that internal compliance programs tailored to the Group's operations have been set up to satisfy the conditions imposed by the regulations concerned. Where appropriate, these programs attempt to prioritize the most critical 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.

4.2 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 toward 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 2022, 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 2022, 30 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 2022, 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 3.5.4 "Continuing to integrate ethics into our business practices" of this 2022 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 2022 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.

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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 order to obtain the information needed to identify and quantify insured and insurable risks and mobilize the necessary resources to ensure business continuity in the event of a loss. The Property & 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 procurement spend with direct suppliers.

(1) Article L. 225-102-4.-I. of the French Commercial Code requires a five-point vigilance plan.

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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, 3.3.4 and 3.3.5 of chapter 3 of this Universal Registration Document). › Systematic environmental audits during laundry facility acquisitions (see section 3.2.2 and 3.3.3 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 3.4.1 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 (see section 3.4.4 of chapter 3 of this Universal Registration Document). › 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 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 3.3.3 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.
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 with the criteria defined by the Group (see PR40). › Delisting in the event of non-compliance with the required corrective measures. › Annual economic review of business activity to measure the CSR coverage of expenditure with suppliers.

4.4.4 Actions implemented in 2022

In 2022, 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 2022, 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.


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Comments on the financial year 2022

5.1 HIGHLIGHTS ON THE FINANCIAL YEAR 2022 AFR

5.1.1 Strong performance in 2022: record levels of revenue, EBITDA, EBIT and net income from ordinary operations; strong recovery in Hospitality and satisfactory price adjustment in a context of high inflation; acceleration of the Group's deleveraging

After two years of the pandemic, 2022 was an extraordinary year in many respects, characterized by an unstable macroeconomic and geopolitical environment and high inflation. Despite the challenging environment, the strength and flexibility of Elis's model enabled the Group to achieve record levels for almost all of its financial indicators.

The Group's revenue stood at more than €3.8 billion, with organic growth of +21%, reflecting the numerous contracts secured in Industry and Commerce and Services, the upturn in Hospitality and the price adjustments made to offset soaring energy costs.

Elis's reliability and quality of service, not to mention the Group's close relationship with its customers, meant that it could make price adjustments in euros throughout the year to offset the spikes in inflation recorded in 2022. However, as expected, the surge in energy costs detracted from adjusted EBITDA margin for the year, although adjusted EBIT margin and net earnings per share saw a sharp improvement. The Group also accelerated its deleveraging, with financial leverage down 0.5x to 2.5x as at December 31, 2022. In view of these solid results, we will be able to propose a dividend of €0.41 per share at the next general shareholders' meeting, an increase of 10% on 2021.

5.1.2 Major acquisitions

The major acquisitions the Group completed during the financial year were:

- Textilservice Jöckel in Germany;
- Golden Clean in Chile;
- Centralvaskeriet in Denmark;
- Lavartex in Mexico.

Detailed information on these transactions is given in Note 2.4, "Acquisitions in 2022," to the Group's consolidated financial statements for the financial year ended December 31, 2022.

5.1.3 Financing

On May 17, 2022, Elis placed a principal amount of €300 million of senior unsecured notes under its EMTN (Euro Medium Term Notes) program. The notes have a maturity of five years and carry a fixed annual coupon of 4.125%.

On June 1, 2022, Elis also took out new USPP financing for US$175 million. The new notes issued have a 10-year maturity (June 2032) and offer investors a 4.32% coupon in US dollars. These were entirely converted into euros via cross-currency swaps for a total amount of €159 million. Elis will pay a final, euro-denominated coupon of 3.0%.

Combined with the proceeds of the €300 million EMTN issue maturing in May 2027, this new USPP financing was used on November 15, 2022 to redeem the €450 million notes maturing on February 15, 2023. No penalty applied to the early redemption.

Lastly, on September 22, 2022, Elis issued bonds convertible into and/or exchangeable for new and/or existing Elis shares (obligations à option de conversion et/ou d'échange en actions nouvelles et/ou existantes – OCEANEs) maturing on September 22, 2029 for a nominal amount of €380 million and bearing an annual interest rate of 2.25%. Net proceeds from the issue were used to partially refinance outstanding OCEANEs due on October 6, 2023 for a nominal amount of €200 million. The remaining net proceeds of the issue will be used to finance the Company's general requirements.

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, 2022 (chapter 6.1 of this 2022 Universal Registration Document).

5.2 Group results AFR

The Group's consolidated financial statements for the financial year ended December 31, 2022 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 2022

In an uncertain environment, Elis's financial performance in 2022 confirms the strength of its business model

- Record level of revenue at €3,820.9 million (up 25.3%, of which 21.0% on an organic basis)
- Record level of adjusted EBITDA at €1,259.6 million, i.e. 33.0% of revenue (down 150 bps from 2021)
- Record level of adjusted EBIT at €543.7 million, i.e. 14.2% of revenue (up 150 bps from 2021)
- Record level of net income from ordinary operations at €353.2 million, up 58.7%
- Record level of net earnings per share at €1.54, up 57.0% (€1.46 on a diluted basis, up 53.9%)
- Free cash flow (after lease payments) of €224.9 million, almost at the record level of 2021

5.2.2 Analysis of revenue and adjusted EBITDA by operating segment

REVENUE BY GEOGRAPHIC REGION

(In millions of euros)	2022	2021	Organic growth	External growth	Foreign exchange effect	Reported growth
France	**1,185.0**	953.8	24.2%	-	-	24.2%
Central Europe	**870.0**	735.3	15.0%	2.5%	0.9%	18.3%
Scandinavia and Eastern Europe	**580.7**	498.9	14.9%	2.9%	-1.4%	16.4%
United Kingdom and Ireland	**476.5**	364.2	28.8%	1.2%	0.9%	30.8%
Latin America	**347.3**	234.1	9.1%	24.4%	14.9%	48.3%
Southern Europe	**330.5**	235.9	40.1%	-	-	40.1%
Other	**30.8**	26.1	17.5%	-	0.5%	18.0%
TOTAL	**3,820.9**	**3,048.3**	**21.0%**	**3.1%**	**1.2%**	**25.3%**

"Other" includes manufacturing entities and holding companies.
Percentage change calculations are based on actual figures.

As announced on January 30, 2023, the year 2022 was marked by the recovery of Hospitality, strong sales momentum and price adjustments in line with inflation. In 2022, Elis's annual revenue rose by 25.3%, of which 21.0% on an organic basis.

In France, revenue was up 24.2% (entirely on an organic basis). Hospitality activity continued its upturn throughout the year and is now above the level of 2019. All our markets posted strong sales momentum, particularly in Workwear and Pest Control. Price dynamics were also good.

In Central Europe, revenue was up 18.3% (up 15.0% on an organic basis) and all countries in the region posted strong organic growth of 10% or more. Strong growth was recorded in Switzerland, where a high proportion of revenue is generated from Hospitality, and Belux, where all segments continue to see a positive trend (Flat Linen, Workwear and Hygiene and Well-being). In Germany, the price dynamics were good in the Hospitality segment, but still under par in Healthcare and Workwear owing to inflation. Despite this, business development remains buoyant, particularly in Industry (Workwear) and Hospitality (Flat Linen).

In Scandinavia & Eastern Europe, revenue was up 16.4% (up 14.9% on an organic basis) and all countries posted strong organic growth. Price negotiations, which took longer than in other regions, were nonetheless successful. Hospitality recovered significantly in Denmark and Sweden throughout the year with strong sales momentum (especially in Workwear).

In the United Kingdom & Ireland, revenue was up 30.8% (up 28.8% on an organic basis). Hospitality continued its upturn, albeit less sharply than in other regions. Conversely, the price dynamics in the region look very positive, particularly in Hospitality and Healthcare; available capacity is limited and most players are favoring price over volume. We also saw an improvement in customer retention, while various new contracts were secured in the Healthcare market and in our Workwear business.

In Latin America, revenue was up 48.3% (up 9.1% on an organic basis). The acquisition of a market leader in Mexico, consolidated since July 1, contributed significantly to the strong scope effect for the year (+24.4%). The integration process is going well and financial performance is even better than expected. Price dynamics were good in the region, with volumes down slightly due to the end of temporary contracts signed in Brazil during the pandemic. The foreign exchange effect was extremely positive for the year (+14.9%).

In Southern Europe, revenue was up 40.1% (entirely on an organic basis). The region, which is very exposed to the Hospitality market, benefited from the sharp upturn in activity throughout the year, including a strong summer season. Sales momentum remained strong in Workwear, benefiting from the acceleration of outsourcing. The region's price dynamics were also satisfactory in 2022.

Adjusted EBITDA

(In millions of euros)	2022	2021 restated	Change
France	**456.2**	**373.7**	**22.1%**
As a % of revenue	38.4%	39.1%	-70 bps
Central Europe	**259.0**	**240.5**	**7.7%**
As a % of revenue	29.6%	32.6%	-290 bps
Scandinavia & Eastern Europe	**210.2**	**191.9**	**9.6%**
As a % of revenue	36.2%	38.5%	-230 bps
UK & Ireland	**143.2**	**112.1**	**27.8%**
As a % of revenue	30.0%	30.8%	-70 bps
Latin America	**116.4**	**77.8**	**49.7%**
As a % of revenue	33.5%	33.2%	30 bps
Southern Europe	**90.1**	**67.7**	**33.1%**
As a % of revenue	27.2%	28.7%	-140 bps
Other	**(15.5)**	**(11.6)**	**-34.1%**
TOTAL	**1,259.6**	**1,052.1**	**19.7%**
As a % of revenue	33.0%	34.5%	-150 bps

Percentage change calculations are based on actual figures.
"Other" includes manufacturing entities and holding companies.

In 2022, the Group's adjusted EBITDA rose by 19.7% compared with 2021, to €1,259.6 million; adjusted EBITDA margin fell by 150 bps.

In France, adjusted EBITDA margin fell by 70 bps compared with 2021, to 38.4%. The sharp increase in energy prices in 2022 impacted expenses. Our gas purchases were not hedged, and the Flat Linen business (which is more gas-intensive) was boosted by the recovery in Hospitality. Price dynamics were good, with an inevitable time lag given the sudden rise in gas prices, leading to a contraction in margin.

In Central Europe, adjusted EBITDA margin was down 290 bps compared with 2021, to 29.6%. Covid-related absenteeism (paid for by companies) and hiring difficulties, especially in Germany, had a negative impact on logistics and workshop productivity. In addition, price adjustment negotiations have been difficult with major customers in Healthcare and Workwear, who represent a significant proportion of the region's revenue.

In Scandinavia & Eastern Europe, adjusted EBITDA margin was down 230 bps compared with 2021, to 36.2%. The recovery in Hospitality had a dilutive effect on the region's margin. As in Central Europe, Covid-related absenteeism (paid for by companies) was a drag on performance, as was the length of time it took to negotiate price adjustments with major customers in Healthcare and Workwear.

In the United Kingdom & Ireland, adjusted EBITDA margin was down 70 bps compared with 2021, to 30.0%. Operational indicators are improving; however, the very high inflation, although offset in value terms by the upturn in Hospitality and the price dynamics, had a dilutive effect on margin.

In Latin America, adjusted EBITDA margin rose by 30 bps compared with 2021, to 33.5%. The acquisition of the leading player in the Mexican market had an accretive effect on the region's margin. In addition, productivity is improving and inflation is falling in all countries. This has enabled us to benefit from the delayed implementation of price adjustments, which remain significant.

In Southern Europe, adjusted EBITDA margin fell by 140 bps compared with 2021, to 27.2%. As in France, the absence of hedging on gas and the relative share of the Flat Linen business (which is more gas-intensive) impacted the cost base.

5.2.3 Income statement analysis for the financial year ended December 31, 2022

The table below shows certain line items from the income statement for the financial years ended December 31, 2021 and December 31, 2022.

(In millions of euros)	2022	2021 restated	Change	Change (%)
REVENUE	**3,820.9**	**3,048.3**	**772.6**	**25.3%**
Cost of linen, equipment and other consumables	(575.0)	(517.5)	(57.5)	11.1%
Processing costs	(1,491.3)	(1,127.8)	(363.6)	32.2%
Distribution costs	(585.5)	(470.9)	(114.6)	24.3%
Gross margin	**1,169.1**	**932.1**	**237.0**	**25.4%**
Selling, general and administrative expenses	(655.1)	(581.7)	(73.4)	12.6%
Net impairment on trade and other receivables	5.7	8.4	(2.8)	-32.9%
OPERATING INCOME BEFORE OTHER INCOME AND EXPENSES, AMORTIZATION OF INTANGIBLE ASSETS RECOGNIZED IN A BUSINESS COMBINATION AND GOODWILL IMPAIRMENT	**519.6**	**358.8**	**160.9**	**44.8%**
Amortization of intangible assets recognized in a business combination	(80.1)	(81.0)	1.0	-1.2%
Goodwill impairment	(58.7)	-	(58.7)	-
Other operating income and expenses	(9.0)	(16.1)	7.0	-43.8%
OPERATING INCOME	**371.8**	**261.7**	**110.3**	**42.2%**
Net financial income (expense)	(86.7)	(90.5)	3.8	-4.2%
INCOME (LOSS) BEFORE TAX	**285.1**	**171.1**	**114.1**	**66.7%**
Tax	(80.5)	(56.6)	(23.9)	42.3%
INCOME FROM CONTINUING OPERATIONS	**204.6**	**114.6**	**90.2**	**78.8%**
Income from discontinued operations, net of tax	-	-	-	-
NET INCOME (LOSS)	**204.6**	**114.6**	**90.2**	**78.8%**

Revenue

The Group's consolidated revenue rose by €772.6 million, or 25.3%, from €3,048.3 million for the year ended December 31, 2021 to €3,820.9 million for the year ended December 31, 2022.

This increase in revenue is mainly due to organic growth (21.0%) and external growth (3.1%). See section 5.2.2 of this chapter.

Cost of linen, equipment and other consumables

Cost of linen, equipment and other consumables rose by €57.5 million (or 11.1%), from €517.5 million for the year ended December 31, 2021 to €575.0 million for the year ended December 31, 2022. The increase is due to the strong business recovery in 2022, leading to growth in demand for washroom consumables and higher expenditure on linen and related depreciation.

Processing costs

Processing costs increased by €363.6 million (or 32.2%), in connection with higher volumes processed as a result of the upturn in activity. This was accompanied by a sharp rise in costs, particularly for energy, amid high inflation in 2022.

Distribution costs

Distribution costs increased by €114.6 million (or 24.3%), due to higher volumes.

Gross margin

Gross margin increased by €237.0 million (or 25.4%), from €932.1 million for the year ended December 31, 2021 to €1,169.1 million for the year ended December 31, 2022. All direct expenses increased.

Selling, general and administrative expenses

Selling, general and administrative expenses increased by €73.4 million, or 12.6%, from €581.7 million for the year ended December 31, 2021 to €655.1 million for the year ended December 31, 2022. This increase is the result of higher overheads in line with the growth in revenue and wage inflation.

Operating income before other income and expenses, amortization of intangible assets recognized in a business combination and goodwill impairment

Operating income before other income and expenses, amortization of intangible assets recognized in a business combination and goodwill impairment increased by €160.9 million, or 44.8%, from €358.8 million for the year ended December 31, 2021 to €519.6 million for the year ended December 31, 2022.

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Amortization of intangible assets recognized in a business combination

Amortization of intangible assets recognized in a business combination decreased by €1.0 million, or 1.2%, from €81.0 million for the year ended December 31, 2021 to €80.1 million for the year ended December 31, 2022.

Goodwill impairment

In Russia, the Group recorded a goodwill impairment loss of €58.7 million for the year ended December 31, 2022 (see Note 6.1 to the Group's consolidated financial statements for the year ended December 31, 2022). Following the impairment tests carried out as at December 31, 2022, the Group recorded no additional impairment losses.

The Group had also not recorded any impairment losses following the impairment tests carried out as at December 31, 2021.

Other operating income and expenses

Other operating income and expenses decreased by €7.1 million from a net expense of €16.1 million for the year ended December 31, 2021 to a net expense of €9.0 million for the year ended December 31, 2022.

For 2022, these consisted mainly of €2.3 million in costs related to acquisitions and earnout adjustments and €5.1 million in restructuring costs.

Net financial income (loss)

Net financial expense improved by €3.8 million, from an expense of €90.5 million for the year ended December 31, 2021 to an expense of €86.7 million for the year ended December 31, 2022. This was mainly due to interest earned by the Group on its available cash in the context of higher interest rates, which more than offset the increase in interest expense related to refinancing carried out in 2022 (see Note 8.2 to the Group's consolidated financial statements for the year ended December 31, 2022).

Tax

Income tax expense increased by €23.9 million, from €56.6 million for the year ended December 31, 2021 to €80.5 million for the year ended December 31, 2022. This line item includes €6.8 million for the French company value-added contribution (CVAE) and the Italian regional tax on productive activities (IRAP). The increase in 2022 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, 2022).

Net income (loss)

Net income increased by €90.2 million, from €114.6 million for the year ended December 31, 2021 to €204.6 million for the year ended December 31, 2022 for the aforementioned reasons.

Net income from ordinary operations

Net income from ordinary operations amounted to €353.2 million in 2022, an improvement of 58.7% over 2021.

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, 2021 and December 31, 2022:

(In millions of euros)	**2022**	2021 restated
Net cash from operating activities	1,091.2	961.6
Net cash flows from investing activities	(912.5)	(655.3)
Net cash flows from financing activities	(53.7)	(281.2)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**125.1**	**25.2**

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, 2021 and December 31, 2022:

(In millions of euros)	**2022**	2021 restated
Cash flow before finance costs and tax	**1,243.8**	**1,034.7**
Change in inventories	(50.0)	1.0
Change in trade, other receivables and contract assets	(119.3)	(76.8)
Change in other assets	0.3	2.8
Change in trade and other payables	82.2	35.3
Change in contract and other liabilities	35.7	45.5
Other changes	(2.2)	0.1
Employee benefits	0.7	2.3
Tax paid	(100.1)	(83.2)
NET CASH FROM OPERATING ACTIVITIES	**1,091.2**	**961.6**

The change in inventories is due to two effects:

- first, the high inflation in the prices of raw materials and linen, linked to energy and freight costs; and
- second, the disruption of the global supply chain, which has led the Group's central warehouses to overstock in order to compensate for the uncertainties of global shipping.

The change in trade and other receivables is explained by the mechanical effect of the increase in revenue throughout 2022 on trade receivables.

The change in trade and other payables is mainly explained by the increase 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 (€40.8 million) related to the business recovery with an increase in the workforce and salaries (see Note 4.9 to the Group's consolidated financial statements for the financial year ended December 31, 2022).

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, 2021 and December 31, 2022:

(In millions of euros)	2022	2021 restated
Acquisition of intangible assets	(26.5)	(21.1)
Proceeds from sale of intangible assets	-	-
Acquisition of property, plant and equipment	(673.3)	(552.8)
Proceeds from sale of property, plant and equipment	7.4	3.8
Acquisition of subsidiaries, net of cash acquired	(221.6)	(86.9)
Proceeds from disposal of subsidiaries, net of cash transferred	-	-
Changes in loans and advances	1.1	1.0
Dividends from equity-accounted companies	-	-
Investment grants	0.5	0.5
NET CASH FROM INVESTING ACTIVITIES	**(912.5)**	**(655.4)**

Net investments during the year totaled €691.9 million (compared with €569.5 million as at December 31, 2021) and included capital expenditure, IT and items for rent (textile items and hygiene and well-being appliances).

They continued to increase in line with the upturn in revenue and in the major capital expenditure programs, representing 18.1% of revenue in 2022 (versus 18.7% in 2021).

Acquisition of subsidiaries corresponds to the acquisitions made throughout 2022 (see Note 2.4 to the Group's consolidated financial statements for the financial year ended December 31, 2022).

The table below shows inflows/outflows for 2021 and 2022:

(In millions of euros)	2022	2021 restated
Linen purchases	(518.8)	(406.7)
Purchases of other items for rental/laundry/maintenance services	(37.3)	(32.6)
Other acquisitions of property, plant and equipment and intangible assets	(143.7)	(134.6)
Asset disposals	7.4	3.8
Investment grants	0.5	0.5
OUTFLOWS/INFLOWS RELATING TO PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	**(691.9)**	**(569.5)**

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, 2021 and December 31, 2022:

(In millions of euros)	2022	2021 restated
Capital increase	4.6	10.3
Treasury shares	(0.1)	7.3
Dividends paid	(33.2)	-
Change in borrowings[(a)]	152.8	(141.7)
› *Proceeds from new borrowings*	*1,244.0*	*776.1*
› *Repayments of borrowings*	*(1,091.2)*	*(917.8)*
Lease liability payments – principal	(101.5)	(89.4)
Net interest paid (including interest on lease liabilities)	(72.9)	(74.6)
Other cash flows related to financing activities	(3.4)	6.8
Net cash flows from financing activities	**(53.7)**	**(281.2)**

(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 €3,013.0 million as at December 31, 2021 and €3,213.4 million as at December 31, 2022. The change in Group equity in 2022 was due mainly to net income for the year, as presented in Note 6.1.5 "Changes in equity" to the Group's consolidated financial statements for the year ended December 31, 2022.

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, 2022.

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, 2020, 2021 and 2022 (excluding acquisitions) totaled €499.2 million, €573.8 million and €699.8 million, respectively, and is divided among 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 and 2022 stemmed from the significant business recovery, particularly in 2022 for the Hospitality segment, leading to a sharp rise in expenditure on linen and 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, in particular in 2022 with several acquisitions in regions where the Group already operates, as well as one acquisition in a new country, with the Lavartex group in Mexico. (For a description of the acquisitions made in financial years 2022 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, 2022.)

Net interest paid

The Group paid financial interest (net of financial income) of €74.6 million for the year ended December 31, 2021 and €72.9 million for the year ended December 31, 2022. Despite an increase in the interest expense paid on financing, related to the rise in interest rates and the various refinancing operations carried out in 2022 (see chapter 5, section 5.1.3 of the 2022 Universal Registration Document), the amount of financial interest paid net of financial income is down by €1.7 million due to interest earned by the Group on its available cash as a result of higher interest rates.

Financing structure

The table in Note 8.3 to the Group's consolidated financial statements for the financial year ended December 31, 2022 breaks down the Group's gross debt as at December 31, 2021 and December 31, 2022. 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.

Adjusted EBITDA and adjusted EBIT

The definitions of adjusted EBITDA and adjusted EBIT are given in Note 3.2, "Segment information – Income (loss)" to the Group's consolidated financial statements for the year ended December 31, 2022.

To take into account the recent clarifications regarding alternative performance indicators published by ESMA on October 29, 2021, the Group has added the term "adjusted" to the above definitions. However, the content of these indicators remains unchanged from previous financial years.

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)	**2022**	2021 restated
NET INCOME (LOSS)	**204.6**	**114.4**
Amortization of intangible assets recognized in a business combination[a]	63.4	65.4
Goodwill impairment	58.7	-
IFRS 2 expense[a]	21.5	25.9
Accelerated amortization of bridge loan issuing costs[a]	0.3	2.1
Extraordinary gains/losses on refinancing transactions[a]	(2.2)	3.3
Other operating income and expenses[a]	7.0	11.5
NET INCOME FROM ORDINARY OPERATIONS	**353.2**	**222.6**
Attributable to:		
› owners of the parent	353.2	222.5
› non-controlling interests	-	0.1
Net current earnings per share *(in euros)*:		
› basic, attributable to owners of the parent	1.54	0.98
› diluted, attributable to owners of the parent	1.46	0.95

(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)	2022	2021 restated
ADJUSTED EBITDA	**1,259.6**	**1,052.1**
Non-recurring items and changes in provisions	(9.7)	(14.1)
Acquisition and disposal expenses	(4.4)	(1.6)
Other	(1.7)	(1.6)
Cash flow before finance costs and tax	**1,243.8**	**1,034.7**
Net capex	(691.9)	(569.5)
Change in working capital requirement	(52.6)	10.1
Net interest paid (including interest on lease liabilities)	(72.9)	(74.6)
Tax paid	(100.1)	(83.2)
Lease liability payments – principal	(101.5)	(89.4)
FREE CASH FLOW (AFTER PAYMENT OF LEASE LIABILITIES)	**224.9**	**228.1**

Leverage

Financial leverage corresponds to the financial covenant as defined in the bank financing agreement signed in 2021: "Leverage ratio" is defined as the net financial debt (as described in Note 8.5 "Net Financial Debt" to the Group's consolidated financial statements) divided by the adjusted EBITDA (as defined Note 3.2 "Income (loss)" to the Group's consolidated financial statements) pro forma of the acquisitions finalized during the last 12 months and after synergies.

Net financial debt thus stood at €3,177.6 million at December 31, 2022. The Group's pro forma EBITDA for 2022 after synergies amounted to €1,280.5 million (equal to the reported 2022 EBITDA of €1,259.6 million, increased by €20.8 million to account for acquisitions made in 2022 as if they had taken place on January 1, 2022 – see Note 2.4 to the Group's consolidated financial statements for the financial year ended December 31, 2022 – plus €9 million for estimated potential synergies for 2022-23).

The financial leverage is 2.5x as at December 31, 2022 (3.0x as at December 31, 2021).

ROCE

Return on capital employed (ROCE) before tax is an indicator of investment performance:

(In millions of euros)	2022	2021
EBIT (I)	**543.7**	**388.3**
Capital employed at beginning of period (II)	4,673.9	4,627.3
ROCE (before tax) = (I)/(II)	**11.6%**	**8.4%**

	As at January 1	
(In millions of euros)	2022	2021
TOTAL ASSETS	**8,043.1**	**7,862.4**
Employee benefit assets	(51.8)	(34.1)
Cash and cash equivalents	(160.1)	(137.6)
Intangible assets recognized in the Group's last LBO (net of deferred tax)	(1,537.7)	(1,536.8)
SUBTOTAL (III)	**6,293.4**	**6,153.8**
TOTAL EQUITY AND LIABILITIES	**8,043.1**	**7,862.4**
Equity	(3,013.7)	(2,808.3)
Employee benefit liabilities	(105.9)	(108.9)
Borrowings and financial debt	(3,084.5)	(3,066.6)
Bank overdrafts and current borrowings	(219.5)	(352.0)
SUBTOTAL (IV)	**1,619.5**	**1,526.5**
Capital employed at beginning of period (II)=(III)-(IV)	**4,673.9**	**4,627.3**

The calculation of capital employed excludes intangibles recognized during the last LBO for €1,536.8 million in 2021 and €1,537.7 million in 2022 (net of deferred tax).

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, 2022.

5.4 RECENT DEVELOPMENTS

On March 10, 2023, the Company's share capital was increased by €576,160 following the vesting of the free performance shares (2021 employee plan). The share capital now amounts to €230,723,417.

On March 15, 2023, the ratings agency DBRS Morningstar confirmed the rating of "BBB (low)" assigned to the Company, but changed the outlook of this rating from "stable" to "positive" in order to reflect the ongoing and anticipated improvements in the Group's ratios and financial fundamentals.

On March 24, 2023, S&P Global Ratings revised the outlook of the Group's "BB+" long-term rating from "stable" to "positive". S&P Global Ratings notably stated that: "*[…] Elis started off 2023 on a stronger footing, thanks to contractual price increases and hedging of energy costs, which should support revenue growth and help improve margins.*"

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 2023

In 2023, we expect another year of strong organic growth, a significant improvement in all of our financial indicators and the Group's continued deleveraging; financial leverage is expected to be around 2.1x at December 31, 2023, so the Group should soon be compatible with an investment grade profile.

Organic growth of annual revenue in 2023 is expected to be between +11% and +13%, buoyed by (i) a price effect of at least +9%, consisting of the delayed impact of price adjustments negotiated throughout 2022 and additional adjustments made since January 1, 2023, and (ii) a favorable base effect in Hospitality in the first quarter of 2023. The lower end of the organic growth range takes into account the effect of a potential slowdown in the economy, of which there is currently still no sign. In 2022, amid very high energy price inflation, the Group gradually implemented various fixed-price supply contracts for 2023 and beyond. These hedges, the legacy effect of price adjustments and further productivity gains expected in 2023, should contribute to an improvement in adjusted EBITDA margin for 2023 of around 50 bps compared with 2022.

Adjusted EBIT for 2023 is expected to be above €650 million, in line with expected revenue dynamics and a slight decrease in depreciation and amortization as a percentage of revenue.

Net income from ordinary operations for 2023 is expected to exceed €405 million, corresponding to current net earnings per share for 2023 of more than €1.65 (number of shares on a diluted basis, taking into account the potential dilutive effect of the new OCÉANEs issued in September 2022).

Free cash flow for 2023 (after lease payments) is expected to exceed €260 million, driven by the improvement in EBITDA and despite a very unfavorable calendar effect for trade receivables (December 30 and 31, 2023 are non-working days).

Financial leverage as at December 31, 2023 is expected to be around 2.1x, a year-on-year decrease of around 0.4x.

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.

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 section 1.2 "Focus on Innovation" 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 financial statements for the financial year ended December 31, 2022 were prepared in the same form and according to the same methods as in previous years.

Elis generated an operating loss of €34.1 million for the 2022 financial year, versus a loss of €26.9 million in 2021.

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 €3 million;
- professional fees and external services, which rose by €3.3 million;
- compensation paid to executives.

Net financial expense totaled €131 million in 2022, versus an expense of €39.0 million for 2021. Financial profit mainly came from the dividend received from the UK subsidiary Berendsen Ltd for €165.2 million (£144 million).

