

CHARTER FOR RESPONSIBLE AND ETHICAL PURCHASING



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Preamble

The Group's success and growth are based on respect for others, exemplary behaviour, integrity and responsibility.

These values have always been the DNA of Elis and are frame of reference that guides our actions and inspires our choices.

In that respect, Elis is committed to be an ethical and responsible company, to limit environmental impacts and to promote the highest standards of integrity.

Elis intends to fully associate its business partners (which means hereinafter suppliers, manufacturers, subcontractors, licensees and distributors, regardless of the product or service provided) with its ethical and responsible conduct particularly through this Charter for Responsible and Ethical Purchasing (hereinafter referred as the "Charter").

Elis expects its business partners to adopt behaviour in accordance with the spirit of the said Charter in order to limit environmental impacts, to work for sustainable development, and to respect, in all countries where it is present, the various laws and regulations in force, particularly with regard to the fight against any kind of corruption, including extortion, bribery, influence peddling and facilitation payments.

The present Charter cannot cover everything, but through the judgment and responsibilities of each, it must help to seek and take the right decisions in a given situation, respecting the applicable laws and regulations in each country where the group now operates.

I. Acceptance and commitment procedure for selected business partners

Elis asks each of its business partners to commit to responsible trading and ethical practices, particularly through its Charter attached to purchasing agreement or in advance, if requested by Elis.

Elis business partners must undertake to:

- ensure a chain of trust between every single actor, abide by this Charter and more generally, the principles and commitments outlined in the said Charter, through the implementation of information and awareness raising, as well as reference frameworks on ethics and integrity, with its own partner and suppliers;
- subscribe to the principles and commitments contained in this Charter and make every effort to ensure respect for the said Charter by their own suppliers;
- authorize Elis or any external service providers mandated by Elis to carry out audits and if necessary implement the required action plans.

By signing this Charter, business partners agree that compliance with the rules and recommendations set out herein constitutes an essential element of the business relationship.

Any business partner who fails to comply with these principles and commitments will be liable to Elis for any damage suffered as a consequence to Elis' reputation, image or interests, and will be liable to Elis for any regulatory or criminal consequences related to such failure.

Whatever the quality and competitiveness of its goods and/or services, such a business partner may also be excluded from an invitation of tenders. Besides which, Elis will immediately terminate its business relationship with such a business partner.

II. Elis commitments

The company's relationship with its business partners is not limited to the purchase of goods and services. In fact, Elis considers this relationship as a key to success over the long-term as well as customer satisfaction.

Each Elis employee who has any contact with business partners must:

- help any business partners of Elis to meet Elis's expectations;
- respect the business partner's independence and identity;
- ensure that the business partners are paid in accordance with the term of payment as contractually agreed (provided that they have fulfilled their obligations) and in compliance with the regulations in force particularly with regards to time limits of payment;
- protect the confidential information of each business partner of Elis and undertake to protect the personal data of these business partners, not to transfer it and not to use it without prior authorisation and to store it in accordance with applicable regulations;
- prevented any personal interest from influencing his actions and decisions,
- act in the interests of Elis and the respect of the business relationship.

Managers and Heads of the Purchasing and Procurement Department must also:

- Ensure Elis objectively chooses its business partners (on the basis of criteria such as cost, quality and delivery times, and in accordance with the content and spirit of this Charter), treats them fairly and in compliance with tendering procedures for each significant purchase;
- respect any business partners' employees with whom they are in contact;
- whenever they visit a business partner, explain Elis's business and values to the employees (at least to the heads of departments), and value the work provided by the said employees;
- strive as much as possible to build a long-term relationship with business partners;
- find, in the relationship with each business partner, a synergetic partnership profitable to both parties by seeking cost saving understanding that such a seeking cost saving shall be shared equally between business partner and Elis;
- not hesitate to terminate a relationship with a business partner who repeatedly and/or consistently, no longer meets the expectations of Elis in terms of quality, economy, logistics or compliance with this Charter.
- ensure that none of the business partners of Elis are in a situation of excessive economic dependence with Elis (more than 30% of consolidated group turnover generated with Elis). In such a case, alert such a business partner to this situation and consider together the actions to be implemented accordingly;
- provide business partners with a maximum amount of estimative information during the term of the contract and do their best efforts to place regular monthly orders for similar volumes whenever possible, in order to facilitate the business partner's stock management;
- warrant that stocks of textiles and other products built up by the business partner at Elis request will be acquired, when this has been contractually agreed;
- be attentive to financial transactions carried out to detect any money laundering, in accordance with the applicable national laws, through measures such as checking the country of origin of the funds, the location of the concerned bank, or the possible inscription on a "blacklist".

