2020

Universal Registration Document

including the Annual Financial Report

We empower your day

elis

Contents

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.

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

AUTORITÉ DES MARCHÉS FINANCIERS AMF

This Universal Registration Document was filed on March 30, 2021 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 2019 financial year and the Statutory Auditors' report appearing in sections 6.1 and 6.2 of the 2019 Universal Registration Document, available on the Company's website: https://fr.elis.com/sites/fr.elis.com/files/2020/04/14/Elis%20-%202019%20Universal%20Registration%20Document.pdf
- the consolidated financial statements of the Elis Group relating to the 2018 financial year and the Statutory Auditors' report appearing in sections 6.1 and 6.2 of the 2018 Universal Registration Document, available on the Company's website: https://fr.elis.com/sites/fr.elis.com/files/2019/12/27/Elis%20-%202018%20Registration%20document.pdf

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


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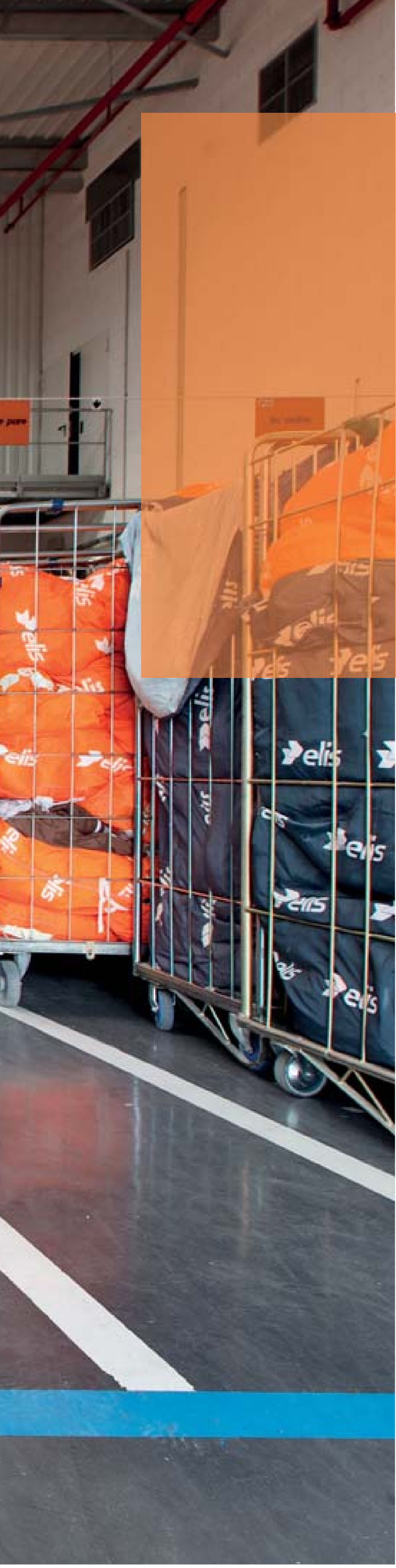
pont de chaumes



1

Presentation of the Group and its activities

1.1
ELIS IN 2020

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

€2,806.3 million
in revenue

Approximately **400,000** customers

45,000 employees

Operating in **28** countries

420 plants and distribution centers

Elis, a global leader in bespoke solutions

Our mission

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

Our values

- **Respect**
- **Integrity**
- **Responsibility**
- **Exemplarity**

The rental and maintenance process

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

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

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

Our solutions

Flat linen
Table, kitchen and hotel linens

Workwear
Workwear and PPE

Washroom
Hand and toilet hygiene and scent solutions

Beverages
Water fountains and coffee machines

Floor protection
Mats, mops and wiping cloths

Industrial wiping
Industrial wipers

Pest control
Vermin and insect control, disinfecting

Cleanroom
Cleanroom garments

Medical waste management
Collection and disposal of medical waste

Personal laundry services
for residential facilities, daycares and schools

Message from the Chairmen

Thierry Morin

Chairman of the Supervisory Board

This year was exceptional in many ways, and it allowed Elis to demonstrate the relevance of its business model and the strength of its teams. Notably, the geographic and business diversification strategy enabled us to weather the health crisis.

This year was exceptional in many ways, and it allowed Elis to demonstrate the relevance of its business model and the strength of its teams. Notably, the geographic and business diversification strategy enabled us to weather the health crisis.

The past year is indeed a testament to Elis's tremendous resilience during this unprecedented crisis. Revenue in 2020 was understandably impacted for the Hospitality segment (representing about one-quarter of revenue in 2019), which fell by 50%. However, the other three segments held up well, limiting the organic decline to -13.3% and enabling the Group to achieve €2.8 billion in revenue.

Despite the very sharp slowdown in activity, the response of our teams – and here I would like to commend the work of the Executive Committee and the entire management team in this crisis – was equal to the challenge. All expense items were made variable, resulting in an increase of 20 basis points in the EBITDA margin to 33.8%, a historic high, and a €43 million increase in free cash flow to €217 million.

These exceptional results reflect a clear strategy that the entire management team is executing daily across all the Group's units. This strategy has four key components: consolidating Elis's positions through organic growth via targeted acquisitions, opening up new markets on a regular basis, continuing to improve operational excellence, and expanding our offering through cross-selling of services.

Two factors in particular contributed to the Group's results in 2020: first, geographic and business diversification, which enabled countries with less exposure to the Hospitality segment to boost revenues – for example, Latin America, which posted organic growth of 5.4%; and second, operational excellence, which enabled teams to maintain a high level of service quality from day one and to adjust operating costs and investments while optimizing cash flow.

The big mergers carried out in 2016 and 2017 (Lavebras, Indusal, Berendsen) have also proven their worth.

In 2020, Elis did more than just demonstrate the benefits of its business model. Indeed, through its know-how and improvements in its processes, the Group is continuously reducing its consumption of water, energy and detergents. Its model also encourages the maintenance, reuse and recycling of its products, thus enabling the Group to directly and indirectly reduce its environmental footprint.

Strengthened by its resilience in the crisis, Elis looks to the future with confidence, well equipped to capture the rebound in its end markets and to affirm its status as a creator of shareholder value.

> **"The past year is a testament to Elis's tremendous resilience during this unprecedented crisis."**

Xavier Martiré

Chairman of the Management Board

Are you happy with Elis's performance in 2020?

In 2020, Elis proved the strength of its business model: in an environment marked by the Covid-19 pandemic and despite a 14.5% decline in revenue, the Group improved its EBITDA margin and generated record free cash flow, thereby reducing net debt by more than €90 million. This remarkable performance once again demonstrates the relevance of the Group's strategy: geographic diversification, a wide variety of customers, and an extensive product portfolio helped to limit the impact of the crisis on its financial results.

I would also like to underline that, from the very beginning of the crisis, the Group has made the health of its employees a top priority, and today I would like to extend my heartfelt thanks to the Group's employees who throughout 2020 pursued their work with passion and dedication. Thanks to them, we were able to continue delivering flawless service to our customers in all 28 countries, including public health organizations such as the NHS in the United Kingdom and the AP-HP in France, thereby contributing to the global effort to contain the pandemic.

To what extent has the crisis affected your business and how has the Group responded?

The extensive containment measures put in place in most of our countries clearly had an impact on our business, particularly in the Hospitality segment. As a result, Elis's revenue declined organically by 13.3% in 2020. In this environment, the Group adjusted quickly: operational and managerial structures were adjusted to protect margins and cash flow; more than 100 sites were temporarily closed and production teams were scaled back on a case-by-case basis.

In addition to these adjustments related to the business slowdown, the Group also embarked on an overhead cost-cutting plan in all countries in order to reduce its cost base over the long term. Over the past year, the EBITDA margin improved by 20 basis points and free cash flow after rental payments was €217 million, an increase of €43 million, or 24%, compared with 2019.

Can you tell us if the crisis caused you to change your CSR approach in 2020?

The Group is especially proud to have kept its CSR policy as a core concern despite the crisis. As a reminder, our policy has three priorities: to offer responsible products and services, to continuously improve our environmental footprint, and to promote the safety, professional development and diversity of our employees. Our model is environmentally conscious, since the concept of the functional economy encourages maintenance, reuse and recycling. In 2020, faced with the business slowdown brought on by the Covid-19 crisis, Elis's know-how and great responsiveness enabled us to make our water, energy and detergent consumption significantly more variable, thereby reducing the Group's environmental footprint. We are thus still on track to meet the ambitious 2025 targets for reducing consumption and CO_2 emissions.

What does the Group see for the year ahead in 2021?

There are clearly a number of uncertainties weighing on 2021, which could have a major impact on the Hospitality segment: the effectiveness of vaccine campaigns, the emergence of new variants, the resumption of international travel, etc. We have therefore adopted a prudent working assumption for organic growth in 2021, which could be around 3% for the year, taking into account a slight rebound in business beginning in the second quarter.

The impressive efforts achieved in 2020 and the Group's ability to make its costs variable should again enable us to slightly improve the Group's EBITDA margin in 2021. In addition, we expect free cash flow for the year to be between €190 million and €230 million, depending on the change in working capital at the end of the year.

An international **presence**

69%
of revenue generated outside France in 2020

UNITED KINGDOM AND IRELAND

11%

5,232
employees

€305.1 million
in revenue

Markets
Hospitality: 17%
Healthcare: 46%
Industry: 18%
Trade and Services: 19%

LATIN AMERICA

8%

11,837
employees

€213.4 million
in revenue

Markets
Hospitality: 4%
Healthcare: 73%
Industry: 23%
Trade and Services: 0%

SOUTHERN EUROPE

7%

3,811
employees

€198.2 million
in revenue

Markets
Hospitality: 34%
Healthcare: 24%
Industry: 22%
Trade and Services: 20%

Revenue: *as a percentage of consolidated revenue, excluding other sectors*
Workforce: *data as at 12/31/2020*
Symbols: *services listed when they generated at least 10% of the country's 2020 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).

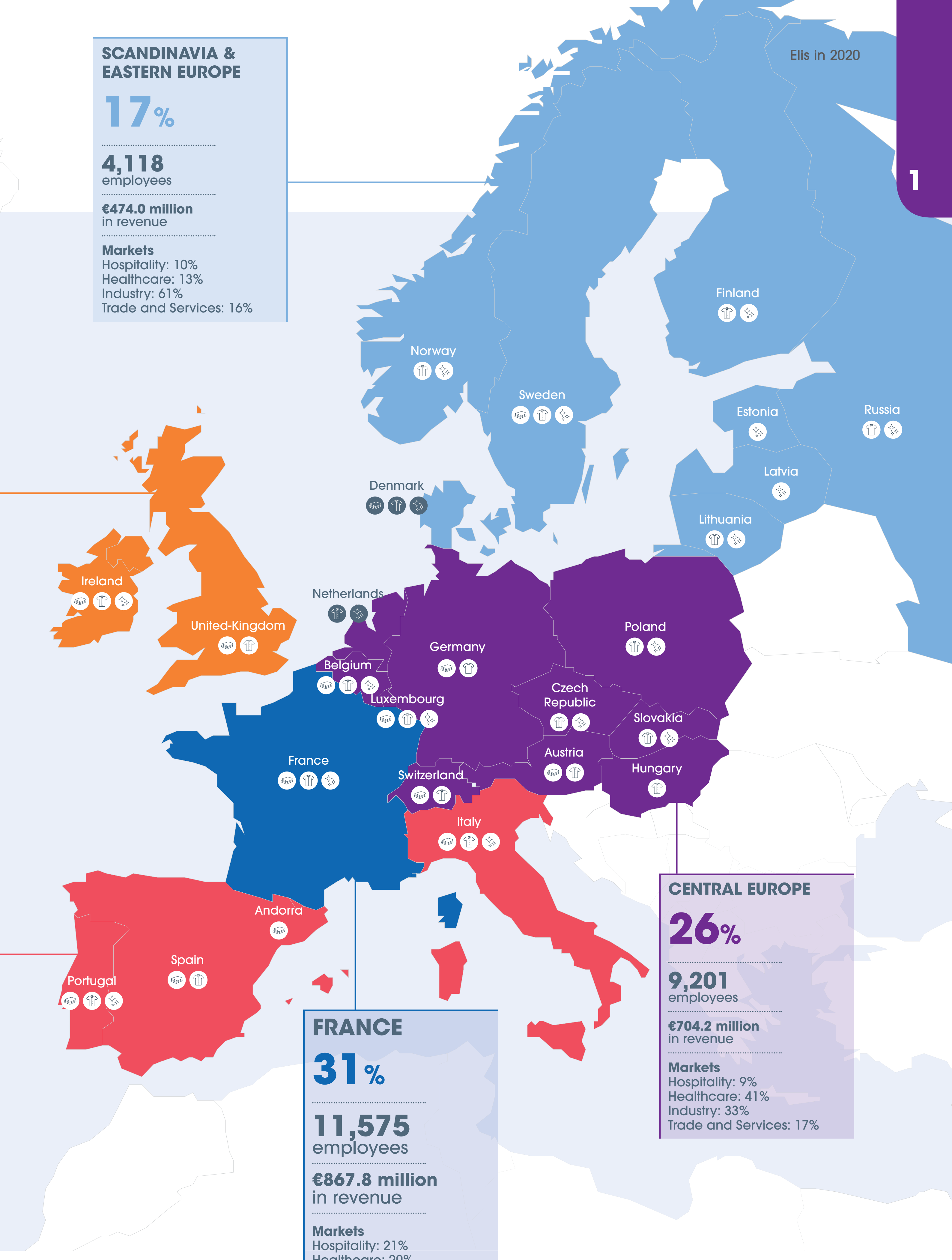
SCANDINAVIA & EASTERN EUROPE

17%

4,118
employees

€474.0 million
in revenue

Markets
Hospitality: 10%
Healthcare: 13%
Industry: 61%
Trade and Services: 16%



CENTRAL EUROPE

26%

9,201
employees

€704.2 million
in revenue

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

FRANCE

31%

11,575
employees

€867.8 million
in revenue

Markets
Hospitality: 21%
Healthcare: 20%
Industry: 22%
Trade and Services: 37%

History and 2020 highlights

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

1883

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

Interwar Period

Invention of the rental and maintenance model.

Postwar Period

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

1968

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

1973-2001

European expansion and diversification of rental and maintenance business (washrooms, water coolers, 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.