Non-recurring income showed an expense of €2.9 million, composed primarily of the residual amortization of the Berendsen acquisition costs of €3.6 million.

Elis posted a consolidated income tax benefit of €16.4 million (compared with €22.4 million in 2021). This benefit arose from tax consolidation, since the tax received from consolidated subsidiaries was higher than the tax owed by the tax group of which Elis is the parent company.

Elis's equity totaled €2,831.6 million, an increase of €85.4 million compared with December 31, 2021, due to profits during the financial year and cash dividends paid as described in Note 4.1 to the Company's financial statements.

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5.9 FIVE-YEAR FINANCIAL SUMMARY AFR

Financial year Type of information *(in euros)*	2018	2019	2020	2021	2022
I. Financial position at the financial year-end					
› share capital	219,927,545	221,297,797	221,819,430	224,076,007	230,147,257
› number of shares issued	219,927,545	221,297,797	221,819,430	224,076,007	230,147,257
› number of bonds convertible into shares					
II. Results of operations					
› revenue excl. tax	1,005,480	1,005,480	1,005,480	1,045,912	1,057,695
› net income (loss) before tax, depreciation, amortization and provisions	(81,200,450)	(103,380,084)	(60,322,556)	(65,275,887)	101,929,105
› income tax expense	26,846,894	36,127,575	20,707,690	22,353,949	16,429,386
› net income (loss) after tax, depreciation, amortization and provisions	(64,875,081)	(70,323,741)	(42,796,153)	(49,066,015)	101,356,235
› amount of earnings distributed	0	0	0	0	82,908,122
III. Per share data					
› net income (loss) after tax, but before depreciation, amortization and provisions	(0.37)	(0.47)	(0.27)	(0.29)	0.44
› net income (loss) after tax, depreciation, amortization and provisions	(0.29)	(0.32)	(0.19)	(0.22)	0.44
› dividend per share	0.00	0.00	0.00	0.00	0.37
IV. Employees					
› number of employees	2	2	2	2	2
› payroll expenses	3,442,019	3,263,588	3,361,711	2,476,325	3,805,252
› employee benefits (social security, etc.)	965,034	1,890,025	894,124	1,355,753	2,266,090

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 significant equity interests 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, 2022, the Company:

- recognized €25,152 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 €702,234 for directors' compensation exceeding the deductible threshold of €457 per member of the Supervisory Board.

5.10.4 Information about payment terms for customers and suppliers

In accordance with Articles L. 441-14 and D. 441-6 of the French Commercial Code, the balance of net trade payables at the end of the financial year (excluding accrued expenses) was €2,613,308.

INVOICES RECEIVED OR ISSUED BUT UNPAID AND PAST DUE AT THE CLOSING DATE OF THE FINANCIAL YEAR (TABLE PROVIDED FOR IN ARTICLE D. 441-6)

	Article D. 441-6 I para. 1: Invoices received, unpaid and past due at the financial year-end						Article D. 441-6 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	43	12	2	2	3	19	9	2			1	3
Aggregate invoice amount (incl. VAT)	(2,515)	(78)	(3)	(3)	(15)	(99)	603	4,734			16	4,750
Percentage of total amount of purchases (incl. VAT) for the year	7.98%	0.25%	0.01%	0.01%	0.05%	0.32%						
Percentage of revenue (incl. VAT) for the year							n/a	n/a			n/a	n/a
(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					

(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.

5.10.5 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 €0.41 per share, i.e. €94.3 million, based on the number of existing shares as at December 31, 2022 (excluding treasury shares), with the option of payment in Elis shares. This amount represents an increase of 10% over the previous financial year.

Dividends paid in the past three financial years

The Company did not pay any dividends in the financial years ended December 31, 2020 and December 31, 2021. The general shareholders' meeting held in May 2022 decided to pay a dividend of €0.37 per share, i.e. €83.0 million, with the option of payment in Elis shares. The cash dividend paid to shareholders who did not opt for the stock dividend amounted to €33.2 million.

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, 2022 AFR

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6.1 CONSOLIDATED FINANCIAL STATEMENTS

6.1.1 Consolidated income statement

(in millions of euros)	Notes	12/31/2022	12/31/2021 restated[(a)]
Revenue	**3.1/4.1/4.2**	**3,820.9**	**3,048.3**
Cost of linen, equipment and other consumables		(575.0)	(517.5)
Processing costs		(1,491.3)	(1,127.8)
Distribution costs		(585.5)	(470.9)
Gross margin		**1,169.1**	**932.1**
Selling, general and administrative expenses		(655.1)	(581.7)
Net impairment on trade and other receivables		5.7	8.4
Operating income before other income and expenses, amortization of intangible assets recognized in a business combination and goodwill impairment	**3.2**	**519.6**	**358.8**
Amortization of intangible assets recognized in a business combination	4.5	(80.1)	(81.1)
Goodwill impairment	6.1	(58.7)	0.0
Other operating income and expenses	4.6	(9.0)	(16.1)
Operating income		**371.8**	**261.5**
Net financial income (expense)	8.2	(86.7)	(90.5)
Income (loss) before tax		**285.1**	**171.0**
Tax	9	(80.5)	(56.6)
Income from continuing operations		**204.6**	**114.4**
Income from discontinued operation, net of tax		0.0	0.0
NET INCOME (LOSS)		**204.6**	**114.4**
Attributable to:			
› owners of the parent		204.6	114.3
› non-controlling interests		0.0	0.1
Earnings (loss) per share (EPS) *(in euros)*:			
› basic, attributable to owners of the parent	10.3	0.89	0.51
› diluted, attributable to owners of the parent	10.3	0.86	0.51
Earnings (loss) per share (EPS) from continuing operations *(in euros)*:			
› basic, attributable to owners of the parent	10.3	0.89	0.51
› diluted, attributable to owners of the parent	10.3	0.86	0.51

(a) See Note 1.4.

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6.1.2 Consolidated statement of comprehensive income

(in millions of euros)	Notes	12/31/2022	12/31/2021 restated[(a)]
NET INCOME (LOSS)		**204.6**	**114.4**
Gains (losses) on cash flow hedges, before tax	8.8	(7.9)	6.1
Cash flow hedge reserve reclassified to income	8.8	0.0	0.0
Total change in cash flow hedge reserve, before taxes		**(7.9)**	**6.1**
Related tax	8.8	2.0	(1.7)
Net change in the cost of hedging, before tax	8.8	7.4	0.0
Related tax	8.8	(1.9)	0.1
Effects of changes in foreign exchange rates - net translation differences		**(24.5)**	**29.7**
Other comprehensive income (loss) which may be subsequently reclassified to income		**(24.8)**	**34.2**
Actuarial gains (losses) on defined benefit plans, before tax		**5.4**	**21.2**
Related tax		(8.4)	(6.5)
Other comprehensive income (loss) which may not be subsequently reclassified to income		**(2.9)**	**14.7**
Other comprehensive income		**(27.8)**	**48.9**
TOTAL COMPREHENSIVE INCOME (LOSS)		**176.8**	**163.3**
Attributable to:			
› owners of the parent		176.8	163.2
› non-controlling interests		0.0	0.1

(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	12/31/2022	12/31/2021 restated[(a)]
Goodwill	6.1	3,962.6	3,818.3
Intangible assets	6.2	697.1	752.7
Right-of-use assets	6.4	466.9	439.4
Property, plant and equipment	6.3	2,039.5	1,911.0
Other equity investments		0.1	0.1
Other non-current assets	8.7	79.2	64.7
Deferred tax assets	9	43.0	32.0
Employee benefit assets	5.3	18.7	51.8
TOTAL NON-CURRENT ASSETS		**7,307.0**	**7,070.1**
Inventories	4.7	195.3	138.6
Contract assets	4.3	45.5	38.1
Trade and other receivables	4.4	748.2	599.8
Current tax assets		18.2	17.2
Other assets	4.9	17.4	18.9
Cash and cash equivalents	8.4/8.5	286.2	160.1
Assets held for sale		0.2	0.4
TOTAL CURRENT ASSETS		**1,311.0**	**973.0**
TOTAL ASSETS		**8,618.0**	**8,043.1**

(a) See Note 1.4.

Equity and liabilities

(in millions of euros)	Notes	12/31/2022	12/31/2021 restated[(a)]
Share capital	10.1	230.1	224.1
Additional paid-in capital	10.1	2,440.9	2,531.6
Treasury share reserve		(1.7)	(1.6)
Other reserves		(324.2)	(322.7)
Retained earnings (accumulated deficit)		868.2	581.5
Equity attributable to owners of the parent		**3,213.4**	**3,013.0**
Non-controlling interests	**2.5**	**0.8**	**0.7**
TOTAL EQUITY		**3,214.2**	**3,013.7**
Provisions	7.1	91.6	90.0
Employee benefit liabilities	5.3	69.4	105.9
Borrowings and financial debt	8.3/8.5	3,034.9	3,084.5
Deferred tax liabilities	9	290.1	283.0
Lease liabilities	6.4	390.3	367.2
Other non-current liabilities	8.7	68.9	33.1
TOTAL NON-CURRENT LIABILITIES		**3,945.2**	**3,963.7**
Current provisions	7.1	10.4	12.6
Current tax liabilities		24.0	28.2
Trade and other payables	4.8	364.9	262.5
Contract liabilities	4.3	81.4	75.8
Current lease liabilities	6.4	95.2	86.3
Other liabilities	4.9	453.9	380.8
Bank overdrafts and current borrowings	8.3/8.5	428.9	219.5
Liabilities directly associated with assets held for sale		0.0	0.0
TOTAL CURRENT LIABILITIES		**1,458.6**	**1,065.7**
TOTAL EQUITY AND LIABILITIES		**8,618.0**	**8,043.1**

(a) See Note 1.4.

6.1.4 Consolidated statement of cash flows

(in million of euros)	Notes	12/31/2022	12/31/2021 restated[(a)]
CONSOLIDATED NET INCOME (LOSS)		**204.6**	**114.4**
Tax	9	80.5	56.6
Net financial income (expense)	8.2	86.7	90.5
Goodwill impairment		58.7	0.0
Share-based payments		20.3	24.4
Depreciation, amortization and provisions	4.5	790.8	745.7
Portion of grants transferred to income	4.5	(0.7)	(0.6)
Net gains and losses on disposal of property, plant and equipment and intangible assets		5.4	0.7
Other		(2.5)	2.9
CASH FLOWS BEFORE FINANCE COSTS AND TAX		**1,243.8**	**1,034.7**
Change in inventories	4.7	(50.0)	1.0
Change in trade and other receivables and contract assets	4.4	(119.3)	(76.8)
Change in other assets	4.9	0.3	2.8
Change in trade and other payables	4.8	82.2	35.3
Change in contract liabilities and other liabilities	4.9	35.7	45.5
Other changes		(2.2)	0.1
Employee benefits		0.7	2.3
Tax paid		(100.1)	(83.2)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**1,091.2**	**961.6**
Acquisition of intangible assets		(26.5)	(21.1)
Proceeds from disposal of intangible assets		0.0	0.0
Acquisition of property, plant and equipment		(673.3)	(552.8)
Proceeds from disposal of property, plant and equipment		7.4	3.8
Acquisition of subsidiaries, net of cash acquired	2.4	(221.6)	(86.8)
Proceeds from disposal of subsidiaries, net of cash transferred		0.0	0.0
Changes in loans and advances		1.1	1.0
Dividends earned		0.0	0.0
Investment grants		0.5	0.5
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(912.5)**	**(655.3)**
Capital increase	10.1	4.6	10.3
Treasury shares		(0.1)	7.3
Dividends paid :			
› to owners of the parent		(33.2)	0.0
› to non-controlling interests of consolidated companies		0.0	0.0
Change in borrowings[(b)]	8.3	152.8	(141.7)
› Proceeds from new borrowings	8.3	1,244.0	776.1
› Repayments of borrowings	8.3	(1,091.2)	(917.8)
Lease liability payments - principal	6.4	(101.5)	(89.4)
Net interest paid (including interest on lease liabilities)		(72.9)	(74.6)
Other cash flows related to financing activities		(3.4)	6.8
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(53.7)**	**(281.2)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**125.1**	**25.2**
Cash and cash equivalents at beginning of period		160.1	137.6
Effect of changes in foreign exchange rates on cash and cash equivalents		1.0	(2.7)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8.4**	**286.2**	**160.1**

(a) See Note 1.4.
(b) Net change in credit lines.

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6.1.5 Consolidated statement of changes in equity as at December 31, 2022

(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, 2021 restated[(a)]		**224.1**	**2531.6**	**(1.6)**	**2.2**	**1.3**	**(380.1)**	**37.8**	**16.0**	**581.5**	**3,013.0**	**0.7**	**3,013.7**
Cash increase in share capital	10.1	0.6	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.6	0.0	4.6
Amounts paid to shareholders	10.2	0.0	(33.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(33.2)	0.0	(33.2)
Issue/redemption of convertible notes		0.0	0.0	0.0	0.0	0.0	0.0	16.3	0.0	15.7	32.1	0.0	32.1
Share-based payments		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.3	20.3	0.0	20.3
Changes in treasury shares		0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Acquisition of NCI without a change in control		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition of subsidiary - NCI		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes	10.1	5.5	(61.6)	0.0	0.0	0.0	0.0	0.0	7.0	49.1	0.0	0.0	0.0
Net income (loss)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**204.6**	**204.6**	**0.0**	**204.6**
Other comprehensive income		0.0	0.0	0.0	(5.9)	5.5	(24.5)	0.0	0.0	(2.9)	(27.8)	0.0	(27.8)
TOTAL COMPREHENSIVE INCOME (LOSS)		**0.0**	**0.0**	**0.0**	**(5.9)**	**5.5**	**(24.5)**	**0.0**	**0.0**	**201.6**	**176.8**	**0.0**	**176.8**
BALANCE AS AT DECEMBER, 31 2022		**230.1**	**2440.9**	**(1.7)**	**(3.6)**	**6.8**	**(404.6)**	**54.2**	**23.0**	**868.2**	**3,213.4**	**0.8**	**3,214.2**

(a) See Note 1.4.

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6.1.6 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		**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		1.1	9.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.3	0.0	10.3
Amounts paid to shareholders	10.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Issue of convertible notes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share-based payments		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.4	24.4	0.0	24.4
Changes in treasury shares		0.0	0.0	7.2	0.0	0.0	0.0	0.0	0.0	0.0	7.2	0.0	7.2
Acquisition of NCI without a change in control		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition of subsidiary - NCI		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes	10.1	1.2	(53.3)	2.4	0.0	0.0	0.0	0.0	9.3	40.3	0.0	0.0	0.0
Net income (loss)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**114.3**	**114.3**	**0.1**	**114.4**
Other comprehensive income		0.0	0.0	0.0	4.4	0.1	29.7	0.0	0.0	14.7	48.9	0.0	48.9
TOTAL COMPREHENSIVE INCOME (LOSS)		**0.0**	**0.0**	**0.0**	**4.4**	**0.1**	**29.7**	**0.0**	**0.0**	**129.1**	**163.2**	**0.1**	**163.3**
BALANCE AS AT DECEMBER 31, 2021 (RESTATED)		**224.1**	**2,531.6**	**(1.6)**	**2.2**	**1.3**	**(380.1)**	**37.8**	**16.0**	**581.5**	**3,013.0**	**0.7**	**3,013.7**

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, 2022 were approved by the Management Board on March 7, 2023 and reviewed by the Audit Committee on March 6, 2023 and the Supervisory Board on March 7, 2023.

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, 2022, and available on the following website: eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32002R1606

The accounting policies adopted are identical to those used to prepare the consolidated financial statements for the year ended December 31, 2021 except for the following standards, amendments and interpretations effective for annual periods beginning on or after January 1, 2022.

Main standards, amendments and interpretations with mandatory application from January 1, 2022

› 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;

These amendments which have been mandatory since January 1, 2022 have no material impact on the Group.

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, 2022, which have been mandatory since January 1, 2023:

  – IFRS 17 "Insurance Contracts" and its amendments entitled "Initial Application of IFRS 17 and IFRS 9 – Comparative Information";

  – 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.

  The Group does not plan to apply these standards prior to their required effective dates 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, 2022:

  – Amendments to IAS 1:

    – "Classification of Liabilities as Current or Non-current";

    – "Classification of Liabilities as Current or Non-current – Deferral of Effective Date";

    – "Non-current Liabilities with Covenants."

  – Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback."

The Group expects these new standards to have only a limited impact, particularly with regard to the separate recognition in the notes to the financial statements – and no longer on a net basis – of deferred tax assets and liabilities related to leases, and the separate presentation on the balance sheet of financial liabilities with covenants. The Group 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 "Provisions").

Furthermore, the Group has a €900 million syndicated revolving credit facility (see Note 8.3 "Gross debt"), 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, 2021, compared to the previously published financial statements as at December 31, 2021.

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 restatements are mainly related to the allocation of goodwill from acquisitions made in the second half of 2021:

- Pestguard in Ireland: recognition of customer relationships using the excess earnings method, with the help of an expert;
- BleskinCare Textile in Russia: recognition of a provision for environmental compliance according to the Group's standard method.

The final fair value of assets and liabilities acquired in a business combination in 2021 is disclosed in the "Acquisitions made in the previous financial year" section of Note 2.4 "Changes in scope of consolidation."

CONSOLIDATED INCOME STATEMENT

(In millions of euros)	12/31/2021 published	IFRS 3	12/31/2021 restated
REVENUE	**3,048.3**	**-**	**3,048.3**
Cost of linen, equipment and other consumables	(517.5)	-	(517.5)
Processing costs	(1,127.8)	-	(1,127.8)
Distribution costs	(470.9)	-	(470.9)
Gross margin	**932.1**	**-**	**932.1**
Selling, general and administrative expenses	(581.7)	-	(581.7)
Net impairment on trade and other receivables	8.4	-	8.4
Operating income before other income and expenses, amortization of intangible assets recognized in a business combination and goodwill impairment	**358.8**	**-**	**358.8**
Amortization of intangible assets recognized in a business combination	(81.0)	(0.1)	(81.1)
Goodwill impairment	-	-	-
Other operating income and expenses	(16.1)	-	(16.1)
Operating income	**261.7**	**(0.1)**	**261.5**
Net financial income (expense)	(90.5)	-	(90.5)
Income (loss) before tax	**171.1**	**(0.1)**	**171.0**
Tax	(56.6)	0.0	(56.6)
Income from continuing operations	**114.6**	**(0.1)**	**114.4**
Income from discontinued operations, net of tax	-	-	-
NET INCOME (LOSS)	**114.6**	**(0.1)**	**114.4**
Attributable to:			
› owners of the parent	114.5	(0.1)	114.3
› non-controlling interests	0.1	-	0.1
Earnings (loss) per share (EPS) *(in euros)*:			
› basic, attributable to owners of the parent	€0.51		€0.50
› diluted, attributable to owners of the parent	€0.51		€0.50
Earnings (loss) per share (EPS) from continuing operations *(in euros)*:			
› basic, attributable to owners of the parent	€0.51		€0.50
› diluted, attributable to owners of the parent	€0.51		€0.50

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions of euros)	12/31/2021 published	IFRS 3	12/31/2021 restated
NET INCOME (LOSS)	**114.6**	**(0.1)**	**114.4**
Gains (losses) on cash flow hedges, before tax	6.1		6.1
Cash flow hedge reserve reclassified to income	-		-
Total change in cash flow hedge reserve, before taxes	**6.1**	**-**	**6.1**
Related tax	(1.7)		(1.7)
Net change in the cost of hedging, before tax	**0.0**		**0.0**
Related tax	0.1		0.1
Effects of changes in foreign exchange rates – net translation differences	**29.8**	**(0.1)**	**29.7**
Other comprehensive income (loss) which may be subsequently reclassified to income	**34.2**	**(0.1)**	**34.2**
Actuarial gains (losses) on defined benefit plans, before tax	**21.2**		**21.2**
Related tax	(6.5)		(6.5)
Other comprehensive income (loss) which may not be subsequently reclassified to income	**14.7**	**-**	**14.7**
Other comprehensive income	**48.9**	**(0.1)**	**48.9**
TOTAL COMPREHENSIVE INCOME (LOSS)	**163.5**	**(0.2)**	**163.3**
Attributable to:			
› owners of the parent	163.4	(0.2)	163.2
› non-controlling interests	0.1	-	0.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

(In millions of euros)	12/31/2021 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	12/31/2021 restated
Goodwill	3,817.0	1.3	-	(0.1)	3,818.3
Intangible assets	750.1	2.8	(0.1)	(0.0)	752.7
Right-of-use assets	439.2	0.2	-	-	439.4
Property, plant and equipment	1,910.9	0.0	-	-	1,911.0
Other equity investments	0.1	-	-	-	0.1
Other non-current assets	64.7	-	-	-	64.7
Deferred tax assets	31.5	0.5	-	(0.0)	32.0
Employee benefit assets	51.8	-	-	-	51.8
TOTAL NON-CURRENT ASSETS	**7,065.5**	**4.8**	**(0.1)**	**(0.1)**	**7,070.1**
Inventories	138.8	(0.2)	-	(0.0)	138.6
Contract assets	38.1	-	-	-	38.1
Trade and other receivables	600.7	(1.0)	-	(0.0)	599.8
Current tax assets	17.1	0.1	-	-	17.2
Other assets	18.9	(0.0)	-	(0.0)	18.9
Cash and cash equivalents	160.0	0.1	-	-	160.1
Assets held for sale	0.4	-	-	-	0.4
TOTAL CURRENT ASSETS	**974.0**	**(1.0)**	**-**	**(0.0)**	**973.0**
TOTAL ASSETS	**8,039.5**	**3.8**	**(0.1)**	**(0.1)**	**8,043.1**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

(In millions of euros)	12/31/2021 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	**12/31/2021 restated**
Share capital	224.1	-	-	-	224.1
Additional paid-in capital	2,531.6	-	-	-	2,531.6
Treasury share reserve	(1.6)	-	-	-	(1.6)
Other reserves	(322.6)	-	-	(0.1)	(322.7)
Retained earnings (accumulated deficit)	581.5	0.0	(0.1)	-	581.5
Equity attributable to owners of the parent	**3,013.1**	**0.0**	**(0.1)**	**(0.1)**	**3,013.0**
Non-controlling interests	**0.7**	**-**	**-**	**-**	**0.7**
TOTAL EQUITY	**3,013.8**	**0.0**	**(0.1)**	**(0.1)**	**3,013.7**
Provisions	87.7	2.4	-	(0.1)	90.0
Employee benefit liabilities	105.9	-	-	-	105.9
Borrowings and financial debt	3,084.5	-	-	-	3,084.5
Deferred tax liabilities	282.9	0.1	(0.0)	-	283.0
Lease liabilities	367.0	0.2	-	-	367.2
Other non-current liabilities	33.1	-	-	-	33.1
TOTAL NON-CURRENT LIABILITIES	**3,961.0**	**2.7**	**(0.0)**	**(0.1)**	**3,963.7**
Current provisions	12.6	-	-	-	12.6
Current tax liabilities	28.2	0.0	-	0.0	28.2
Trade and other payables	262.9	(0.3)	-	0.0	262.5
Contract liabilities	74.9	0.9	-	-	75.8
Current lease liabilities	86.2	0.0	-	-	86.3
Other liabilities	378.7	2.1	-	(0.0)	380.8
Bank overdrafts and current borrowings	221.1	(1.6)	-	0.0	219.5
Liabilities directly associated with assets held for sale	-	-	-	-	-
TOTAL CURRENT LIABILITIES	**1,064.6**	**1.0**	**-**	**0.0**	**1,065.7**
TOTAL EQUITY AND LIABILITIES	**8,039.5**	**3.8**	**(0.1)**	**(0.1)**	**8,043.1**

CONSOLIDATED STATEMENT OF CASH FLOWS

(In millions of euros)	12/31/2021 published	IFRS 3	12/31/2021 restated
CONSOLIDATED NET INCOME (LOSS)	**114.6**	**(0.1)**	**114.4**
Tax	56.6	(0.0)	56.6
Net financial income (expense)	90.5	-	90.5
Goodwill impairment	-		-
Share-based payments	24.4		24.4
Depreciation, amortization and provisions	745.6	0.1	745.7
Portion of grants transferred to income	(0.6)		(0.6)
Net gains and losses on disposal of property, plant and equipment and intangible assets	0.7		0.7
Other	2.9	-	2.9
CASH FLOW BEFORE FINANCE COSTS AND TAX	**1,034.7**	**-**	**1,034.7**
Change in inventories	1.0		1.0
Change in trade and other receivables and contract assets	(76.8)		(76.8)
Change in other assets	2.8		2.8
Change in trade and other payables	35.3	-	35.3
Change in contract and other liabilities	45.5		45.5
Other changes	0.1		0.1
Employee benefits	2.3		2.3
Tax paid	(83.2)		(83.2)
NET CASH FROM OPERATING ACTIVITIES	**961.6**	**-**	**961.6**
Acquisition of intangible assets	(21.1)		(21.1)
Proceeds from sale of intangible assets	-		-
Acquisition of property, plant and equipment	(552.8)	-	(552.8)
Proceeds from sale of property, plant and equipment	3.8		3.8
Acquisition of subsidiaries, net of cash acquired	(86.9)	0.1	(86.8)
Proceeds from disposal of subsidiaries, net of cash transferred	0.0		0.0
Changes in loans and advances	1.0		1.0
Dividends earned	0.0		0.0
Investment grants	0.5		0.5
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(655.4)**	**0.1**	**(655.3)**
Capital increase	10.3		10.3
Treasury shares	7.3		7.3
Dividends paid			
› to owners of the parent	(0.0)		(0.0)
› to non-controlling interests of consolidated companies	-		-
Change in borrowings	(141.7)		(141.7)
› proceeds from new borrowings	776.1		776.1
› repayments of borrowings	(917.8)		(917.8)
Lease liability payments – principal	(89.4)	-	(89.4)
Net interest paid (including interest on lease liabilities)	(74.6)	-	(74.6)
Other cash flows related to financing activities	6.8		6.8
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(281.2)**	**-**	**(281.2)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**25.0**	**0.1**	**25.2**
Cash and cash equivalents at beginning of period	137.6		137.6
Effect of changes in foreign exchange rates on cash and cash equivalents	(2.7)	-	(2.7)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**159.9**	**0.1**	**160.1**

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

Acquisitions

During the 2022 financial year, the Group acquired the following companies or assets, which the Group deemed to be business combinations:

In Germany

On March 17, 2022, the Group acquired 100% of Textilservice Jöckel ("Jöckel") in Germany. The Jöckel group is entirely dedicated to healthcare customers (hospitals and care homes) and has two laundries in the Hesse and Thuringia regions. Its 2022 revenue was €20.7 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 September 30, 2022, the Group acquired 100% of Niessing Miettextil Gmbh & Co. KG and Verwaltung Niessing GmbH. "Niessing" operates a laundry with 25 employees near Hamburg and generated revenue of €2.0 million in 2022. The company also provides services in western Germany.

In Brazil

On June 23, 2022, Elis acquired 100% of Lavanderia Alba Ltda in Brazil. The Alba Group has a main laundry in Cuiabá (capital of the state of Mato Grosso), two smaller laundries and two facilities on customer premises. Alba serves 90% of its customers in the healthcare market. The company generated revenue of €2.9 million in 2022 and has almost 175 employees. With this acquisition, Elis gains a foothold in a Brazilian state where it did not previously operate.

In Colombia

On December 29, 2022, Elis acquired 100% of Lavaozono SAS in Colombia, whose laundry business specializes in the healthcare sector in the Medellín region. The company posted revenue of €1.6 million in 2022 and has 124 employees.

In Chile

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 €8.1 million in 2022 and has almost 250 employees. With this acquisition, Elis is consolidating its market share in Chile.

In Denmark

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 €1.5 million.

On April 29, 2022, Elis acquired 100% of Centralvaskeriet AS, which operates a laundry in the south of the Jutland region and employs around 50 people. The company provides flat linen rental & maintenance services, mostly to customers in Hospitality, as well as rental & maintenance services for workwear and mats. Revenue in 2022 was close to €6 million.

In Spain and Andorra

On July 29, 2022, Elis acquired the assets of Ilunion Bugaderia Industrial, which is located in Andorra and generates annual revenue of €0.5 million (two employees).

On September 30, 2022, Elis Manomatic acquired the assets of Melchor Mascaro, based in the Balearic Islands, which posted annual revenue of €2.7 million in 2022. The company provides flat linen and workwear services to customers in the Healthcare and Hospitality sectors and has 74 employees. Operations will be consolidated at the Consell site, already owned by the Group on the island of Mallorca.

In France

On January 31, 2022, M.A.J. acquired 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 €1 million;

In addition, to continue expanding its pest control business:

- on July 12, 2022, R.L.S.T. acquired 100% of Anchain Trade Services. In 2022, this company, based in Nord-Pas-de-Calais, generated annual revenue of €1.5 million with 11 employees;
- on November 30, 2022, Les Lavandières acquired the assets of Dionisio Services in Limoges (eight employees), generating annual revenue of approximately €0.5 million;
- on December 29, 2022, M.A.J. acquired the assets of Serip in Nice (one employee), which generates annual revenue of around €0.3 million.

In Great Britain

On August 31, 2022, Elis UK Ltd acquired 100% of Manchester-based Independent Workwear Solutions Ltd, which generated annual revenue of €1.0 million in 2022 with 11 employees.