III. Elis requirements and recommendations for its business partners and subcontractors

A. Subcontracting

Elis, notably through this Charter, strictly controls the use of subcontracting, prohibiting its business partners from subcontracting all or part of any contract that is assigned to them without prior written consent (an e-mail is sufficient).

When subcontracting has been consented, the initial business partner will retain full responsibility and liability, in particular as regards this Charter. It must also ensure that its subcontractors comply with the Charter.

Use of subcontracting without prior, written authorisation from Elis is strictly prohibited.

B. Certification

All non-European Elis business partners must be accredited for the SA 8000 standard or at least undertake to work in compliance with the principles of this standard, unless its national legislation is more stringent than the SA 8000 standard.

Where a major business partner (i.e. a business partner selected by Elis for regular material direct business with Elis) has a pending certification, Elis may commission an independent audit company to conduct an audit of that business partner. If another audit is necessary due to insufficient results, the business partner will be charged for such additional audits and visits.

During such audits, the business partners shall provide access to their production sites for the purpose of the audit. Such access shall be understood to mean access to all facilities, documents (such documents to be complete, authentic and accurate) and employees and access to all notified subcontractors.

If the audit identifies any issues, a corrective action plan must be proposed and implemented, and regular progress reports must be given.

Elis may rely on audit reports commissioned by any other customers of the business partner, provided the audits were carried out by a recognised external and independent audit firm.

C. Respecting Employees

Respect for employees is a strong value of the Group which intends to promote also among its business partners. Business partners must make every effort to prevent any humiliating practices within their company, such as corporal punishment, moral and sexual harassment or/and work under duress and/or threat.

Business partners must undertake to introduce all necessary measures to ensure all employees are treated respectfully and with dignity.

It is reiterated that Elis undertakes that employees visiting business partners will act in an exemplary manner, paying the business partner's employees due respect and attention.

To give meaning to this policy, Elis asks its business partners to inform their staff of Elis' business so that they understand the challenges and constraints involved in the rental and maintenance sector, and to also provide tangible examples of how Elis customers will use the product they supply.

Elis does this by providing business partners with “product information” sheets.

Elis asks its business partners to maintain a stable workforce to work on Elis products as far as this is possible, and ideally over several years.

D. Child labour

Elis condemns all forms of child labour and watches over compliance with all social standards applicable under labour laws in each country where it is present, as well as with major international texts such as the Conventions of the International Labour Organisation and those protecting children’s rights. Elis encourages its partners and business partners to take note of all recommendations concerning child labour exposed on the website indicated hereinafter:

<http://www.ilo.org/ipec/facts/lang--en/index.htm>

Elis business partners cannot employ and/or hire any person under the legal minimum age provided for by law in force locally, or who have not completed compulsory schooling and, in any case, must not employ and/or hire any person under the age of fifteen (15).

Business partners are prohibited from employing and/or hiring any person under the age of eighteen (18) to carry out any dangerous work or to work at night.

Business partners must use all means available in their country in order to verify the age of their employees, and shall adopt a precautionary principle in the event of any doubt.

EXCEPTIONS:

Business partners and subcontractors may seek exceptional authorisation from the Purchasing Department by submitting a comprehensive application (containing details of education, type of contract, terms and conditions of employment, type of work).

Exceptional authorisation will only be granted:

** For apprentices, provided the work does not have a detrimental effect on the health, safety or education of the children, the national laws authorise this, and the apprentices are assigned a tutor within the business partner's or subcontractor's company.*

** When work is carried out at home in certain countries and in certain sectors (such as the agricultural sector), it is acknowledged that the employee's children may help from time to time and this may be acceptable, provided the children attend school in compliance with the local laws (the contracting business partner must produce a certificate as proof of this).*

Exceptional authorisation will be granted by Elis Purchasing Director on a discretionary basis.