Major acquisitions

CZECH REPUBLIC	**Textile Washing Company**
GERMANY	**Haber**
UNITED KINGDOM	**Central Laundry**
IRELAND	**Kings Laundry**
BRAZIL	**Clinilaves**

Opening of a new plant in France

Elis opened a new multi-purpose plant in Saint-Geours-de-Maremne in southwest France. Also called **Elis Sud Aquitaine**, it started serving customers on November 16, 2020.

The plant will serve approximately 2,000 customers at 3,900 highly seasonal delivery points, located mainly on the Basque and Landes coasts.

Maximum production capacities

80,000 workwear articles/week with **2** shifts

280 tons of flat linen/week with **2** shifts

10 tons of mats/week

A look back at 2020, a year marked by the coronavirus crisis

Meeting the crisis head on

With the health and safety of its employees as its top priority, Elis took quick action to adapt to the new challenges that profoundly changed the countries where it operates. By developing special offerings, supporting its customers, making structural changes, and implementing a cash preservation plan, the Group was able to strengthen its positions and reassert itself as a preferred partner for its customers.

The teams in the Group's 28 countries have been fully committed since the beginning of the crisis to ensure service continuity for customers. Elis made daily deliveries to its customers, ensured security of supply, and met new demands. It also adapted its teams, temporarily closing, either mostly or completely, around one hundred plants to adjust production capacities to market demand and control costs in light of the significant reduction in revenue.

Launching new offerings

To better meet the new needs of its customers, Elis launched specific offerings related to hygiene, healthcare, and the facility disinfection. Attentive to its customers' needs, the Group tackled the new hygiene requirements for workwear and handwashing. It also regained market share in textiles for operating rooms, replacing offshore disposables, which are no longer in line with CSR standards and proved to be limited when it came to security of supply.

Proud of Elis employees’ commitment to local communities

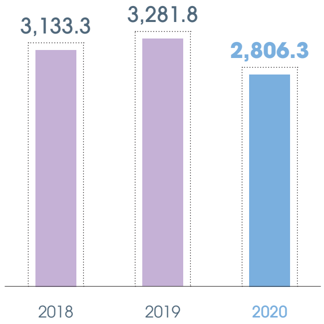
Elis’s teams everywhere also mobilized to assist customers and support local communities. Between donating linen and helping disadvantaged communities, Elis’s teams made investments on the ground to support the people most affected by the crisis. In Colombia, for example, Elis teams distributed nearly 1,000 bags of basic necessities to the elderly and disabled in three neighborhoods of Bogotá with the help of local authorities.

New governance structure with the creation of a CSR committee

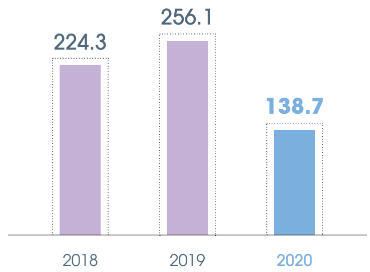
In November 2020, the Group announced that its Supervisory Board had created a third standing committee focusing on corporate and environmental responsibility issues. This CSR Committee will be in charge of reviewing the Elis Group’s CSR strategy, commitments and guidelines and ensuring that Elis is fully prepared for major CSR challenges, risks, and opportunities.

Key figures in 2020

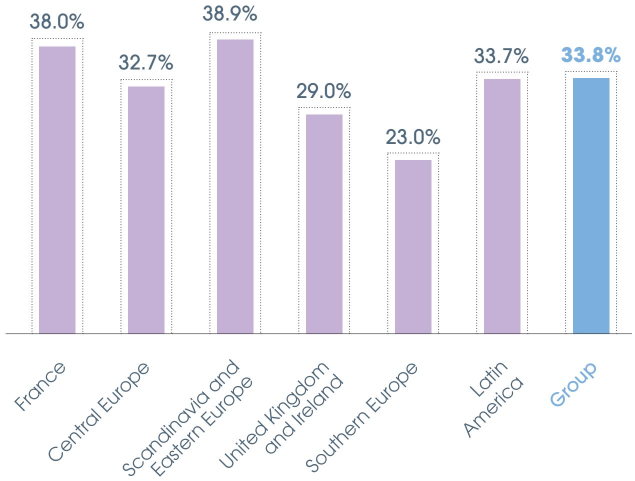
REVENUE
In millions of euros



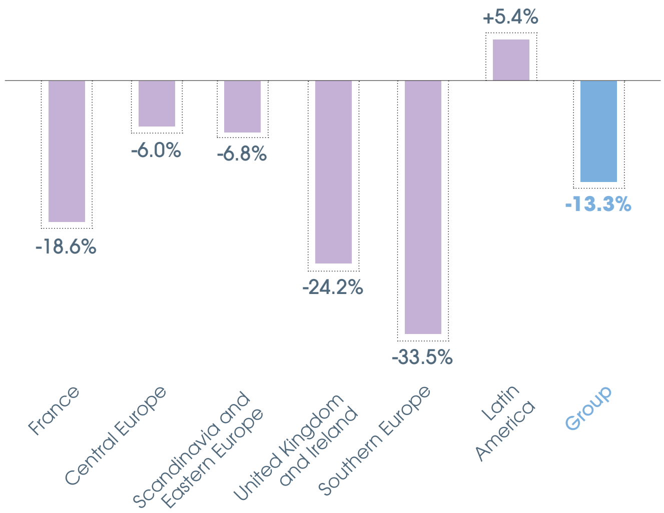
NET INCOME FROM ORDINARY OPERATIONS
In millions of euros



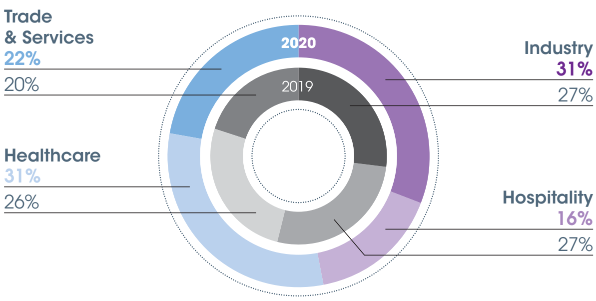
2020 EBITDA BY REGION
As a % of revenue



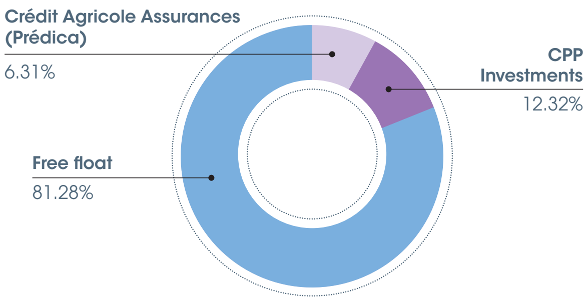
ORGANIC REVENUE GROWTH IN 2020
As a % of revenue



BREAKDOWN OF REVENUE BY MARKET SEGMENT
As a % of revenue



SHAREHOLDING STRUCTURE AT DEC. 31, 2020*



More information in chapter 7.

Social

HEADCOUNT

45,774 employees as at December 31, 2020 **53 %** of which are women
30% of new managers are women
(9% increase in five years)

TALENT DEVELOPMENT

26% of new managers are promoted internally

Reputation

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

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

Environment

WATER CONSUMPTION

36% reduction compared to 2010*

**Per kg of linen delivered – Europe.*

ENERGY CONSUMPTION

18% reduction compared to 2010*

**Per kg of linen delivered – Europe.*

ISO 50001-CERTIFIED SITES

81

ISO 14001-CERTIFIED SITES

143

More information in chapter 3.

Revenue > **€2,806.3 million**

EBITDA > **€947.5 million** **33.8%** of revenue

Net income from ordinary operations > **€138.7 million**

Free cash flow > **€216.8 million**

Net capex > **€493.8 million**

1.2
STRATEGY

Elis's rental and maintenance model is based on a product-service system, 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

- **45,000** employees
- Operations in **28** countries

FINANCIALS

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

FACILITIES

- **420** production and distribution centers
- Over **5,700** vehicles
- **143** ISO 14001-certified sites
- **81** ISO 50001-certified sites
- A responsible industrial model
- Product-service system

BRANDS

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

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
- **26,000** satisfaction surveys carried out in 2020

The four pillars of Elis's strategy

To deliver cutting-edge solutions, Elis's strategy is based on four key pillars.

Consolidation of position

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

Network expansion

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

Operational excellence

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

Innovation

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

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

Value created

CUSTOMERS

- Ability to focus on core business
- **85.8%** satisfaction rate in France, Belgium, Luxembourg, Spain, Portugal, Brazil, Italy and Switzerland

EMPLOYEES

- **53%** women
- **30%** of new managers are women

INVESTORS

Since the IPO*:

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

**Initial public offering.*

THE PLANET

Reduction in consumption between 2010 and 2020, in line with 2025 targets*:

- Water: **-36%**
- Energy: **-18%**

**Per kg of linen delivered – Europe.*

Focus on CSR

A naturally responsible model

As a rental and maintenance company, sustainability is the cornerstone of Elis's business model. Elis is committed to taking the necessary steps to satisfy its customers and provide quality service while reducing its impact on the environment and putting conditions in place to create a trusting and respectful relationship with employees and partners.

With a model based on the product–service system, Elis is committed to sustainable development that limits negative externalities related to energy and raw material consumption and reconciles economic growth and environmental footprint. The Group's goal is to contribute to a change in consumption habits so that they are more environmentally friendly and consistent with evolving practices.

Every day, Elis aims to go even further, prioritizing sustainable product design and working with suppliers to use sustainable materials. In terms of logistics, the bedrock of Elis's close customer relationships, the Group is optimizing every mile traveled. It is also currently testing the use of electric vehicles, even though the technology has yet to offer an adequate compromise between range and loading weight. At its industrial sites, Elis is streamlining the use of water, energy, and laundry products.

Key figures in 2020

Savings achieved by the Group since 2010, per kg of linen treated

-36% water
(in Europe)

-18% thermal energy
(in Europe)

-12% CO_2
(Group-wide)

> **"Our know-how, the commitment of our employees, and the trust of our shareholders are key elements to the sustainable development of our business."**
>
> **Xavier MARTIRÉ**
> Chairman of the Management Board

Elis's CSR commitments aim for 360-degree corporate responsibility and are focused on three key areas. For each of these commitments, the Group has defined ambitious goals for 2025 for reducing the consumption of water, energy and detergent, recycling textiles, product durability, and employee well-being.

Continuously reducing the environmental footprint of its business

- Promote more sustainable choices that incorporate reduction, reuse or recycling
  - 80% of textiles recycled by 2025
  - Identify and implement new ways to recycle: sound insulation, recycling within the industry, converting textiles into reusable thread
- Improve the eco-design of products and increase their lifespan
  - offer at least one sustainable product per service line
- Reduce consumption of natural resources and greenhouse gas emissions by 2025 relative to 2010

  per kg of linen delivered
  - -20% CO_2 emissions (Group-wide)
  - -35% thermal energy (in Europe)
  - -50% water consumption (in Europe)

Elis is expanding its clean vehicle fleet

To reduce the environmental impact of its vehicles, Elis added to its clean fleet in 2020. This transition to cleaner, more sustainable, and responsible transport can be seen throughout the Group, which now has 160 hybrid vehicles, 59 electric vehicles, and 35 vehicles running on biodiesel or biogas.

"Our rental, laundry and maintenance model significantly reduces pressure on the environment as a result of better item use, reduced and more responsible purchasing, maintenance, and optimized logistics."

Frédéric DELETOMBE
Engineering, Purchasing and Supply Chain Director

Taking responsibility for our impact on society

- Continue developing a responsible supply chain
  - 95% of service providers will be covered by a CSR assessment
- Underscore the Elis Code of Ethics
  - Anti-corruption training for people in at-risk positions
- Empower the next generation through educational support
  - The Elis Foundation's budget will be tripled

The Elis Foundation is growing

Launched in March 2019, the Elis Foundation celebrated its first anniversary and, at the start of the 2020 academic year, welcomed a second cohort of graduates who had received their baccalaureate diplomas with honors and distinctions. These highly motived young people have diverse backgrounds.

Empowering our employees' well-being and growth

- Ensuring employees are safe
  - 50% reduction in lost-time accidents
- Helping everyone grow both personally and professionally
  - Launch the Chevrons program in all host countries
  - Develop talent internally
- Promote diversity:
  - 40% of management positions held by women

HR strategy: "40% of management positions held by women"

Elis has decided to increase the number of women on the Group's management teams in the coming years. It is essential for the cultural enrichment of the company that more women attain management positions. The Group has set a goal of having at least 40% of its management positions held by women by 2025. To achieve this goal, action plans will be implemented within the company and deployed internationally.

"I am pleased to say that in 2020, a woman was appointed to the Executive Committee and another assumed a director position in a southern European country."

Didier LACHAUD
Human Resources and CSR Director

Focus on innovation

In addition to new services, Elis aims to offer innovative experiences to its customers and their end users that are consistent with its business model, which is based on a product-service system. 2020 was marked by a real push to digitalize Elis's tools.

Innovating for customers by developing new services

The Elis Connect tracking program is a response to the challenges of our time, and that is even more true now. It helps to make customers' lives easier by offering solutions based on new technologies and data collection.

This program is being progressively rolled out for each of the services offered to Elis customers.

For workwear, Elis offers reliable delivery tracking using RFID chips integrated into each garment that can be scanned at centers or at customers' facilities. The automatic garment dispenser offering enhances this solution for optimal traceability.

Elis washroom solutions include connected devices with sensors that transmit information about consumption levels in real time.

Elis Connect will soon be marketed for pest control services.

Optimizing existing services: electronic contracts and invoices

Elis is digitalizing its entire sales process, starting with its pricing tool, which will allow for automatically generating contracts that customers can sign electronically. For the past several years, Elis has already been sending and archiving electronic customer invoices.

Optimizing internal procedures: GLAD

GLAD is a multi-purpose logistics assistance solution that provides management, optimization, reporting and customer information tools. It is meant as a resource to help centers manage their logistics, including live monitoring of trucks and the progress of their routes, drag and drop route optimization, optimized new customer integration or customer removal, and fleet monitoring.

Testing was conducted in 2020, paving the way for pilots in early 2021, followed by a gradual rollout to several European centers over the course of the year.