In the Republic of Ireland and Northern Ireland

On February 4, 2022, Elis acquired the assets of Magic Mats Ltd, which is on the outskirts of Dublin and generates annual revenue of €0.6 million (four employees).

On September 30, 2022, Elis NI Ltd acquired 75% of Northern Pest Control Ltd (the remaining 25% was acquired at the end of 2022). This company provides pest control services in Northern Ireland with 12 employees. Its annual revenue was €1.1 million in 2022.

In Mexico

On July 4, 2022, Elis finalized the acquisition of 100% of Lavartex, a century-old privately-held group in Mexico. Lavartex mainly supplies flat linen and workwear to customers in the healthcare market (11 production sites, 12 distribution centers and a garment factory, over 2,600 employees and revenue of €92.0 million in 2022). With this acquisition, Elis is continuing its expansion in Latin America: Elis is buying a leading player in the Mexican market and the only operator to have a national network. Mexico thus becomes the fourth country in the region covered by Elis, along with Brazil, Colombia and Chile.

In Norway

On April 3, 2022, Elis Norge AS acquired the assets of ABC Matter AS, a mat supplier, with two service agents in Oslo. Its annual revenue is around €0.4 million.

In the Netherlands

On April 28, 2022, Elis continued to grow its pest control business in the Netherlands by acquiring 100% of Hexapoda Ongediertebestrijding BV, a company with five employees which mainly operates in the west of the country. Its annual revenue is around €0.5 million.

In Slovakia

On January 31, 2022, Elis acquired 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.

In Sweden

On October 3, 2022, Elis Textil Service AB acquired the assets of Företagsmattor Uppsala. This mat service company operated in Uppsala and the northern Stockholm area with three employees. Our Veddesta plant generates annual revenue of €0.3 million.

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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	Brazil	Chile	Colombia	Denmark	Spain and Andorra	Great Britain	France	Ireland	Mexico	Norway	Nether-lands	Slova-kia	Sweden
Balance sheet															
Intangible assets	23.8	16.9	-	1.9	-	0.2	1.6	-	1.1	0.2	0.1	0.6	0.9	-	0.3
Right-of-use assets	21.7	2.3	-	1.5	-	0.5	-	0.0	-	-	17.3	-	-	-	0.0
Property, plant and equipment	58.2	14.8	1.6	1.9	0.5	5.1	2.9	0.0	0.2	0.4	30.1	0.1	0.0	0.5	-
Other non-current assets	0.1	-	-	0.1	-	-	-	-	-	-	0.0	-	-	-	-
Deferred tax assets	6.2	0.8	-	0.5	-	-	-	-	-	-	4.8	-	-	-	-
Inventories	8.5	0.2	-	0.3	0.0	0.0	-	0.0	0.0	0.0	7.9	-	0.0	0.0	-
Trade and other receivables	37.8	1.1	0.2	2.3	0.5	1.2	-	0.3	0.1	0.1	31.9	-	0.0	-	-
Current tax assets	2.5	-	-	0.1	0.1	-	-	-	0.1	-	2.2	-	-	-	-
Other assets	0.6	0.1	0.0	0.0	0.0	(0.0)	-	0.0	0.0	0.0	0.5	-	0.0	-	-
Cash and cash equivalents	7.1	3.0	0.1	0.9	0.1	0.1	-	0.1	0.5	0.3	1.9	-	0.1	-	-
Provisions	(5.1)	(0.9)	-	(1.5)	(0.0)	-	-	-	-	-	(2.7)	-	-	-	-
Employee benefit liabilities	(1.4)	-	-	-	-	-	-	-	-	-	(1.4)	-	-	-	-
Borrowings and financial debt	(4.0)	(0.3)	(0.2)	-	-	(0.6)	-	-	-	-	(2.9)	-	-	-	-
Deferred tax liabilities	(1.6)	(0.0)	-	(0.5)	-	(0.5)	-	(0.0)	(0.3)	(0.0)	(0.0)	-	(0.2)	-	-
Lease liabilities	(20.3)	(1.7)	-	(1.1)	(0.0)	(1.6)	-	-	-	-	(15.9)	-	-	-	(0.0)
Other non-current liabilities	(0.2)	-	-	-	-	(0.2)	-	-	-	-	-	-	-	-	-
Current provisions	(0.2)	-	-	(0.1)	-	-	-	-	-	-	(0.1)	-	-	-	-
Current tax liabilities	(3.4)	(0.4)	-	(0.2)	-	(0.0)	-	(0.0)	-	(0.1)	(2.7)	-	-	-	-
Trade and other payables	(9.1)	(0.6)	(0.1)	(0.3)	(0.5)	(0.6)	(0.2)	(0.2)	(0.1)	(0.0)	(6.5)	-	-	-	-
Contract liabilities	(1.4)	-	-	-	-	(0.1)	-	(0.1)	-	-	(1.3)	-	-	-	-
Current lease liabilities	(2.5)	(0.6)	-	(0.3)	(0.0)	(0.1)	-	-	-	-	(1.5)	-	-	-	-
Other liabilities	(14.3)	(1.1)	(0.1)	(0.4)	(0.1)	(0.9)	-	(0.1)	(0.2)	(0.1)	(11.4)	-	(0.1)	-	(0.0)
Bank overdrafts and current borrowings	(19.3)	(1.2)	(0.1)	(0.4)	-	(1.0)	-	-	(0.1)	-	(16.6)	-	-	-	-
TOTAL IDENTIFIABLE NET ASSETS AND LIABILITIES AT FAIR VALUE[(a)]	**83.4**	**32.4**	**1.5**	**4.6**	**0.5**	**1.6**	**4.3**	**0.2**	**1.3**	**0.8**	**33.8**	**0.7**	**0.9**	**0.5**	**0.3**
Goodwill	208.4	0.3	2.3	4.0	1.0	8.0	-	0.7	2.9	2.3	186.4	-	0.2	0.2	-
PURCHASE PRICE	**291.8**	**32.8**	**3.8**	**8.6**	**1.5**	**9.6**	**4.3**	**0.9**	**4.3**	**3.2**	**220.2**	**0.7**	**1.1**	**0.6**	**0.3**
Acquisition-related transaction costs	3.8	0.5	0.2	0.1	0.2	0.5	0.1	0.1	0.3	0.2	1.4	0.2	-	0.1	0.0

(a) Provisional amount, see below.

As at December 31, 2022, 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 their acquisition, the companies acquired in 2022 have contributed €86.6 million to revenue, €30.9 million to adjusted EBITDA, €16.7 million to operating income (before amortization of intangible assets recognized in a business combination) and €8.0 million to net income in the 2022 financial year. If these acquisitions had taken place at the beginning of 2022, the additional revenue would have been €60.6 million, with additional adjusted EBITDA of €20.8 million, additional operating income (before amortization of intangible assets recognized in a business combination) of €10.1 million, and additional net income of €8.4 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)	Net cash acquired including subsidiaries	Cash outflows for the acquisition	Cash inflows from forward contracts	Net cash flow
Germany	3.0	(32.5)	-	(29.5)
Brazil	0.1	(6.9)	-	(6.8)
Chile	0.9	(7.1)	-	(6.2)
Colombia	0.1	(0.8)	-	(0.8)
Denmark	(0.9)	(9.0)	-	(9.8)
Spain and Andorra	-	(5.0)	-	(5.0)
Great Britain	0.1	(0.9)	-	(0.8)
France	0.5	(4.3)	-	(3.8)
Ireland	0.3	(2.7)	-	(2.4)
Mexico	1.9	(148.0)	-	(146.2)
Norway	-	(0.7)	-	(0.7)
Netherlands	0.1	(1.1)	-	(1.0)
Slovakia	-	(0.7)	-	(0.7)
Sweden	-	(0.3)	-	(0.3)
Belgium	-	(0.1)	0.0	(0.1)
Czech Republic	-	0.1	-	0.1
Russia	-	(7.8)	-	(7.8)
12/31/2022	**6.2**	**(227.8)**	**0.0**	**(221.6)**

2021 acquisitions

During the 2021 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. 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 mat 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	Great Britain	Ireland	Latvia	Nether-lands	Russia	Sweden
Balance sheet													
Intangible assets	21.8	9.5	0.0	0.7	-	3.6	1.8	1.3	2.0	-	2.1	0.0	0.8
Right-of-use assets	1.7	0.7	-	0.1	-	0.6	-	0.1	0.2	-	-	-	0.0
Property, plant and equipment	14.5	4.1	0.3	0.8	0.0	3.4	0.1	0.0	0.2	2.0	0.1	3.2	0.2
Other non-current assets	0.7	0.5	-	0.2	-	-	-	-	-	-	-	0.0	-
Inventories	1.3	0.8	0.2	0.0	0.1	0.0	0.1	0.0	(0.0)	-	0.0	0.0	-
Trade and other receivables	8.2	3.1	0.3	-	0.8	1.4	0.7	0.4	(0.2)	-	0.4	1.3	-
Current tax assets	0.3	0.0	0.0	-	0.0	-	-	-	0.1	-	-	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	6.2	1.0	0.3	-	1.8	0.8	0.1	0.2	1.6	-	-	0.4	-
Provisions	(3.0)	(0.5)	-	(0.0)	-	(0.2)	-	-	-	-	-	(2.3)	-
Borrowings and financial debt	(2.4)	(2.3)	(0.0)	-	-	(0.1)	-	-	-	-	-	-	-
Deferred tax liabilities	(3.4)	(1.8)	-	-	0.0	(0.0)	(0.3)	(0.3)	(0.3)	-	(0.5)	(0.2)	-
Lease liabilities	(1.3)	(0.4)	-	(0.1)	-	(0.6)	-	-	(0.1)	-	-	-	(0.0)
Other non-current liabilities	(0.5)	-	-	-	-	-	(0.5)	-	-	-	-	-	-
Current provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Current tax liabilities	(0.4)	(0.0)	-	-	(0.0)	(0.1)	-	(0.3)	0.0	-	-	-	-
Trade and other payables	(3.9)	(0.8)	(0.2)	-	(0.1)	(0.7)	(0.3)	(0.1)	(0.8)	-	(0.0)	(0.9)	-
Contract liabilities	(2.9)	(0.4)	-	-	(0.1)	-	(0.5)	(1.4)	(0.4)	-	-	(0.0)	-
Current lease liabilities	(0.7)	(0.3)	-	(0.0)	-	(0.2)	-	(0.1)	(0.1)	-	-	-	-
Other liabilities	(3.9)	(1.7)	(0.1)	(0.1)	(0.4)	(0.6)	(0.4)	(0.1)	0.2	-	(0.3)	(0.3)	(0.2)
Bank overdrafts and current borrowings	(4.9)	(1.2)	(0.0)	-	-	(0.1)	(0.1)	(0.0)	-	-	-	(3.5)	-
TOTAL IDENTIFIABLE NET ASSETS AND LIABILITIES AT FAIR VALUE	**28.1**	**10.3**	**0.9**	**1.5**	**2.1**	**7.3**	**0.7**	**(0.3)**	**2.4**	**2.0**	**1.8**	**(1.6)**	**0.9**
Goodwill	69.4	9.7	0.5	1.7	13.3	4.7	4.6	8.2	8.6	0.6	0.5	17.0	-
PURCHASE PRICE	**97.5**	**20.0**	**1.4**	**3.2**	**15.4**	**12.1**	**5.3**	**7.9**	**11.0**	**2.6**	**2.3**	**15.4**	**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

Following their acquisition in 2021, the companies acquired contributed €22.1 million to revenue, €4.4 million to adjusted EBITDA, €1.6 million to operating income (before amortization of intangible assets recognized in a business combination) and €0.8 million to net income in the 2021 financial year. If these acquisitions had taken place at the beginning of 2021, the additional revenue would have been €23.3 million, with additional adjusted 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	Great Britain	Ireland	Latvia	Nether-lands	Russia	Sweden
Net cash acquired including subsidiaries	6.2	1.0	0.3	-	1.8	0.8	0.1	0.2	1.6	-	-	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	**(86.8)**	**(19.0)**	**(9.0)**	**(3.2)**	**(7.2)**	**(10.4)**	**(5.1)**	**(7.7)**	**(13.4)**	**(2.6)**	**(2.3)**	**(5.3)**	**(1.4)**

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. There were no commitments given as at December 31, 2022 (compared to €0.6 million as at December 31, 2021).

Commitments received totaled €130.7 million as at December 31, 2022 (compared to €106 million as at December 31, 2021) and correspond to the maximum guarantees granted to Elis in connection with its acquisitions.

2.7 Military conflict between Ukraine and Russia

The Group is not present in Ukraine and has limited business in Russia, where it generated revenue of €25.6 million in 2022. Furthermore, non-current assets in Russia as at December 31, 2022 amounted to €17.8 million in net value (€60.5 million in gross value, before recognition of goodwill impairment of €42.7 million, which has been fully written down).

As mentioned in Note 6.2 "Impairment tests as at June 30, 2022" of the 2022 half-year financial report, the Group recognized a goodwill impairment loss of €58.7 million in the income statement as at June 30, 2022 (based on the exchange rate of €1 = RUB 56.5553), mainly linked to the rise in the WACC at that date.

2.8 Financing

EMTN

On May 17, 2022, Elis placed a principal amount of €300 million of senior unsecured notes under its EMTN (Euro Medium Term Notes) program. The notes have a maturity of 5 years and carry a fixed annual coupon of 4.125%.

USPP

On June 1, 2022, Elis also took out new USPP financing for US$175 million. The new notes issued have a 10-year maturity (June 2032) and offer investors a 4.32% coupon in US dollars. These were entirely converted into euros via cross-currency swaps for a total amount of €159 million. Elis will pay a final, euro-denominated coupon of 3.0%.

Combined with the proceeds of the €300 million EMTN issue maturing in May 2027, this new USPP financing was used on November 15, 2022 to redeem the €450 million notes maturing on February 15, 2023. No penalty applied to the early redemption.

OCÉANE

On September 22, 2022, Elis issued bonds convertible into and/or exchangeable for new and/or existing Elis shares (obligations à option de conversion et/ou d'échange en actions nouvelles et/ou existantes – OCÉANEs) maturing on September 22, 2029 for a nominal amount of €380 million and bearing an annual interest rate of 2.25%. Net proceeds from the issue were used to partially refinance outstanding OCÉANEs due on October 6, 2023 for a nominal amount of €200 million. The remaining net proceeds of the issue will be used to finance the Company's general requirements.

These transactions, which are in line with the Group's active refinancing strategy, contribute to extending the average maturity of its debt.

2.9 Events after the reporting period relating to changes in the consolidation scope

The business combinations carried out after the reporting period are as follows:

- January 10, 2023: Center Lav Lavanderia Industrial Ltda in Brazil (revenue of around €0.5 million; 35 employees);
- January 13, 2023: Euromaty assets in Poland (Mats; revenue of around €0.1 million; one employee);
- January 13, 2023: Francisco Ângelo Ribeiro Teixeira SA in Portugal (revenue of around €1.7 million; 47 employees);
- February 21, 2023: Sistema Ambiente srl in Italy (Pest control, revenue of around €1.5 million; 20 employees);
- February 28, 2023: Pevi sro in the Czech Republic (Workwear, revenue of around €2.8 million; 37 employees).

These bolt-on acquisitions help consolidate the Group's position in these various countries.

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;
- 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;
- UK & Ireland;
- Latin America: Brazil, Chile, Colombia and Mexico;
- Southern Europe: Spain & Andorra, Italy and Portugal.

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 adjusted EBITDA. Financing costs and income tax expense are primarily monitored at the Group level.

3.1 Revenue

2022

(In millions of euros)	France	Central Europe	Scandinavia & Eastern Europe	UK & Ireland	Latin America	Southern Europe	Eliminations & other segments	Total
External customers	1,185.0	870.0	580.7	476.5	347.3	330.5	30.8	3,820.9
Inter-segment	4.5	3.8	0.1	0.1	-	0.4	(8.8)	-
SEGMENT REVENUE	**1,189.5**	**873.8**	**580.8**	**476.6**	**347.3**	**330.9**	**21.9**	**3,820.9**

2021

(In millions of euros)	France	Central Europe	Scandinavia & Eastern Europe	UK & Ireland	Latin America	Southern Europe	Eliminations & other segments	Total
External customers	953.8	735.3	498.9	364.2	234.1	235.9	26.1	3,048.3
Inter-segment	2.9	3.4	0.1	0.1	-	0.2	(6.6)	-
SEGMENT REVENUE	**956.7**	**738.6**	**499.0**	**364.3**	**234.1**	**236.1**	**19.4**	**3,048.3**

3.2 Income (loss)

Non-IFRS indicators

Adjusted 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 expenses, miscellaneous financial items (bank fees recognized in operating income) and IFRS 2 expense (share-based payments). A reconciliation of adjusted EBIT with the consolidated income statement is presented below.

Adjusted EBITDA is defined as adjusted EBIT before depreciation and amortization, net of the portion of grants transferred to income. A reconciliation of adjusted EBITDA with the consolidated income statement is presented below.

To take into account the recent clarifications regarding alternative performance indicators published by ESMA on October 29, 2021, the Group has added the term "adjusted" to the above definitions. However, the content of these indicators remains unchanged from previous financial years.

2022

(In millions of euros)	France	Central Europe	Scandinavia & Eastern Europe	UK & Ireland	Latin America	Southern Europe	Eliminations & other segments	Total
Operating income before other income and expenses, amortization of intangible assets recognized in a business combination and goodwill impairment	**248.9**	**85.1**	**104.9**	**36.7**	**53.8**	**28.4**	**(38.2)**	**519.6**
Miscellaneous financial items	*0.6*	*0.1*	*(0.0)*	*0.1*	*0.1*	*0.2*	*0.5*	*1.7*
Expenses related to share-based payments	*1.6*	*0.1*	*0.2*	*-*	*-*	*-*	*20.4*	*22.3*
Adjusted EBIT	*251.1*	*85.2*	*105.1*	*36.9*	*53.9*	*28.7*	*(17.2)*	*543.7*
Depreciation and amortization, net of the portion of grants transferred to income	*205.1*	*173.8*	*105.2*	*106.3*	*62.5*	*61.4*	*1.7*	*715.9*
Adjusted EBITDA	**456.2**	**259.0**	**210.2**	**143.2**	**116.4**	**90.1**	**(15.5)**	**1,259.6**
Adjusted EBITDA margin	*38.4%*	*29.6%*	*36.2%*	*30.0%*	*33.5%*	*27.2%*		*33.0%*

2021

(In millions of euros)	France	Central Europe	Scandinavia & Eastern Europe	UK & Ireland	Latin America	Southern Europe	Eliminations & other segments	Total
Operating income before other income and expenses, amortization of intangible assets recognized in a business combination and goodwill impairment	**178.3**	**79.5**	**88.3**	**9.7**	**35.6**	**7.4**	**(40.1)**	**358.8**
Miscellaneous financial items	*0.5*	*0.1*	*0.0*	*0.1*	*0.1*	*0.2*	*0.5*	*1.6*
Expenses related to share-based payments	*1.4*	*0.1*	*0.0*	*0.0*	*-*	*-*	*26.5*	*28.0*
Adjusted EBIT	*180.2*	*79.7*	*88.4*	*9.9*	*35.7*	*7.6*	*(13.0)*	*388.3*
Depreciation and amortization, net of the portion of grants transferred to income	*193.5*	*160.8*	*103.6*	*102.2*	*42.1*	*60.1*	*1.4*	*663.7*
Adjusted EBITDA	**373.7**	**240.5**	**191.9**	**112.1**	**77.8**	**67.7**	**(11.6)**	**1,052.1**
Adjusted EBITDA margin	*39.1%*	*32.6%*	*38.5%*	*30.8%*	*33.2%*	*28.7%*		*34.5%*

This year's performance was characterized by:

› the strength of the recovery of the Hospitality market and the economy after the Covid-19 pandemic;

› price increases, which reflect the Group's ability to pass on to its customers the rise in its costs (particularly energy costs) in an inflationary environment in 2022.

3.3 Information by region

(In millions of euros)	12/31/2022	12/31/2021
France (including Le Jacquard Français)	1,195.4	964.4
Germany	462.2	388.0
United Kingdom (including Kennedy Hygiene)	396.9	316.1
Brazil	242.3	193.4
Spain and Andorra	230.5	160.3
Denmark	228.9	186.1
Sweden	213.9	204.4
Netherlands	150.6	135.8
Mexico	50.2	0.0
Other countries	650.0	499.9
REVENUE	**3,820.9**	**3,048.3**

(In millions of euros)	12/31/2022	12/31/2021
France (including Le Jacquard Français)	2,408.0	2,370.9
Sweden	753.2	827.1
Denmark	642.6	643.9
Germany	523.2	480.0
Netherlands	504.6	514.9
United Kingdom (including Kennedy Hygiene)	428.3	450.3
Brazil	421.3	369.1
Spain and Andorra	293.1	283.3
Mexico	238.2	0.0
Other countries	953.5	981.8
NON-CURRENT ASSETS	**7,166.0**	**6,921.4**

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.

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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.

2022

(In millions of euros)	France	Central Europe	Scandinavia & Eastern Europe	UK & Ireland	Latin America	Southern Europe	Other segments	Total
Flat linen	472.6	314.8	114.0	313.0	282.3	202.0	-	1,698.8
Workwear	421.9	452.9	224.6	129.3	62.7	86.2	-	1,377.5
Hygiene and well-being	318.1	77.8	201.9	23.1	-	39.0	0.3	660.1
Other	(27.6)	24.5	40.2	11.1	2.4	3.4	30.4	84.4
Revenue by service	**1,185.0**	**870.0**	**580.7**	**476.5**	**347.3**	**330.5**	**30.8**	**3,820.9**
Hospitality	411.1	113.5	101.1	161.5	30.0	160.6	-	977.8
Industry	220.6	285.4	298.2	82.7	72.8	61.6	-	1,021.2
Healthcare	200.2	335.9	83.1	177.4	242.1	53.3	-	1,092.0
Trade & Services	408.2	135.2	98.4	54.9	2.5	55.0	-	754.2
Other	(55.0)	0.0	(0.0)	0.0	(0.0)	0.0	30.8	(24.3)
Revenue by customer segment	**1,185.0**	**870.0**	**580.7**	**476.5**	**347.3**	**330.5**	**30.8**	**3,820.9**
Services (supplied over a given period)	1,173.3	844.8	542.5	461.1	341.3	326.8	4.0	3,693.8
Sales of goods (supplied on a specific date)	11.7	25.2	38.2	15.5	6.0	3.7	26.7	127.1
REVENUE	**1,185.0**	**870.0**	**580.7**	**476.5**	**347.3**	**330.5**	**30.8**	**3,820.9**

2021

(In millions of euros)	France	Central Europe	Scandinavia & Eastern Europe	UK & Ireland	Latin America	Southern Europe	Other segments	Total
Flat linen	312.8	253.1	85.4	216.9	181.2	133.2	-	1,182.6
Workwear	381.6	405.2	205.2	118.2	46.6	70.3	-	1,227.1
Hygiene and well-being	290.4	60.6	175.9	16.5	0.0	32.7	0.5	576.7
Other	(31.0)	16.3	32.5	12.6	6.3	(0.4)	25.6	61.9
Revenue by service	**953.8**	**735.3**	**498.9**	**364.2**	**234.1**	**235.9**	**26.1**	**3,048.3**
Hospitality	233.3	67.1	59.8	87.1	12.4	88.5	-	548.3
Industry	208.0	245.3	280.6	71.6	54.2	51.8	-	911.4
Healthcare	190.6	302.7	73.8	160.6	166.3	42.7	-	936.7
Trade & Services	352.9	120.2	84.8	44.8	1.3	52.9	-	656.8
Other	(31.0)	0.0	0.0	0.0	(0.0)	0.0	26.1	(5.0)
Revenue by customer segment	**953.8**	**735.3**	**498.9**	**364.2**	**234.1**	**235.9**	**26.1**	**3,048.3**
Services (supplied over a given period)	952.1	716.2	468.4	348.6	226.4	235.5	2.9	2,950.0
Sales of goods (supplied on a specific date)	1.7	19.2	30.5	15.6	7.7	0.4	23.1	98.3
REVENUE	**953.8**	**735.3**	**498.9**	**364.2**	**234.1**	**235.9**	**26.1**	**3,048.3**

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)	**12/31/2022**	12/31/2021
Trade receivables and notes receivable (gross)	737.0	599.8
(-) Impairment of trade receivables	(54.3)	(57.9)
TRADE RECEIVABLES AND NOTES RECEIVABLE	**682.8**	**541.8**
Other receivables	65.4	57.9
TOTAL TRADE AND OTHER RECEIVABLES	**748.2**	**599.8**
Contract assets	45.5	38.1
TOTAL TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS	**793.6**	**637.8**
› collection expected in less than one year	793.6	637.8
› 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)	**12/31/2022**	12/31/2021
As at January 1	**637.8**	**544.7**
Change in gross WC	113.6	68.4
Change in write-downs	5.7	8.4
Change in net WC	119.3	76.8
Increase related to business combinations	37.8	8.2
Translation differences	(0.1)	1.8
Change in receivables on disposal of fixed assets	(3.4)	3.4
Other movements	2.2	2.9
AT DECEMBER 31	**793.6**	**637.8**

The change in gross WC in 2022 is mainly due to the increase in business and prices, compared to the end of 2021 which was marked by the Covid-19 crisis.

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Movements in the impairment of trade receivables are as follows:

(In millions of euros)	Impairment loss
As at December 31, 2021	**(57.9)**
Movements for the year	5.7
Changes in consolidation scope	(1.8)
Translation differences	(0.7)
Other	0.4
AS AT DECEMBER 31, 2022	**(54.3)**

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)	12/31/2022	12/31/2021
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	(424.0)	(386.9)
Other leased items	(30.3)	(28.5)
Other property, plant and equipment and intangible assets	(158.6)	(156.3)
Right-of-use assets	(103.7)	(92.6)
Portion of grants transferred to income	0.7	0.6
› *included in other operating income and expenses*	*(0.1)*	*0.0*
› *amortization of intangible assets recognized in a business combination*	*(80.1)*	*(81.1)*
› *included in income from discontinued operations*	-	-
TOTAL DEPRECIATION AND AMORTIZATION (NET OF THE PORTION OF GRANTS TRANSFERRED TO INCOME)	**(796.2)**	**(744.8)**
Additions to or reversals of provisions		
› *included in Operating income before other income and expenses, amortization of intangible assets recognized in a business combination and goodwill impairment*	*2.4*	*1.7*
› *included in other operating income and expenses*	*3.8*	*(2.0)*
TOTAL ADDITIONS TO OR REVERSALS OF PROVISIONS	**6.1**	**(0.3)**

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)	12/31/2022	12/31/2021
Acquisition-related transaction costs	(4.4)	(2.1)
Earnout adjustments	2.1	(3.0)
Restructuring costs	(5.1)	(6.4)
Non-capitalizable costs related to the change of IT systems	(0.3)	-
Litigation	(0.5)	0.1
Net gain (loss) on site disposals	0.4	1.8
Expenses relating to site disposal	(0.9)	(0.1)
Environmental rehabilitation – costs net of changes in provisions	1.0	0.8
Other[a]	(1.4)	(7.2)
OTHER OPERATING INCOME AND EXPENSES	**(9.0)**	**(16.1)**

(a) 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)	12/31/2022	12/31/2021
Raw materials, supplies	55.8	40.8
Work in progress	1.2	0.2
Intermediate and finished goods	19.6	15.9
Goods for resale	118.7	81.8
INVENTORIES	**195.3**	**138.6**
› o/w inventories (at cost)	201.1	143.5
› o/w write-downs	(5.8)	(4.8)

Changes in net inventories during the financial years presented are analyzed as follows:

(In millions of euros)	12/31/2022	12/31/2021
As at January 1	**138.6**	**137.3**
Change in gross inventory	51.0	(1.1)
Change in write-downs	(1.0)	0.1
Change in net inventory	50.0	(1.0)
Increase related to business combinations	8.5	1.3
Translation differences	(1.7)	1.0
Other movements	(0.1)	(0.0)
AT DECEMBER 31	**195.3**	**138.6**

The increase in inventories is due to two effects:

- on the one hand, the high inflation in the prices of raw materials and linen, linked to energy and freight costs;
- on the other hand, the disruption of the global supply chain, which has led the Group's central warehouses to overstock in order to compensate for the uncertainties associated with global maritime transport.

4.8 Trade and other payables

(In millions of euros)	12/31/2022	12/31/2021
Trade payables	326.5	233.3
Trade payables (fixed assets)	27.7	16.7
Other payables	10.7	12.6
TOTAL TRADE AND OTHER PAYABLES	**364.9**	**262.5**

Changes in trade and other payables during the financial years presented are analyzed as follows:

(In millions of euros)	12/31/2022	12/31/2021
As at January 1	**262.5**	**221.3**
Change in WC	82.2	35.3
Increase related to business combinations	9.1	3.9
Translation differences	0.2	1.1
Change in trade payables (fixed assets)	9.7	(0.9)
Other movements	1.2	1.9
AT DECEMBER 31	**364.9**	**262.5**

The change in WC is mainly due to the increase in purchase volumes and prices compared with the end of 2021, which was affected by the pandemic.