E. Discrimination

Business partners must fight all types of discrimination, in particular any discrimination based on gender, origin, religion or political affiliation.

Elis will ensure, in particular that:

- there is no discrimination against religious minorities especially for business partners operating in countries that do not separate the state from religion do not discriminate against any religious minorities;
- the emancipation of women through work is encouraged in all countries.

Elis also encourages business partners to hire disabled employees.

F. Working time

Business partners must ensure that employees do not work more than forty-eight (48) hours a week, and have at least one (1) free day per week, subject to any national legislation that is stricter.

Employees may work a maximum of twelve (12) additional hours per week, on a voluntary basis and in compliance with the national laws.

Business partners must be able to produce evidence of compliance with this rule in the form of entries in company ledgers.

Furthermore, business partners must ensure that their employees have adequate rest periods throughout the day and may take at least the minimum number of days' paid leave provided in the national laws.

G. Pay level

Business partners must comply with the laws in force in their country.

They undertake to pay their employees a regular salary in accordance with the employment contract signed and without withholding pay on the basis of productivity levels or as a disciplinary measure or punishment. However, individual or collective productivity/quality bonuses are possible.

Elis is mindful of the fact that pay levels should comply with the laws of the country and that business partners should regularly pay social contributions and taxes.

Elis encourages business partners to set up medical insurance cover and pension plans when the country does not have statutory sickness and pension schemes.

All salaries paid must be traceable, via payslips or company ledgers.

H. Forced labour

The business partner refrains from using forced labour.

Any use of prisoner's workforce and/or any subcontracts with prison institutions are prohibited, subject to special authorisation from Elis Purchasing Director.

This may seem something of a paradox, given that the employment of prisoners is common in Europe and that the system has its strong points (providing training, occupation and an income for prisoners).

We are aware of and accept this paradox. However, without wishing to express any opinion on the values and systems of any specific country, we do not wish to take the risk that prisoners may be forced to work on our products.

Exceptions

Elis' Purchasing Director may grant exceptional authorisation on a discretionary basis, essentially in Europe. If authorisation is granted, the information supplied will be systematically verified in the prison institution, which must be auditable.

I. Migrant workers

Elis prohibits practices ongoing in some countries consisting in bringing labour from other countries, especially poor countries to make them work on a site by housing them and by restricting their moves (sometimes by confiscating passports) and in cutting them off from their families.

No clandestine worker under the laws of any country is acceptable.

J. Trade union freedoms and collective bargaining

Business partners must comply with the laws in force in their country.

Elis believes that labour-management dialogue and the involvement of employees and their representatives is a key part of company management and encourages its business partners to develop these principles.

K. Health, safety and well-being of workers at the workplace

Business partners must ensure compliance with the legal health and safety requirements in the workplace and must carry out regular checks, in particular to ensure their facilities comply with the applicable standards in their country in terms of quality of air (smoke, particles and appropriate ventilation), sound levels, lighting and temperature in the workplace.

Business partners must ensure that their business activities do not harm the health and safety of their employees, subcontractors or any other person involved the neighbouring population or users of the products.

Any task that may be dangerous must be properly supervised and the business partner must provide its employees with the proper personal protective equipment.

Elis business partners must ensure that all machines and other equipment used for production purposes are equipped with the proper safety features to avoid injury.

Fire protection and firefighting equipment (compliant with local standards) and emergency exits must exist and be clearly identified.

Business partners must provide employees with training on evacuation procedures in the event of a fire at least once a year, through fire drills.

Business partners must take all necessary action to ensure that all precautions have been taken to protect employees when handling and storing toxic products (acid, solvents, inks, etc.).

Elis ensures that premises are equipped with an adequate number of clean toilet/washroom facilities.

Elis asks all its business partners to operate an infirmary and, when possible, provide employees with free access to a doctor and free vaccinations.

All Elis business partners must provide their employees access to drinking water.

Elis encourages business partners located in developing countries to provide their employees with a balanced daily meal.