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, laundry 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

37%* Flat linen

40%* Workwear

23%* Hygiene and well-being**

* As a percentage of consolidated revenue.
** And miscellaneous.

Focus on **the customer experience**

From the very beginning, the customer experience has guided each of the Group's decisions and actions. Elis's goal is to anticipate the needs and expectations of its customers at all times to provide them with an unrivaled, customized experience under all circumstances.

All of Elis's actions are based on three cornerstones: proximity, simplicity and reliability.

Proximity

Thanks to its dense geographical network, Elis can support its customers on a daily basis, guaranteeing short turnaround times and the utmost attention to their needs.

Simplicity

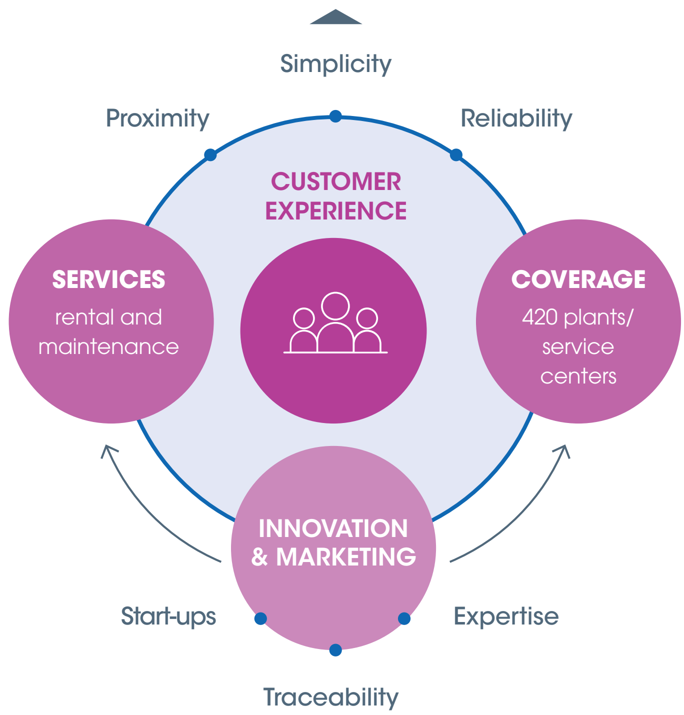
Entrusting the maintenance of workwear, linen or hygiene appliances to a multi-service partner is a simple way to promote optimal efficiency.

Reliability

At each stage of a customer's journey with Elis, the Group promises the highest quality of service, compliance with all prevailing standards, seasonal flexibility, and the guarantee of a controlled budget.

Development & Growth

Cross-Selling | Loyalty-Building | Business Development



In 2020, Elis underscored its role as a partner to its customers during a crisis that hit many industries especially hard. In addition to business continuity, Elis was able to support all its customers to meet their needs during the crisis.

It implemented financial support measures by modifying payment terms, especially for customers whose operations were suspended during the pandemic.

To better meet the new needs of its customers, the Group was able to rely on the dedication of its employees, who have supported customers on a daily basis and found new ways to build customer loyalty.

To help its customers continue to operate or reopen their businesses, Elis adapted its processes to provide services that were perfectly adapted to the new public health restrictions. Elis's industrial process and logistics guarantee compliance with major cleaning and hygiene principles, especially the "forward flow" principle, for the health and safety of customers (washing and disinfection of textiles, special packaging to guarantee articles remain sanitary at the end of the process, delivery in trucks with a double functional separation between dirty linen and clean linen to control any risk of cross-contamination, health and safety protocols for operators and service agents). Elis adapted delivery schedules to customers' needs, increased the number of changes of garments to meet these new public health requirements, and fixed occasional breakdowns.

Hospitality

Elis provides rental, laundry and maintenance solutions for flat linen, mats and hygiene appliances for the hotel, cruise, airline and ferry industries, as well as seasonal rental platforms and concierge departments to make it easier for them to manage their companies on a day-to-day basis.

Whether it's in the kitchen or the dining room, food service establishments must project the right image.

Elis understands this, and its rental, laundry and maintenance services therefore cover aprons, workwear, tablecloths, napkins and hygiene products.

To meet the new needs in one of the sectors most affected economically by the global pandemic, Elis had to adapt and work to support its customers on a daily basis.

16%*

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 2020 consolidated revenue, excluding other sectors

Spotlight
A sector in crisis

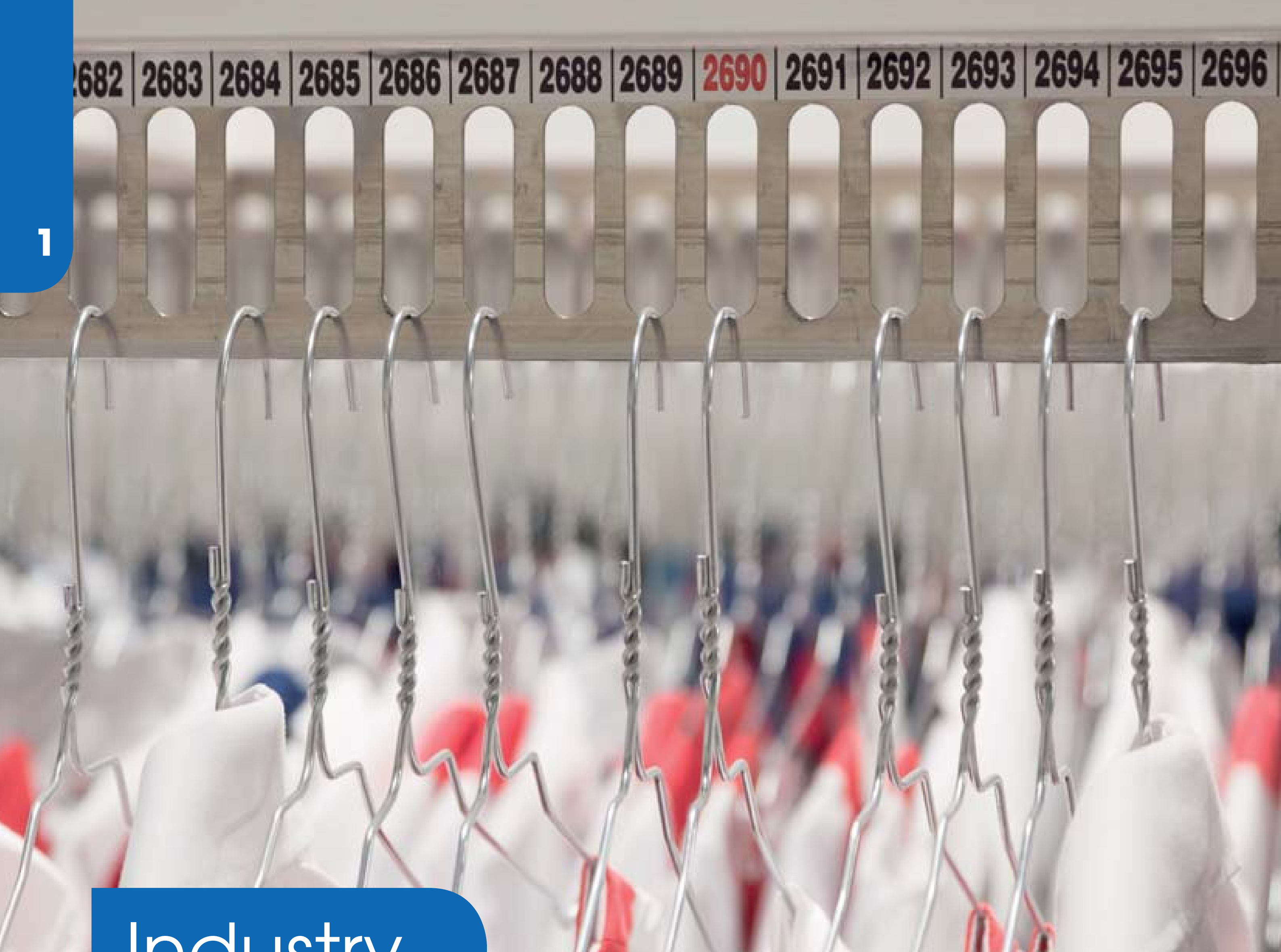
The hospitality sector was the first to be affected by the mandatory closures in many countries that extended beyond the lockdowns and business in the hospitality sector has been severely impacted by the Covid-19 public health crisis.

Faced with this complex and unprecedented situation, Elis continued to support its customers by meeting their new needs and doing everything possible to keep from passing on the fixed costs associated with its business to them. To reassure customers, Elis employees went to great lengths to communicate the enhanced health and safety protocols for linen maintenance and transportation at its centers.

A closer look at CSR

3,367 tons

of linen recycled in 2020



Industry

The Industry sector requires expertise and meticulousness; actions must be precise, and safety must be maintained at every level. Thanks to Elis's extensive experience, it is familiar with the regulations and requirements that govern these businesses. That is why, each and every day, Elis makes sure it provides specific textile items and hygiene appliances that require the highest level of hygiene and are essential for the smooth operation of these businesses and protecting their employees.

In 2020, Elis helped its customers set up or enhance health and safety protocols, with more frequent workwear changes, PPE, and hygiene and hand disinfection solutions.

31%*

Industry sectors

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

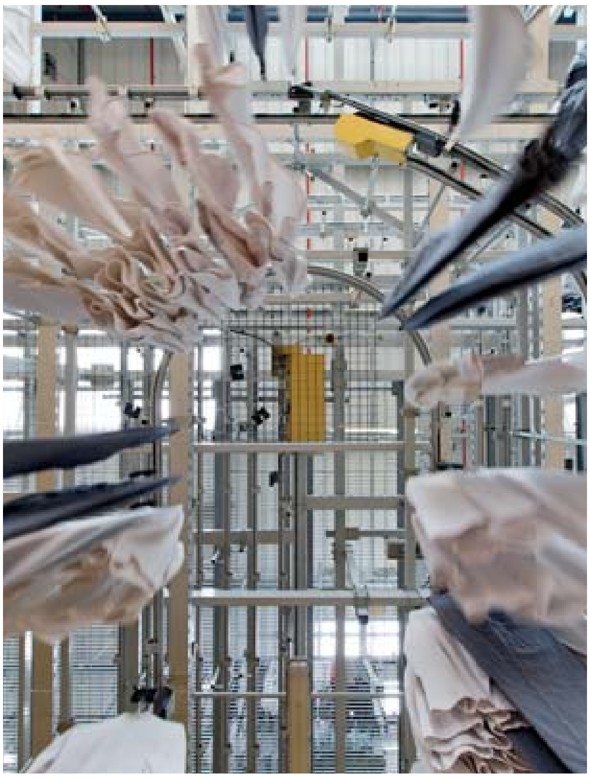
* As a percentage of 2020 consolidated revenue, excluding other sectors

Spotlight
Automatic clothing dispensers

During a public health crisis, automatic clothing dispensers are a tool with many cleanliness and cost advantages, especially for the agri-food industry.

Already widely used in the hospitality and healthcare sectors, automatic clothing dispensers are now being used in industry, especially by the agri-food sector, to optimize workwear management.

These dispensers are very easy to use and can provide wearers with clothing that is either folded or on hangers. Using a card that indicates what they are allowed to take, employees collect the clothes they need at the beginning of their shift and drop them off at the end of the day. This tool guarantees complete article traceability, monitors clothing changes, manages clothing inventory under optimal health and safety conditions, and provides clothing around the clock, thus meeting the need employers have to distribute workwear during increasingly wide and sometimes staggered ranges of hours.



Healthcare and social welfare

Hospitals, clinics, and nursing homes require residential linens and workwear that meet the highest hygiene standards.

For residents with disabilities or nursing homes, personal laundry maintenance solutions are essential. Elis supports the healthcare and social welfare sector by supplying a range of hygiene appliances and amenity products that are compliant with nursing home hygiene requirements. Furthermore, Elis's rental, laundry and maintenance service means more time for the workers in this sector to concentrate on their day-to-day jobs, no matter what they are.

When the pandemic hit, Elis was able to ensure continuity of service for its customers and help with last-minute emergencies thanks to the proximity of its centers, demonstrating greater responsiveness and adaptability than the supply chain for disposable products, which was affected by shortages, high demand, closed borders, etc.

31%*

Industry sectors

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

* As a percentage of 2020 consolidated revenue, excluding other sectors

Spotlight Scrubs

The public health crisis has reminded the healthcare sector of the advantages of reusable textiles compared to disposable non-woven ones, especially when it comes to scrubs. For reusable textiles, hygiene is controlled and monitored, complying with the regulations in force and reflecting Elis's expertise in industrial cleaning processes.

Conversely, disposable products are stored for several months in containers from Asia in which hygiene is often difficult to maintain.

In terms of safety, reusable textiles offer better resistance than non-woven ones, especially against the risks of tearing and/or burning.

In terms of comfort, the cotton–polyester blend used for cloth scrubs is a more comfortable material to wear than non-woven textiles, as it is more breathable and softer to the touch.

The use of reusable textile scrubs can reduce the impact on global warming by up to 62%, given the frequent over-use of disposable scrubs.

For every set of cloth scrubs at the end of its life, there are 64 sets of disposable scrubs to be incinerated. For the same level of service rendered under a four-year contract in France, an average of 14.6 sets of reusable scrubs must be made, compared to 940 sets of disposable scrubs.

Using good hygiene to prevent biocontamination risks

As a leader in rental, laundry and maintenance solutions, Elis is fully aware that hygiene in healthcare establishments primarily means controlling biocontamination risks. This is why Elis has special washing programs, and its treatment and control processes meet Risk Analysis Biocontamination Control (RABC) standards. To fully meet its customers' needs, Elis guarantees the microbiological cleanliness of the linens it delivers to hospitals, daycare centers and nursing homes.

Spotlight **Nursing home resident laundry**

Elis's nursing home resident laundry service handles all types of clothing through a network of laundries either within or outside of these facilities. The goal is to allow both the families of the resident and the facilities themselves to focus entirely on residents' well-being.

Elis guarantees the cleanliness of laundered items down to the microbiological level through a controlled maintenance cycle. Even during the unusual circumstances related to the Covid-19 crisis, Elis's teams ensured service continuity. After nursing homes closed to families, Elis also needed to handle laundry for additional residents.