4.9 Other current assets and liabilities

(In millions of euros)	Notes	12/31/2022	12/31/2021
Prepaid expenses		14.4	13.5
Current asset derivatives – cash flow hedging	8.8	1.0	3.1
Other current asset derivatives		0.7	1.3
Other assets		1.3	0.9
TOTAL OTHER ASSETS		**17.4**	**18.9**
Deposits received		10.2	10.5
Payroll-related liabilities		220.4	194.0
Tax liabilities and other debt		180.2	165.8
Deferred consideration payable on acquisitions		33.9	6.5
Liability for repurchase commitments to non-controlling interests		-	1.2
Current liability derivatives – cash flow hedging	8.8	5.1	0.0
Other current liability derivatives		2.2	0.7
Investment grants		1.8	2.0
TOTAL OTHER LIABILITIES		**453.9**	**380.8**
Contract liabilities		81.4	75.8
TOTAL CONTRACT AND OTHER LIABILITIES		**535.2**	**456.6**

Changes in other assets during the financial years presented are analyzed as follows:

(In millions of euros)	12/31/2022	12/31/2021
As at January 1	**18.9**	**18.8**
Change in WC	(0.3)	(2.8)
Increase related to business combinations	0.6	0.1
Translation differences	(0.2)	0.3
Change in derivatives	(2.7)	3.0
Other movements	1.1	(0.5)
AT DECEMBER 31	**17.4**	**18.9**

The changes in contract and other liabilities during the financial years presented are as follows:

(In millions of euros)	12/31/2022	12/31/2021
As at January 1	**456.6**	**410.5**
Change in WC	35.7	45.5
Increase related to business combinations	15.7	6.8
Translation differences	(4.6)	3.8
Change in debt related to business combinations	26.5	1.6
Change in derivatives	6.6	(4.0)
Other movements	(1.3)	(7.6)
AT DECEMBER 31	**535.2**	**456.6**

The change in WC is mainly due to the business recovery in 2022, with an increase in the workforce and salaries.

NOTE 5 EMPLOYEE BENEFITS EXPENSE

5.1 Average number of employees

(In number of people)	12/31/2022	12/31/2021
Executives	3,154	2,951
Supervisory personnel	3,003	2,736
Employees	4,958	4,553
Service employees	6,853	6,688
Other employees	33,866	30,914
Total employees per category	**51,834**	**47,841**
France	12,855	11,809
Other countries	38,978	36,032
Total employees	**51,834**	**47,841**

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)	12/31/2022	12/31/2021
Wages and salaries	(1,208.3)	(985.6)
Payroll taxes	(298.0)	(252.0)
Mandatory/optional profit-sharing	(35.1)	(23.8)
Other employee benefits	(0.7)	(2.3)
Equity-settled share-based payments	(22.3)	(28.0)
TOTAL EMPLOYEE BENEFIT EXPENSES FROM CONTINUING OPERATIONS	**(1,564.4)**	**(1,291.7)**

Employee benefit expenses rose in 2022 due to the business recovery and the significant increase in salaries in most of the Group's countries against a backdrop of inflation.

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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 to be paid to employees when they retire in accordance with French regulations;
- long-service awards, for which the amount paid depends on seniority.

The Group's end-of-service benefit obligations toward employees of its French subsidiaries are now measured pursuant to the IFRS IC Decision "Attributing Benefit to Periods of Service (IAS 19)."

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 2022 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 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 January 1, 2021	**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
Actuarial gains and losses	(20.3)		(20.3)
Return on plan assets		0.9	(0.9)
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**
Current service cost	10.0		10.0
Interest expense	9.3	9.1	0.3
Benefit paid	(24.6)	(20.3)	(4.3)
Employee contributions	7.0	7.0	-
Employer contributions		5.0	(5.0)
Past service cost			-
Plan amendments			-
Plan curtailments or settlements	(0.0)		(0.0)
Actuarial gains and losses	(200.5)		(200.5)
Return on plan assets		(193.1)	193.1
Change in the effect of the asset ceiling		(2.0)	
Increase related to business combinations and other movements	1.4		1.4
Reclassification to liabilities directly related to assets held for sale			
Translation adjustments	(15.4)	(15.1)	(0.3)
AS AT DECEMBER 31, 2022	**414.2**	**363.6**	**50.7**

The significant increase in the discount rates used to measure the Group's long-term commitments to employees at the end of 2022 compared with the previous year's values, which are given in the tables below for the main countries, has resulted in a €200.5 million decrease in the Group's obligations. A concomitant decrease of €193.1 million in the asset value of the associated plans has been recorded for the same reason. These two changes, combined with the change in the effect of the asset ceiling, were recognized in consolidated other comprehensive income for a net amount of €5.4 million.

FUNDED STATUS OF EMPLOYEE BENEFIT OBLIGATION

(In millions of euros)	**12/31/2022**	12/31/2021
Present value of unfunded obligations	64.1	46.7
Present value of partially or fully funded obligations	350.1	580.2
Total value of defined benefit plan obligations (1)	**414.2**	**627.0**
Fair value of plan assets (2)	363.6	572.9
NET VALUE OF DEFINED BENEFIT PLAN LIABILITY (ASSET) (3) = (1) – (2)	**50.7**	**54.0**

INFORMATION BY REGION

(In millions of euros)	12/31/2022	12/31/2021
France	38.3	45.6
Ireland	(2.9)	(3.5)
United Kingdom	(15.9)	(48.4)
Sweden	22.4	35.0
Switzerland	2.7	20.3
Other countries	6.0	5.2
NET EMPLOYEE BENEFIT LIABILITIES (ASSETS)	**50.7**	**54.0**

FRANCE – DETAILS

The Group's obligations and provisions for its French subsidiaries break down as follows:

	12/31/2022	12/31/2021
Discount rate	3.5%	0.9%
Expected salary increase rate	inflation+0/6%	inflation+0/6%

(In millions of euros)	12/31/2022	12/31/2021
Present value of unfunded obligations	36.4	45.6
Present value of partially or fully funded obligations	3.8	
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**40.1**	**45.6**
Fair value of plan assets (2)	1.8	
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**38.3**	**45.6**

	Sensitivity France
Discount rate: -0.5% impact	4.3%
Discount rate: +0.5% impact	-3.8%
Expected salary/retirement benefit increase rate: -0.5 impact	-0.9%
Expected salary/retirement benefit increase rate: +0.5 impact	0.9%

	France
Expected contribution for next financial year	5.1
Weighted average duration of the obligation	6.9

(In millions of euros)	France
Cash and cash equivalents	-
Shares	0.5
Bonds	1.1
Properties & mortgages	0.1
Derivatives	0.1
FAIR VALUE OF PLAN ASSETS	**1.8**

IRELAND – DETAILS

	12/31/2022	12/31/2021
Discount rate	3.70%	1.45%
Expected salary increase rate	3.40%	2.95%
Expected retirement benefit increase rate	3.00%	3.00%

(In millions of euros)	**12/31/2022**	12/31/2021
Present value of unfunded obligations		
Present value of partially or fully funded obligations	21.5	29.6
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**21.5**	**29.6**
Fair value of plan assets (2)	24.4	33.1
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**(2.9)**	**(3.5)**

	Sensitivity Ireland
Discount rate: -0.5% impact	8.8%
Discount rate: +0.5% impact	-7.2%
Expected salary benefit increase rate: -0.5 impact	-1.6%
Expected salary benefit increase rate: +0.5 impact	1.6%
Expected retirement benefit increase rate: -0.5 impact	-5.7%
Expected retirement benefit increase rate: +0.5 impact	6.2%

	Ireland
Expected contribution for next financial year	0.3
Weighted average duration of the obligation	16.0

(In millions of euros)	**Ireland**
Cash and cash equivalents	0.3
Shares	4.0
Bonds	16.1
Properties & mortgages	0.4
Derivatives	3.5
FAIR VALUE OF PLAN ASSETS	**24.4**

UNITED KINGDOM – DETAILS

	12/31/2022	12/31/2021
Discount rate	5.00%	1.80%
Expected salary increase rate	2.80%	3.00%
Expected retirement benefit increase rate	2.90%	3.10%

(In millions of euros)	**12/31/2022**	12/31/2021
Present value of unfunded obligations		
Present value of partially or fully funded obligations	258.8	433.1
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**258.8**	**433.1**
Fair value of plan assets (2)	274.6	481.4
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**(15.9)**	**(48.4)**

	Sensitivity United Kingdom
Discount rate: -0.5% impact	6.5%
Discount rate: +0.5% impact	-5.9%
Expected salary benefit increase rate: -0.5 impact	-0.0%
Expected salary benefit increase rate: +0.5 impact	0.0%
Expected retirement benefit increase rate: -0.5 impact	-2.3%
Expected retirement benefit increase rate: +0.5 impact	2.3%

	United Kingdom
Expected contribution for next financial year	0.2
Weighted average duration of the obligation	12.0

(In millions of euros)	United Kingdom
Cash and cash equivalents	3.2
Shares	11.1
Bonds	168.8
Properties & mortgages	-
Derivatives	91.6
FAIR VALUE OF PLAN ASSETS	**274.6**

SWEDEN – DETAILS

	12/31/2022	12/31/2021
Discount rate	4.00%	1.75%
Expected salary increase rate		
Expected retirement benefit increase rate	2.00%	2.00%

(In millions of euros)	12/31/2022	12/31/2021
Present value of unfunded obligations	22.4	35.0
Present value of partially or fully funded obligations		
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**22.4**	**35.0**
Fair value of plan assets (2)		
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**22.4**	**35.0**

	Sensitivity Sweden
Discount rate: -0.5% impact	7.2%
Discount rate: +0.5% impact	-6.5%
Expected retirement benefit increase rate: -0.5 impact	-6.6%
Expected retirement benefit increase rate: +0.5 impact	7.3%

	Sweden
Expected contribution for next financial year	1.1
Weighted average duration of the obligation	14.3

SWITZERLAND – DETAILS

	12/31/2022	12/31/2021
Discount rate	2.25%	0.30%
Expected salary increase rate	1.25%	1.00%
Expected retirement benefit increase rate	-	-

(In millions of euros)	12/31/2022	12/31/2021
Present value of unfunded obligations		
Present value of partially or fully funded obligations	65.2	78.5
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**65.2**	**78.5**
Fair value of plan assets (2)	62.5	58.2
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**2.7**	**20.3**

	Sensitivity Switzerland
Discount rate: -0.5% impact	7.1%
Discount rate: +0.5% impact	-6.2%
Expected salary benefit increase rate: -0.5 impact	-0.8%
Expected salary benefit increase rate: +0.5 impact	1.0%

	Switzerland
Expected contribution for next financial year	2.7
Weighted average duration of the obligation	13

(In millions of euros)	Switzerland
Cash and cash equivalents	2.0
Shares	23.4
Bonds	22.7
Properties & mortgages	10.7
Derivatives	3.7
FAIR VALUE OF PLAN ASSETS	**62.5**

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. That fair value was based on the share price at the grant date, weighted by a reasonable estimate of the extent to which the share allocation criteria would be fulfilled. 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 discount granted by the Group 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 Group considers that the use of any other method would have resulted in an amount substantially equal to the one thus calculated, and in any case is not material at that level. The valuation date used is the date on which the Group and its employees accepted the share-based payment agreement.

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. 10 – 2019	Plan no. 12 – 2020	Plan no. 13 – 2020	Plan no. 14 – 2021	Plan no. 15 – 2021	Plan no. 16 – 2022	Plan no. 17 – 2022	Plan no. 18 – 2022
Date of shareholders' meeting	05/27/2016	06/30/2020	06/30/2020	06/30/2020	06/30/2020	06/30/2020	06/30/2020	06/30/2020
Date of Supervisory Board meeting	03/06/2019	03/03/2020 and 06/30/2020	03/03/2020 and 06/30/2020	03/08/2021	03/08/2021	03/08/2022	03/08/2022	03/08/2022
Date of decision of the Management Board	05/02/2019	07/09/2020	12/28/2020	03/10/2021	08/30/2021	04/15/2022	05/20/2022	10/24/2022
Number of rights originally granted	1,476,558	2,101,762	19,350	1,417,198	25,363	1,087,011	500,500	309,574
› of which members of the Executive Committee	417,746	581,029	0	448,472	0	0	500,500	0
› of which corporate officers:	194,300	276,244	0	213,220	0	0	240,128	0
– Xavier Martiré,	116,580	165,746	0	127,932	0	0	144,334	0
– Louis Guyot	45,337	64,457	0	49,751	0	0	55,880	0
– Matthieu Lecharny	32,383	46,041	0	35,537	0	0	39,914	0
Number of beneficiaries	521	536	23	526	17	524	11	222
› of which members of the Executive Committee	11	11	0	11	0	0	11	0
› of which corporate officers	3[a]	3[a]	0	3[a]	0	0	3[a]	0
Grant date	05/02/2019	07/09/2020	12/28/2020	03/10/2021	08/30/2021	04/15/2022	05/20/2022	10/24/2022
Vesting date								
› members of the Management Board and the Executive Committee	05/02/2022[b]	07/09/2023[b]		03/10/2024[b]			05/20/2025[b]	
› other beneficiaries	05/02/2021[b]	07/11/2022[b]	12/28/2022[b]	03/10/2023[b]	08/30/2023[b]	04/15/2024[b]		10/24/2024[b]
End of share lock-up period								
› members of the Management Board and the Executive Committee	05/02/2022[c]	07/09/2023[c]		03/10/2024[c]			05/20/2025[c]	
› other beneficiaries	05/02/2021[c]	07/11/2022[c]	12/28/2022[c]	03/10/2023[c]	08/30/2023[c]	04/15/2024[c]		10/24/2024[c]
Rights vested as at 12/31/2022	**1,193,750**[d]	**1,366,492**[e]	**16,250**[e]	**0**[f]	**0**[f]	**0**[g]	**0**[g]	**0**[g]
Number of rights lapsed or forfeited as at 12/31/2022	-	186,469	3,100	109,449	4,542	36,987	0	1,825
Number of rights outstanding as at 12/31/2022	-	548,801	-	1,307,749	20,821	1,050,024	500,500	307,749
› of which members of the Executive Committee	-	548,801		423,596			500,500	
› of which corporate officers:	-	276,244		213,220			240,128	
– Xavier Martiré,	-	165,746		127,932			144,334	
– Louis Guyot	-	64,457		49,751			55,880	
– Matthieu Lecharny	-	46,041		35,537			39,914	
Number of working beneficiaries as at 12/31/2022	402	457	20	470	14	500	11	221
› of which members of the Executive Committee	9	10	0	10	0	0	11	0
› of which corporate officers	3[a]	3[a]	0	3[a]	0	0	3[a]	0

(a) Xavier Martiré, Louis Guyot and Matthieu Lecharny.

(b) 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.

(c) 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 2022 Universal Registration Document.

(d) Upon the recommendation of the Appointments, Compensation and Governance Committee (ACGC), the Supervisory Board and the Management Board, at their meetings of March 8, 2021, reviewed the targets associated with the performance shares granted to the Executive Committee under plan no. 10, whose vesting period expired in 2022, and decided, in view of the crisis resulting from the Covid-19 pandemic, and on the basis of the same calculations as those used for the delivery of plan no. 10 for employees in 2021, to adjust the 2021 revenue target to €2,910 million and align the 2021 EBIT target with that of the 2020 employee plan, i.e. €319 million (TSR remains unchanged). Upon the recommendation of the ACGC, the Supervisory Board, at its meeting of March 8, 2022, examined the performance associated with the vesting of the performance shares granted to the Executive Committee under plan no. 10, and found that the two conditions relating to 2021 revenue and EBIT, adjusted for the Covid impact, had been met whereas 2021 TSR had not been reached. As a result, 67% of the performance shares granted in 2019 to the Executive Committee were vested on May 2, 2022.

(e) Upon the recommendation of the ACGC, the Supervisory Board and the Management Board, at their meetings of March 8, 2021, reviewed the targets associated with the performance shares granted to employees under plan no. 12, whose vesting period expired in July 2022, and decided, in view of the crisis resulting from the Covid-19 pandemic, and on the basis of the same calculations as those used for the delivery of plan no. 10 for employees in 2021, to adjust the 2021 revenue target to €2,910 million (the two other targets – EBIT and TSR – remain unchanged). Upon the recommendation of the ACGC, the Supervisory Board, at its meeting of March 8, 2022, examined the performance associated with the vesting of the performance shares granted to employees under plan nos. 12 and 13, and found that the three conditions related to 2021 revenue, adjusted for the Covid impact, 2021 EBIT and 2021 TSR had been met. As a result, 100% of the performance shares granted in 2020 to employees were vested on July 11 and December 28, 2022, respectively.

(f) Unless waived by the Management Board, the vesting of shares is contingent on uninterrupted, continuous service with the Group for the duration of the vesting period. In addition, the performance conditions associated with the vesting of the shares under plan nos. 14 and 15, implemented in 2021, were defined in reference to internal absolute criteria linked to consolidated revenue and consolidated EBIT, determined 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 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.

(g) Unless waived by the Management Board, the vesting of shares is contingent on uninterrupted, continuous service with the Group for the duration of the vesting period. In addition, based on the plans implemented in 2022, the performance conditions associated with the vesting of the shares were defined in reference to internal absolute criteria linked to consolidated revenue and consolidated EBIT, determined on the basis of the business plan, itself in line with market expectations, a CSR criterion and the performance of the Elis share price relative to a benchmark index. Furthermore, three thresholds have been defined to determine the achievement of the economic and CSR performance criteria at the end of the vesting period: a trigger threshold (lower limit), a target threshold and an outperformance threshold (upper limit). Regarding the stock market criterion, two thresholds have been defined (target and outperformance threshold). The performance measurement will be assessed on a straight-line basis between each limit.

The number of shares to be delivered at the end of the vesting period will be determined in two stages: (i) a calculation depending on the attainment by each of the criteria of the threshold thus defined, the performance measurement being assessed on a straight-line basis between each limit and (ii) the application of a second limit to take account of the attainment or otherwise of the target thresholds.

For the plans implemented in 2022, with regard to the economic and CSR criteria, the number of shares to be delivered will be 0% if the trigger threshold (lower limit) is not reached; 25% if the target threshold is reached; 37.5% if the outperformance threshold (upper limit) is reached. (For the stock market criterion, only the last two thresholds will apply). The second limit defined below will also apply:

- *if all four target thresholds have been achieved (or surpassed), the number of vested shares may not exceed 120% of the shares granted;*
- *if only three target thresholds have been reached (or surpassed), irrespective of the deviation of the fourth criterion from the target threshold, the number of shares vested may not exceed 90% of the shares granted;*
- *if only two target thresholds have been achieved (or surpassed), irrespective of the deviation of the other two criteria from their respective target threshold, the number of vested shares may not exceed 80% of the shares granted;*
- *if only one target threshold has been achieved (or surpassed), irrespective of the deviation of the other three criteria from their respective target threshold, the number of vested shares may not exceed 70% of the shares granted;*
- *if no target threshold has been achieved, the number of vested shares may not exceed 60% of the shares granted.*

Group Savings Plan

Pursuant to the 25th and 26th resolutions of the extraordinary annual general shareholders' meeting on May 19, 2022, the Management Board, having received authorization from the Supervisory Board of July 27, 2022, voted on July 28, 2022 for a capital increase reserved for employee members of Elis Group's savings plan ("Elis for All 2022") and a capital increase reserved for employees of Elis's foreign subsidiaries operating in the following countries: Belgium, Brazil, Denmark, Finland, Germany, Ireland, Italy, Luxembourg, Norway, Netherlands, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

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, known as "Elis for All 2021", 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: Belgium, Brazil, Denmark, Finland, Germany, Ireland, Italy, Luxembourg, Norway, Netherlands, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

These transactions 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 plans and the valuation assumptions used:

Plan characteristics	2022 plan	2021 plan
Date of general shareholders' meeting	05/19/2022	06/30/2020
Date of decision by the Chairman of the Management Board, setting the subscription price	09/16/2022	05/05/2021
Closing date of employee subscriptions	10/05/2022	05/21/2021
Plan maturity (in years)	5	5
Subscription price	€8.97	€10.46
Closing price on the subscription closing date	€11.04	€14.93
Face value discount	30.00%	30.00%
Discount relative to price on the subscription closing date	18.75%	29.94%
Number of shares matched	1 for 10	1 for 10
Valuation assumptions (5-year maturity)		
Employee financing rate over 5 years	2.84%	3.56%
5-year risk-free interest rate	2.84%	-0.26%
Securities lending or borrowing rate	0.50%	0.50%
Non-transferability for the market participant, as a %	5.30%	20.15%
Amounts subscribed and valuation		
Subscription		
Amount subscribed by employees *(in millions of euros)*	4.9	10.6
Number of shares subscribed	550,815	1,013,169
Gross expense, before non-transferability discount *(in millions of euros)*	1.1	4.5
Valuation of non-transferability discount *(in millions of euros)*	-0.3	-3.0
Net expense *(in millions of euros)*	0.8	1.5
Impact of a 0.5 point decrease in the employee financing rate	0.4	0.4
Matching contribution		
Number of shares matched	50,638	91,995
Gross expense, before non-transferability discount *(in millions of euros)*	0.6	1.4
Valuation of non-transferability discount *(in millions of euros)*	-0.0	-0.3
Net expense *(in millions of euros)*	0.5	1.1
Impact of a 0.5 point decrease in the employee financing rate	0.0	0.1
Total		
Total plan amount *(in millions of euros)*	1.7	5.9
Number of shares issued	601,453	1,105,164
Gross expense, before non-transferability discount *(in millions of euros)*	1.7	5.9
Valuation of non-transferability discount *(in millions of euros)*	-0.4	-3.3
Net expense *(in millions of euros)*	1.3	2.6
Impact of a 0.5 point decrease in the employee financing rate	0.5	0.5

The amount expensed in 2022 for standard plans was €0.8 million, net of the €0.3 million cost of non-transferability for employees. The free share expense related to the matching contribution was €0.5 million in 2022.

The amount expensed in 2021 for standard plans was €1.5 million, net of the €3.0 million cost of non-transferability for employees. The free share expense related to the matching contribution was €1.1 million in 2021.

5.5 Executive compensation (related party transactions)

As at December 31, 2022, 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)	12/31/2022	12/31/2021
Number of people	**11**	**11**
Short-term benefits – Fixed, variable, special and other elements of compensation	(10.4)	(11.4)
Post-employment benefits	(2.7)	(3.0)
Termination benefits	-	-
Expenses related to share-based payments (IFRS 2)	(6.2)	(8.8)

Post-employment benefits relate to 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, 2022, the employee benefit liability accrued for termination benefits totaled €1 million (€0.7 million as at December 31, 2021).

Compensation allocated to members of the Supervisory Board and expensed as directors' fees totaled €0.7 million (€0.7 million as at December 31, 2021).

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)	12/31/2022	12/31/2021
Gross value	3,884.8	3,809.6
Accumulated impairment	(66.5)	(66.0)
CARRYING AMOUNT AT BEGINNING OF PERIOD	**3,818.3**	**3,743.6**
Increase related to business combinations	208.4	69.4
Disposals	-	-
Translation adjustments	(21.9)	5.8
Other changes	(0.0)	0.0
CHANGES IN GROSS CARRYING AMOUNT	**186.5**	**75.2**
Impairment	(58.7)	-
Translation adjustments	16.4	(0.6)
Other changes	0.0	0.0
CHANGES IN IMPAIRMENT	**(42.2)**	**(0.6)**
CARRYING AMOUNT AT END OF PERIOD	**3,962.6**	**3,818.3**
Gross value	4,071.4	3,884.8
Accumulated impairment	(108.8)	(66.5)

The carrying amount of goodwill is allocated to the main cash-generating units as follows:

(In millions of euros)	12/31/2022	12/31/2021
CGU France	1,418.1	1,415.1
CGU Sweden & Finland	524.0	568.5
CGU Denmark	414.0	406.0
CGU Netherlands	365.4	365.2
CGU Brazil	253.5	224.5
CGU Mexico	189.4	-
CGU Germany	174.1	173.8
CGU Spain & Andorra	106.9	106.9
CGU Great Britain	96.8	101.4
Other CGU	420.5	456.9
CARRYING VALUE OF GOODWILL	**3,962.6**	**3,818.3**

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."

In Russia, the Group recorded a goodwill impairment loss of €58.7 million as at June 30, 2022 (at the exchange rate of €1 = RUB 56.5553). This was based on a WACC of 26.3% (versus 11.4% as at December 31, 2021) linked to the sharp increase in country risk premium. The CGU's business plan has also been revised and maintains the assumption of a perpetual growth rate equal to long-term inflation of 4%. Following the impairment tests carried out as at December 31, 2022, the Group recorded no additional impairment losses.

The Group had also not recorded any impairment losses following the impairment tests carried out as at December 31, 2021.

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.

Amortization is recorded from the date the asset is first used.

(In millions of euros)	Trademarks & non-competition clauses	Customer relationships	Other	Total
Gross value	**261.4**	**1,294.4**	**182.9**	**1,738.7**
Accumulated amortization and impairment	**(47.9)**	**(765.5)**	**(118.9)**	**(932.3)**
NET CARRYING AMOUNT AS AT JANUARY 1, 2021	**213.5**	**528.8**	**64.0**	**806.4**
Investments	-	-	21.1	21.1
Acquisitions through business combinations	-	21.1	0.7	21.8
Retirements and disposals	-	-	0.0	0.0
Depreciation	(3.0)	(78.2)	(17.5)	(98.7)
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**	**1,315.3**	**210.0**	**1,787.0**
Accumulated amortization and impairment	**(51.0)**	**(844.1)**	**(139.1)**	**(1,034.2)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2021	**210.7**	**471.2**	**70.9**	**752.7**
Investments	-	0.3	26.2	26.5
Acquisitions through business combinations	0.3	23.4	0.1	23.8
Retirements and disposals	-	-	(0.0)	(0.0)
Depreciation	(1.7)	(78.5)	(18.9)	(99.1)
Translation adjustments	0.1	(7.1)	(0.2)	(7.2)
Impairment	-	-	-	-
Other movements	0.2	(0.8)	1.0	0.4
Gross value	**263.7**	**1,327.4**	**233.9**	**1,825.0**
Accumulated amortization and impairment	**(54.1)**	**(919.0)**	**(154.8)**	**(1,127.9)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2022	**209.6**	**408.5**	**79.0**	**697.1**

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)	12/31/2022	12/31/2021	Amortization
Elis Brands	206.5	206.5	Not amortized
Brands of manufacturing entities	2.2	2.2	
› Le Jacquard Français brand	0.9	0.9	Impairment loss
› Kennedy Hygiene brand	1.3	1.3	Not amortized
Non-competition clauses and miscellaneous	1.0	2.0	
Trademarks & non-competition clauses	**209.6**	**210.7**	

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	**864.4**	**136.0**	**1,616.4**	**1,865.2**	**4,482.0**
Accumulated amortization and impairment	**(291.7)**	**(111.7)**	**(1,017.4)**	**(1,175.2)**	**(2,596.0)**
NET CARRYING AMOUNT AS AT JANUARY 1, 2021	**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**	**1,702.0**	**2,073.5**	**4,799.6**
Accumulated amortization and impairment	**(322.7)**	**(114.3)**	**(1,101.0)**	**(1,350.7)**	**(2,888.7)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2021	**569.4**	**17.8**	**601.0**	**722.7**	**1,911.0**
Investments	24.8	3.0	100.1	556.1	684.0
Acquisitions through business combinations	8.8	3.0	19.8	26.5	58.2
Retirements and disposals	(2.3)	(0.4)	(2.0)	(4.9)	(9.5)
Depreciation	(30.2)	(8.1)	(101.4)	(454.3)	(594.0)
Translation adjustments	(4.3)	0.2	(2.4)	(3.8)	(10.3)
Impairment	-	-	(0.1)	-	(0.1)
Other movements	14.4	0.5	(15.6)	0.8	0.2
Gross value	**932.8**	**138.8**	**1,802.3**	**2,440.7**	**5,314.6**
Accumulated amortization and impairment	**(352.2)**	**(122.6)**	**(1,202.8)**	**(1,597.6)**	**(3,275.2)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2022	**580.7**	**16.1**	**599.5**	**843.2**	**2,039.5**

"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				
	Land and buildings	Vehicles	Plant & equipment	**Total**	Lease liabilities
As at January 1, 2021	**310.6**	**118.3**	**9.7**	**438.6**	**447.3**
Increase related to business combinations	0.6	0.7	0.4	1.7	2.0
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	303.7	126.8	9.0	439.4	453.5
Increase related to business combinations	18.0	2.3	1.4	21.7	22.8
New rights of use	15.6	71.8	3.1	90.4	90.4
Remeasuring of rights of use	19.0	1.4	(0.7)	19.7	19.7
Depreciation & amortization / impairment	(45.1)	(55.0)	(3.6)	(103.7)	
Principal payments					(101.5)
Translation differences	(0.4)	(1.5)	(0.0)	(1.9)	(1.9)
Other movements	0.6	1.8	(1.1)	1.3	2.6
As at December 31, 2022	**311.4**	**147.4**	**8.1**	**466.9**	**485.5**

The Group recognized lease expenses relating to:

- short-term leases totaling €7.5 million during the 2022 financial year (versus €6.1 million in 2021);
- leases of low-value assets totaling €1.8 million during the 2022 financial year (versus €2.0 million in 2021);
- variable lease payments totaling €0.2 million during the 2022 financial year (versus €0.9 million in 2021).

The remaining contractual maturities of lease liabilities are as follows (undiscounted amounts):

(In millions of euros)	**Carrying value**	Cash flow 2023	Cash flow 2024	Cash flow 2025-2026-2027	Cash flow 2028 and beyond	**Estimate of future cash flows as at 12/31/2022**
Lease liabilities	485.5	114.3	99.3	222.6	176.0	612.1

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 adjusted 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.