L. Fight against corruption, including extortion and bribery influence peddling and facilitation payments

Elis applies a zero-tolerance principle throughout the entire Group when it comes to the fight against corruption, including extortion and bribery, whether active or passive, public or private. The Group strongly condemns any form of corruption, bribery and influence peddling.

In this context, Elis expects from its business partners and subcontractors, as well as their own contractors, to fight against corruption, bribery and influence peddling and to take all appropriate measures to this end.

In that respect, the business partners of Elis shall not solicit or accept, offer, give or receive, directly or indirectly, a benefit to any public or private person, with the aim of accomplishing, delaying or omitting to accomplish an action that affects the normal exercise of a function.

Elis therefore expects its business partners and their own employees never to offer or accept anything of value (or permit others to do so on Elis' behalf or the business partner's behalf) - whether it is money, a gift, an invitation, a service, or a benefit of any kind including corporate patronage or sponsorship - that can be viewed as, or has the effect of, improperly influencing the recipient or business decisions. Business partners and their own employees must also not make facilitation payments (i.e. a payment of any size to a public official or administrative agent to effect or accelerate routine administrative services) or permit others to make them on Elis' behalf.

Elis also expects its business partners to certify that they have their own anti-bribery and corruption policy.

Furthermore, Elis business partners should be aware that:

- Elis pays all of its employees' travel and accommodation expenses;
- Elis authorises invitations to lunch or dinner for an Elis employee visiting a business partner as long as it is part of a regular business relationship and is in accordance with the procedure established by Elis in particular regarding gifts and invitations. In return and in compliance with the said procedure, the business partner employee will be invited to lunch or dinner by Elis when they visit an Elis site;
- Elis Buyers are not allowed to attend events such as cocktail parties, exhibitions, opening receptions, sporting or cultural events, etc., that are paid by business partners, unless the Purchasing Director has given special authorisation in compliance with the procedure described above;
- Any gifts received by Elis employees may be shared out between Elis employees, and will not necessarily be kept by the individual to whom they are given. In any event, all gifts should be of little financial value.

M. Money-laundering

Elis business partners shall fight against any form of money laundering in each country in which they operate. They must be particularly vigilant with regard to financial transactions, in order to detect any anomaly (checking the country of origin of the funds and the payer entity, checking the location of the bank and ensuring that it is not on a black-list, etc.).

N. Combating anti-competitive practices

Elis business partners shall take all measures to prevent anti-competitive practices. In particular, they undertake not to participate in cartels and/or any anti-competitive agreement and/or abuse of a dominant position.

They shall refrain from sharing sensitive information (customer files, marketing plans, commercial strategies, purchase or sale prices, etc.) with third parties and, in particular, with Elis' competitors. They are also advised to familiarise themselves with the applicable competition laws and regulations in each country in which they operate and to consult a specialist in that area if necessary.

IV. Limit environmental impacts

As the front-line industrial player, Elis places its environmental responsibilities at the centre of its concerns and priorities.

A. Compliance with regulations

Business partners must comply with international, national and local environmental regulations; they must hold the necessary permits and authorisations to operate their businesses and must comply with all requirements in terms of air, soil, water and noise pollution.

B. Use of chemical products

A Chemicals product means all chemical products and substances, such as oil, fuel, glues, lacquers, solvents, paint, dyes, hardeners, stains, waxes, acids, additives, etc.).

Elis business partners must comply with all laws, regulations and legislation in force in their country and, when necessary, must obtain all permits and authorisations needed to operate their businesses, and must comply with all rules relating to the use, storage and import of any chemical product.

Irrespective of the national laws, all chemical products must be stored on an appropriate surface (such as cement) with no drainage holes, which are protected by a retention system. If chemical products are stored outside, they must also be stored appropriately.

C. Innovation and reduction of environmental impact

Business partners will be able to offer Elis products and services that will enable the Group to reduce its direct environmental impact (such as its energy consumption) either through product design, production or packaging and transportation.

The use of maritime rather than air transport is preferred by Elis concerning business partners located in distant countries. Thus, air transport must remain an exception.