Trade and Services

For retailers and service providers, the number-one goal is to deliver the best possible experience for customers and end users. Welcoming customers, ensuring product and service quality, and managing inventory and staff are all tasks that require precision and time. Thanks to Elis, professionals working in the trade and services sector can focus on their core business with complete peace of mind. Elis supplies them with a full range of workwear, equipment and hygiene products on a rental/maintenance basis.

Because Elis is intimately familiar with the specific challenges of this sector, it also takes care of laundry pick-up and delivery.

22%*

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 2020 consolidated revenue, excluding other sectors

Spotlight
Kennedy

2020, a year of incredible growth for Elis's "hygiene" subsidiary

In 2020, UK-based subsidiary Kennedy Hygiene doubled its revenue compared to 2019 due to a significant increase in sales of soap and hand sanitizer dispensers as a result of the global Covid-19 pandemic. It was able to rapidly increase its production capacity both internally and externally. To meet the exponential demand for no-touch distributors, Kennedy was able to secure production of additional units in Asia. As a result, nearly one million soap dispensers were produced, the majority of which were no-touch appliances, which usually only account for about 10% of volume.

Spotlight **Hygiene**

Elis has helped its customers reopen their businesses by creating special offerings. Naturally, the new offerings available include a special hand hygiene offering, which includes appliances for washing hands with soap and water followed by drying, or the dispensing of hand sanitizer on clean and dry hands for the disinfection of a wide range of viruses, including coronavirus, influenza, and hepatitis B and C.

Protocols were created for all business sectors to educate Elis appliance users about proper hand hygiene.

1.4 GOVERNANCE

An experienced management team

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

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

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

Supervisory Board

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

11 members

THIERRY MORIN Chairman of the Supervisory Board, independent member

JOY VERLÉ
Vice-Chairperson
FABRICE BARTHÉLEMY
Independent member
PHILIPPE BEAUDOUX
Member representing employees
ANTOINE BUREL
Independent member
MAGALI CHESSÉ
Member

ANNE-LAURE COMMAULT
Independent member
PHILIPPE DELLEUR
Independent member
AMY FLIKERSKI
Member
VALÉRIE GANDRÉ
Member representing employees
FLORENCE NOBLOT
Independent member

6 women
5 men
7 meetings
53 average age
97% attendance rate
66% independent members

Audit Committee

3 members

ANTOINE BUREL
Chair

THIERRY MORIN
Independent member

MAGALI CHESSÉ
Member

Main duties

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

100% attendance rate
4 meetings

Appointments, Compensation and Governance Committee

3 members

FABRICE BARTHÉLEMY
Chair (since October 2020)

THIERRY MORIN
Independent member

JOY VERLÉ
Member

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

3 members

FLORENCE NOBLOT
Chair

PHILIPPE DELLEUR
Independent member

AMY FLIKERSKI
Member

Main duties

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

Created in October 2020, the CSR Committee did not meet in 2020

Executive Committee

11 members

XAVIER MARTIRÉ
Chairman of the Management Board

LOUIS GUYOT
Member of the Management Board,
Chief Financial Officer

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

ALAIN BONIN
Deputy Chief Operating Officer
(France, Switzerland)

MICHEL DELBECQ
Transformation and IT Director

FRÉDÉRIC DELETOMBE
Engineering, Purchasing and Supply Chain Director

DIDIER LACHAUD
Human Resources and CSR Director

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

JOHANNA PERSSON
Deputy Chief Operating Officer
(Northern Europe)

CAROLINE ROCHE
Marketing and Innovation Director

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

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

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

More information in chapter 2.

2

Corporate governance AFR

Pursuant to the provisions of Article L. 225-68 of the French Commercial Code (now Article L. 22-10-20 since January 1, 2021), the Supervisory Board's report provides information regarding corporate governance. Additionally, this report includes information specific to companies with a Supervisory Board relating to the compensation of corporate officers referred to in Articles L. 225-37-3 to L. 225-37-5 (new Articles L. 22-10-9 to L. 22-10-11) of the French Commercial Code, as well as the Supervisory Board's observations regarding the Management Board's report and the financial statements for the period.

The Chairman of the Supervisory Board tasked the Finance, Legal and Internal Audit Departments with carrying out the preparatory steps for this report, which was then reviewed by the Appointments, Compensation and Governance Committee and approved by the Supervisory Board on March 8, 2021.

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 2021, as well as the elements of compensation paid in 2020 or awarded during 2020.

2.1 GOVERNANCE

2.1.1 Corporate Governance Code

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

In the context of the "comply or explain" rule stipulated in Article L. 225-37-4 (now Article L. 22-10-10 paragraph 4) of the French Commercial Code, to which reference is made in Article L. 225-68 (now Article L. 22-10-20) of the French Commercial Code, and as referred to in Article 27 of the AFEP-MEDEF Code of January 2020, the Company believes that its practices comply with the recommendations of the AFEP-MEDEF Code, with the exception of the following recommendations:

Deviations from the provisions of the AFEP-MEDEF Code	Explanation
Board and committee meetings Article 11.3: "It is recommended that at least one meeting be held every year from which executive corporate officers are excluded."	In 2020, there was no formal meeting specifically excluding executive corporate officers (who are members of the Management Board), but these officers do not attend Supervisory Board discussions about compensation policy or the level of the targets to be achieved related to their variable compensation.
Compensation Committee Article 18.1: "It is recommended […] that one of its members should be an employee director."	The members of the Supervisory Board representing employees, appointed in November 2020, attend meetings of the Supervisory Board at which the work of the Appointments, Compensation and Governance Committee is presented and during which the compensation and other benefits granted to corporate officers are reviewed and discussed. However, since the Appointments, Compensation and Governance Committee deals with broader issues than compensation alone, its members do not include the Supervisory Board members representing employees.

2.1.2 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 significant changes in general management in 2020.

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 2020 universal registration document, the Management Board has three members:

Full name	Nationality	Age	Number of Elis shares[(b)]	Role	Date of first appointment	Start of current termof office	Expiration of current term of office
Xavier Martiré	French	50	379,826	Chair	October 21, 2008[(a)]	September 5, 2018	September 5, 2022
Louis Guyot	French	48	143,252	Member	September 5, 2014	September 5, 2018	September 5, 2022
Matthieu Lecharny	French	51	81,851	Member	September 5, 2014	September 5, 2018	September 5, 2022

(a) Chairman of the Company under its former structure as a French simplified limited liability company.
(b) As at December 31, 2020 (see chapter 7, section 7.2.3, which describes transactions in the Company's shares carried out by its executives in 2020).

Presentation of the members of the Management Board (Article L. 225-37-4 paragraph 1 of the French Commercial Code, now Article L. 22-10-10 paragraph 1 since January 1, 2021)

Xavier Martiré
Chairman of the Management Board

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

Date of birth:
January 18, 1971

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, 2020

Other offices and positions held within the Group:

- Chairman and Chief Executive Officer of M.A.J. SA (France)
- Director of Pierrette TBA SA (France)
- Chairman of Berendsen Ltd (United Kingdom)
- Chairman of Elis Luxembourg SA (Luxembourg)
- Director of Compañía Navarra de Servicios Integrales SL (Spain)
- Director of Elis Manomatic SA (Spain)
- Director of Lavanderías Triton SL (Spain)
- Director of Elis Italia SpA (Italy)
- Director of SPAST SA (Portugal)
- Director of GAFIDES SA (Portugal)
- Director of Wäscherei Mariano AG (Switzerland)
- Director of Albia SA (Chile)
- Director of Servicios Hospitalarios SA (Chile)

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

- Chairman and Chief Executive Officer of Elis Services SAS (France)
- Chairman of the Supervisory Board of Atmosfera Gestão e Higienização de Têxteis SA (Brazil)
- Director of Wäscherei Papritz AG (Switzerland)
- Director of Grosswäscherei Domeisen AG (Switzerland)
- Director of 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)
- Member of the Board of Berendsen A/S (Denmark)

Louis Guyot
Member of the Management Board

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

Date of birth:
May 23, 1972

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, 2020

Other offices and positions held within the Group:

- Chairman of Pro Service Environnement SAS (France)
- Chairman of Blanchisserie Blésoise SAS (France)
- Director of Pierrette TBA SA (France)
- Chairman of Elis Belgium SA (Belgium)
- Chairman of the Supervisory Board of Elis Textile Service AS (Estonia)
- Director of Elis Luxembourg SA (Luxembourg)
- Director of Elis Manomatic SA (Spain)
- Director of Elis Italia SpA (Italy)
- Director of SPAST SA (Portugal)
- Director of GAFIDES SA (Portugal)
- Director of Albia SA (Chile)
- Director of Servicios Hospitalarios SA (Chile)
- Director of Berendsen A/S (Denmark)
- Director of Berendsen Textile Service Oy (Finland)
- Director of Berendsen Textil Service AB (Sweden)
- Director of S Berendsen AB (Sweden)
- Director of Energías Margua SAU (Spain)
- Director of Cogeneración Martiartu SLU (Spain)
- Director of Goiz Ikuztegia SLU (Spain)
- Director of Indusal Centro SAU (Spain)
- Director of Indusal Navarra SAU (Spain)
- Director of Indusal SAU (Spain)
- Director of Lesa Inmuebles Siglo XXI SL (Spain)
- Director of Servicios de Lavandería Industrial de Castilla La Mancha SAU (Spain)
- Director of Base Lavandería Industrial SLU (Spain)
- Director of Lloguer Textil Maresme SLU (Spain)
- Director of Lavanderías Triton SL (Spain)
- Director of Marina de Complementos SLU (Spain)
- Member of the Supervisory Board of Elis Textile Service Sp z oo (Poland)
- Director of Coliday Holdings Ltd (Cyprus)
- Member of the Board of Berendsen Ireland Holdings Ltd (Ireland)
- Member of the Board of Elis Textile Services Ltd (Ireland)
- Member of the Board of Elis Textile Ltd (Ireland)

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

- Director of Elis Services SAS (France)
- General Manager of Blanchisserie Professionnelle d'Aquitaine SARL (France)
- 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)
- Chairman of Hygiène Contrôle Île-de-France SAS (France)
- Chairman of BMF SAS (France)

Matthieu Lecharny

Member of the Management Board

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

Date of birth:
December 26, 1969

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, 2020

Other offices and positions held within the Group:

- Chairman of Elis Italia SpA (Italy)
- Director of Elis Manomatic SA (Spain)
- Director of Compañía Navarra de Servicios Integrales SL (Spain)
- Director of Energías Margua SAU (Spain)
- Director of Cogeneración Martiartu SLU (Spain)
- Director of Goiz Ikuztegia SLU (Spain)
- Director of Casbu SL (Spain)
- Director of Indusal Centro SAU (Spain)
- Director of Indusal Navarra SAU (Spain)
- Director of Lesa Inmuebles Siglo XXI SL (Spain)
- Director of Indusal SAU (Spain)
- Director of Servicios de Lavandería Industrial de Castilla La Mancha SAU (Spain)
- Director of Base Lavandería Industrial SLU (Spain)
- Director of Lloguer Textil Maresme SLU (Spain)
- Director of Lavanderías Triton SL (Spain)
- Director of Marina de Complementos SLU (Spain)
- Director of SPAST SA (Portugal)
- Director of Albia (Chile)
- Director of Servicios Hospitalarios SA (Chile)
- Member of the Supervisory Board of Atmosfera Gestão e Higienização de Têxteis SA (Brazil)

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

- Director of Lavandería Industrial La Condesa SLU (Spain)
- Director of Indusal Sur SA (Spain)
- Director of Lavalia Balears Servicios y Renting Textil SL (Spain)
- Chairman and Sole Director of GIE Eurocall Partners (France)
- Chairman of Kennedy Hygiene Products Ltd (United Kingdom)
- Chairman of Kennedy Exports Ltd (United Kingdom)
- General Manager of Le Jacquard Français SARL (France)
- Director of Lavalia Sur Servicios y Renting Textil SA (Spain)
- Director of Lavandería Hotelera Del Mediterraneo SA (Spain)

Powers of the Management Board

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

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

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

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

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

Executive Committee

The Management Board is assisted in its duties by an Executive Committee composed of members of the Management Board and the Group's chief operating officers and support function directors, presented in chapter 1 of this 2020 universal registration document. Effective September 1, 2020, Johanna Persson was appointed Deputy Chief Operating Officer for the Nordic region and is responsible for the Group's Cleanroom business unit. She is also a member of the Executive Committee, replacing Erik Verstappen, who resigned.

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

(Information current as at December 31, 2020)

Alain Bonin, aged 57, 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 56, 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 48, 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 61, has been the Human Resources and Corporate Social Responsibility Director of the Elis Group since 2010. 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 47, has been a Deputy Chief Operating Officer since March 1, 2015. He is responsible for pest control services, operations in two French regions, and operations in the United Kingdom and Ireland. Yann Michel has been with the Group for more than 15 years and has held various operational positions, including director of two regional departments. He is a graduate of Université de Technologie de Compiègne.

Johanna Persson (Executive Committee member from September 1, 2020), 39, is Deputy Chief Operating Officer for the Nordic region (Sweden, Norway, Finland, Denmark, Netherlands, Benelux) and responsible for the Cleanroom business unit. She joined Berendsen in 2017 as Managing Director, Workwear for Sweden and Finland before being appointed Managing Director for Sweden. Since the start of her career, she has held several senior management positions in Sweden and abroad in sales, marketing, business development and management, notably for Duni Group and Nord-Lock Group. Johanna Persson holds a master's in business administration and economics from Lund University in Sweden.

Caroline Roche, aged 48, 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 54, 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.

Erik Verstappen (member of the Executive Committee until August 31, 2020), 61, was Deputy Chief Operating Officer for the Nordic region and was responsible for the Cleanroom business unit. He began his career in sales at Kyocera, then joined Ricoh, where he held various sales and marketing positions and served on the Management Board between 1993 and 2007. In 2007, he became Berendsen's Managing Director for the Netherlands. He had a professional background in business administration and held an MBA.

Group diversity policy

(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 Company 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).

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.

Talent reviews, led by the Human Resources Department in conjunction with the country, regional, and central departments, identify and develop managers' potential to maximize their career prospects within the Group in the short, medium and long term. A development path and mentoring program will be implemented in 2021 to support women's advancement within the company.