Calculating future cash flows

Goodwill impairment tests are performed by including the impacts of IFRS 16 and 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 2023–2025 was approved by the Supervisory Board on December 15, 2022. Future cash flows are estimated based on conservative growth assumptions;
- cash flows are calculated using the discounted cash flow method = adjusted EBITDA (operating income before depreciation and amortization) +/− change in WC − income tax at standard rate − capital expenditure (including lease renewal);
- 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 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 (including 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	Great Britain	Mexico	Netherlands	Sweden
Risk-free rate	1.4%	0.6%	8.7%	0.9%	1.9%	1.8%	6.8%	0.8%	1.2%
Credit spread	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Cost of debt (before tax)	**2.6%**	**1.9%**	**9.9%**	**2.1%**	**3.1%**	**3.0%**	**8.0%**	**2.1%**	**2.4%**
Tax rate	25.8%	30.0%	34.0%	22.0%	25.0%	25.0%	30.0%	25.8%	20.6%
Cost of debt, net of tax	**1.9%**	**1.3%**	**6.6%**	**1.7%**	**2.4%**	**2.3%**	**5.6%**	**1.5%**	**1.9%**
Risk premiums	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%
Levered beta	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.88
Cost of equity	**7.9%**	**7.2%**	**15.2%**	**7.5%**	**8.5%**	**8.4%**	**13.3%**	**7.4%**	**7.8%**
Gearing	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
WACC 2022	**7.4%**	**6.7%**	**14.4%**	**7.0%**	**7.9%**	**7.8%**	**12.6%**	**6.9%**	**7.3%**
WACC 2021	6.7%	6.1%	11.0%	6.3%	7.3%	7.1%	-	6.2%	6.6%
PRE-TAX DISCOUNT RATE 2022 (APPROXIMATION)	**10.0%**	**9.6%**	**21.9%**	**8.9%**	**10.6%**	**10.4%**	**18.1%**	**9.3%**	**9.1%**
Pre-tax discount rate 2021 (approximation)	*9.1%*	*8.7%*	*16.6%*	*8.1%*	*9.7%*	*9.4%*	-	*8.4%*	*8.3%*

The increase in WACC since December 31, 2021 reflects the increase in rates and market premiums. The Group has sought to use a rate consistent with the long-term economic outlook for the countries in which it operates.

Multiples used

The multiples approach was not used as at December 31, 2022 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 by the first quarter of 2023 it will return to the levels seen by the Group in 2019. In terms of operating income, the measures taken by the Group to adapt to inflation (price increases, productivity improvements) should enable it to maintain profitability levels in 2023. The Group expects to continue these measures in 2024 and 2025.

6

Sensitivity of tests related to goodwill

The sensitivity of the impairment tests was verified with respect to changes in the two main assumptions: WACC and perpetual growth rate. In the impairment tests, the items with the most material sensitivity in relation to the WACC and perpetual growth rate are as follows (test margin = difference between the carrying amount and the recoverable amount of the CGU): In view of the uncertainty as at December 31, 2022, the Group has widened the sensitivity ranges usually reported.

France *(In millions of euros)*		Perpetual growth rate				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	6.4%	1,496	1,804	2,182	2,657	3,272
	6.9%	1,188	1,440	1,743	2,115	2,582
	7.4%	928	1,137	1,385	1,683	2,049
	7.9%	705	881	1,087	1,331	1,624
	8.4%	513	663	836	1,038	1,278

Germany *(In millions of euros)*		Perpetual growth rate				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	5.7%	261	337	435	563	738
	6.2%	188	249	324	420	546
	6.7%	128	177	237	311	405
	7.2%	78	118	167	226	298
	7.7%	35	69	109	156	214

Brazil *(In millions of euros)*		Perpetual growth rate				
		2.0%	2.5%	3.0%	3.5%	4.0%
WACC	13.4%	65	76	88	101	116
	13.9%	41	51	62	73	86
	14.4%	20	28	38	48	59
	14.9%	(0)	8	16	25	35
	15.4%	(18)	(12)	(4)	4	13

Denmark *(In millions of euros)*		Perpetual growth rate				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	6.0%	138	215	312	437	603
	6.5%	70	133	209	305	429
	7.0%	14	65	128	204	299
	7.5%	(34)	9	61	122	198
	8.0%	(75)	(38)	5	56	117

Spain *(In millions of euros)*		Perpetual growth rate				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	6.9%	113	144	182	228	286
	7.4%	80	106	137	174	219
	7.9%	52	74	100	130	167
	8.4%	29	47	69	94	124
	8.9%	8	24	42	63	88

Great Britain *(In millions of euros)*		Perpetual growth rate				
		1.0%	**1.5%**	**2.0%**	**2.5%**	**3.0%**
WACC	6.8%	206	251	305	372	457
	7.3%	160	197	241	295	360
	7.8%	120	151	188	231	284
	8.3%	86	113	143	179	222
	8.8%	56	79	105	135	171

Mexico *(In millions of euros)*		Perpetual growth rate				
		2.0%	**2.5%**	**3.0%**	**3.5%**	**4.0%**
WACC	11.5%	46	55	65	76	89
	12.0%	29	37	46	55	66
	12.5%	14	21	29	37	46
	13.0%	1	7	13	20	28
	13.5%	(12)	(6)	(1)	6	13

Netherlands *(In millions of euros)*		Perpetual growth rate				
		1.0%	**1.5%**	**2.0%**	**2.5%**	**3.0%**
WACC	5.9%	139	203	284	389	531
	6.4%	83	135	199	279	383
	6.9%	36	79	130	194	274
	7.4%	(4)	32	75	126	189
	7.9%	(37)	(7)	29	71	122

Sweden *(In millions of euros)*		Perpetual growth rate				
		1.0%	**1.5%**	**2.0%**	**2.5%**	**3.0%**
WACC	6.3%	126	200	292	409	561
	6.8%	52	113	186	277	391
	7.3%	(10)	41	100	172	261
	7.8%	(62)	(20)	29	88	159
	8.3%	(108)	(72)	(31)	18	75

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	8.4%	8.4%	8.8%
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:

Discount rate	1.0%	1.5%	2.0%	2.5%	3.0%
7.4%	326	366	413	470	540
7.9%	288	322	362	409	466
8.4%	255	285	**318**	358	405
8.9%	227	252	281	315	354
9.4%	202	224	249	278	312

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, 2021	**73.6**	**6.1**	**22.9**	**102.7**
Increases/additions for the year	0.7	2.8	1.7	5.1
Increase related to business combinations	4.5	0.7	0.2	5.3
Decreases/reversals of used and unused provisions	(4.0)	(3.8)	(3.5)	(11.3)
Translation differences	(1.3)	0.3	1.2	0.2
Other	0.0	(0.0)	(0.1)	(0.1)
AS AT DECEMBER 31, 2022	**73.5**	**6.1**	**22.4**	**102.0**
Current portion	**0.0**	**2.7**	**7.6**	**10.4**
Non-current portion	**73.4**	**3.4**	**14.8**	**91.6**
France	12.6	1.7	0.2	14.5
UK & Ireland	11.6	-	(0.0)	11.6
Scandinavia & Eastern Europe	28.0	-	9.0	36.9
Latin America	7.9	4.0	11.9	23.7
Other segments	13.4	0.5	1.4	15.2

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 Gestão e Higienização de Têxteis SA ("Atmosfera") and Prolav Servicos Tecnicos Ltda ("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, 2022, 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, which is still pending as at the date of this document. 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 €0.5 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 €0.6 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 June 30, 2022, the CADE had not initiated any enforcement action in respect of the penalty.

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 Gestão de Têxteis ("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. NJ Lavanderia successfully challenged the decision in order to win its case on a specific point. As at December 31, 2022, NJ Lavanderia was awaiting confirmation that 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 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.

As at December 31, 2022, and to the best of the Company's knowledge, the investigation is only focusing on physical persons who are not currently employed by any 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 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, 2022, 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. As at December 31, 2022, the amount of the dispute was approximately R$371 million as of the end of June 2022, or around €65.5 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 good arguments to challenge 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, 2022. 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, 2022, 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 was not appealed by the prosecutor. The proceedings were therefore closed in June 2022.

As the alleged pollution indicated above concerns a federal river, the federal police also opened an investigation in March 2020. Following the positive outcome of the above proceedings initiated by the Prosecutor's Office, Lavebras expects a favorable conclusion to the Federal Police investigation.

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 October 2022, the judge in charge of the case followed the advice of the Prosecutor's Office and annulled the penalty of suspension ordered by the Health Secretary for the state of Sao Paulo. The Health Secretary may appeal the decision but, to the best of the Company's knowledge, had not done so as of the date of publication of these consolidated financial statements. If no appeal were lodged, this procedure would be terminated.

In relation to these disputes, at June 30, 2022 the Company had recognized provisions around R$3 million (approximately €0.6 million).

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.

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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, 2022, the exposure to credit risk on trade receivables by operating segment is as follows:

(In millions of euros)	**12/31/2022**	12/31/2021
France	252.8	211.6
Central Europe	135.6	104.7
Scandinavia & Eastern Europe	99.2	89.3
Southern Europe	81.9	66.4
Latin America	78.3	47.6
UK & Ireland	72.8	53.3
Other operating segments	7.7	6.9
TRADE RECEIVABLES AND CONTRACT ASSETS	**728.3**	**579.9**

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:

	12/31/2022			
(In millions of euros)	**Gross value**	**Impairment loss**	**Expected credit loss rate**	**Net value**
Not yet due or less than 1 month overdue	617.7	(1.3)	(0.2%)	616.4
Between 1 and 4 months overdue	99.9	(3.2)	(3.2%)	96.7
Between 5 and 12 months overdue	19.7	(8.1)	(40.8%)	11.7
More than 1 year overdue	45.2	(41.7)	(92.2%)	3.5
TRADE RECEIVABLES AND CONTRACT ASSETS	**782.5**	**(54.3)**		**728.3**

	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	499.4	(1.2)	(0.2%)	498.2
Between 1 and 4 months overdue	75.4	(3.6)	(4.7%)	71.9
Between 5 and 12 months overdue	13.2	(7.3)	(55.0%)	6.0
More than 1 year overdue	49.8	(45.9)	(92.1%)	3.9
TRADE RECEIVABLES AND CONTRACT ASSETS	**637.8**	**(57.9)**		**579.9**

› cash assets: the Group's policy is to minimize its cash position in order to reduce its debt and optimize its financial expenses. The Group invests its remaining cash in short-term money market funds, short-term bank time deposits, 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 view of the strong business recovery in the Hospitality sector and the price increases significantly impacting its working capital, the Group continued its efforts in 2022 to carefully manage its inflows, a fundamental pillar of its cash position.

In addition, to shore up its liquidity and secure its debt repayment schedule, the Group carried out several financing and refinancing transactions in 2022, notably by means of (i) the one-year extension of the maturity of the €900 million revolving credit facility to November 2027, (ii) the refinancing of the entire €450 million bond tranche maturing on February 15, 2023 with a new €300 million bond issue maturing in May 2027, coupled with the implementation of a new tranche of US dollar financing in the form of a USPP for €159 million after currency conversion, maturing in June 2032, and (iii) the issuance of a new series of bonds convertible into and/or exchangeable for new and/or existing Elis shares (OCÉANEs) for a nominal amount of €380 million maturing in September 2029, combined with the partial redemption for €200 million of the existing series of OCÉANEs maturing in October 2023.

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+/Ba1/BBB Low" from the agencies S&P Global Ratings, Moody's and DBRS Morningstar.

Loan agreements include the legal and financial commitments usually involved in such transactions and specify accelerated maturities if those commitments are not met. The financial commitments include an obligation for the Group to satisfy a financial covenant as presented in Note 10.1 "Capital management." Based on these consolidated financial statements, the Group met this ratio.

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, 2022, the weighted average maturity of borrowings and gross financial debt was 4 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 88%;
- 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, 2022, the Group had an undrawn confirmed credit line totaling €900 million, maturing in November 2027;
- continuous monitoring of available cash: as at December 31, 2022, 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. As at December 31, 2022, the Company continues to be rated by S&P Global Ratings, Moody's and DBRS Morningstar. Following on from the numerous exchanges in 2020 and 2021 after the start of the Covid-19 pandemic, the Group continued regular dialog in 2022 with the rating agencies. The main objective was to demonstrate that the Group's Hospitality business had fully recovered and to outline the measures taken by the Group to curb the impact of inflation on its operating performance. The agencies highlighted the Group's strong business momentum, its ability to adjust prices to protect its operating margin and its cash flow generation amid significant cost inflation, which enabled it to accelerate its deleveraging. S&P Global Ratings and DBRS Morningstar confirmed their financial ratings in 2022, while Moody's upgraded its rating by one notch:

- S&P Global Ratings: in a press release dated September 30, 2022, S&P Global Ratings confirmed the Company's "BB+" rating (stable outlook), citing the return to normal of the Group's business activity, particularly in the Hospitality segment, after two years marked by the Covid crisis, the limited impact of high cost inflation on the operating margin as a result of price adjustments, as well as the expected improvement in its leverage. This rating also applies to the notes issues carried out by the Company under the EMTN program in April and October 2019, September 2021 and May 2022;
- Moody's Investors Service ("Moody's"): in a press release dated September 27, 2022, Moody's raised Elis's credit rating from "Ba2" (positive outlook) to "Ba1" (stable outlook). Moody's justified its decision by the prospect of further improvement in the Hospitality market and the Company's strong performance, including its ability to offset the effects of inflation. This rating also applies to the notes issues carried out by the Company under the EMTN program in February 2018, September 2021 and May 2022;
- DBRS Morningstar: in a press release issued on March 22, 2022, the ratings agency DBRS Ratings GmbH ("DBRS Morningstar") confirmed the investment grade rating assigned to the Company since April 2019 of "BBB low" (stable outlook), pointing to the return to normal business activity in the Hospitality sector and the ongoing improvement in its financial fundamentals. This rating also applies to all outstanding notes issues carried out by the Company under the EMTN program, including the one in May 2022.

Net debt and future cash flows

The Group's net debt balance is detailed in Note 8.5 "Net debt."

The repayment dates for consolidated debt and related interest as at December 31, 2022 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 2023		Cash flow 2024		Cash flow 2025-2026-2027		Cash flow 2028 and beyond		Estimate of future cash flows as at 12/31/2022	
(In millions of euros)	Amortized cost	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest
USPP	503.7	-	13.8	-	13.8	-	41.1	494.3	28.6	494.3	97.2
EMTN (Euro Medium Term Notes)	2,233.1	-	45.1	500.0	38.8	1,150.0	69.7	550.0	2.3	2,200.0	155.9
Convertible bonds	532.9	200.0	8.5	-	8.6	380.0	23.5	-	-	580.0	40.6
Medium-term negotiable notes (NEU MTN)	10.1	10.0	-	-	-	-	-	-	-	10.0	-
Commercial paper (NEU CP)	184.0	184.0	-	-	-	-	-	-	-	184.0	-
Revolving/bilateral short term	0.4	0.4	-	-	-	-	-	-	-	0.4	-
Unamortized debt issuance costs	(18.7)	-	-	-	-	-	-	-	-	-	-
Loan from employee profit-sharing fund	14.0	3.1	0.2	3.6	0.3	6.8	0.9	-	-	13.5	1.4
Other	4.3	2.2	0.0	0.9	0.0	0.8	0.0	0.5	0.0	4.4	0.1
Overdrafts	0.0	0.0	0.0	-	-	-	-	-	-	0.0	0.0
TOTAL BORROWINGS AND FINANCIAL DEBT	**3,463.8**	**399.7**	**67.6**	**504.5**	**61.5**	**1,537.6**	**135.3**	**1,044.7**	**30.9**	**3,486.6**	**295.3**

The table above takes into account the redemption right of holders of 2029 convertible bonds as at September 22, 2027. The additional interest that would be paid in the event that this right is not exercised is €17.1 million.

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. 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, 2022.

In addition, apart from its cash buffer, 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 2022, these purchases totaled US$149 million, compared with US$88.7 million in 2021, an increase of US$60.3 million reflecting the recovery in linen purchases in 2022 versus the contraction in business caused by the health crisis in 2021. 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, 2022, the Group had made 2023 forward purchases of US$127.8 million (compared with US$99.4 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, 2022, 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), Mexican peso (MXN) and Polish zloty (PLN). Currency swaps in rubles (RUB) were settled in early 2022 via a spot purchase of foreign currency.

USPP financing denominated in US dollars

Some of the Group's financing is denominated in US dollars (USPP-type financing): to hedge this currency risk, the Group has entered into cross-currency swap contracts backed by financing with a notional amount of US$215 million as at December 31, 2022 (US$40 million as at December 31, 2021).

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, 2022, countries outside the euro area accounted for 38.6% of the Group's consolidated revenue, including 10.4% from the United Kingdom, 6.3% from Brazil, 6.0% from Denmark, 5.6% from Sweden, 2.9% from Switzerland, 2.0% from Norway, 1.5% from Poland and 1.3% from Mexico.

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.

Except for the USPP financing denominated in US dollars, 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)	(68.3)	(2.0)
DKK (Denmark)	(60.6)	(2.1)
GBP (United Kingdom)	(53.0)	(2.3)
BRL (Brazil)	(47.1)	(2.1)
MXN (Mexico)	(25.2)	(0.6)
CHF (Switzerland)	(18.0)	(0.5)
PLN (Poland)	(15.9)	(1.0)
NOK (Norway)	(15.0)	(0.6)

Equity risk

As at December 31, 2022, the Group's exposure to equity risk concerned the 133,098 Elis shares held in treasury, mainly as part of the liquidity agreement.

These shares were valued at €1.8 million based on the December 31, 2022 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 on the financial markets, 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) or electricity. As at December 31, 2022, the Group's energy expenditure totaled €171.4 million (€67.5 million as at December 31, 2021) for gas and €83.9 million (€40.0 million as at December 31, 2021) for electricity. To mitigate the effects of price volatility for its gas and electricity purchases and to hedge this risk, the Group enters into fixed-price contracts with its energy suppliers where appropriate. As at December 31, 2022, the Group and its suppliers have agreed on a fixed price for around 90% of its forecast gas consumption in Europe and 70% of its electricity consumption for 2023. The Group has also agreed with its suppliers on a fixed price for around 50% and 33% of its estimated gas consumption in Europe for 2024 and 2025, respectively.

8.2 Net financial income (loss)

(In millions of euros)	**12/31/2022**	12/31/2021
Interest expense on borrowings and loans from employee profit-sharing fund measured at amortized cost	(87.5)	(82.9)
Interest expense on lease liabilities	(13.1)	(10.4)
TOTAL INTEREST EXPENSE	**(100.6)**	**(93.3)**
Gains (losses) on interest rate derivatives measured at fair value through profit or loss	-	-
Interest income using the effective interest rate method	9.5	0.9
Foreign currency translation gains (losses) related to financing operations	6.5	1.6
Gains (losses) on foreign exchange derivatives measured at fair value through profit or loss	(2.1)	0.9
Interest expense on provisions and retirement benefits	(0.3)	(0.6)
Other	0.4	(0.1)
NET FINANCIAL INCOME (EXPENSE)	**(86.7)**	**(90.5)**

Total interest expense rose by €7.3 million in 2022 compared with 2021 due to the various refinancing transactions carried out in 2022 (€300 million bond issue maturing in 2027 with an annual coupon of 4.125%; US$175 million USPP tranche maturing in 2032 with an annual coupon in euros of 3%; a new €380 million OCÉANE bond issue maturing in 2029 with an annual coupon of 2.25%) at higher interest rates than those applicable to the financing repaid (€450 million bond issue maturing in 2023 with an annual coupon of 1.875% and the OCÉANEs maturing in 2023 with a 0% coupon).

Despite this increase, net financial income for 2022 has improved compared with 2021, mainly due to:

- interest received by the Group on its available cash in the context of rising interest rates, particularly in Brazil;
- €200 million in proceeds from the partial redemption of the 2023 OCÉANEs carried out by the Company in September 2022;
- various foreign exchange gains realized during the financial year in connection with the management of intra-group financing.

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, 2022, consolidated debt mainly comprised the following:

Private placements

USPP

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.

On June 1, 2022, Elis also took out new USPP financing for US$175 million. The new notes issued have a 10-year maturity (June 2032) and offer investors a 4.32% coupon in US dollars. These were entirely converted into euros via cross-currency swaps for a total amount of €159 million. Elis will pay a final, euro-denominated coupon of 3.0%.

Coupled with the proceeds of the €300 million EMTN notes issue maturing in May 2027, the new USPP financing was used to refinance the €450 million bond tranche maturing on February 15, 2023 and redeemed without penalty on November 15, 2022.

Capital markets

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 11, 2022, 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; following the new issue carried out (see below), the entire 2023 tranche of €450 million was redeemed on November 15, 2022;
- 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;
- on May 17, 2022, Elis placed a principal amount of €300 million of senior unsecured notes under its EMTN program. The notes have a maturity of 5 years and carry a fixed annual coupon of 4.125%. The net proceeds of this new issue were used to refinance the original tranche for a principal amount of €450 million, due to mature on February 15, 2023.

Convertible bonds (OCÉANEs)

On October 6, 2017, Elis issued bonds convertible into and/or exchangeable for new and/or existing Elis shares (the "2023 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. At the same time as the issue of the new OCÉANEs (see below), the Company redeemed a total principal amount of €200 million on September 22, 2022, representing approximately 50% of the aggregate number of 2023 OCÉANEs initially issued.

On September 22, 2002, Elis issued bonds convertible into and/or exchangeable for new and/or existing Elis shares ("2029 OCÉANEs") maturing on September 22, 2029 for a nominal amount of €380 million. The bonds have a nominal unit value of €100,000 and carry an annual coupon of 2.25%, payable annually, and a conversion premium of 42.50% relative to the reference share price on September 15, 2022. The holders of these bonds are also entitled to redeem the nominal amount plus accrued interest on September 22, 2027.

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 of the 2032 OCÉANEs is equivalent to €328.6 million at inception and €47.6 million for the options component (net of costs but before deferred tax). The redemption of the 2029 OCÉANEs was thus subject to split accounting in the amount of €191.7 million for the debt component and €4.3 million for the equity component. The previous reserve accumulated in equity has been reclassified to retained earnings for €22.9 million before deferred tax. In total, the portion of these transactions directly recognized in equity amounted to €32.1 million, net of deferred tax.

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, 2022, outstandings under this program totaled €10 million, unchanged from December 31, 2021.

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, 2022, outstandings under this program totaled €184.0 million, a comparable level to that of December 31, 2021 (€178.5 million).

Bank financing

Syndicated revolving credit facility

On November 9, 2021, Elis signed a €900 million syndicated revolving credit facility with a group of 13 customer-driven retail banks, undrawn as at December 31, 2021. This five-year credit facility (expiring November 2026) is accompanied by two one-year extension options ("5+1+1" years). Elis exercised the first extension option in 2022. This was unanimously accepted by the banks, extending the facility until November 2027.

This credit facility includes an ESG component in the form of a margin adjustment mechanism linked to the achievement of annual targets for two core indicators of the Group's sustainable development 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 (34% in 2020).

Change in debt

(In millions of euros)	12/31/2021	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	12/31/2022
USPP	**335.3**	**158.6**	**-**	**-**	**-**	**7.7**	**501.6**
EMTN (EURO MEDIUM TERM NOTES)	**2,350.0**	**(150.0)**	**-**	**-**	**-**	**-**	**2,200.0**
CONVERTIBLE BONDS	**383.0**	**181.0**	**-**	**-**	**-**	**(33.5)**	**530.6**
Medium-term negotiable notes (NEU MTN)	10.0	-	-	-	-	-	10.0
Commercial paper (NEU CP)	178.5	5.5	-	-	-	-	184.0
Revolving/bilateral short term	-	-	-	-	-	-	-
Other loans	9.9	(29.5)	22.4	1.5	0.0	0.0	4.3
Overdrafts	0.1	-	0.9	0.0	(0.9)	(0.0)	0.0
Loan from employee profit-sharing fund	17.7	(3.7)	-	-			14.0
LOANS	**216.2**	**(27.7)**	**23.3**	**1.5**	**(0.9)**	**0.0**	**212.3**
ACCRUED INTEREST	**35.2**			**-**	**(0.0)**	**2.8**	**38.0**
UNAMORTIZED DEBT ISSUANCE COSTS	**(15.7)**	**(9.1)**	**-**	**-**	**(0.0)**	**6.2**	**(18.7)**
BORROWINGS AND FINANCIAL DEBT	**3,304.0**	**152.8**	**23.3**	**1.5**	**(0.9)**	**(16.8)**	**3,463.8**
Reconciliation to cash flow statement							
› Proceeds from new borrowings		1,244.0					
› repayments of borrowings		(1,091.2)					
Change in borrowings		**152.8**					

Breakdown of financial debt by currency

(In millions of euros)	12/31/2022	12/31/2021
EUR	3,261.4	3,265.1
USD	201.6	35.3
DKK	0.6	-
CLP	0.2	0.1
RUB	-	3.4
BORROWINGS AND FINANCIAL DEBT	**3,463.8**	**3,304.0**

Maturity of financial liabilities

(In millions of euros)	12/31/2022	2,023	2,024	2025-2027	2028 and beyond
USPP	503.7	2.1	-	-	501.6
EMTN (Euro Medium Term Notes)	2,233.1	33.1	500.0	1,150.0	550.0
Convertible bonds	532.9	198.6	-	334.3	-
Medium-term negotiable notes (NEU MTN)	10.1	10.1	-	-	-
Commercial paper (NEU CP)	184.0	184.0	-	-	-
Revolving/bilateral short term	0.4	0.4	-	-	-
Unamortized debt issuance costs	(18.7)	(4.8)	(4.1)	(9.0)	(0.8)
Loan from employee profit-sharing fund	14.0	3.2	3.9	6.9	-
Other	4.3	2.2	0.9	0.7	0.6
Overdrafts	0.0	0.0	-	-	-
TOTAL BORROWINGS AND FINANCIAL DEBT	**3,463.8**	**428.9**	**500.7**	**1,482.9**	**1,051.3**

The table above takes into account the redemption right of holders of 2029 convertible bonds as at September 22, 2027.

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)	12/31/2022	12/31/2021
Demand accounts	282.8	160.0
Term deposits and marketable securities	3.4	0.1
CASH AND CASH EQUIVALENTS (ASSETS)	**286.2**	**160.1**
Overdrafts	(0.0)	(0.1)
CASH AND CASH EQUIVALENTS, NET	**286.2**	**160.1**

In Latin America (excluding Mexico), where there may be foreign exchange controls, cash and cash equivalents totaled €59.7 million as at December 31, 2022, compared with €33.6 million at December 31, 2021.

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8.5 Net debt

(In millions of euros)	12/31/2022	12/31/2021
USPP	**501.6**	**335.3**
EMTN (EURO MEDIUM TERM NOTES)	**2,200.0**	**2,350.0**
CONVERTIBLE BONDS	**530.6**	**383.0**
Medium-term negotiable notes (NEU MTN)	10.0	10.0
Commercial paper (NEU CP)	184.0	178.5
Other loans	4.3	9.9
Overdrafts	0.0	0.1
Loan from employee profit-sharing fund	14.0	17.7
LOANS	**212.3**	**216.2**
ACCRUED INTEREST	**38.0**	**35.2**
UNAMORTIZED DEBT ISSUANCE COSTS	**(18.7)**	**(15.7)**
BORROWINGS AND FINANCIAL DEBT	**3,463.8**	**3,304.0**
Of which maturing in less than one year	428.9	219.5
Of which maturing in more than one year	3,034.9	3,084.5
CASH AND CASH EQUIVALENTS (ASSETS)	**286.2**	**160.1**
NET DEBT	**3,177.6**	**3,143.9**

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.

	12/31/2022		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	79.2	79.2	26.7	15.6	36.9	
Contract assets	45.5	45.5			45.5	
Trade and other receivables	748.2	748.2			748.2	
Other current assets	17.4	17.4	0.7	1.0	15.7	
Cash and cash equivalents	286.2	286.2			286.2	
FINANCIAL ASSETS	**1,176.5**	**1,176.5**	**27.5**	**16.6**	**1,132.5**	**-**
Borrowings and financial debt	3,034.9	2,795.0				3,034.9
Other non-current liabilities	68.9	68.9	56.5	-		12.4
Trade and other payables	364.9	364.9				364.9
Contract liabilities	81.4	81.4				81.4
Other current liabilities	453.9	453.9	36.2	5.1		412.6
Bank overdrafts and current borrowings	428.9	431.2				428.9
FINANCIAL LIABILITIES (EXCLUDING LEASE LIABILITIES)	**4,432.9**	**4,195.3**	**92.6**	**5.1**	**-**	**4,335.2**

	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	599.8	599.8			599.8	
Other current assets	18.9	18.9	1.3	3.1	14.4	
Cash and cash equivalents	160.1	160.1			160.1	
FINANCIAL ASSETS	**881.6**	**881.6**	**28.8**	**4.4**	**848.4**	**-**
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	262.5	262.5				262.5
Contract liabilities	75.8	75.8				75.8
Other current liabilities	380.8	380.8	8.4	0.0		372.3
Bank overdrafts and current borrowings	219.5	224.1				219.5
FINANCIAL LIABILITIES (EXCLUDING LEASE LIABILITIES)	**4,056.2**	**4,088.7**	**27.8**	**0.0**	**-**	**4,028.4**

The table below shows the level at which each fair value is ranked in the fair value hierarchy:

	12/31/2022	Fair value hierarchy		
(In millions of euros)	Fair value	Level 1	Level 2	Level 3
Other equity investments	0.1			0.1
Non-current derivatives – assets (cross-currency swaps)	15.6		15.6	
Current derivatives – assets (currency forwards)	1.7		1.7	
Offsetting assets	26.7			26.7
ASSETS MEASURED AT FAIR VALUE	**44.0**	**-**	**17.3**	**26.7**
Non-current derivatives – liabilities (cross-currency swaps)	-		-	
Current derivatives – liabilities (currency forwards)	7.3		7.3	
Debt related to acquisitions	90.4			90.4
LIABILITIES MEASURED AT FAIR VALUE	**97.7**	**-**	**7.3**	**90.4**
USPP	437.9		437.9	
EMTN (Euro Medium Term Notes)	2,053.8	2,053.8		
Convertible bonds – debt component	519.3		519.3	
Medium-term negotiable notes (NEU MTN)	10.0	10.0		
LIABILITIES FOR WHICH FAIR VALUE IS DISCLOSED IN THE NOTES	**3,021.0**	**2,063.8**	**957.2**	**-**

	12/31/2021	Fair value hierarchy		
(In millions of euros)	Fair value	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 (interest rate swaps)	-		-	
Current derivatives – liabilities (currency forwards)	0.7		0.7	
Debt related to acquisitions	27.1			27.1
Liabilities measured at fair value	27.8	-	0.7	27.1
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**	**2,395.7**	**734.1**	**-**

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 expenses" in accordance with the provisions of IFRS 9.