Elis encourages its business partners to limit or reduce the use of warp sizes and chemicals added in the manufacturing process, as some of them may subsequently be discharged into the environment.

For example, Elis asks its business partners not to use bleaching involving halogenated compounds and to prefer water oxygenated bleaching process. Halogens are difficult to treat in sewage plants.

D. Recycling products

In order to promote sustainable development, business partners shall be able to offer Elis products that are recyclable and recoverable at the end of their lifespan.

E. Environmental reporting

Business partners must provide Elis with all the information it needs to prepare its environmental reviews on its products and services and its environmental reports.

V. Consumer health and safety requirements

Elis does its utmost to be able to warrant to its customers that the products it supplies do not present any risk for their health or the environment and comply with REACH regulations.

Elis business partners must undertake to provide products complying with the European REACH regulation 1907/2006 dated 18 December 2006, and to provide Elis whenever requested with all information relating to substances listed in the REACH convention that may be contained in the products supplied.

Elis Business partners of textile products shall obtain Oeko-Tex® certification for all textile products delivered.

Furthermore, Elis Business partners of electrical and electronical equipment shall obtain RoHS (Restriction of hazardous substances) certification for all electrical and electronical equipment delivered.

VI. Fair trade and organic products

Elis encourages business partners of textile products to obtain Fairtrade certification from FLO-Cert (www.flo-cert.net) so that they can process or produce products containing fair trade cotton.

Fair trade is also based on the principles of transparency, and Elis accordingly requires its business partners to ensure their fair-trade cotton products are fully traceable, and to obtain the FLO-Cert references of all operators involved in the cotton processing chain.

Elis encourages business partners to use fair trade and organic products whenever possible in their own operations.

VII. Whistle-blower Procedure - Audit

A. Whistle-blower procedure

In order to ensure the effectiveness of the principles and values specified in this Charter, Elis encourages transparency.

Hence, any business partner confronted with a situation likely to breach a law, a regulation or the principles laid down in this Charter and related to the fight against bribery and influence peddling may freely report such a situation which he/she would have personally known through a confidential alert system. This system is available on the following website:

<https://report.whistleb.com/Elis>.

No penalty or discriminatory measures will be taken against any business partner who uses this alert system in good faith and without intention to cause harm.

Elis guarantees the confidentiality of the identity of the person raising the alert, the reported facts and the persons mentioned by the report. That disclosure of facts may be reported only through strict compliance with applicable regulations, notably concerning reporting procedures and their proportionate character in safeguarding the interests in question.

B. Audit

Elis supports the implementation of this Charter with its business partners through audits of the latter that may be carried out either directly by Elis or with the help of any independent audit company, to make sure that they are properly applying the principles and commitments laid down in this Charter.

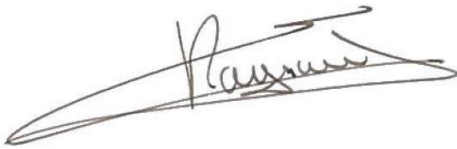
In any case, each business partner of Elis or any independent audit company duly mandated by Elis to carry out compliance audit, with or without notice.

During such an audit, each business partner shall, and shall ensure that their own suppliers and partners allow unlimited access to all premises and employees of the concerned site and/or provide Elis or any independent audit company with any requested information and document. Business partner shall provide complete, authentic and accurate documents and a record showing it is in compliance with this Charter. It is understood that such an audit do not exempt the business partner from carrying out any audits of its own suppliers and partners.

Once the audit is completed, the business partner will be given the opportunity, whether needed and in event of non-compliance with the Charter, to define and implement corrective actions.

VIII. Evolution of the Charter

As This Charter shall evolve, particularly in accordance with the changes made to the standards of personal data, environment, fight against bribery [...], each business partner is committed to respect these changes.



For Elis
Christophe RAYNAUD
ELIS Purchasing Director
Jan. 2nd 2019

For the Business Partner

Company name :

Mr /Ms :

Position:

Date :

By signing this Charter, I (the business partner) certify that I have read and understood all principles, values and more generally all the content lay down in this Charter and I understand I am responsible for its application.

Thanks in advance to return this page signed to your purchasing contact.