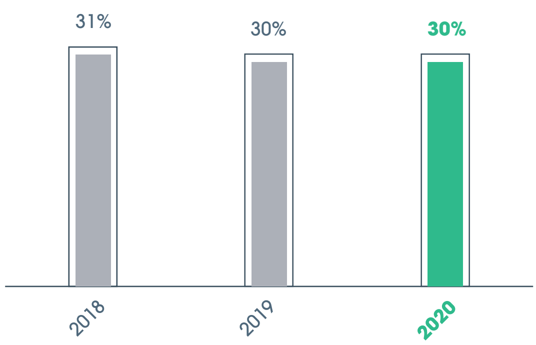
During talent reviews and individual annual reviews, priority is given to employees who have expressed an interest in developing their careers in an area where their gender is under-represented.

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

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

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

Change in the percentage of women in executive or managerial roles



The company has set itself a target of 40% by 2025.

2.1.3 Supervisory Board

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

Composition of the Supervisory Board

Diversity policy for the composition of the Supervisory Board

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

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

Criteria	Objectives	Implementation and outcomes
Independence	Comply with the recommendations of the AFEP-MEDEF Code on the independence of the Board	As at March 8, 2021, six members were independent.
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)	**Composition of the Supervisory Board as at March 8, 2021 (excluding members of the Supervisory Board representing employees)[(a)]** 5 women 4 men
Age of Board members	No more than a third of Board members may be over 70 years of age, in accordance with the relevant legal provisions (Article 17 of the Company's bylaws)	0 members over age 70 11 members under age 70 Average age: 53
Employee representation on the Board	Article 17 of the Company's bylaws	2 members representing employees (appointed in November 2020) See "Representation of employees on the Supervisory Board" paragraph below.
Complementarity of backgrounds from an international and nationality perspective	Reflect the different regions where the Group operates as much as possible	All members of the Supervisory Board have international experience. One Board member is a British national and another is a Canadian national.
Complementarity of backgrounds in terms of expertise and experience	Include members with technical abilities from a variety of realms of expertise and experience	**Competency map for members of the Supervisory Board** International business management: 5 members Finance: 5 members (including the 3 Audit Committee members) Marketing and sales: 1 member Strategy and M&As: 2 members Human resources: 1 member Quality: 1 member

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

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

- **regarding members representing employees**:

In 2020, in accordance with Article L. 225-79-2 II of the French Commercial Code, the Company implemented the applicable legal provisions as amended by the law on business growth and transformation (the Pacte law).

It therefore amended Article 17.VII of the Company's bylaws, as decided by the 29th resolution of the extraordinary general shareholders' meeting on June 30, 2020. In addition, on November 2, 2020, the group works council appointed two members representing employees to the Supervisory Board (one male and one female).

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

The category of employee members of the Supervisory Board provided for in Article L. 225-71 of the French Commercial Code (representing employee shareholders) is not currently represented on the Elis Supervisory Board because the shares held by the Company's employees, as well as by the employees of companies affiliated with it within the meaning of Article L. 225-180 of the French Commercial Code, represent 1.26% 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, section 7.2.1 of this 2020 universal registration document).

Composition of the Supervisory Board and its special committees as at the date of this universal registration document and summary of attendance at Board and committee meetings in 2020

	Supervisory Board								Committees						
												Attendance rate in 2020			
	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 2020	Audit Committee	Appointments, Compensation and Governance Committee	CSR Committee[g]	Audit Committee	ACGC	CSR	End of current term of office on the Board and committees[a]
Thierry Morin ✔	FR	68	1	1,233	Chair	06/23/2014	05/23/2019	100%	Member	Member	-	100%	100%	-	2023
Magali Chessé	FR	46	1	500	Member	06/01/2016	05/23/2019	100%	Member	-	-	100%	-	-	2023
Philippe Delleur ✔	FR	62	0	1,600	Member	06/24/2015	05/23/2019	100%	-	-	Member	-	-	-	2023
Florence Noblot ✔	FR	57	0	1,000	Member	07/31/2014	05/19/2017	100%	–	Chair[f]	Chair	-	100%[f]	-	2021
Anne-Laure Commault ✔	FR	46	0	500	Member	05/19/2017	05/19/2017	100%	-	-	-	-	-	-	2021
Joy Verlé	FR/UK	41	1	4,500	Vice-Chairwoman	03/06/2018	03/06/2018	100%	-	Member	-	-	100%	-	2021
Antoine Burel ✔	FR	58	1	500	Member	02/20/2019	02/20/2019	100%	Chair	-	-	100%	-	-	2022
Amy Flikerski[c]	CA	41	0	500	Member	06/30/2020	06/30/2020	100%	-	-	Member	-	-	-	2024
Fabrice Barthélemy[c] ✔	FR	52	1	500	Member	06/30/2020	06/30/2020	75%	-	Chair	-	-	-	-	2024
Valérie Gandré[d]	FR	49	0	2,447[e]	Employee member	11/02/2020	11/02/2020	100%	-	-	-	-	-	-	2024
Philippe Beaudoux[d]	FR	56	0	1,345[e]	Employee member	11/02/2020	11/02/2020	100%	-	-	-	-	-	-	2024

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

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

(b) *As at December 31, 2020. As at the date of this universal registration document, Florence Noblot and Anne-Laure Commault hold 2,500 and 2,000 shares of the Company, respectively.*

(c) *Members appointed to the Supervisory Board by the ordinary general shareholders' meeting on June 30, 2020.*

(d) *Members representing employees appointed to the Supervisory Board by the group works council on November 2, 2020.*

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

(f) *Florence Noblot chaired the Appointments, Compensation and Governance Committee until October 21, 2020, when she ceased to be a member of the committee. She attended all its meetings in 2020. On October 21, 2020, Florence Noblot was appointed Chair of the Corporate Social Responsibility Committee ("CSR Committee").*

(g) *On March 3, 2020, the Supervisory Board set up the CSR Committee and tasked the Appointments, Compensation and Governance Committee with making recommendations on its composition and responsibilities (which the Supervisory Board approved on October 21, 2020). This committee did not meet in 2020.*

Changes in the composition of the Supervisory Board and special committees in 2020

Member of the Supervisory Board	Type of change	Date
Philippe Delleur	Appointment as member of the CSR Committee	October 21, 2020
Florence Noblot	Appointment as Chair of the CSR Committee	October 21, 2020
Fabrice Barthélemy	Appointment as member of the Supervisory Board	June 30, 2020
	Appointment as Chair of the Appointments, Compensation and Governance Committee	October 21, 2020
Amy Flikerski	Appointment as member of the Supervisory Board	June 30, 2020
	Appointment as member of the CSR Committee	October 21, 2020
Valérie Gandré	Appointment as member of the Supervisory Board	November 2, 2020
Philippe Beaudoux	Appointment as member of the Supervisory Board	November 2, 2020

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

- **Anne-Laure Commault:** as an independent member, Anne-Laure Commault is Chief Digital Officer Retail of Orange France, which she joined in 2002 as Marketing Manager (2002–2005). She then went on to serve as Project Manager (2005–2006), Office Manager for the chief executive officer (2006–2008), Senior Vice-President, Sales (2008–2010), Senior Vice-President, Marketing – Mobile Offers (2010–2013), Operational Senior Vice-President, Marketing – Retail Offers (2013–2016), and Chief Executive Officer of Générale de Téléphone (2016–2019), a subsidiary of the Orange Group.
- **Florence Noblot:** as an independent member, Florence Noblot has been Chief Customer Officer EMEA (Europe, Middle East and Africa) in the DHL Supply Chain division since May 2016. She joined DHL Express in 1993 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 before being appointed Senior Vice-President, Technology Sector EMEA in 2013, covering all activities of the Deutsche Post DHL Group.
- **Joy Verlé** is Senior Principal at the Canada Pension Plan Investment Board (CPP Investments), which she joined in 2016 and where she is responsible for Relationship Investments (investments in public companies or soon-to-be-public companies). She was involved in the investment CPP Investments made in Elis. She began her career in 2003 at Morgan Stanley in London, where she was an analyst on the M&A and Global Capital Markets teams. In 2006, she joined the private equity firm Bregal Capital as Partner and was involved in investments in the education, renewable energy and healthcare sectors.

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 2020 financial year

Thierry Morin

Chairman of the Supervisory Board

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

Date of birth:
March 27, 1952

Main activity:
General Manager of TM France

BIOGRAPHY

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

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

Main offices and positions held as at December 31, 2020

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:

- Director and Chairman of the Appointments, Compensation and Corporate Governance Committee of Arkema*
- General Manager of TM France
- Chairman of TMPARFI SA
- Director of Navya and Chairman of the Appointments and Compensation Committee

Offices and positions having ended in the past five years:

- Chairman of the Board of Directors of Université de Technologie de Compiègne (UTC)
- Chairman Emeritus of HNT Electronics Co., Ltd (South Korea)

* *Listed company.*

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Joy Verlé

Vice-Chairwoman of the Supervisory Board

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

Date of birth:
May 23, 1979

Main activity:
Senior Principal in the Relationship Investments department at CPP Investments

BIOGRAPHY

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

Main offices and positions held as at December 31, 2020

Other offices and positions held within the Group:

- Member of the Appointments, Compensation and Governance Committee

Offices and positions held outside the Group:

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

Offices and positions having ended in the past five years:

None.

** Listed company.*

Fabrice Barthélemy
Independent member of the Supervisory Board

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

Date of birth:
March 27, 1968

Main activity:
Chairman of the Management Board of Tarkett*

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, 2020

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

Offices and positions having ended in the past five years:

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

* *Listed company.*

2

Philippe Beaudoux

Member of the Supervisory Board representing employees

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

Date of birth:
November 13, 1964

Main activity:
Head of Human Resources

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, 2020

Other offices and positions held within the Group:

— Employee of the company M.A.J.

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

None.

Antoine Burel

Independent member of the Supervisory Board

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

Date of birth:
December 22, 1962

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

BIOGRAPHY

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

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

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

Main offices and positions held as at December 31, 2020

Other offices and positions held within the Group:

— Chairman of the Audit Committee

Offices and positions held outside the Group:

— Director and Deputy Chief Executive Officer of Legrand France
— Director of Legrand (Shanghai) Trading Co. Ltd (liquidation in progress)
— Director of Shanghai Legrand Electrical Talent

Offices and positions having ended in the past five years:

- Director of Kimbe Electric Company of South Africa (Pty) Ltd
- Chairman of the Board of Directors of Legrand Saudi Arabia
- Director of Raritan Australia, Ltd
- Director of Famco Lighting Pty Ltd
- Director of Legrand Australia Pty Ltd
- Director of Legrand Group Pty Ltd
- Director of Legrand Group Belgium SA
- Chairman of the Board of Directors of Legrand Integrated Solutions Nv
- Director of Legrand Canada, Inc.
- Director of Middle Atlantic Products Canada, Inc.
- Director of Solarfective Products Ltd
- Director of Beijing Raritan Technologies Company Ltd
- Director of Shenzhen Shidean Legrand Electronic Products Co., Ltd.
- Director of Legrand (Beijing) Electrical Company Ltd.
- Director of Legrand (Shanghai) Management Co., Ltd.
- Director of 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 CP 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. AŞ
- 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

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, 2020

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

Offices and positions having ended in the past five years:

— Director of Predica Infrastructure SA
— Director of Ramsay Santé SA
— Permanent representative of Predica on the Supervisory Board of Effi Invest I SCA
— Member of the Supervisory Board of Infra Foch Topco SAS (Indigo Group)

* *Listed company.*

Anne-Laure Commault
Independent member of the Supervisory Board

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

Date of birth:
October 19, 1974

Main activity:
Chief Digital Officer of Orange France

BIOGRAPHY

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

Main offices and positions held as at December 31, 2020

Other offices and positions held within the Group:

None.

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

None.

Philippe Delleur
Independent member of the Supervisory Board

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

Date of birth:
April 11, 1958

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, 2020

Other offices and positions held within the Group:

— Member of the Corporate Social Responsibility (CSR) Committee

Offices and positions held outside the Group:

— Independent Director of Biosev, a Brazilian subsidiary of the Louis Dreyfus Group*

Offices and positions having ended in the past five years:

None.

* *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

Main activity:
Senior Portfolio Manager at CPP Investments

BIOGRAPHY

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

Main offices and positions held as at December 31, 2020

Other offices and positions held within the Group:

- Member of the Corporate Social Responsibility (CSR) Committee

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

None.

Valérie Gandré

Member of the Supervisory Board representing employees

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

Date of birth:
07/13/1971

Main activity:
Vice-President Quality Assurance

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, 2020

Other offices and positions held within the Group:

- Employee of Elis Services

Offices and positions held outside the Group:

None.

Offices and positions having ended in the past five years:

None.

Florence Noblot

Independent member of the Supervisory Board

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

Date of birth:
May 15, 1963

Main activity:
Chief Customer Officer, Europe, Middle East and Africa in the DHL Supply Chain division

BIOGRAPHY

Florence Noblot has 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 Deutsche Post DHL Group, which she joined in 1993. 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 before being appointed Senior Vice-President, Technology Sector EMEA in 2013, covering all activities of the Deutsche Post DHL Group. 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, 2020

Other offices and positions held within the Group:

- Chair of the Corporate Social Responsibility (CSR) Committee

Offices and positions held outside the Group:

- Chief Customer Officer, EMEA (Europe, Middle East and Africa) in the DHL Supply Chain division
- Director of Somfy*

Offices and positions having ended in the past five years:

- Senior Vice-President EMEA, Technology Sector of the Deutsche Post DHL Group*
- Managing Director, Commercial Projects of DHL Express
- Chair of DHL Express France SAS
- Chair of the Appointments, Compensation and Governance Committee of Elis*

* *Listed company.*

Independence of the members of the Supervisory Board

Pursuant to Article 1 of its rules of procedure, and in accordance with the recommendations of the AFEP-MEDEF Code, the Appointments, Compensation and Governance Committee and the Supervisory Board conduct an annual review of the independence of each Board member. The latest review took place at their meetings on March 3, 2021 and March 8, 2021, respectively. The Supervisory Board also conducts this review whenever a candidate is nominated for appointment or reappointment to the Board.