(In millions of euros)	Notes	12/31/2022	12/31/2021
Non-current derivatives – assets	8.8	15.6	1.2
Long-term loans and receivables		3.2	4.1
Offsetting assets and other non-current assets		26.7	27.5
Marginal costs of obtaining contracts		33.7	31.9
OTHER NON-CURRENT ASSETS		**79.2**	**64.7**
Non-current derivatives – liabilities	8.8	-	-
Deferred consideration payable on acquisitions		56.5	19.3
Liability for repurchase commitments to non-controlling interests		-	-
Other non-current liabilities		12.4	13.7
OTHER NON-CURRENT LIABILITIES		**68.9**	**33.1**

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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 12/31/2022	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)*	43.0	24.9		67.9
Average EUR/USD forward rate	1.02	1.04		-
Forward currency purchases (highly probable forecast purchases)				
Nominal *(in millions of euros)*	22.1	13.0		35.1
Average GBP/USD forward rate	1.19	1.18		-
Forward currency purchases (highly probable forecast purchases)				
Nominal *(in millions of euros)*	8.1	8.1		16.2
Average USD/SEK forward rate	10.74	10.80		-
Cross-currency swap – USPP				
Nominal *(in millions of euros)*			35.7	35.7
Fixed rate until 2029			2.69%	-
Nominal *(in millions of euros)*			158.6	158.6
Fixed rate until 2032			2.98%	-

As at December 31, 2021	Maturity 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%	-

The amounts relating to the hedged items are as follows:

As at December 31, 2022	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	7.9	(4.9)	-
Interest rate risk			
Variable-rate instruments	-	(0.0)	-

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)	-

The table below details the impact of derivatives on the Elis Group's consolidated financial statements:

	As at 12/31/2022				12/31/2022				
		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	119.2	1.0	5.1	"Other current assets and liabilities," see Note 4.8	(7.9)	0.7	-	-	"Net financial income" Foreign currency translation gains (losses)
Cross-currency swap – USPP	35.7	15.6	-	"Other non-current assets and liabilities," see Note 8.7	-	6.7	-	7.7	"Net financial income" Foreign currency translation gains (losses)

	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)

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, 2021	**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**
Change in fair value resulting from foreign exchange rate risk hedging	7.4	(7.9)
Change in fair value resulting from interest rate risk hedging	-	-
Amounts reclassified to the income statement	-	-
Tax effect	(1.9)	2.0
BALANCE AS AT DECEMBER 31, 2022	**6.8**	**(3.6)**

8.9 Off-balance sheet commitments relating to Group financing and other commitments

(In millions of euros)	12/31/2022	12/31/2021
Commitments given		
Assignment and pledge of receivables as collateral		
Pledges, mortgages and sureties	1.7	5.1
Pledges, endorsements and guarantees given		
Commitments received		
Pledges, mortgages and sureties		
Pledges, endorsements and guarantees received	35.0	15.1

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)	**12/31/2022**	12/31/2021
Consolidated net income (loss)	204.6	114.4
Current taxes	93.4	81.4
Deferred taxes	(12.9)	(24.8)
Income (loss) before tax	285.1	171.0
Theoretical tax rate	25.83%	28.41%
THEORETICAL TAX EXPENSE	**73.6**	**48.6**
ACTUAL TAX EXPENSE	**80.5**	**56.6**
Effect of tax not based on net income[(a)]	6.8	5.7
DIFFERENCE	**(0.1)**	**(2.3)**
Breakdown of difference		
Tax rate differences and transactions taxed at reduced rates	9.3	12.2
Permanent differences (including non-deductible IFRS 2 expenses)	(11.7)	(12.2)
Utilization of previously unrecognized tax losses/(Unrecognized tax loss carryforwards)	11.8	(6.0)
Goodwill impairment	(15.1)	0.0
Other differences (deductible CVAE, etc.)	5.7	3.7

(a) CVAE in France, IRAP in Italy.

The following table shows the sources of deferred tax assets and liabilities:

(In millions of euros)	12/31/2021 net	Increase related to business combinations	Income (loss)	Recognized directly in other comprehensive income	Translation differences & other	12/31/2022 net
Goodwill (tax-deductible amort.)	(3.7)	0.0	(1.6)	-	1.2	(4.1)
Intangible assets	(136.6)	1.0	18.4	-	0.9	(116.3)
Property, plant and equipment	(138.4)	0.6	(8.2)	-	0.0	(145.9)
Other assets	(13.8)	0.8	(3.7)	-	0.2	(16.5)
Derivative instruments – assets	(1.5)	-	(1.9)	(1.1)	-	(4.5)
Right-of-use assets / Lease liabilities	1.3	0.0	1.4	-	(0.1)	2.7
Provisions	19.3	1.1	(1.4)	-	0.8	19.8
Net employee benefit liabilities	6.3	0.2	8.1	(8.4)	0.3	6.5
Borrowings and financial debt	(8.4)	-	2.0	-	(11.2)	(17.6)
Derivative instruments – liabilities	0.2	-	0.4	1.3	-	1.9
Other current liabilities	(9.3)	0.4	4.7	-	1.0	(3.3)
Other	(4.0)	0.3	(2.6)	0.0	0.8	(5.5)
Recognized tax losses	37.7	0.1	(3.0)	-	0.8	35.6
NET DEFERRED TAX ASSETS (LIABILITIES)	**(251.1)**	**4.6**	**12.9**	**(8.2)**	**(5.2)**	**(247.1)**
Deferred tax assets	**32.0**					**43.0**
Deferred tax liabilities	**(283.0)**					**(290.1)**

- deferred tax assets are recognized for tax loss carryforwards when it is probable that they can be offset against future taxable profit and in the absence of a history of recent losses;
- as at December 31, 2022, the Group had tax losses of €115.6 million (base) for which no deferred tax assets had been recognized (€149.7 million at December 31, 2021). The majority of these tax losses, which are almost all related to foreign subsidiaries, have no expiration date.

Global minimum tax rate

On December 15, 2022, the Council of the European Union unanimously adopted the directive to implement the "minimum tax" component of the OECD's international tax reform, commonly referred to as "Pillar 2," paving the way for the adoption of the 15% global minimum tax across the EU. Although largely in line with the OECD model rules, the directive includes some adaptations, such as the implementation of a domestic Income Inclusion Rule (IIR). These rules still have to be implemented within the tax systems of the 27 Member States, with some exceptions, before December 31, 2023 (for application to tax years beginning on or after that date).

At this stage, the Group is unable to quantify the exact amount of top-up tax that would be due. However, it expects a limited financial impact, given that the income before tax generated in Andorra, Cyprus, Hungary and Ireland represent only 4% of the Group's income before tax.

NOTE 10 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

10.1 Share capital and reserves

Capital management

The Group's capital management objectives are:

- to manage net earnings per share and the number of shares in particular;
- to manage shareholder return by means of the dividend policy;
- to manage financial leverage[(1)], taking into account the risk premium that the markets associate with the debt and the prospect of an investment grade credit rating. In this respect, the Group issued guidance on the expected leverage that was just above 2x at the end of 2023, compatible with such a rating. The financial leverage is 2.5x as at December 31, 2022 (3.0x as at December 31, 2021).

Liquidity agreement

Since 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.

Changes in share capital

Number of shares as at January 1, 2021	**221,819,430**
Number of shares as at December 31, 2021	**224,076,007**
NUMBER OF SHARES AS AT DECEMBER 31, 2022	**230,147,257**
Number of authorized shares	230,147,257
Number of shares issued and fully paid up	230,147,257
Number of shares issued and not fully paid up	-
Par value of shares	1.00
Treasury shares	133,775
Shares reserved for issue under options and sales agreements	-

In 2022:

- following the vesting of the free performance shares, the share capital was increased on May 2, 2022, July 11, 2022 and December 28, 2022 by an aggregate nominal amount of €1.6 million, respectively, through the capitalization of those same amounts in "Additional paid-in capital";
- furthermore, the general shareholders' meeting on May 19, 2022 decided to clear the accumulated deficit of the parent company by charging €49.1 million to "Additional paid-in capital;"
- share capital and additional paid-in capital increased to €3.8 million and €46.0 million respectively through the creation of 3,842,846 new Elis shares following the stock dividend paid on June 16, 2022 (see Note 10.2 below "Dividends and distributions paid and proposed"). In addition, €6.8 million was deducted from additional paid-in capital to bring the Company's legal reserve to one-tenth of the new share capital;
- lastly, as part of a new subscription to the Group savings plan, the following transactions were carried out on November 3, 2022: (i) the share capital was increased by €0.6 million and additional paid-in capital by €4.4 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 €0.2 million was allocated to the legal reserve, by deduction from the "Additional paid-in capital" item.

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, €9.3 million was allocated to the legal reserve by deduction from the "Additional paid-in capital" item.

(1) Financial leverage corresponds to the financial covenant as defined in the bank financing agreement signed in 2021: Leverage Ratio = net debt (as described in Note 8.5 "Net debt") to adjusted pro forma EBITDA (as defined in Note 3.2 "Earnings") of the acquisitions finalized during the last 12 months after synergies.

10.2 Dividends and distributions paid and proposed

Within the context 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.

It was decided at the annual general shareholders' meeting of May 19, 2022, to distribute a dividend for the 2021 financial year of €0.37 per share, representing €83.0 million (based on the number of existing shares as at the date the dividend is paid, i.e., 224,338,539), with the option of payment in Elis shares. This amount is in line with levels of dividends paid out before the pandemic. In total, 60.02% of rights were exercised in favor of payment of a stock dividend. The cash dividend paid to shareholders who did not opt for the stock dividend amounted to €33.2 million.

The next annual general shareholders' meeting will be asked to approve the payout of €0.41 per share, or €94.3 million, based on the number of existing shares as at December 31, 2022 (excluding treasury shares), as well as the option of payment of the dividend in shares or in cash.

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)	**12/31/2022**	12/31/2021
Net income or loss attributable to owners of the parent		
› Continuing operations	204.6	114.3
› Discontinued operations	-	-
NET INCOME OR LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	**204.6**	**114.3**
Weighted average number of shares	229,331,073	226,885,009
Effect of conversion of convertible notes	17,671,810	13,463,108
Effect of contingently issuable shares	1,475,333	1,188,969
Weighted average number of shares used for diluted EPS	248,478,216	241,537,086
Earnings (loss) per share (EPS) *(in euros)*:		
› basic, attributable to owners of the parent	€0.89	€0.50
› diluted, attributable to owners of the parent	€0.86	€0.50
Earnings (loss) per share (EPS) from continuing operations *(in euros)*:		
› basic, attributable to owners of the parent	€0.89	€0.50
› diluted, attributable to owners of the parent	€0.86	€0.50

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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 2022 or 2021.

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 12/31/2022	% equity 12/31/2021
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
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	Savigny-sur-Orge	Textile & hygiene services	100	100
Blanchisserie Blésoise SAS	La Chaussée-Saint-Victor	Textile & hygiene services	100	100
Anchain Trade Services	Flers-en-Escrebieux	Textile & hygiene services	100	-
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
Elis Beteiligungs GmbH	Hamburg	Other	100	100
Elis GmbH	Hamburg	Textile & hygiene services	100	100
Elis Glückstadt GmbH	Hamburg	Other	100	100

Entity name	Registered office	Primary business	% equity 12/31/2022	% equity 12/31/2021
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
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	Dissolved	In liquidation
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
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
Textilservice Jöckel GmbH & Co KG	Alsfeld	Textile & hygiene services	100	-
Jöckel Beteiligungs GmbH	Alsfeld	Other	100	-
Jöckel Grundstücksverwaltungs GmbH & Co KG	Alsfeld	Other	100	-
Niessing Miettextil Gmbh & Co KG	Schwarzenbek	Textile & hygiene services	100	-
Verwaltung Niessing Gmbh	Schwarzenbek	Other	100	-
AKK-Service GmbH	Hamburg	Textile & hygiene services	-	Sold
Saniwo Textil-Gesellschaft mbH	Hamburg	Other	-	Merger
ANDORRA				
Auxiliar Hotelera Arly	Sant Julià de Lòria	Textile & hygiene services	100	100
Arly les Valls	Andorra la Vella	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	100
Manoha	Péruwelz	Other	100	100
Facility Management Consulting	Péruwelz	Dormant	Dissolved	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	Merger	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

Entity name	Registered office	Primary business	% equity 12/31/2022	% equity 12/31/2021
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	100
Nortelav Lavanderia Industrial Ltda	Belém	Textile & hygiene services	100	100
Lavanderia Alba Ltda	Cuiabá	Textile & hygiene services	100	-
Sinop Higienização Têxtil Hospitalar Ltda	Sinop	Textile & hygiene services	100	-
Alba Service Lavanderia Ltda	Cuiabá	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
Comercial Elis Chile SpA	Mostazal (San Francisco de Mostazal)	Textile & hygiene services	100	100
Golden Clean SA	Cerrillos (Santiago)	Textile & hygiene services	100	-
Clean Master SpA	Antofagasta (Antofagasta)	Textile & hygiene services	100	-
CYPRUS				
Coliday Holdings Ltd	Larnaca	Other	100	100
Skewen Investments Ltd	Larnaca	Other	100	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	Turbaco	Textile & hygiene services	100	100
Lavaozono SAS	Itagüí	Textile & hygiene services	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	Merger	90
Chrisal Skadedyrsservice A/S	Søborg	Textile & hygiene services	Merger	100
Absolut Skadedyrsservice A/S	Søborg	Textile & hygiene services	Merger	-
Centralvaskeriet A/S	Løgumkloster	Textile & hygiene services	Merger	-
SPAIN				
Elis Manomatic SA	Sant Cugat del Vallès (Barcelona)	Textile & hygiene services	100	100
Lavalia cee	La Nucia (Alicante)	Dormant	100	100
Servicios de Lavandería Industrial de Castilla la Mancha SA	Yeles (Toledo)	Textile & hygiene services	100	100
Goiz Ikuztegia SL	Zumárraga (Guipúzcoa)	Textile & hygiene services	100	100
Indusal Navarra SA-Ilunion Navarra SLU UTE 2020	Marcilla (Navarra)	Textile & hygiene services	83	83
Casbu SL	Igualada (Barcelona)	Textile & hygiene services	50	50
Eliteq Sanidad Ambiental SL	Godella (Valencia)	Textile & hygiene services	100	100
Logralimp SL	Aldaia (Valencia)	Textile & hygiene services	Merger	100
Lavanderia Lizarra SL	Leaburu (Guipúzcoa)	Textile & hygiene services	Merger	100
Goiz Ikuztegia SL-Gureak Oiartzun SL UTE	Zumarraga (Guipúzcoa)	Textile & hygiene services	Dissolved	75
Indusal Navarra SA-Ilunion Navarra SL UTE	Marcilla (Navarra)	Textile & hygiene services	Dissolved	In liquidation
Lavanderias Triton SL	Madrid	Textile & hygiene services	-	Merger
Lloguer Textil Maresme SL	Cabrera de Mar (Barcelona)	Textile & hygiene services	-	Merger
2MB Servitec SLU	Villares de la Reina (Salamanca)	Textile & hygiene services	-	Merger
Elis Indusal UTE	Parets del Vallès (Barcelona)	Textile & hygiene services	-	Dissolved
Indusal Centro SA	Guadalajara (Guadalajara)	Textile & hygiene services	-	Merger

Entity name	Registered office	Primary business	% equity 12/31/2022	% equity 12/31/2021
Indusal Navarra SA	Marcilla (Navarra)	Textile & hygiene services	-	Merger
Indusal SA	Arrigorriaga (Vizcaya)	Textile & hygiene services	-	Merger
Energías Margua SA	Marcilla (Navarra)	Other	-	Merger
Cogeneración Martiartu SL	Arrigorriaga (Vizcaya)	Other	-	Merger
Lesa Inmuebles Siglo XXI SL	Marcilla (Navarra)	Other	-	Merger
Compañía Navarra Servicios Integrales SL	Marcilla (Navarra)	Other	-	Merger
ESTONIA				
AS Svarmil	Kiviõli	Other	100	100
Elis Textile Service AS	Tartu County	Textile & hygiene services	100	100
FINLAND				
Elis Textile Service Oy	Tuusula	Textile & hygiene services	100	100
HUNGARY				
Elis Hungary Kft	Miskolc	Textile & hygiene services	100	100
IRELAND				
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
Elis Pest Control Ltd	Dublin	Textile & hygiene services	100	100
Steri-tex Ltd	Dublin	Dormant	100	100
Berendsen Finance Ireland (DKK) Ltd	Dublin	Dormant	Dissolved	100
Berendsen Finance Ireland (Euro) Ltd	Dublin	Dormant	Dissolved	100
Berendsen Finance Ireland (PLN) Ltd	Dublin	Dormant	Dissolved	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
MEXICO				
Lavartex SAPI de CV	Ciudad de México	Other	100	-
Empresas HTX SA de CV	Ciudad de México	Other	100	-
Bristol Holding SAPI de CV	Ciudad de México	Other	100	-
Grupo Codeli SA de CV	Ciudad de México	Other	100	-
Adoos SA de CV	Ciudad de México	Other	100	-
Higiénica Textil SA de CV	Ciudad de México	Textile & hygiene services	100	-
Lavasan SA de CV	Ciudad de México	Other	100	-
Grupo Empresarial Bousi SA de CV	Naucalpan de Juárez	Other	100	-
Renta de Blancos SA de CV	Ciudad de México	Other	100	-
Servicios y Suministro a Lavanderias SA de CV	Ciudad de México	Other	100	-
Manteles SA de CV	Ciudad de México	Textile & hygiene services	100	-
Lavanderia La Europea SA de CV	Ciudad de México	Textile & hygiene services	100	-
Lavandería de Hospitales y Sanatorios SA de CV	Naucalpan de Juárez	Textile & hygiene services	100	-
Higiene Textil Del Noreste SA de CV	Ciudad Victoria	Textile & hygiene services	100	-
Servisan SA de CV	Ciudad de México	Textile & hygiene services	100	-
Servicios Estrella Azul de Occidente SA de CV	San Pedro Tlaquepaque	Textile & hygiene services	100	-
Mas limpio SA de CV	Guadalajara	Textile & hygiene services	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

Entity name	Registered office	Primary business	% equity 12/31/2022	% equity 12/31/2021
Arvo Protect BV	Nieuw-Vennep	Textile & hygiene services	100	100
Hexapoda Ongediertebestrijding BV	Velserbroek	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	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
Gonser Textilwashing spol sro	Kralovice	Other	-	Merger
UNITED KINGDOM				
Berendsen Ltd	Basingstoke	Other	100	100
Berendsen Finance (DKK) Ltd	Basingstoke	Dormant	100	100
Berendsen Finance (Euro) Ltd	Basingstoke	Dormant	100	100
Berendsen Finance Ltd	Basingstoke	Other	100	100
Berendsen Nominees Ltd	Basingstoke	Other	100	100
Central Laundry Ltd	Basingstoke	Dormant	100	100
Davis (BIM) Ltd	Basingstoke	Dormant	100	100
Elis UK Ltd	Basingstoke	Textile & hygiene services	100	100
Pure Washrooms Ltd	Basingstoke	Dormant	100	100
Spring Grove Services Group Ltd	Basingstoke	Other	100	100
Sunlight Textile Services Ltd	Basingstoke	Dormant	100	100
Independent Workwear Solutions Ltd	Basingstoke	Textile & hygiene services	100	-
Kennedy Hygiene Products Ltd	Uckfield	Manufacturing entity	100	100
Kennedy Exports Ltd	Uckfield	Other	100	100
Elis NI Ltd	Belfast	Textile & hygiene services	100	100
Berendsen Supply Chain (Northern Ireland) Ltd	Belfast	Dormant	100	100
Northern Pest Control Limited	Belfast	Textile & hygiene services	100	-
Berendsen Finance (Euro 2) Ltd	Basingstoke	Dormant	Currently being dissolved	100
Berendsen Healthcare Ltd	Basingstoke	Dormant	Currently being dissolved	100
Berendsen Hospitality Ltd	Basingstoke	Dormant	Currently being dissolved	100
Berendsen Cleanroom Services Ltd	Basingstoke	Dormant	Currently being dissolved	100
Berendsen Workwear Ltd	Basingstoke	Dormant	Currently being dissolved	100
Fabricare Ltd	Basingstoke	Dormant	Currently being dissolved	100
Pure Washrooms (Coventry) Ltd	Basingstoke	Dormant	Currently being dissolved	100
St. Helens Laundry Ltd	Basingstoke	Dormant	Currently being dissolved	100
BDF Holdings Ltd	Renfrewshire, Scotland	Dormant	-	Dissolved
Lakeland Pennine Group Ltd	Basingstoke	Dormant	-	Dissolved
Midland Laundry Group Ltd	Basingstoke	Dormant	-	Dissolved
Midland Laundry Group Holdings Ltd	Basingstoke	Dormant	-	Dissolved
Sunlight Clinical Solutions Ltd	Basingstoke	Dormant	-	Dissolved
The Sunlight Service Group Ltd	Basingstoke	Dormant	-	Dissolved

Entity name	Registered office	Primary business	% equity 12/31/2022	% equity 12/31/2021
JERSEY				
The Berendsen Employee Benefit Trust	Jersey	Other	-	Closed
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	100
OOO Рентекс-Сервис (Rentex-Service)	Moscow	Textile & hygiene services	100	100
OOO Дионикс (Dionix)	Moscow	Dormant	100	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	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
AS Désinfection SA	Lonay	Textile & hygiene services	100	100
Decontam Schweiz GmbH	Zürich	Textile & hygiene services	100	-

NOTE 12 EVENTS AFTER THE REPORTING PERIOD

On January 9, 2023, the Lac 1 fund, managed by Bpifrance Investissement on behalf of French and international investors and dedicated to the long-term support of major French listed companies, announced that it had acquired an equity stake of more than 5% in Elis, its sixth investment since its launch in 2020. By acquiring this stake, Bpifrance Investissement affirms its confidence in Elis's international development strategy. On the recommendation of the Appointments, Compensation and Governance Committee, the appointment of Bpifrance Investissement as a new member of the Supervisory Board will be proposed at the next ordinary general shareholders' meeting in 2023.

NOTE 13 STATUTORY AUDITORS' FEES

	Mazars				PricewaterhouseCoopers Audit			
	Amount (excl tax)		as a %		Amount (excl tax)		as a %	
(In millions of euros)	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Independent audit	0.6	0.5	84%	90%	0.3	0.3	75%	70%
Services other than an independent audit	0.1	0.1	16%	10%	0.1	0.1	25%	30%
› required by law(a)	0.0	0.0	1%	2%	0.0	0.0	1%	0%
› other(b)(c)	0.1	0.1	15%	8%	0.1	0.1	23%	30%
TOTAL	**0.7**	**0.6**	**100%**	**100%**	**0.4**	**0.4**	**100%**	**100%**

(a) In 2022, services other than an independent audit required by law concerned, for the two Statutory Auditors, the publication of additional reports for a securities issue and a capital increase reserved for employees and, for Mazars, the publication of reports on transactions involving the capital of an entity in France.

(b) In 2022, 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 and emergency gas and electricity assistance for two entities in France and, for PricewaterhouseCoopers Audit, verifying the consolidated non-financial performance statement and various declarations relating to non-financial disclosures and reviewing the methods used by the Company to implement the EU green taxonomy.

(c) 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.

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

(For the year ended December 31, 2022)

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, 2022.

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, 2022 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, 2022 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

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" to the consolidated financial statements

Description of risk

At December 31, 2022, goodwill totalled a net amount of €3,963 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, 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 15, 2022 regarding the years 2023 to 2025;
- 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.

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 and notably includes ongoing proceedings in Brazil.

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.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

However, 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, 2022, Mazars and PricewaterhouseCoopers Audit were in the twelfth and sixteenth consecutive year of their engagement, respectively, and the eighth 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 7, 2023

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT		MAZARS
Bardadi Benzeghadi	Edouard Sattler	Francisco SANCHEZ

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6.3 ELIS PARENT COMPANY FINANCIAL STATEMENTS

6.3.1 Balance sheet for the year ended December 31, 2022

Assets

(In thousands of euros)	Gross amount	Amort. Depr.	Net 12/31/2022	Net 12/31/2021
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	4,110,039	1,069	4,108,970	3,911,063
Loans and advances to equity investees	572,697		572,697	474,462
Other investments				
Loans				
Other financial assets	1,367,015		1,367,015	1,366,970
TOTAL NON-CURRENT ASSETS	**6,049,751**	**1,069**	**6,048,682**	**5,752,495**
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
Receivables				
Trade receivables	5,574		5,574	3,046
Other receivables	375,531		375,531	562,600
Subscribed capital called but not paid				
Other				
Marketable securities				
(Of which treasury shares):				
Cash and cash equivalents	140,024		140,024	43,499
Other accruals				
Prepaid expenses	952		952	426
TOTAL CURRENT ASSETS	**522,080**		**522,080**	**609,580**
Deferred debt issuance costs				
Bond discounts				
Unrealized foreign currency translation losses	11,361		11,361	831
GRAND TOTAL	**6,583,192**	**1,069**	**6,582,123**	**6,362,906**

Equity and liabilities

(In thousands of euros)	12/31/2022	12/31/2021
Issued capital (o/w paid-up: 230,147)	230,147	224,076
Additional paid-in capital	2,440,950	2,531,648
Remeasurement adjustments (o/w for equity-accounted companies)		
Legal reserve	23,013	16,043
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)	28	
Net income (profit or loss) for the period	**110,356**	**(49,066)**
Investment grants		
Regulated provisions	27,146	23,526
TOTAL EQUITY	**2,831,640**	**2,746,227**
Proceeds from issuance of equity securities		
Conditional advances		
OTHER EQUITY		
Provisions for risks	4,553	125
Provisions for expenses	1,112	1,106
PROVISIONS	**5,665**	**1,231**
Financial liabilities		
Convertible bonds	582,366	400,000
Other bonds	503,655	337,003
Bank loans	383	
Sundry borrowings and financial debt (o/w equity loans)	2,633,717	2,865,505
Advances and deposits on orders in progress		
Operating liabilities		
Trade payables	6,259	4,320
Tax- and employee-related liabilities	9,587	3,326
Sundry liabilities		
Amounts due to suppliers of non-current assets		
Other liabilities	5,400	4,915
Other accruals		
Deferred income		
TOTAL LIABILITIES	**3,741,367**	**3,615,069**
Unrealized foreign currency translation gains	3,451	379
GRAND TOTAL	**6,582,123**	**6,362,906**

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6.3.2 Income statement for the year ended December 31, 2022

	Financial year 2022			Financial year 2021
(In thousands of euros)	France	Exports	**Total**	
Sales of goods held for resale				
Sales of goods				
Sales of services	1,058		1,058	1,046
Net revenue	**1,058**		**1,058**	**1,046**
Increase in finished goods and work in process inventories				
Capitalized production costs				
Operating grants				
Reversal of impairment losses, provisions and depreciation/ amortization, reinvoiced expenses			936	
Other income				
Recurring operating income			**936**	**1,046**
Purchases of goods held for resale (including customs duties)				
Change in inventories (goods held for resale)				
Purchases of raw materials and supplies			6	5
Change in inventories (raw materials and supplies)				
Other purchases and external expenses			26,268	20,666
Taxes and duties			847	660
Wages and salaries			4,073	3,556
Payroll taxes			2,265	1,356
Depreciation, amortization, impairment and provisions:				
Non-current assets: depreciation and amortization expense				
Non-current assets: impairment losses				
Current assets: impairment losses				
Increase in provisions			1,958	960
Other expenses			707	699
Operating expenses			**36,124**	**27,902**
OPERATING INCOME (LOSS)			**(34,130)**	**(26,856)**
Joint operations				
Profit transferred in or loss transferred out				
Loss transferred in or profit transferred out				
Financial income			**283,602**	**54,236**
Financial income from equity investments			165,246	
Income from other securities and long-term loans and receivables			677	
Other interest income			32,195	21,345
Reinvoiced expenses and reversals of provisions			176	329
Foreign currency translation gains			85,308	32,562
Net gain on disposals of marketable securities				
Financial expenses			**152,606**	**93,218**
Amortization and provisions on financial assets			4,552	124
Interest expense			70,845	61,024
Foreign currency translation losses			77,209	32,070
Net expense on disposals of marketable securities				
NET FINANCIAL INCOME (LOSS)			**130,996**	**(38,982)**
NET RECURRING INCOME (LOSS) BEFORE TAX			**96,866**	**(65,839)**
Non-recurring income			**1,749**	**825**
Non-recurring income from operations				136
Non-recurring income from capital transactions			702	650
Reinvoiced expenses and reversals of provisions			1,047	39
Non-recurring expenses			**4,688**	**6,407**
Non-recurring expenses on operations			33	32
Non-recurring expenses on capital transactions			1,004	946
Non-recurring depreciation, amortization and provisions			3,651	5,429
NET NON-RECURRING INCOME (LOSS)			**(2,939)**	**(5,582)**
Employee profit-sharing				
Income tax expense			(16,429)	(22,354)
Total income			**287,345**	**56,107**
Total expenses			**176,989**	**105,173**
PROFIT OR LOSS			**110,356**	**(49,066)**

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, 2022, to December 31, 2022, and show a profit of €110,356,000.