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

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

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

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

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

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

Business ties

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

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

Capital relationships

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

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

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

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

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

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

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

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

Information provided to the Supervisory Board

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

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

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

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

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

- generally, any document or information regarding the Company or the Group whose preparation by the Management Board or whose publication is required under applicable regulations or necessary to properly inform the market, at the time they are prepared and prior to publication;
- within ninety (90) 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 (2) 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 (8) days of their preparation and after being reviewed by the Audit Committee;
- the Company's and the Group's annual budget and mid- and long-term investment and financial plan. The Supervisory Board has the right to request that the Management Board communicate a monthly monitoring report thereon;

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

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

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

How the Supervisory Board operates

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

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

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

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

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

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

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

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

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

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

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

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

Supervisory Board's work in 2020

7 meetings (face-to-face and conference calls)	Average meeting duration: 3 hours Attendance rate: 97%

Governance and risks

- Approval of the compensation policy for corporate officers.
- Review of the reports on corporate governance and internal control prepared by the Chairman of the Supervisory Board for the 2019 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 and the authorization to sign them in accordance with Article L. 225-86 of the French Commercial Code.
- Approval of the assessment procedure for conventional agreements entered into at arm's length.
- Review of the Company's risk prevention program as it applies in particular to corruption and cybercrime.
- Transition from the Appointments and Compensation Committee to the Appointments, Compensation and Governance Committee.
- Review of the regular reports submitted by the Appointments, Compensation and Governance Committee.
- Updating the rules of procedure of the Supervisory Board and establishing the rules of procedure of the CSR Committee.
- Supervisory Board operating procedures.

General shareholders' meeting

- Preparations for the annual general shareholders' meeting, postponed to June 30, 2020 due to the Covid-19 public health crisis.
- Review of the Management Board's report on the Group's management and operations for financial year 2019.
- Approval of the reports to be presented to the shareholders.
- Verification of the information provided to shareholders and participation in the general shareholders' meeting.

Strategy and financing

- Review and approval of the Group's industrial and marketing strategy, planned acquisitions and intra-group restructuring.
- Review and approval of the Group's financing policy.
- Review and approval of the budget.

Financial performance

- Audit of the parent company and consolidated financial statements for financial year 2019, the results and financial statements for the first half of 2020, the 2020 quarterly financial information, and the 2020 half-year financial report and related financial communications.
- Examination of provisional management documents.
- Review of the Audit Committee's regular reports.

Strategy and impacts of the Covid-19 public health crisis

- Operational and financial forecast.
- Plan to resume working at headquarters after the first lockdown.
- Review of the dividend policy.
- Review of the compensation policy for corporate officers in respect of 2020, submitted to shareholders for approval on June 30, 2020 as part of the Say on Pay procedure.

Corporate social responsibility

- Review of the Group's CSR policy.
- Creation of a CSR committee and appointment of its members and Chair.

Employee bonus share and share ownership plan

- Examination of plans to launch the Elis Group's second employee share ownership plan, "Elis for All 2021."
- Delivery of bonus share plans for 2017 (Executive Committee) and 2018 (employees).

Special projects during financial year 2020

No Supervisory Board member was assigned any special projects in 2020 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 directors' fees 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 49 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 December 10, 2020, the Supervisory Board took stock of its operations and those of its committees, and noted the launch by the Appointments, Compensation and Governance Committee, with the assistance of an external firm, of the Supervisory Board's self-assessment work.

In addition, in the interests of good governance and the ongoing improvement of the quality of its work, the Supervisory Board decided to set up a third standing committee responsible for corporate social responsibility (the CSR Committee). This follows the extension of the remit of the Appointments, Compensation and Governance Committee in March 2020, likewise in a bid to enhance governance.

2.1.4 Supervisory Board committees

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

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

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

Composition of the Supervisory Board committees

The composition of the Supervisory Board committees is presented on page 49 above.

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

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

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

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

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

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

Roles, responsibilities and work of the committees

Roles and responsibilities of the Audit Committee	Main work carried out in 2020 4 meetings Attendance rate: 100%
› Monitoring of the process for preparing financial information. › Monitoring of the statutory auditing of the parent company and consolidated financial statements by the Company's Statutory Auditors. › Selection of the Statutory Auditors and monitoring of their independence. › Monitoring of the effectiveness of internal control, internal audit and risk management systems for financial, non-financial and accounting information. › Approval of audit services other than the independent audit. › Review of the internal audit department's program and objectives and internal control methods and procedures. › Monitoring of the system for preventing and detecting risks of corruption and influence peddling.	**Work relating to the review of the financial statements** › Review of the key points of the financial statements for 2019 and for the first half of 2020. › Review of draft press releases on the annual and half-year results. › Review of the Statutory Auditors' work and the results of the audits carried out, their recommendations and the follow-up to the statutory audit. › Approval of services other than the independent audit. **Work relating to internal control** › Monitoring of internal audit activity, including the 2020 audit plan and department schedule. › Monitoring of the effectiveness of internal control and the progress of action plans. › Review of the Group's main risks through the presentation of the Group's risk map. › Review of the anti-corruption framework put in place by the Group in accordance with the Sapin II Law and its anti-cybercrime framework. › Review of the Group's General Data Protection Regulation (GDPR) policy. › Review of the Group's cybersecurity policy.

Roles and responsibilities of the Appointments, Compensation and Governance Committee	Main work carried out in 2020 4 meetings Attendance rate: 100%
› Issuing proposals for appointments of independent members of the Supervisory Board, the Management Board and Board committees and analyzing the candidacy of non-independent members of the Supervisory Board. › Annual assessment of the independence and multiple offices held by the members of the Supervisory Board. › Determining the principles and criteria for determining, structuring and awarding the elements of compensation of corporate officers and proposing them to the Supervisory Board. › Review and proposal of special compensation relating to special projects that may be assigned, as applicable, by the Supervisory Board to some of its members. › Review of the executive succession plan.	**Work relating to governance** › Review of the Board's membership (diversity, complementarity of backgrounds, independence, gender balance, concurrent appointments, employee representation, etc.). › Proposing criteria for selecting members of the Supervisory Board. › Selecting and interviewing candidates and submitting proposals to the Board meeting on March 3, 2020 for approval (the Committee worked on the appointment of two new Board members, Fabrice Barthélemy and Amy Flikerski, whose appointments were approved by the ordinary general shareholders' meeting on June 30, 2020). › Defining the procedures for the annual assessment of the Board and its committees and coordinating the self-assessment. › 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 (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 2019 performance of executive corporate officers and recommendation to the Supervisory Board on variable compensation for financial year 2019. › Recommendations for determining the compensation policy for executives and corporate officers for 2020: setting of targets and weighting of compensation for the 2020 financial year. › Recommendations concerning the impact of the Covid-19 public health crisis on the compensation policy for members of the Management Board for 2020. **Performance share plan** › Recommendations on the performance criteria of plans whose vesting period ended in 2020, given the current health crisis. › Recommendations on performance share plans implemented in 2020. › Examination of the principles and procedures for the allocation of performance shares introduced in 2020 for executives and corporate officers (Management Board and Executive Committee) and certain Group managers. › Consideration of new regulations on pay and 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	No meetings were held in 2020.
› 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.	

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, in any event, 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 adopted on October 21, 2020)

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

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

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

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

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

2.1.5 Code of Conduct for Trading and Market Activities

The Supervisory Board adopted a Code of Conduct for Trading and Market Activities 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 2020 can be found in chapter 7, section 7.2.3 "Share transactions carried out by executives and associated persons" of this 2020 universal registration document.

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

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

A compliance officer was appointed to handle potential questions.

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

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

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

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

2.1.7 Management of conflicts of interest

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

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

As appropriate, he or she must either:

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

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

2.1.8 Regulated agreements

Regulated agreements that were signed and/or remained in effect in 2020

In accordance with the provisions of Article L. 225-88-1 of the French Commercial Code, at its meeting on March 8, 2021, the Supervisory Board conducted its annual review of the regulated agreements signed in 2020 or authorized during previous financial years and that remained in effect in 2020.

The Supervisory Board acknowledged that no new regulated agreements were signed in 2020.

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

In this regard, note that at its meeting on March 3, 2020, the Supervisory Board opted to reclassify intra-group agreements and parent company guarantees or counter-guarantees granted by the Company and authorized in the financial years prior to the 2020 financial year as conventional agreements entered into at arm's length.

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

Ultimately, as part of its annual review of the authorized agreements that would have remained in effect in 2020, at its meeting on March 8, 2021, the Supervisory Board noted that no previously authorized regulated agreement had remained in effect in 2020 and that the agreements classified as "conventional" still met the criteria set out in the procedure for evaluating conventional agreements.

As a reminder, the regulated agreements authorized in previous financial years, classified as conventional agreements in 2020, are as follows:

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

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

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

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

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

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

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

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

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

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

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

2.2 COMPENSATION OF CORPORATE OFFICERS

In accordance with Article L. 225-82-2 of the French Commercial Code (Article L. 22-10-26 since January 1, 2021), as amended by Order No. 2019-1234 of November 27, 2019 on the compensation of corporate officers of listed companies (the "Order"), supplemented by Decree No. 2019-1235 of November 27, 2019 transposing Directive (EU) 2017/828 of May 17, 2017 amending Directive 2007/36/EC to encourage long-term shareholder engagement (the "Decree"), the compensation policy for corporate officers as established by the Supervisory Board at its meeting on March 8, 2021, on the recommendation of the Appointments, Compensation and Governance Committee, is set out below.

Therefore, pursuant to Articles L. 225-82-2-I (now L. 22-10-26) and R. 225-56-1 (now R. 22-10-18) of the French Commercial Code, the following are described below:

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

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

2.2.1 Compensation policy

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

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

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

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

- **balance**, ensuring that no element of compensation is disproportionate;

- company **performance**, ensuring that the compensation of Management Board members is closely linked to the Group's performance, mainly through annual variable compensation dependent on the achievement of targets based on quantitative and qualitative criteria relating to the Group's performance and strategy;
- **alignment** of management interests with shareholders' interests, ensuring that the performance criteria associated with long-term compensation are ambitious, complementary and stable;
- **competitiveness**, taking into account both the level of responsibility of the executive concerned and market practices;
- **compliance** with the governance rules recommended by the AFEP-MEDEF Code adopted by the Group.

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

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

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

In view of the extraordinary public health and economic situation in 2020 caused by the Covid-19 pandemic, the Executive Committee proposed to reduce its fixed compensation in the second quarter by 25% for the Chairman of the Management Board and by 10% for the other members of the Executive Committee (and thus the Management Board). The compensation policy for corporate officers approved by the ordinary general shareholders' meeting of June 30, 2020 (7th to 10th resolutions) reflected these reductions. In November 2020, Executive Committee again proposed that it reduce its fixed compensation by 10%.

In order to recognize the resilience of the Group's performance during the Covid-19 health crisis, thanks in particular to the exceptional involvement of the members of the Management Board, the Supervisory Board, at its meeting of March 8, 2021 wished to modify the 2020 compensation policy by providing for a change in the quantitative performance criteria taken into account for the determination of the variable portion of the compensation of the Chairman and the members of the Management Board for 2020. This review, which is described on pages 83-84 of this report on corporate governance, will be submitted for approval to the next general shareholders' meeting on May 20, 2021 (8th and 9th resolutions).

The special amendments to the compensation policy applicable in previous financial years for the Management Board and Supervisory Board are detailed below.

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

(Article R. 22-10-18 I and II (formerly R. 225-56-1 I and R. 225-56 II) of the French Commercial Code)

The Appointments, Compensation and Governance Committee conducted a comprehensive review of the compensation policy for members of the Management Board for 2021 and considered potential adjustments based on the above-mentioned panel of companies, which has not changed. The compensation policy is subject to a three-year review, the last one having taken place in 2017 for implementation in 2018. Accordingly, 2021 should be a review year, and the Committee sought the advice of an independent expert for this purpose. The analysis of the benchmark and the ongoing health crisis led the Appointments, Compensation and Governance Committee to propose that the level of fixed, variable and long-term compensation of members of the Management Board (before the exceptional reductions in the fixed compensation of the members of the Management Board in April and November 2020) not be changed.

The benchmark did, however, highlight a significant discrepancy in the overall package of the Executive Committee in terms of supplementary pension schemes. As these are executives of around 50 years of age with a very long service (the Chairman of Management Board joined Elis in 1999), the Board wished to take advantage of the regulatory changes proposed by the French Pacte Act to create a retention mechanism with the introduction, as at January 1, 2021, of a new defined benefit pension plan in accordance with the new provisions of Article L. 137-11-2 of the French Social Security Code.

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:

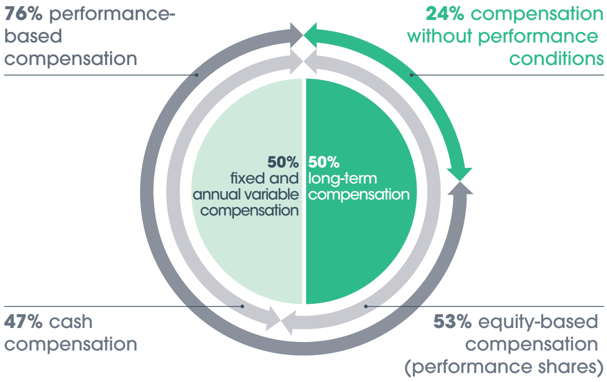
- increase in the number of people eligible for the performance share plan (see chapter 6, section 6.1, Note 5.4 to the consolidated financial statements); and
- development of an employee stock ownership policy, with the launch in 2021 of a second plan, "Elis for All 2021," with favorable terms for eligible employees (discount and matching contribution).

Compensation structure

The compensation of the Chairman and members of the Management Board is composed of cash compensation, consisting of a fixed portion and 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.

The Supervisory Board decided not to conduct the three-year review of the cash- and equity-based compensation of the members of the Management Board. Therefore, most of this compensation remains subject to the fulfillment of the performance criteria.

CHAIRMAN OF THE MANAGEMENT BOARD



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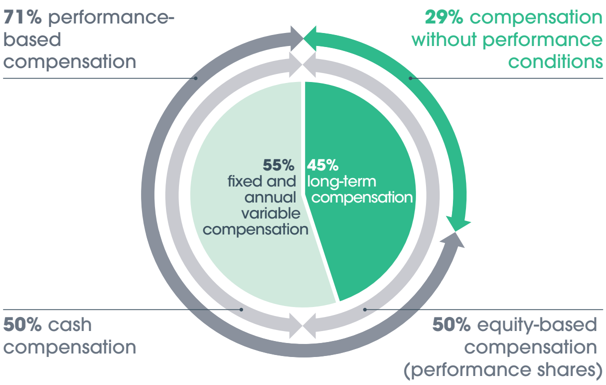
MEMBERS OF THE MANAGEMENT BOARD



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 2020 financial year, the amount of fixed compensation as approved in the compensation policy submitted to the vote of the general shareholders' meeting on June 30, 2020 had been reduced to support the efforts made by the Group during the health crisis in the second quarter (see chapter 2, section 2.2.2: "Compensation allocated and paid to corporate officers" of this 2020 universal registration document). In November 2020, the Executive Committee (and thus the Management Board) again proposed to reduce its compensation in response to the second wave of the pandemic.

For the 2021 financial year, the Supervisory Board, at its meeting on March 8, 2021, resolved that the amount of fixed compensation for each member of the Management Board would not be reviewed, but would revert to 2019 levels (applicable since January 1, 2018).

Name	Role	Fixed compensation *(in euros)*
Xavier Martiré	Chairman of the Management Board	800,000
Louis Guyot	Member of the Management Board Chief Financial Officer	400,000
Matthieu Lecharny	Member of the Management Board Deputy Chief Operating Officer	300,000

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 element of compensation corresponds to a percentage of their annual fixed compensation, which is as follows:

	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.

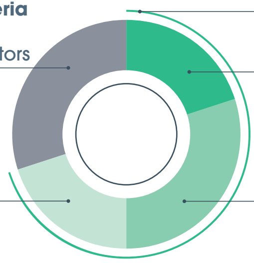
With regard to performance measurement through financial indicators, the variable portion is achieved if an indicator is equal to the target. The variable portion ranges from 0 to 200% if the indicator is around the target value.

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.

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, at its meeting on March 8, 2021, on the recommendation of the Appointments, Compensation and Governance Committee and in the interests of a consistent evaluation and ongoing assessment of the Management Board's financial performance in accordance with the objectives of the compensation policy, made the following decisions to determine the annual variable compensation of the members of the Management Board for 2021:

- the target variable portion (percentage of fixed compensation) and the maximum variable portion (percentage of fixed compensation) for 2021 will remain unchanged from 2020;
- the same economic indicators attached to variable compensation will be reused; and
- the same weighting will be maintained for the financial and non-financial indicators used to calculate the variable portion for 2021.



The Supervisory Board deemed that the criteria adopted best reflected the overall performance of the business in terms of growth, profitability and cash flow corresponding to the metrics used to monitor the Company (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 2021, 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**
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 of the CSR policy	7.5	0	7.5	7.5
Cost variability and the Group's adaptation to the crisis	7.5	0	7.5	7.5
Systematic integration of ROCE in investment and acquisition decisions	7.5	0	7.5	7.5
Transformation of EBITDA into cash flow	7.5	0	7.5	7.5

Louis Guyot	Target % of target variable	Min	Target	Max
Non-financial indicators	**30**	**0**	**30**	**30**
Group's refinancing roadmap	6	0	6	6
Systematic integration of ROCE in investment and acquisition decisions	6	0	6	6
Transformation of EBITDA into cash flow	6	0	6	6
Improving communication with CSR investors	6	0	6	6
Quality of monthly cash flow budgets in countries	6	0	6	6

Matthieu Lecharny	Target % of target variable	Min	Target	Max
Non-financial indicators	**30**	**0**	**30**	**30**
Growth in workwear in southern Europe	6	0	6	6
Development of Healthcare in Portugal	6	0	6	6
Growth excluding flat linen in Brazil	6	0	6	6
Cost variability	6	0	6	6
Market research in Asia	6	0	6	6

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

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

Performance level

At its meeting on March 8, 2021, the Supervisory Board decided to use the same methods for calculating whether targets were achieved and changes in variable compensation in 2021. 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 (revenue, EBIT and cash flow) are strategic and financially sensitive information that cannot be made public. However, at the end of the performance evaluation period, Elis will disclose the level of performance achieved for each of the criteria. With regard to targets, these are in line with the guidance regularly communicated to the market by management, and on which analysts' consensus recommendations are based.

Payment conditions

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

Long-term equity-based compensation

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

Accordingly, performance shares are granted each year to several hundred employees, including members of the Management Board, based on the recorded performance (see Note 5.4 to the consolidated financial statements for the year ended December 31, 2020 in chapter 6 of this universal registration document).

While determining the compensation policy for executive corporate officers for 2021, the Supervisory Board on March 8, 2021, on the recommendation of the Appointments, Compensation and Governance Committee, maintained the principle of awarding long-term equity-based compensation in the form of performance shares for each member of the Management Board. It defined the award and vesting arrangements for this element of compensation as follows:

Amount of equity-based compensation

The rights granted to the Chairman and members of the Management Board in accordance with the authorization given by the general shareholders' meeting on June 30, 2020 (27th resolution) may not represent more than 0.6% of the Company's share capital.

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

Accordingly, at the Supervisory Board meeting on March 8, 2021, 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 2020, this ratio was 0.5.

Duration of the vesting period of the shares granted

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

Vesting conditions of the shares granted

Continuous service

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

Performance conditions

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

Type of performance criteria

- **Economic criteria:** the Supervisory Board will take care to select appropriate absolute internal and relative external criteria that are assessed over time, which may be identical to the financial criteria used to determine the annual variable portion of compensation.

For the plan due to be implemented in 2021, 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.

- **External criterion:** positioning of the overall performance of Elis shares (TSR) relative to a benchmark index. For the plan due to be implemented in 2021, 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. The Board defines a threshold below which no shares will vest. The threshold is not made public for confidentiality reasons. For the shares to vest, performance must at least be on a par with the business plan.
- **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 2021, 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).

Calculating the number of shares vested and measuring performance

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.

The fulfillment of each of the criteria is assessed in a binary manner so that if the criterion is not met, the portion of performance shares contingent on achieving that target do not vest. No additional shares are granted if the performance target is exceeded.

For the plan due to be implemented in 2021, the percentage of shares granted based on the number of targets met will be similar to those applied under the 2020 plan, namely:

- no shares vest if no targets are met;
- 34% of shares vests if one target is met;
- 67% of shares vests if two targets are met;
- 100% of shares vests if all three targets are met.

Since the plans were introduced in 2015, for two of the four plans that have ended, only 50% of the shares granted have vested.

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

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

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

Restrictions on the sale of vested shares

Members of the Management Board are subject to lock-up periods during which trading in the Company's securities is not permitted under the conditions provided in new Article L. 22-10-59 of the French Commercial Code on performance share grants. Members of the Management Board are also bound by more general rules on the prevention of insider trading, which impose restrictions on share transfers (closed periods related to financial publications). Furthermore, members have all stated that they have not used hedging instruments (see chapter 7 of this 2020 universal registration document).

Special compensation

For 2021, 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 new 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. Under Article L. 225-61 of the French Commercial Code and Article 12 of the Company's bylaws, the office of Chairman and member of the Management Board may be revoked either by the Supervisory Board or by the general shareholders' meeting on a proposal from the Supervisory Board. The removal of members of the Management Board does not bring about the termination of their employment contracts, which are subject to specific grounds for termination.

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

Elements of compensation related to termination or change in role

Termination benefits for the Chairman and members of the Management Board have remained unchanged since 2015. The general shareholders' meeting on May 18, 2018 voted to renew these benefits under the commitments governed by the regulated agreements procedure during the reappointment of the Chairman and members of the Management Board in 2018.

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 new Article R. 22-10-18 of the French Commercial Code (formerly Article 225-56-1 III).

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

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

Benefits in kind

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

Under the compensation policy for Management Board members, at its meeting on March 8, 2021, the Supervisory Board agreed to maintain the principle of this benefit in kind in 2021.

Supplemental retirement plan

Following the study carried out on behalf of the Appointments, Compensation and Governance Committee, and in view of the legislative changes introduced by the Pacte law, the Supervisory Board, at its meeting on March 8, 2021, decided to set up a new "top-hat" defined benefits plan from January 1, 2021 in accordance with the new provisions of Article L. 137-11-2 of the French Social Security Code intended for eligible members of the Executive Committee (including members of the Management Board) with the following key features:

- 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 revenue and EBITDA.

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.

The annual vesting rate of annuity rights will be a dual progressive rate, depending on the age of the beneficiary and the attainment of the performance criteria:

	< 75% of the target	Between 75% and 100% of the target	> target
< 44 years	0%	0%	0%
45–49 years	0%	Linear	1%
50–54 years	0%	Linear	2%
55–59 years	0%	Linear	2.5%
> 60 years	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.

By way of illustration, in the event of maximum contribution for the Chairman of the Management Board in 2021, he would acquire a monthly pension entitlement of approximately €2,600 from the age of 65.

It should be noted that the introduction of this plan is accompanied by a mandatory pension plan set up for all eligible Group executives.

Compensation paid by a Group company

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

Compensation policy applicable to new executives

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

- will be subject to:
- the general fixed compensation policy for members of the Management Board approved by the shareholders, although the fixed compensation of the chairman of the Management Board may not, at the time of his or her appointment, exceed the amount awarded to his or her predecessor;
- the general annual variable compensation policy based on targets approved by the shareholders, provided that if a new corporate officer is recruited during the second half of a financial year:
  - performance will be evaluated on a discretionary basis on the proposal of the Appointments, Compensation and Governance Committee. In this case, the new member will receive as variable compensation at least the prorated target amount of the variable portion attributable to his or her predecessor, as voted on by the shareholders. This may not exceed 100% of the Chairman's fixed compensation or 70% of the fixed compensation of the other members of the Management Board;
  - any member who joins during the second half of the year will not be entitled to the variable portion linked to outperformance;
- the general long-term equity-based compensation policy for members of the Management Board, according to the same terms and conditions as those applicable to members of the Management Board (maximum award, vesting period, etc.) as approved by the shareholders;

- the general policy regarding special compensation approved by the shareholders;
- the general policy approved by the shareholders regarding the elements of compensation, allowances or benefits that may be paid as a result of termination or a change in role under the same conditions (amount, duration) as those approved by the shareholders for the compensation policy;
- the general policy regarding benefits granted to the chairman and members of the Management Board as approved by the shareholders.
- the general policy relating to the supplemental retirement plan, if eligible;
- may be entitled to a signing bonus to make up for the loss of benefits incurred by leaving a previous post held at a company outside the Group. This bonus may not exceed the amount of annual fixed compensation under any circumstances. The bonus must be specified and made public when it is set.

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

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

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

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

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

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

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

The general shareholders' meeting on May 18, 2018 set the total amount allocated to the members of the Supervisory Board and its committees at €600,000.

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

The study carried out on the level of compensation of corporate officers by the independent expert commissioned by the Appointments, Compensation and Governance Committee highlighted a significant discrepancy between the compensation of the Chairman of the Supervisory Board and the chairs of the Board's standing committees and that of their peers in the benchmark: the compensation of the Chairman of the Supervisory Board was €70,000 in 2019, compared with around €254,000 for the benchmark, while the additional compensation for the standing committee chairs was €12,000, compared with €25,000 for the benchmark.

The Appointments, Compensation and Governance Committee has therefore recommended that the Supervisory Board increase the fixed portions due to the Chairman of the Supervisory Board and the committee chairs. The study found that the Chairman of the Board and the committee chairs attended all official Board and committee meetings. Not only that, but the work they did on behalf of the Group amounted to much more than simply attending those meetings, as is evident from the benchmark examined by the independent expert.

At its meeting on March 8, 2021, the Supervisory Board therefore decided to adjust the amount of fixed compensation for the Chairman of the Supervisory Board and the committee chairs, reducing the amount of variable compensation for the latter:

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

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

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

Consequently, a proposal shall be made to the shareholders at the ordinary general shareholders' meeting called to approve the 2020 financial statements to increase the total amount allocated to the members of the Supervisory Board and its committees as compensation in 2021 to €800,000, in accordance with Article L. 225-83 of the French Commercial Code.

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

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

2.2.2 Compensation allocated and paid to corporate officers

The elements of compensation mentioned in Article L. 225-37-3 I of the French Commercial Code (now Article L. 22-10-9 I since January 1, 2021) are presented below. These include the total compensation and benefits of any kind paid in 2020 for the office held (which may also relate to a previous financial year), or granted in 2020 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), including newly appointed corporate officers (Fabrice Barthélemy and Amy Flikerski).

Please note that:

- Elements of compensation **paid** in 2020 for the office held refer to cash elements actually paid, irrespective of the financial year they relate to. These consist of variable elements paid in 2020 for the 2019 financial year.
- Elements of compensation **awarded** in 2020 for the offices held refer to share-based or cash elements, established in principle for the duties performed in 2020, but the number and/or amount of which is uncertain at the time of the grant and which are therefore subject, where appropriate, to an accounting valuation as at the grant date.

These elements of compensation were determined in accordance with the compensation policy as approved by shareholders at the June 30, 2020 general shareholders' meeting (which took note of, among other things, the reduction in the fixed portion of the compensation of the second quarter of 2020, following the proposal of the Management Board) and reviewed by the Supervisory Board at its March 8, 2021 meeting with respect mainly to the quantitative performance criteria taken into account in determining the variable portion of the compensation of the Chairman and members of the Management Board for 2020 (this review is to be submitted to the vote of the shareholders at the next general shareholders' meeting on May 20, 2021). It is also specified that, in order to support the efforts made by the Group during the 2nd wave of the health crisis, the members of the Management Board have once again waived 10% of their fixed compensation paid for the month of November 2020, which the Supervisory Board took note of at its meeting on December 10, 2020.

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 compensation policy for corporate officers, as reviewed by the Supervisory Board at its March 8, 2021 meeting, with respect to the quantitative performance criteria taken into account in determining the variable portion of the compensation of the Chairman and members of the Management Board for 2020, as well as the calculation of the variable portion based on the theoretical fixed compensation (not taking into account the waivers of a portion of the fixed compensation in April and November 2020), pursuant to the new Article L. 22-10-26 II of the French Commercial Code;
- on the elements of compensation **listed in new Article L. 22-10-9 I of the French Commercial Code** as a single resolution pursuant to new Article L. 22-10-34 of the French Commercial Code, provided that, if the resolution is not approved, the compensation allocated to members of the Supervisory Board will be suspended; and
- on the fixed, variable and special elements of total compensation and the benefits of any kind paid or awarded to the Chairman of the Management Board, to the Chairman of the Supervisory Board, and to the members of the Management Board as separate resolutions pursuant to new Article L. 22-10-34 of the French Commercial Code. It should be noted that the payment of the variable portion of monetary compensation is subject to the shareholders approving said element of compensation.