The Company fully subscribed to the two capital increases of its subsidiary SPCI, one on 01/28/2022 for a total of €50 million and one on 12/07/2022 for a total of €147.9 million.

The Company carried out the following refinancing transactions during the financial year (see also Note 4.5 "Summary of maturities of liabilities" for more details):

- EMTN (Euro Medium Term Notes): On May 17, 2022, Elis placed a principal amount of €300 million of senior unsecured notes with a maturity of 5 years and a fixed annual coupon of 4.125%;
- USPP: On June 1, 2022, Elis also took out new USPP financing for US$175 million. The new notes issued have a 10-year maturity (June 2032) and offer investors a 4.32% coupon in US dollars. These were entirely converted into euros via cross-currency swaps for a total amount of €159 million. Elis will pay a final, euro-denominated coupon of 3%. Combined with the proceeds of the €300 million EMTN issue maturing in May 2027, this new USPP financing was used on November 15, 2022, to redeem the €450 million notes maturing on February 15, 2023. No penalty applied to the early redemption;
- OCÉANEs: On September 22, 2022, Elis issued bonds convertible into and/or exchangeable for new and/or existing Elis shares (obligations à option de conversion et/ou d'échange en actions nouvelles et/ou existantes – OCÉANEs). The bonds are due on September 22, 2029 (with a redemption option for bondholders on September 22, 2027) for a nominal amount of €380 million and bearing an annual interest rate of 2.25%. Net proceeds from the issue were used to partially refinance outstanding OCÉANEs due on October 6, 2023 for a nominal amount of €200 million. The remaining net proceeds of the issue will be used to finance the Company's general requirements.

These transactions, which are in line with the Group's active refinancing strategy, contribute to extending the average maturity of its debt.

The Company also received a dividend of £144,000,000 during the financial year from its UK subsidiary Berendsen Ltd.

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

None.

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 since the Covid-19 crisis, as at December 31, 2022, the Company opted for the discounted cash flow method of valuation, as implemented for the Elis Group's consolidated financial statements.

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 effects of the financial instruments used by Elis SA to hedge and manage its interest rate risks are recognized in the income statement with a corresponding entry for those of the hedged item.

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 12/31/2021	Acquisitions and reclassifications/ contributions	Disposals and reclassifications	Gross amount at 12/31/2022	Impairment loss	Net amount at 12/31/2022
Equity-accounted companies						
Other equity investments and related receivables	4,386,646	421,366	125,276	4,682,736	1,069	4,681,667
Other investments						
Loans and other financial assets	1,366,970	2,020,971	2,020,926	1,367,015		1,367,015
TOTAL	**5,753,616**	**2,442,337**	**2,146,202**	**6,049,751**	**1,069**	**6,048,682**

As at December 31, 2022, treasury shares amounted to 133,775 shares representing €1,725,000.

3.3 Impairment of non-current assets

(In thousands of euros)	As at 12/31/2021	Additions/ contributions	Reversals	As at 12/31/2022
Impairment loss – intangible assets				
Impairment loss – PP&E				
Impairment loss – equity-accounted companies				
Impairment loss – equity investments	1,121		52	1,069
Impairment loss – financial assets				
TOTAL	**1,121**		**52**	**1,069**

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	2022 revenue	Net income (loss) for the financial year ended 12/31/2022	Dividends received by the Company during the financial year ended 12/31/2022
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	651,433	100.0	1,091,166	1,091,166	851,772	0	761,348	69,405	0
Société de Participations Commerciales et Industrielles SARL – Saint-Cloud (92) – 409 900 149	226,540	(556)	100.0	226,537	226,537	0	0	0	(44,697)	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	£671,899,000	100.0	2,790,876	2,790,876	0	10,543	0	£167,687,000	£144,000,000
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	392					
TOTAL EQUITY INVESTMENTS ON BALANCE SHEET				**4,110,039**	**4,108,971**					

3.5 Transactions with related parties

The major 2022 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	895
		Accrued expenses – supplementary retirement contract	261

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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	**1,939,713**	**29,979**	**1,909,734**
Loans and advances to equity investees	572,697	28,254	544,443
Loans			
Other financial assets	1,367,016	1,725	1,365,291
TOTAL CURRENT ASSETS	**382,057**	**382,057**	
Customers	5,574	5,574	
Impaired trade			
Employee			
Social security			
Prepaid taxes and misc. duties	676	676	
Group and associates	368,045	368,045	
Sundry receivables	6,810	6,810	
Prepaid expenses	952	952	
TOTAL	**2,321,770**	**412,036**	**1,909,734**
Loans granted during the year	2,356,632		
Repayments received during the year	2,112,453		
Loans and advances granted to associates (individuals)			

3.7 Trade receivables

(In thousands of euros)	Gross amount	Impairment loss	Net 12/31/2022	Net 12/31/2021
Trade receivables	5,574		5,574	3,046
Other receivables	375,531		375,531	562,600
Subscribed capital called but not paid				
TOTAL	**381,105**		**381,105**	**565,646**

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 €3,531,000.

(In thousands of euros)	As at 12/31/2022	As at 12/31/2021
Interest accrued on loans and receivables due from equity investees	3,254	1,039
Accrued trade receivables	237	
Sundry receivables	24	
Interest accrued on time deposits	16	
TOTAL	**3,531**	**1,039**

3.11 Other accruals

Prepaid expenses

Prepaid expenses totaled €952,000.

(In thousands of euros)	As at 12/31/2022	As at 12/31/2021
Operating expenses	406	361
Financial expenses	546	65
Non-recurring expenses	0	0
TOTAL	**952**	**426**

NOTE 4 NOTES TO THE BALANCE SHEET – EQUITY AND LIABILITIES

4.1 Total equity

Share capital was divided into 230,147,257 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 during the financial year:

- on May 2, 2022, a capital increase through the capitalization of €263,000 from additional paid-in capital generated by issuing 262,532 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 May 2, 2022;
- on June 16, 2022, a capital increase through the capitalization of €3,843,000 resulting from the payment of the dividend by issuing 3,842,846 new shares with a par value of €1.00 each in accordance with the terms of the Management Board's decision on May 2, 2022;
- on July 11, 2022, a capital increase through the capitalization of €1,366,000 from additional paid-in capital generated by issuing 1,366,492 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 July 8, 2022;
- on November 3, 2022, a capital increase through the capitalization of €583,000 by issuing 583,130 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 December 28, 2022, a capital increase through the capitalization of €16,000 from additional paid-in capital generated by issuing 16,250 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 December 28, 2022.

Changes in equity during the financial year are as follows:

(In thousands of euros)	
As at 12/31/2021	**2,746,228**
Dividends	
Net income (loss) for the financial year	110,356
Capital increase	6,071
Allocation of additional paid-in capital	(41,632)
Increase in legal reserve	6,970
Increase in retained earnings	28
Change in investment grants	
Change in regulated provisions (accelerated depr./amort., etc.)	3,619
AS AT 12/31/2022	**2,831,640**

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. 10 – 2019	Plan no. 12 – 2020	Plan no. 13 – 2020	Plan no. 14 – 2021	Plan no. 15 – 2021	Plan no. 16 – 2022	Plan no. 17 – 2022	Plan no. 18 – 2022
Date of shareholders' meeting	05/27/2016	06/30/2020	06/30/2020	06/30/2020	06/30/2020	06/30/2020	06/30/2020	06/30/2020
Date of Supervisory Board meeting	03/06/2019	03/03/2020 and 06/30/2020	03/03/2020 and 06/30/2020	03/08/2021	03/08/2021	03/08/2022	03/08/2022	03/08/2022
Date of decision of the Management Board	05/02/2019	07/09/2020	12/28/2020	03/10/2021	08/30/2021	04/15/2022	05/20/2022	10/24/2022
Number of rights originally granted	1,476,558	2,101,762	19,350	1,417,198	25,663	1,087,011	500,500	309,574
› of which members of the Executive Committee	417,746	581,029	-	448,472	-	-	500,500	-
› of which corporate officers:	194,300	276,244	-	213,220	-	-	240,128	-
– Xavier Martiré	116,580	165,746	-	127,932	-	-	144,334	-
– Louis Guyot	45,337	64,457	-	49,751	-	-	55,880	-
– Matthieu Lecharny	32,383	46,041	-	35,537	-	-	39,914	-
Number of beneficiaries	521	536	23	526	17	524	11	222
› 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	**05/02/2019**	**07/09/2020**	**12/28/2020**	**03/10/2021**	**08/30/2021**	**04/15/2022**	**05/20/2022**	**10/24/2022**
Vesting date								
› members of the Management Board and the Executive Committee	05/02/2022[b]	07/09/2023[b]	-	03/10/2024[b]	-	-	05/20/2025[b]	-
› other beneficiaries	05/02/2021[b]	07/11/2022[b]	12/28/2022[b]	03/10/2023[b]	08/30/2023[b]	04/15/2024[b]		10/24/2024[b]
End of share lock-up period								
› members of the Management Board and the Executive Committee	05/02/2022[d]	07/09/2023[d]	-	03/10/2024[d]	-	-	05/20/2025[b]	-
› other beneficiaries	05/02/2021[c]	07/11/2022[c]	12/28/2022[c]	03/10/2023[c]	08/30/2023[c]	04/15/2024[c]		10/24/2024[c]
Rights vested as at 12/31/2022	**1,193,750[d]**	**1,366,492[e]**	**16,250[e]**	**0[f]**	**0[f]**	0[g]	0[g]	0[g]
Number of rights lapsed or forfeited as at 12/31/2022	-	186,469	3,100	109,449	4,542	36,987	-	1,825
Number of rights outstanding as at 12/31/2022	-	548,801	-	1,307,749	20,821	1,050,024	500,500	307,749
› of which members of the Executive Committee	-	548,801	-	423,596	-	-	500,500	-
› of which corporate officers:	-	276,244	-	213,220	-	-	240,128	-
– Xavier Martiré	-	165,746	-	127,932	-	-	144,334	-
– Louis Guyot	-	64,457	-	49,751	-	-	55,880	-
– Matthieu Lecharny	-	46,041	-	35,537	-	-	39,914	-
Number of working beneficiaries as at 12/31/2022	402	457	20	470	14	500	11	221
› of which members of the Executive Committee	9	10	-	10	-	-	11	-
› of which corporate officers	3[a]	3[a]	-	3[a]	-	-	3[a]	-

(a) *Xavier Martiré, Louis Guyot and Matthieu Lecharny.*

(b) *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.*

(c) *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 2022 Universal Registration Document.*

(d) *Upon the recommendation of the Appointments, Compensation and Governance Committee (ACGC), the Supervisory Board and the Management Board, at their meetings of March 8, 2021, reviewed the targets associated with the performance shares granted to the Executive Committee under plan no. 10, whose vesting period expired in 2022, and decided, in view of the crisis resulting from the Covid-19 pandemic, and on the basis of the same calculations as those used for the delivery of plan no. 10 for employees in 2021, to adjust the 2021 revenue target to €2,910 million and align the 2021 EBIT target with that of the 2020 employee plan, i.e. €319 million (TSR remains unchanged). Upon the recommendation of the ACGC, the Supervisory Board, at its meeting of March 8, 2022, examined the performance associated with the vesting of the performance shares granted to the Executive Committee under plan no. 10, and found that the two conditions relating to 2021 revenue and EBIT, adjusted for the Covid impact, had been met whereas 2021 TSR had not been reached. As a result, 67% of the performance shares granted in 2019 to the Executive Committee were vested on May 2, 2022.*

(e) *Upon the recommendation of the ACGC, the Supervisory Board and the Management Board, at their meetings of March 8, 2021, reviewed the targets associated with the performance shares granted to employees under plan no. 12, whose vesting period expired in July 2022, and decided, in view of the crisis resulting from the Covid-19 pandemic, and on the basis of the same calculations as those used for the delivery of plan no. 10 for employees in 2021, to adjust the 2021 revenue target to €2,910 million (the two other targets – EBIT and TSR – remain unchanged). Upon the recommendation of the ACGC, the Supervisory Board, at its meeting of March 8, 2022, examined the performance associated with the vesting of the performance shares granted to employees under plan nos. 12 and 13, and found that the three conditions related to 2021 revenue, adjusted for the Covid impact, 2021 EBIT and 2021 TSR had been met. As a result, 100% of the performance shares granted in 2020 to employees were vested on July 11 and December 28, 2022, respectively.*

(f) *Unless waived by the Management Board, the vesting of shares is contingent on uninterrupted, continuous service with the Group for the duration of the vesting period. In addition, the performance conditions associated with the vesting of the shares under plan nos. 14 and 15, implemented in 2021, were defined in reference to internal absolute criteria linked to consolidated revenue and consolidated EBIT, determined 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 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.*

(g) *Unless waived by the Management Board, the vesting of shares is contingent on uninterrupted, continuous service with the Group for the duration of the vesting period. In addition, based on the plans implemented in 2022, the performance conditions associated with the vesting of the shares were defined in reference to internal absolute criteria linked to consolidated revenue and consolidated EBIT, determined on the basis of the business plan, itself in line with market expectations, a CSR criterion and the performance of the Elis share price relative to a benchmark index. Furthermore, three thresholds have been defined to determine the achievement of the economic and CSR performance criteria at the end of the vesting period: a trigger threshold (lower limit), a target threshold and an outperformance threshold (upper limit). Regarding the stock market criterion, two thresholds have been defined (target and outperformance threshold). The performance measurement will be assessed on a straight-line basis between each limit.*

The number of shares to be delivered at the end of the vesting period will be determined in two stages: (i) a calculation depending on the attainment by each of the criteria of the threshold thus defined, the performance measurement being assessed on a straight-line basis between each limit and (ii) the application of a second limit to take account of the attainment or otherwise of the target thresholds.

For the plans implemented in 2022, with regard to the economic and CSR criteria, the number of shares to be delivered will be 0% if the trigger threshold (lower limit) is not reached; 25% if the target threshold is reached; 37.5% if the outperformance threshold (upper limit) is reached. (For the stock market criterion, only the last two thresholds will apply). The second limit defined below will also apply:

- *if all four target thresholds have been achieved (or surpassed), the number of vested shares may not exceed 120% of the shares granted;*
- *if only three target thresholds have been reached (or surpassed), irrespective of the deviation of the fourth criterion from the target threshold, the number of shares vested may not exceed 90% of the shares granted;*
- *if only two target thresholds have been achieved (or surpassed), irrespective of the deviation of the other two criteria from their respective target threshold, the number of vested shares may not exceed 80% of the shares granted;*
- *if only one target threshold has been achieved (or surpassed), irrespective of the deviation of the other three criteria from their respective target threshold, the number of vested shares may not exceed 70% of the shares granted;*
- *if no target threshold has been achieved, the number of vested shares may not exceed 60% of the shares granted.*

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

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4.4 Provisions

Breakdown by type:

Provisions for risks

(In thousands of euros)	As at 12/31/2021	Additions	Reversals	As at 12/31/2022
Provisions for litigation				
Provisions for warranties given to customers				
Provisions for losses on futures markets	124	4,552	124	4,552
Provisions for fines and penalties	0			0
Provisions for unrealized foreign currency translation losses	0			0
Provisions for post-employment benefits	1,106	1,989	1,983	1,112
TOTAL	**1,230**	**6,541**	**2,107**	**5,664**

4.5 Summary of maturities of liabilities

(In thousands of euros)	Gross amount at 12/31/2022	Less than 1 year	1 to 5 years	More than 5 years
Convertible bonds	582,366	202,366	380,000	
Other bonds	503,655	4,430		499,225
Bank loans:	383	383		
› initially within one year				
› initially more than one year				
Sundry borrowings and financial debt	2,427,104	227,104	1,650,000	550,000
Trade payables	6,259	6,259		
Employee	2,464	2,464		
Social security and similar	743	743		
Government and other public authorities:				
Income tax expense	6,004	6,004		
Value added tax				
Guaranteed bonds				
Other taxes	376	376		
Amounts due to suppliers of non-current assets				
Group and associates	206,613	206,613		
Other liabilities				
Securities borrowed or received as collateral				
Deferred income				
TOTAL	**3,735,967**	**656,742**	**2,030,000**	**1,049,225**
Loans taken during the year	1,646,555			
Loans repaid during the year	1,447,500			

As at December 31, 2022, liabilities mainly include:

Convertible bonds

Convertible bonds (OCÉANEs)

On October 6, 2017, Elis issued bonds convertible into and/or exchangeable for new and/or existing Elis shares maturing on October 6, 2023 ("2023 OCÉANEs") for a total nominal amount of €400 million. At the same time as the issue of the new OCÉANEs (see below), the Company redeemed a total principal amount of €200 million on September 22, 2022, representing approximately 50% of the aggregate number of 2023 OCÉANEs initially issued. As at December 31, 2022, the residual nominal amount of the issue thus stands at €200 million, represented by 6,279,434 bonds with a par value of €31.85.

On September 15, 2022, Elis issued bonds convertible into and/or exchangeable for new and/or existing Elis shares maturing on September 22, 2029 ("2029 OCÉANEs"). The nominal amount of the issue totals €380 million, represented by 3,800 bonds with a par value of €100,000.00 each. The bonds bear interest at an annual rate of 2.25% and include a redemption option for bondholders on September 22, 2027.

Other bonds

USPP private placements

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%.

On June 1, 2022, Elis also took out new USPP financing for US$175 million. The new notes issued have a 10-year maturity (June 2032) and offer investors a 4.32% coupon in US dollars. These were entirely converted into euros via cross-currency swaps for a total amount of €159 million. Elis will pay a final, euro-denominated coupon of 3%.

Sundry borrowings and financial 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 11, 2022, under which it has carried out several bond issues, of which the following are still circulating at December 31, 2022:

- on February 15, 2018, a €350 million bond issue with a maturity of 8 years (February 2026) and a coupon of 2.875%;
- on April 11, 2019, a bond issue in the amount of €500 million with a 5-year maturity and a coupon of 1.75%;
- 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%;
- 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%;
- On May 17, 2022, a €300 million bond issue with a maturity of 5 years and an annual coupon of 4.125%.

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, 2022, outstandings under this program totaled €10 million, unchanged from December 31, 2021.

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, 2022, outstandings under this program totaled €184 million, versus €178.5 million as at December 31, 2021, or an increase of €5.5 million.

Syndicated revolving credit facility

On November 9, 2021, Elis signed a €900 million syndicated revolving credit facility with a group of 13 customer-driven retail banks, undrawn as at December 31, 2022. This five-year credit facility (expiring November 2026) is accompanied by two one-year extension options ("5+1+1" years). Elis exercised the first extension option in 2022. This was unanimously accepted by the banks, extending the facility until November 2027.

This credit facility includes an ESG component in the form of a margin adjustment mechanism linked to the achievement of annual targets for two core indicators of the Group's sustainable development 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 (34% in 2020).

Through this syndicated credit facility agreement, the Group has, as at December 31, 2022, 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, 2022, 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, 2022, the fair value recorded in the balance sheet under "Cash and cash equivalents" totaled -€1,387,000.

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 2029 USPP debt over the term of the loan for a fixed rate. The fair value as at December 31, 2022 was €4,535,000.

In 2022, Elis contracted three cross-currency swaps to exchange the currency and fixed interest rate paid on its US$175 million 2032 USPP debt over the term of the loan for a fixed rate. The fair value of these three swaps as at December 31, 2022 was €11,029,000.

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 12/31/2022	As at 12/31/2021
Group suppliers	2,421	2,513
Suppliers	192	99
Suppliers of non-current assets		
Invoices not received	3,197	1,200
Invoices not received – Group		
Bank fees	449	508
CARRYING AMOUNT	**6,259**	**4,320**

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 12/31/2022	As at 12/31/2021
Operating liabilities		
Trade payables	3,646	1,708
Tax- and employee-related liabilities	3,449	3,157
Financial liabilities		
Interest accrued on sundry borrowings and financial debt	37,550	34,678
TOTAL	**44,645**	**39,543**

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	4,956,314	4,956,314	0	0	2,350,368
Trade receivables	16,467	16,467	0	0	0
Financial current accounts	6,388,532	1,836,185	4,552,347	0	3,451,163
Suppliers	17	17	0	0	128
TOTAL	**11,361,330**	**6,808,983**	**4,552,347**	**0**	**5,801,659**

NOTE 5 NOTES TO THE INCOME STATEMENT

5.1 Breakdown of revenue

2022 revenue by business segment and region breaks down as follows:

	Financial year 2022			Financial year 2021
(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	1,058		1,058	1,046
REVENUE	**1,058**		**1,058**	**1,046**
PERCENTAGE	**100%**	**0%**	**100%**	

5.2 Reinvoiced expenses

(In thousands of euros)	As at 12/31/2022	As at 12/31/2021
Employee expenses		
Other expenses		
TOTAL	**0**	**0**

5.3 Average number of employees

The average number of employees during 2022 breaks down as follows:

	Financial year 2022	
	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 2021: €390,000 compared with €324,000 during the previous financial year.

€128,000 in compensation was paid in advance for 2022, compared to €179,000 during the previous financial year.

Management Board

Total compensation paid to members of the Management Board during the financial year: €3,805,000 compared with €2,478,000 during the previous financial year.

5.5 Net financial income (loss)

The net financial expense for the year amounted to €130,996,000 and breaks down as follows:

(In thousands of euros)	Financial year 2022	Financial year 2021
FINANCIAL INCOME	**283,602**	**54,236**
Financial income from equity investments	165,246	
Income from other securities and long-term loans and receivables	677	
Other interest income	32,196	21,345
Reinvoiced expenses and reversals of provisions	175	329
Foreign currency translation gains	85,308	32,562
Net gain on disposals of marketable securities		
FINANCIAL EXPENSES	**152,606**	**93,218**
Amortization and provisions on financial assets	4,552	124
Interest expense	70,845	61,024
Foreign currency translation losses	77,209	32,070
Net expense on disposals of marketable securities		
NET FINANCIAL INCOME (LOSS)	**130,996**	**(38,982)**

5.6 Net non-recurring income (loss)

(In thousands of euros)	Financial year 2022	Financial year 2021
NON-RECURRING INCOME	**1,749**	**825**
Non-recurring income from operations		136
Non-recurring income from capital transactions	702	650
Reinvoiced expenses and reversals of provisions	1,047	39
NON-RECURRING EXPENSES	**4,688**	**6,407**
Non-recurring expenses on operations	33	32
Non-recurring expenses on capital transactions	1,004	946
Non-recurring depreciation, amortization and provisions	3,651	5,429
NET NON-RECURRING INCOME (LOSS)	**(2,939)**	**(5,582)**

The non-recurring net loss for the year amounted to -€2,939,000 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, 2022 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, 2022, Elis recorded in its financial statements a tax benefit amount of €16,429,000 (€20,548,000 as at December 31, 2021) 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	5,472	25%	1,368
Le Jacquard Français	7,647	25%	1912
Blanchisserie Blésoise	5,609	25%	1,402
TOTAL	**18,728**	**25%**	**4,682**

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	(23,526)	(3,620)	(27,146)
Differences between accounting and tax bases of certain income and expense items			
Provision for retirement benefits	(1,106)	(6)	(1,112)
Corporate social solidarity contribution	(6)	(11)	(17)
Other provisions for risks			
Tax loss carryforwards	**906,154**	**24,759**	**930,913**
Tax consolidation – tax savings to be remitted	**(14,342)**	**(4,386)**	**(18,728)**
TOTAL	**867,174**	**16,736**	**883,910**

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	(5,882)	(905)	(6,787)
Differences between accounting and tax bases of certain income and expense items			
Provision for retirement benefits	277	1	278
Corporate social solidarity contribution	1	3	4
Other provisions for risks			
Tax loss carryforwards	226,538	6,190	232,728
Tax consolidation – tax savings to be remitted	(3,586)	(1,096)	(4,682)
TOTAL	**217,348**	**4,193**	**221,541**

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	11,003			11,003
Related to leases				
Related to services rendered				
Other				
	11,003	**0**	**0**	**11,003**

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	569,268			569,268
Guaranteed receivables				
	569,268	**0**	**0**	**569,268**

6.3 Derivative-related commitments

See Note 4.6.

NOTE 7 EVENTS AFTER THE REPORTING PERIOD

On January 9, 2023, the Lac1 fund, managed by Bpifrance on behalf of French and international investors and dedicated to the long-term support of major French listed companies, announced that it had acquired an equity stake of more than 5% in Elis, its sixth investment since its launch in 2020. By acquiring this stake, Bpifrance affirms its confidence in Elis's international development strategy.

6.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(For the year ended December 31, 2022)

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, 2022.

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, 2022 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, 2022 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

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 "List of subsidiaries and other equity investments" to the financial statements

Description of risk

Equity investments at December 31, 2022 represented €4,109 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 €573 million.

The Company's balance sheet at December 31, 2022 also included merger losses on financial assets for a net amount of €1,365 million, recorded within other financial assets and subject to an annual impairment test.

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.

Given the economic environment in which the Group operates, the subsidiaries may experience fluctuations in their business activity, resulting in a deterioration in financial performance. 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, we verified 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 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,
  - 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, 2022, Mazars and PricewaterhouseCoopers Audit were in the twelfth and sixteenth consecutive year of their engagement, respectively, and the eighth 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.

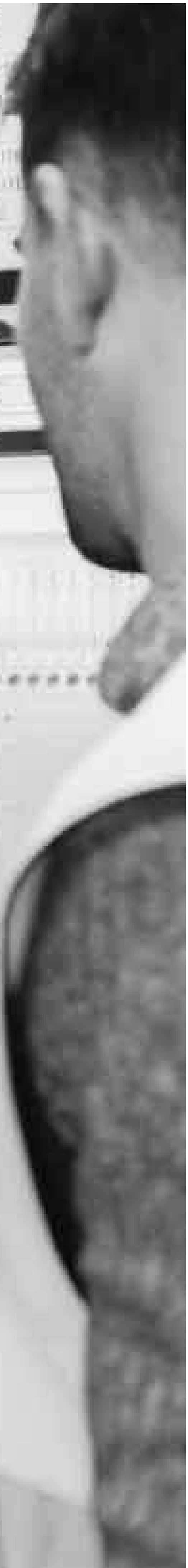
Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

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 7, 2023

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT		MAZARS
Bardadi Benzeghadi	Edouard Sattler	Francisco SANCHEZ



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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, 2022, the Company's share capital was €230,147,257, divided into 230,147,257 shares with a par value of one euro each, fully subscribed, fully paid-up and all of the same class.

In 2022, the share capital increased by 6,071,250 new shares issued, first, as part of the "Elis for All 2022" employee share ownership plan, which resulted in two capital increases reserved for employees carried out on November 3, 2022, and, second, in connection with capital increases through the capitalization of sums deducted from the "Additional paid-in capital" account to cover (i) the performance share plans implemented on May 2, 2019, July 9, 2020 and December 28, 2020, (ii) the payout of the dividend in shares on June 16, 2022, and (iii) the delivery of some of the bonus shares used as matching contributions for the "Elis for All 2022" plan.

In 2023, three performance share plans will expire (see chapter 6 of this Universal Registration Document – Note 5.4 to the 2022 consolidated financial statements and Note 4.2 to the 2022 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 12/31/2019						**221,297,797**	**1**	**221,297,797**
03/24/2020	Capital increase through capitalization of reserves[a]	249,300	-	221,297,797	221,297,797	221,547,097	1	221,547,097
04/06/2020	Capital increase through capitalization of reserves[b]	246,884	-	221,547,097	221,547,097	221,793,981	1	221,793,981
08/31/2020	Capital increase through capitalization of reserves[c]	13,245	-	221,793,981	221,793,981	221,807,226	1	221,807,226
12/20/2020	Capital increase through capitalization of reserves[d]	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**
04/06/2021	Capital increase through capitalization of reserves[e]	255,798	-	221,819,430	221,819,430	222,075,228	1	222,075,228
05/02/2021	Capital increase through capitalization of reserves[f]	932,838	-	222,075,228	222,075,228	223,008,066	1	223,008,066
06/29/2021	Capital increase reserved for employees[g]	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[h]	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**
05/02/2022	Capital increase through capitalization of reserves[i]	262,532	-	224,076,007	224,076,007	224,338,539	1	224,338,539
06/16/2022	Capital increase through capitalization of reserves[j]	3,842,846	45,960,438.16	224,338,539	224,338,539	228,181,385	1	228,181,385
07/11/2022	Capital increase through capitalization of reserves[k]	1,366,492	-	228,181,385	228,181,385	229,547,877	1	229,547,877
11/03/2022	Capital increase reserved for employees[l]	583,130	4,389,995.55	229,547,877	229,547,877	230,131,007	1	230,131,007
12/28/2022	Capital increase through capitalization of reserves[m]	16,250	-	230,131,007	230,131,007	230,147,257	1	230,147,257
As at 12/31/2022						**230,147,257**	**1**	**230,147,257**

(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, 2020.

(b) 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, 2020.

(c) 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.

(d) 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.

(e) 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.

(f) Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on May 2, 2019 and whose vesting period expired on May 2, 2021.

(g) 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.

(h) 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.

(i) Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on May 2, 2019 and whose vesting period expired on May 2, 2022.

(j) Capital increase through the capitalization of reserves to cover the payout of the dividend in shares on June 16, 2022.

(k) Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on July 9, 2020 and whose vesting period expired on July 11, 2022.

(l) Capital increases reserved for employees under the "Elis for All 2022" plan. This number of shares includes the 32,315 new shares issued through the capitalization of €32,315 deducted from "Additional paid-in capital" to cover the matching employer contribution to the Group savings plan in France.

(m) Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on December 28, 2020 and whose vesting period expired on December 28, 2022.

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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, 2022 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, 2022, a total of 43,812,192 shares had double voting rights.

	December 31, 2020						December 31, 2021					
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	54,653,018	54,653,018	12.32	20.62	20.64	27,328,509	54,653,018	54,653,018	12.20	20.34	20.35
Predica (Crédit Agricole Group)[(a)]	13,991,662	27,933,324	27,933,324	6.31	10.54	10.55	13,992,162	27,934,324	27,934,324	6.24	10.40	10.40
Free float, o/w	180,293,453	182,251,325	182,251,325	81.28	68.75	68.80	182,638,047	186,012,686	186,012,686	81.51	69.22	69.25
› Ameriprise Financial, Inc[(b)]	12,671,657	12,671,657	12,671,657	5.71	4.78	4.78	-	-	-	-	-	-
› FIL Limited	11,185,103[(c)]	11,185,103	11,185,103	5.04	4.22	4.22	11,220,641[(d)]	11,220,641	11,220,641	5.01	4.18	4.18
› Executives and employees	2,788,761[(e)]	3,358,723	3,358,723	1.26	1.27	1.27	4,006,909[(f)]	5,213,002	5,213,002	1.79	1.94	1.94
Treasury stock	205,723[(g)]	205,723	-	0.09	0.08	0.00	117,289[(h)]	117,289	-	0.05	0.04	0
TOTAL	**221,819,430**	**265,093,473**	**264,887,750**	**100**	**100**	**100**	**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 January 28, 2020. By breach of shareholding threshold disclosure of March 1, 2021, Ameriprise Financial, Inc. disclosed that it had dropped below the 5% threshold to hold 4.90% of the share capital.

(c) Based on the breach of shareholding threshold disclosure dated June 11, 2020.

(d) Based on the breach of shareholding threshold disclosure dated March 19, 2021.

(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 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.

(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.

(h) O/w 117,289 held under the liquidity agreement (see section 7.2.2 "Share buyback and liquidity agreement" of the 2021 Universal Registration Document). These shares have no voting rights.

	December 31, 2022					
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)]	28,104,606	55,429,115	55,429,115	12.21	20.23	20.24
Predica (Crédit Agricole Group)[(a)]	14,391,615	28,383,777	28,383,777	6.25	10.36	10.37
Free float, o/w	187,517,261	190,012,782	190,012,782	81.48	69.36	69.39
› FIL Ltd[(b)]	11,192,755	11,192,755	11,192,755	4.86	4.09	4.09
› Executives and employees[(c)]	5,637,304	6,607,860	6,607,860	2.59	2.41	2.41
Treasury stock[(d)]	133,775	133,775	-	0.06	0.05	0
TOTAL	**230,147,257**	**273,959,449**	**273,825,674**	**100**	**100**	**100**

(a) Including shares held by the shareholder representative on the Supervisory Board.

(b) Based on the breach of shareholding threshold disclosure dated July 25, 2022 (see section 7.2.3 "Shareholder structure").

(c) O/w 1,873,318 held by employees through the "Elis for All" investment fund (FCPE), 399,697 held directly by employees of foreign subsidiaries under "Elis for All" and 3,262,261 held in respect of settlements of performance share plans implemented by the Company for which the vesting period has expired (i.e. employee ownership of 2.41% of the share capital as at December 31, 2022 pursuant to Article L. 225-102 of the French Commercial Code).

(d) O/w 133,098 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 2022, can be found in the Supervisory Board's report on corporate governance (see chapter 2 of this Universal Registration Document, section 2.5).

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, 2022" of this Universal Registration Document, Note 5.4 to the 2022 consolidated financial statements, and Note 4.2 to the Company's 2022 parent company financial statements), i.e., 3,735,644 rights likely to result in the issue of 3,735,644 new shares; and
- OCÉANEs (bonds convertible into new shares and/or exchangeable for existing shares) issued by the Company representing 28,672,773 underlying shares (o/w 6,279,434 OCÉANEs due in 2023 and 3,800 OCÉANEs due in 2029). For the 2023 OCÉANEs, the number of shares takes into account the last adjustment of the conversion ratio made in June 2022 following the special payout of a sum drawn from reserves and the cancellation of 6,279,435 2023 OCÉANEs following the partial redemption in September 2022. (See chapter 6 of this Universal Registration Document, Note 8.3 of the 2022 consolidated financial statements.) For OCÉANEs due in 2029, the conversion ratio established when these bonds were issued on September 22, 2022 was set at 5,774.0054 shares per bond.

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 12.34% of the Company's share capital as at December 31, 2022.

Pledges

As at December 31, 2022, the Company is not aware of any 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 19, 2022 (17th 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 May 20, 2021.

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 2022

In 2022, the Company used its share buyback program as part of the liquidity agreement with Exane BNP Paribas, as well as to award bonus shares under the "Elis for All 2022" employee share ownership plan.

Liquidity agreement

To facilitate liquidity and stabilize the Elis share, the Company entered into a liquidity agreement 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. It should be noted that, from July 1, 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).

Since March 1, 2021, for an initial period ending on December 31, 2021 and then renewable by tacit agreement for each annual period, the Company has been party to a liquidity agreement with Exane BNP Paribas.

To implement this agreement from the date of its execution, 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 2022:

- 1,477,172 shares were purchased at an average price of €13.59, or a total amount of €20,081,379; and
- 1,461,538 shares were sold at an average price of €13.65, or a total amount of €19,942,951.

At December 31, 2022, the following resources were allocated to the liquidity account:

- 133,098 shares;
- €1,418,613.

Other transactions

Under the share buyback program authorized by the 17th resolution of the combined general shareholders' meeting of May 19, 2022, the Company:

- in October 2022, bought back 19,000 Elis shares, for a gross transaction amount of €208,303 (at an average price of €10.96), for the purpose of awarding bonus shares as matching contributions under the "Elis for All 2022" employee share ownership plan. Trading costs were €312.45;
- on February 1, 2023, acquired 2,261 shares on the market for a gross transaction amount of €36,594 (at an average price of €16.185), to meet its obligations relating to bonus share awards to members of an employee share ownership plan. Trading costs were €54.89.

No shares were reallocated or canceled.

Transaction summary

The table below summarizes the Company's transactions with its own shares between January 1, 2022 and December 31, 2022 and shows the number of treasury shares held by the Company:

Transactions conducted by the Company under the share buyback program in 2022	
Number of shares purchased during financial year 2022	1,496,172[(a)]
Number of shares sold during financial year 2022	1,461,538[(b)]
Number of shares canceled during financial year 2022	0
Average transaction price *(in euros)*	[(c)]
Transaction amount *(in euros)*	
› Purchases:	20,289,682[(d)]
› Sales:	19,942,951

(a) O/w 1,477,172 for the liquidity agreement and 19,000 for the purpose of awarding bonus shares ("Elis for All 2022" matching contribution).
(b) O/w 1,461,538 for the liquidity agreement.
(c) See section 7.7.2 "Transactions carried out by the Company with its own shares in financial year 2022" above.
(d) Including trading costs (excluding tax). See details above in "Transactions carried out by the Company with its own shares in financial year 2022."

Status as at December 31, 2022	
Treasury shares held directly or indirectly as at January 1, 2022 (beginning of the period)	117,289[(a)]
Treasury shares held directly or indirectly as at December 31, 2022	133,775[(b)]
Percentage of treasury shares held directly or indirectly as at December 31, 2022	0.058
Par value of the portfolio as at December 31, 2022[(c)] *(in euros)*	133,775
Market value of the portfolio as at December 31, 2022[(d)] *(in euros)*	1,848,771

(a) As at January 1, 2022, all of the Company's treasury shares were allocated for liquidity purposes.
(b) O/w 133,098 for the liquidity agreement.
(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, 2022 of €13.82.

Description of the share buyback program that will be submitted for the approval of the combined general shareholders' meeting of May 25, 2023

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 25, 2023. Shareholders will therefore be asked to terminate the 17th resolution approved by the combined general shareholders' meeting on May 19, 2022.

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 that complies with the ethics charter of the AMAFI;
- 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 25, 2023 until November 25, 2024 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.

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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, 2022.

Date of transaction	Disclosed by	Type of transaction	Number	Unit price *(in euros)*	Transaction amount *(in euros)*
May 2, 2022	Xavier Martiré	Vesting of shares from the free performance share grant(a)	78,108	0	0
May 2, 2022	Louis Guyot	Vesting of shares from the free performance share grant(a)	30,376	0	0
May 2, 2022	Matthieu Lecharny	Vesting of shares from the free performance share grant(a)	21,697	0	0
June 8, 2022	Fabrice Barthélemy	Share purchase	1,000	14.80	14,800.00
June 9, 2022	Fabrice Barthélemy	Share purchase	1,000	14.25	14,250.00
June 16, 2022	PREDICA, represented by Magali Chessé	Payment of the dividend in shares(b)	399,453	12.96	5,176,910.88
June 16, 2022	Louis Guyot	Payment of the dividend in shares(b)	5,516	12.96	71,487.36
June 16, 2022	Matthieu Lecharny	Payment of the dividend in shares(b)	3,178	12.96	41,186.88
June 23, 2022	Thierry Morin	Share purchase	2,300	12.84	29,532.00
September 23, 2022	Louis Guyot	Share purchase	3,000	10.80	32,400.00
November 3, 2022	Xavier Martiré	Subscription for units of the "Elis for All 2022" investment fund(c)	5,574	8.97	49,998.78
November 3, 2022	Louis Guyot	Subscription for units of the "Elis for All 2022" investment fund(c)	5,574	8.97	49,998.78
November 3, 2022	Xavier Martiré	Bonus share grant as a matching contribution under the "Elis for All 2022" plan	557	0	0
November 3, 2022	Louis Guyot	Bonus share grant as a matching contribution under the "Elis for All 2022" plan	557	0	0

(a) See chapter 2, summary table 7, and chapter 6 (Note 5.4 to the 2022 consolidated financial statements and Note 4.2 to the 2022 parent company financial statements) of this Universal Registration Document.

(b) Exercise of the option to pay the dividend in shares under the 4th resolution of the combined general shareholders' meeting of May 19, 2022.

(c) Subscription for units via the "Elis for All 2022" investment fund as part of the employee share ownership program.

As at the date of this 2022 Universal Registration Document, no other executive or corporate officer had disclosed transactions in the Company's shares in 2022.

Transfer or disposal of shares undertaken to regularize cross shareholdings

None.

Breach of shareholding threshold disclosures made to the AMF in 2022

Shareholder	Date of disclosure	AMF declaration no.	Breach of threshold
FIL Ltd	July 20, 2022	222C1911	Dropped below the threshold of 5% of the share capital

For information:

On January 4, 2023, the company Bpifrance Investissement (through its LAC I SLP fund) disclosed that it had exceeded the legal and statutory threshold of 5% of Elis's share capital. This increased its shareholding to 11,517,663 shares and voting rights in the Company, representing 5% of the share capital and 4.20% of the voting rights (AMF declaration no. 223C0063).

Equity interests of members of the Company's Management Board and Supervisory Board

As at December 31, 2022, 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 (since January 1, 2023)

Uptevia (formerly BNP Paribas Securities Services)
Elis shareholder relations
89-91, rue Gabriel Péri
92120 Montrouge – France
Mailing address: 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 2022 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 placements), described in Note 8.3 "Gross debt" to the 2022 consolidated financial statements that can be found in chapter 6 of the 2022 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, 2022, CPP Investments has one representative 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.

› On January 6, 2023, the Company and Bpifrance Investissement (manager of the Lac 1 SLP fund), after it had breached the threshold of 5% of the Company's share capital on January 4, 2023, signed a governance agreement under the terms of which the Elis Supervisory Board appointed Bpifrance Investissement on the same day as a censor of the Supervisory Board for a one-year term (Bpifrance Investissement being represented by Paul-Philippe Bernier for that purpose). It was agreed that the Company would propose the nomination of Bpifrance Investissement as a member of the Supervisory Board, replacing its appointment as a censor, at the next general shareholders' meeting convened in May 2023, and as a member of the Appointments, Compensation and Governance Committee or the CSR Committee.

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 and in the Euro Stoxx 600 index.

Elis share data as at 12/31/2022

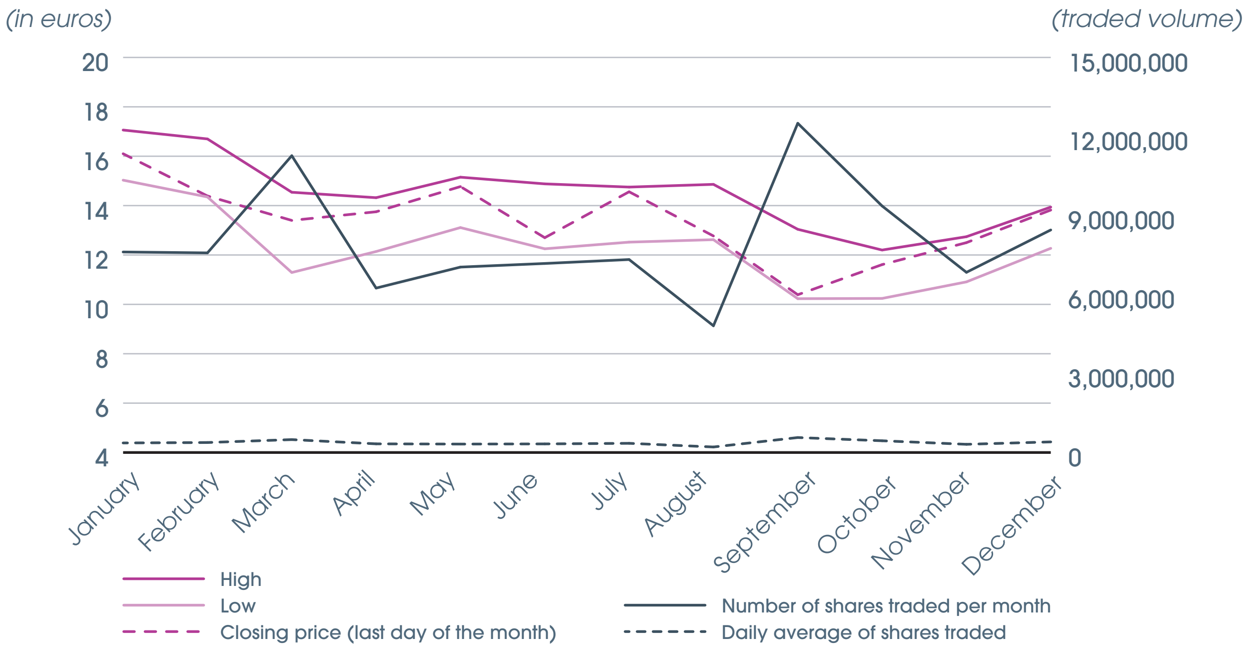
ISIN code	Exchange	Other exchanges where the shares are traded	Par value *(in euros)*	Number of shares outstanding	Share price *(in euros)*	Market capitalization *(In millions of euros)*
FR0012435121	Euronext – Compartment A of NYSE Euronext Paris	None	1	230,147,257	13.82	3,180.64

7.3.2 Volumes traded and share price trend in 2022

	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 2022	17.06	15.03	16.10	7,613,620	362,553	3,607.62
February 2022	16.70	14.35	14.39	7,579,834	378,992	3,224.45
March 2022	14.54	11.29	13.40	11,269,279	489,969	3,002.62
April 2022	14.32	12.14	13.75	6,242,875	328,572	3,081.05
May 2022	15.15	13.11	14.77	7,040,469	320,021	3,309.60
June 2022	14.88	12.25	12.70	7,177,198	326,236	2,849.10
July 2022	14.75	12.52	14.56	7,326,949	348,902	3,322.32
August 2022	14.86	12.62	12.77	4,811,781	209,208	2,931.33
September 2022	13.04	10.23	10.39	12,500,440	568,202	2,385.00
October 2022	12.20	10.24	11.61	9,360,452	445,736	2,665.05
November 2022	12.74	10.91	12.50	6,840,914	310,951	2,869.35
December 2022	13.94	12.27	13.82	8,450,577	402,408	3,180.41

Source: Exane (BNP Paribas Group).

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
May 10, 2023	Q1 2023 revenue
July 26, 2023	Q2 revenue and H1 2023 results
October 26, 2023	Q3 2023 revenue

7.6 MATERIAL AGREEMENTS

Financing agreements

The bank financing and private placement agreements described in Note 8.3 "Gross debt" to the 2022 consolidated financial statements, which can be found in chapter 6 "Financial statements for the year ended December 31, 2022" 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 3.75x at December 31, 2022 and on subsequent half-yearly 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).

After reporting a leverage ratio, as defined in the agreements, of 2.5x at December 31, 2022, Elis is well in compliance with the covenant ratio.

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

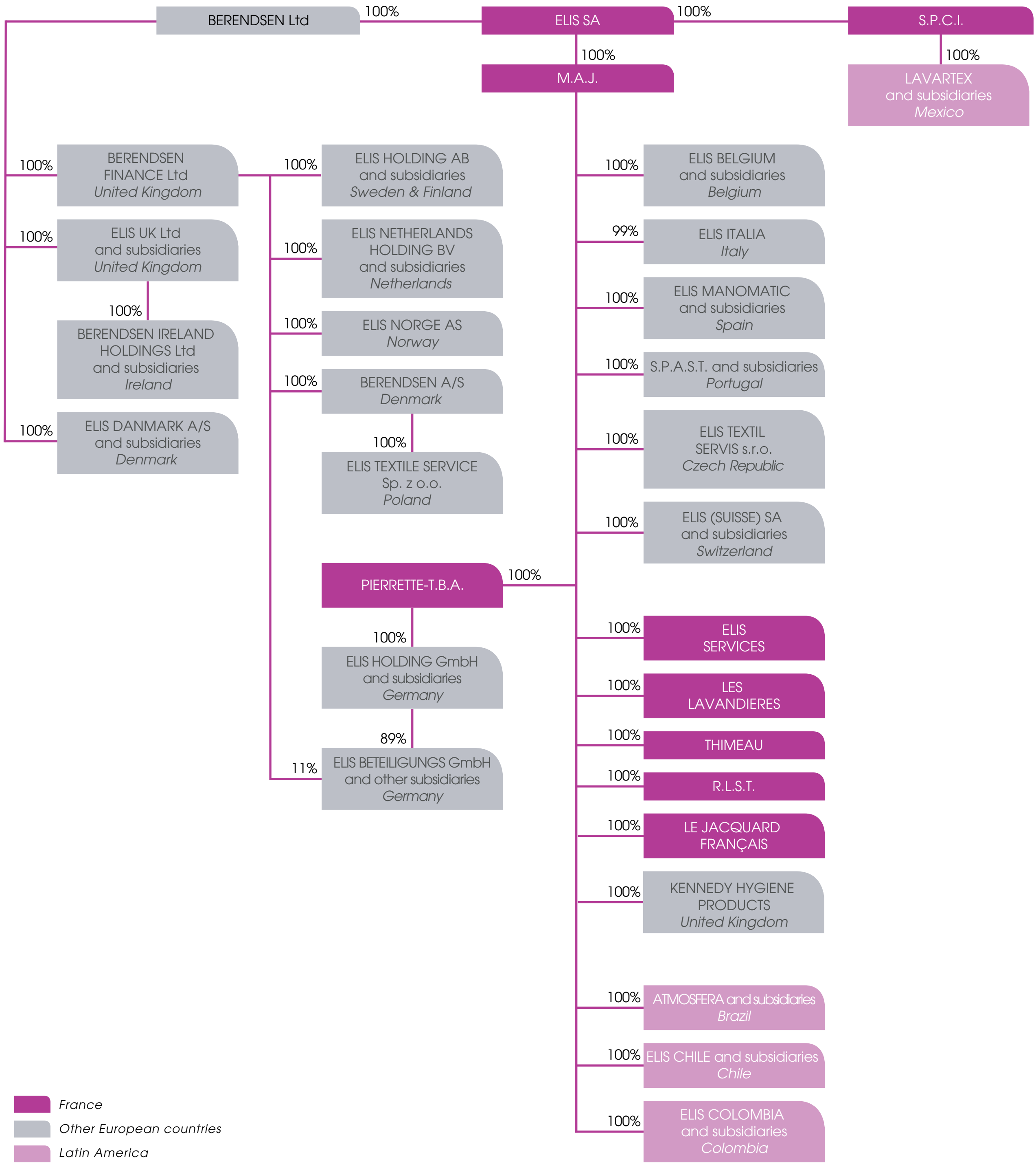
None.

7

7.7 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, 2022 (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 and maintenance services for flat linen, workwear, and hygiene and well-being appliances in France. M.A.J. SA 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 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 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.
- **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 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.
- **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.
- **Lavartex SAPI de CV** is a company incorporated under Mexican law whose registered office is located in Mexico City, Mexico. Lavartex SAPI de CV is a holding company indirectly held at 100% by Société de Participations Commerciales et Industrielles SARL (S.P.C.I.). Lavartex SAPI de CV owns flat linen rental and maintenance subsidiaries in Mexico.
- **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.

The position of Elis's subsidiaries and direct shareholdings is shown in the table in Note 3.4 to the 2022 parent company financial statements included in chapter 6 "Financial statements for the year ended December 31, 2022" 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)	2,074.2	7.1	5.4	247.3	-
Elis Textile Service AB (Sweden)	753.2	-	9.8	75.8	-
Elis Danmark A/S (sub-group)	642.5	0.6	3.2	59.2	-
Elis Holding GmbH (sub-group, Germany)	523.2	2.1	6.7	91.6	-
Elis Nederland BV (sub-group)	504.6	-	1.4	51.8	-
Atmosfera Gestão e Higienização de Têxteis SA (sub-group, Brazil)	421.3	-	52.7	73.8	-
Elis UK Ltd	396.7	-	7.0	93.5	-
Elis Manomatic SA (Spain)	289.5	-	1.0	46.9	-
Lavartex SAPI de CV (sub-group, Mexico)	238.2	-	12.7	21.3	-
Elis Norge AS (Norway)	161.2	-	5.1	21.7	-
Elis Textile Service Sp. z.o.o. (Poland)	158.9	-	2.3	28.4	-
Elis Textile Services Ltd (sub-group, Ireland)	146.7	-	6.1	27.4	-
Elis (Suisse) SA	138.5	-	2.2	21.1	-

8 Additional information

8

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 2022 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 2022 Universal Registration Document relating to the management report listed in the cross-reference table on pages 381 to 384 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, 2023

Xavier Martiré,

Chairman of the Management Board

8.2 Statutory Auditors

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

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).

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

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)
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	249
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	249
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	57 to 84
12.2.	Conflicts of interest	2.1.8	86
13.	**Remuneration and benefits**		
13.1.	Remuneration paid and benefits in kind granted by the issuer and its subsidiaries	2.2	99 et seq.
		6.1 – Note 5.5	295
13.2.	Amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	2.2	100-108
		6.1 – Note 5.5	295
14.	**Board practices**		
14.1.	Terms of office of the members of the Supervisory Board and the Management Board	2.1.3	58-60
		2.1.4	66-77
14.2.	Service contracts binding members of the administrative and management bodies	2.1.9	82
14.3.	Information about the specialized committees of the Supervisory Board	2.1.5	82-85
14.4.	Statement on corporate governance applicable to the issuer	2.1	48
14.5.	Material impacts on corporate governance (future changes in the composition of boards and committees)	2.1.4	64
15.	**Employees**		
15.1.	Number of employees	1, 3.1	04, 130
15.2.	Shareholdings and stock options	7.2.1	364 et seq.
15.3.	Arrangements for involving the employees in the capital of the issuer	1, 3.4.1	163
16.	**Major shareholders**		
16.1.	Identification of the major shareholders	7.2.1	365
16.2.	Voting rights	7.2.1, 7.2.4	365, 370
16.3.	Control of the issuer	8.2	378
16.4.	Arrangements that may result in a change of control	7.2.3	370
17.	**Related party transactions**	**6.1 – Note 11** **6.3.3 – Note 3.5** **2.1.8**	**328 et seq.** **345** **87**
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	251, 256 et seq., 336 et seq.
18.2.	Interim and other financial information	N/A	
18.3.	Auditing of historical annual financial information	6.2	335
18.4.	Pro forma financial information	N/A	
18.5.	Dividend policy and amount	5.10.5	253
		6.1 – Note 10.2	327
18.6.	Legal and arbitration proceedings	4.1.4	227
		6.1 – Note 7.2	304
18.7.	Significant change in the financial or commercial position		
19.	**Additional information**		
19.1.	Share capital	7.2	362 et seq.
19.2.	Memorandum and Articles of Association	7.1, 7.2.4	362, 370
20.	**Material agreements**	**7.6**	**373**
21.	**Documents available**	**7.1**	**362**

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)
1.	**Group's financial position and operations**			
1.1	The Company's financial position during the year and an objective and complete analysis of the business performance, earnings and financial condition of the Company and Group, and specifically its debt position, in view of the volume and complexity of its business	› Articles L. 225-100-1 I para. 1, L. 232-1 II, L. 233-6 and L. 233-26 of the French Commercial Code	1.1, 1.3 5.1, 5.2 5.8	04 to 18, 33 to 46 240-248 250
1.2	Key financial performance indicators	› Article L. 225-100-1 I para. 2	1.1 5.2.1	16-17 241
1.3	Key non-financial performance indicators relating to the specific business of the Company and Group, including information on environmental and employee-related matters	› Article L. 225-100-1 I para. 2	1, 3.1, 3.2 3.3, 3.4 3.5	20-22 127 to 192
1.4	Significant events occurring between the end of the reporting period and the date of the management report	› Articles L. 232-1 II and L. 233-26 of the French Commercial Code	5.3	249
1.5	Major shareholders and holders of voting rights at general shareholders' meetings and changes therein during the financial year	› Article L. 233-13 of the French Commercial Code	7.2.1	365
1.6	Existing branches	› Article L. 232-1 II of the French Commercial Code	5.10.6	253
1.7	Significant equity investments in companies headquartered in France	› Article L. 233-6, paragraph 1 of the French Commercial Code	5.10.1	252
1.8	Disposals of cross-holdings	› Articles L. 233-29, L. 233-30, and R. 233-19 of the French Commercial Code	7.2.3	368
1.9	Expected development and future prospects of the Company and Group	› Articles L. 232-1 II and L. 233-26 of the French Commercial Code	5.5	249
1.10	Research and development activities	› Articles L. 232-1 II and L. 233-26 of the French Commercial Code	1.2, 5.7	31, 250
1.11	Five-year financial summary	› Article R. 225-102 of the French Commercial Code	5.9	251
1.12	Information on payment terms for customers and suppliers	› Article D. 441-4 of the French Commercial Code	5.10.4	252
1.13	Amount of inter-company loans granted and statement by the Statutory Auditor	› Articles L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code	5.10.6	253
2.	**Internal control and risk management**			
2.1	Description of the main risks and uncertainties facing the Company	› Article L. 225-100-1 I para. 3	4.1	218 et seq.
2.2	Information on the financial risks linked to the impact of climate change and the measures the Company is taking to mitigate them by implementing a low-carbon strategy in all areas of its business	› Article L. 22-10-35 para. 1	3.3.6 4.1.1., 4.1.2. 4.4.1	155 221, 225 226
2.3	Main features of the internal control and risk management procedures put in place by the Company and Group for the preparation and processing of accounting and financial information	› Article L. 22-10-35 para. 2	4.2	230-233
2.4	Information about the objectives and policy concerning the hedging of each main transaction category and on exposure to price, credit, liquidity and treasury risk, including the use of financial instruments	› Article L. 225-100-1 para. 4 of the French Commercial Code	4.1.3 4.2	226 230-233
2.5	Anti-corruption policy	› Law no. 2016-1691 of December 9, 2016 (the "Sapin II" law)	4.2	230-233
2.6	Vigilance plan and effective implementation report	› Article L. 225-102-4 of the French Commercial Code	4.4	235-237

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	90-99
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	99-118
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	91 114
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	92
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	95
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	96
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	112-113
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	112-113
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	90-118
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	100-108
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	90-99
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	90, 98-99
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	94-95 115
	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	2.1.3 2.1.4	58-60 66-77
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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	121-122
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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	120
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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	120 369-370
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