Disclosures concerning compensation awarded and paid to executive corporate officers

XAVIER MARTIRÉ, CHAIRMAN OF THE MANAGEMENT BOARD

Elements of compensation submitted for voting	Amounts paid during 2020 *(in euros)*	Amounts awarded for 2020 *(in euros)*	Description and comments
Fixed compensation	743,333(*)	750,000(**)	(*) In 2020, Xavier Martiré waived 10% of his fixed compensation for the month of November. (**) The annual fixed compensation for the 2020 financial year, as amended and approved by the annual ordinary general shareholders' meeting on June 30, 2020, was set at €750,000, instead of the gross annual fixed compensation of €800,000 applicable since January 1, 2018. This revision is not taken into account in calculating the variable portion, which remains based on an annual fixed compensation of €800,000 (the theoretical fixed compensation).
Annual variable compensation	1,194,380(*) (149% of fixed compensation)	600,000(**) (75% of theoretical fixed compensation) Payment subject to the approval of this element of compensation by the shareholders at the general shareholders' meeting in 2021.	**(*) Compensation paid in 2020:** This includes the amount of variable compensation relating solely to 2019, since Xavier Martiré does not receive deferred variable compensation or multi-year variable compensation. This amount was paid in 2020 for the 2019 financial year in accordance with the 2019 compensation policy. It was paid at the end of the general shareholders' meeting held on June 30, 2020 following the adoption of the 13th resolution (approval rate: 94.99%). **(**) Compensation awarded for 2020:** 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. On an exceptional basis, in view of the Covid-19 health crisis, quantitative targets (which account for 70% of variable compensation) based on financial indicators were reviewed by the Supervisory Board at its meeting of March 8, 2021 on the recommendation of the Appointments, Compensation and Governance Committee. The terms and conditions of this review are detailed below on pages 83 and 84. The target amount of variable compensation is 100% of the amount of fixed compensation (not taking into account the waivers of a portion of the fixed compensation in April and November 2020), 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 2020 annual variable compensation, the financial and non-financial indicators used, their weighting and the level of achievement are detailed below on pages 84 and 85.
Deferred variable compensation	0	0	This element of compensation is not applicable, as the compensation policy for the chairman of the Management Board for financial year 2020 does not provide for it.
Multi-year variable compensation	0	0	This element of compensation is not applicable, as the compensation policy for the chairman of the Management Board for financial year 2020 does not provide for it.
Special compensation	0	0	No amounts were paid in 2020 for previous financial years, nor awarded for 2020.
Equity-based compensation		1,402,211(*)	On July 9, 2020, Xavier Martiré was awarded 165,746 performance shares (0.07% of the share capital as at December 31, 2020). This award falls under the authorization granted by the Company's general shareholders' meeting on June 30, 2020 (27th resolution) and the authorization granted by the Supervisory Board at its meeting on June 30, 2020. **(*) The valuation of the performance shares at the award date is not necessarily representative of their value at the vesting date, particularly if the performance conditions attached to their vesting are not met.** The vesting of the performance shares thus awarded is subject to continuous service at the vesting date and to performance conditions assessed over three consecutive financial years. The performance conditions attached to the performance shares awarded in 2020 are defined in reference to three quantitative criteria, including two absolute internal criteria based on consolidated revenue and consolidated EBIT determined according to the business plan and in line with the guidance communicated to the market, and one relative external criterion based on the performance of Elis's share price relative to a benchmark index.

Elements of compensation submitted for voting	Amounts paid during 2020 *(in euros)*	Amounts awarded for 2020 *(in euros)*	Description and comments
			The confidential nature of the Group's absolute internal performance criteria prevents them from being disclosed. However, at the end of the performance evaluation period, Elis will disclose the number of vested shares and the level of fulfillment of the performance criteria applicable to the vesting of the shares. The number of fully vested shares will thus depend on the number of targets achieved, with the understanding that the fulfillment of the performance criteria is binary, such that if a criterion is not fulfilled, the portion of rights linked to that target is not due and the corresponding shares do not vest: – 34% if one of the targets is met; – 67% if two targets are met; and – 100% if all three targets are met.
Benefits of any kind	7,293	7,293	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. The renewal of this commitment was approved by the general shareholders' meeting on May 18, 2018 (6th resolution) as part of the regulated agreements procedure. 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. The renewal of this commitment was approved by the general shareholders' meeting on May 18, 2018 (6th resolution) as part of the regulated agreements procedure. No benefit will be paid if the officer concerned exercises his retirement rights.
Supplemental retirement plan	0	0	This element of compensation is not applicable, as the compensation policy for the chairman of the Management Board for financial year 2020 does not provide for it.
Profit sharing	0	0	Not applicable.
Executive liability insurance	0	0	Applicable.
Compensation paid by companies included in the scope of consolidation as defined by Article L. 233-16 of the French Commercial Code	0	0	-

LOUIS GUYOT, MEMBER OF THE MANAGEMENT BOARD

Elements of compensation submitted for voting	Amounts paid during 2020 *(in euros)*	Amounts awarded for 2020 *(in euros)*	Description and comments
Fixed compensation	386,667(*)	390,000(**)	(*) In 2020, Louis Guyot waived 10% of his fixed compensation for the month of November. (**) The annual fixed compensation for the 2020 financial year, as amended and approved by the annual ordinary general shareholders' meeting on June 30, 2020, was set at €390,000, instead of the gross annual fixed compensation of €400,000 applicable since January 1, 2018. This revision is not taken into account in calculating the variable portion, which remains based on an annual fixed compensation of €400,000 (the theoretical fixed compensation).
Annual variable compensation	415,513(*) (104% of fixed compensation)	210,000(**) (53% of theoretical fixed compensation) Payment subject to the approval of this element of compensation by the shareholders at the general shareholders' meeting in 2021.	**(*) Compensation paid in 2020:** This includes the amount of variable compensation relating solely to 2019, since Louis Guyot does not receive deferred variable compensation or multi-year variable compensation. This amount was paid in 2020 for the 2019 financial year in accordance with the 2019 compensation policy. It was paid at the end of the general shareholders' meeting held on June 30, 2020 following the adoption of the 14th resolution (approval rate: 99.10%). **(**) Compensation awarded for 2020:** 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. On an exceptional basis, in view of the Covid-19 health crisis, quantitative targets (which account for 70% of variable compensation) based on financial indicators were reviewed by the Supervisory Board at its meeting of March 8, 2021 on the recommendation of the Appointments, Compensation and Governance Committee. The terms and conditions of this review are detailed below on pages 83 and 84. The target amount of variable compensation is 100% of the amount of the theoretical fixed compensation (not taking into account the waivers of a portion of the fixed compensation in April and November 2020), 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 2020 annual variable compensation, the financial and non-financial indicators used, their weighting and the level of achievement are detailed below on pages 84 and 85.
Deferred variable compensation	0	0	This element of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2020 does not provide for it.
Multi-year variable compensation	0	0	This element of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2020 does not provide for it.
Special compensation	0	0	No amounts were paid in 2020 for previous financial years, nor awarded for 2020.
Equity-based compensation		545,306(*)	On July 9, 2020, Louis Guyot was awarded 64,457 performance shares (0.03% of the share capital as at December 31, 2020). This award falls under the authorization granted by the Company's general shareholders' meeting on June 30, 2020 (27th resolution) and the authorization granted by the Supervisory Board at its meeting on June 30, 2020. **(*) The valuation of the performance shares at the award date is not necessarily representative of their value at the vesting date, particularly if the performance conditions attached to their vesting are not met.** The vesting of the performance shares thus awarded is subject to continuous service at the vesting date and to performance conditions assessed over three consecutive financial years. The performance conditions attached to the performance shares awarded in 2020 are defined in reference to three quantitative criteria, including two absolute internal criteria based on consolidated revenue and consolidated EBIT determined according to the business plan and in line with the guidance communicated to the market, and one relative external criterion based on the performance of Elis's share price relative to a benchmark index.

Elements of compensation submitted for voting	Amounts paid during 2020 *(in euros)*	Amounts awarded for 2020 *(in euros)*	Description and comments
			The confidential nature of the Group's absolute internal performance criteria prevents them from being disclosed. However, at the end of the performance evaluation period, Elis will disclose the number of vested shares and the level of fulfillment of the performance criteria applicable to the vesting of the shares. The number of fully vested shares will thus depend on the number of targets achieved, with the understanding that the fulfillment of the performance criteria is binary, such that if a criterion is not fulfilled, the portion of rights linked to that target is not due and the corresponding shares do not vest: – 34% if one of the targets is met; – 67% if two targets are met; and – 100% if all three targets are met.
Benefits of any kind	2,469	2,469	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. The renewal of this commitment was approved by the general shareholders' meeting on May 18, 2018 (7th resolution) as part of the regulated agreements procedure. 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. The renewal of this commitment was approved by the general shareholders' meeting on May 18, 2018 (7th resolution) as part of the regulated agreements procedure. No benefit will be paid if the officer concerned exercises his retirement rights.
Supplemental retirement plan	0	0	This element of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2020 does not provide for it.
Profit sharing	4,702(*)	1,813(**)	(*) Profit-sharing amount paid to Louis Guyot for 2019 under his employment contract. (**) Provisional profit-sharing amount due to Louis Guyot for 2020 under his employment contract – definitive payment May 2021.
Executive liability insurance	0	0	Applicable.
Compensation paid by companies included in the scope of consolidation as defined by Article L. 233-16 of the French Commercial Code	0	0	-

MATTHIEU LECHARNY, MEMBER OF THE MANAGEMENT BOARD

Elements of compensation submitted for voting	Amounts paid during 2020 *(in euros)*	Amounts awarded for 2020 *(in euros)*	Description and comments
Fixed compensation	290,000(*)	292,500(**)	(*) In 2020, Matthieu Lecharny waived 10% of his fixed compensation for the month of November. (**) The annual fixed compensation for the 2020 financial year, as amended and approved by the annual ordinary general shareholders' meeting on June 30, 2020, was set at €292,500, instead of the gross annual fixed compensation of €300,000 applicable since January 1, 2018. This revision is not taken into account in calculating the variable portion, which remains based on an annual fixed compensation of €300,000 (the theoretical fixed compensation).
Annual variable compensation	317,935(*) (106% of fixed compensation)	157,500(**) (53% of theoretical fixed compensation) Payment subject to the approval of this element of compensation by the shareholders at the general shareholders' meeting in 2021.	**(*) Compensation paid in 2020:** This includes the amount of variable compensation relating solely to 2019, since Matthieu Lecharny does not receive deferred variable compensation or multi-year variable compensation. This amount was paid in 2020 for the 2019 financial year in accordance with the 2019 compensation policy. It was paid at the end of the general shareholders' meeting held on June 30, 2020 following the adoption of the 15th resolution (approval rate: 99.16%). **(**) Compensation awarded for 2020:** 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. As an exception, and in view of the Covid-19 health crisis, the quantitative targets (accounting for 70% of variable compensation) based on financial indicators were reviewed by the Supervisory Board at its meeting of March 8, 2021 upon the recommendation of the Appointments, Compensation and Governance Committee. The terms and conditions of this review are detailed below on pages 83 and 84. The target amount of variable compensation is 100% of the amount of fixed compensation (not taking into account the waivers of a portion of the fixed compensation in April and November 2020), 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 2020 annual variable compensation, the financial and non-financial indicators used, their weighting and the level of achievement are detailed below on pages 84 and 86.
Deferred variable compensation	0	0	This element of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2020 does not provide for it.
Multi-year variable compensation	0	0	This element of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2020 does not provide for it.
Special compensation	0	0	No amounts were paid in 2020 for previous financial years, nor awarded for 2020.
Equity-based compensation		389,507(*)	On July 9, 2020, Matthieu Lecharny was awarded 46,041 performance shares (0.02% of the share capital as at December 31, 2020). This award falls under the authorization granted by the Company's general shareholders' meeting on June 30, 2020 (27th resolution) and the authorization granted by the Supervisory Board at its meeting on June 30, 2020. **(*) The valuation of the performance shares at the award date is not necessarily representative of their value at the vesting date, particularly if the performance conditions attached to their vesting are not met.** The vesting of the performance shares thus awarded is subject to continuous service at the vesting date and to performance conditions assessed over three consecutive financial years. The performance conditions attached to the performance shares awarded in 2019 are defined in reference to three quantitative criteria, including two absolute internal criteria based on consolidated revenue and consolidated EBIT determined according to the business plan and in line with the guidance communicated to the market, and one relative external criterion based on the performance of Elis's share price relative to a benchmark index.

Elements of compensation submitted for voting	Amounts paid during 2020 *(in euros)*	Amounts awarded for 2020 *(in euros)*	Description and comments
			The confidential nature of the Group's absolute internal performance criteria prevents them from being disclosed. However, at the end of the performance evaluation period, Elis will disclose the number of vested shares and the level of fulfillment of the performance criteria applicable to the vesting of the shares. The number of fully vested shares will thus depend on the number of targets achieved, with the understanding that the fulfillment of the performance criteria is binary, such that if a criterion is not fulfilled, the portion of rights linked to that target is not due and the corresponding shares do not vest: – 34% if one of the targets is met; – 67% if two targets are met; and – 100% if all three targets are met.
Benefits of any kind	2,917	2,917	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. The renewal of this commitment was approved by the general shareholders' meeting on May 18, 2018 (7th resolution) as part of the regulated agreements procedure. 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. The renewal of this commitment was approved by the general shareholders' meeting on May 18, 2018 (8th resolution) as part of the regulated agreements procedure. No benefit will be paid if the officer concerned exercises his retirement rights.
Supplemental retirement plan	0	0	This element of compensation is not applicable, as the compensation policy of the members of the Management Board for financial year 2019 does not provide for it.
Profit sharing	4,702*)	1,813(**)	(*) Profit-sharing amount paid to Matthieu Lecharny for 2019 under his employment contract. (**) Provisional profit-sharing amount due to Matthieu Lecharny for 2020 under his employment contract – definitive payment in May 2021.
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 2020

The amount of variable compensation for the 2020 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 2020."

The Supervisory Board, at its meeting on March 8, 2021, noted that, due to the Covid-19 health crisis, the quantitative performance criteria for the 2020 financial year, as initially established in accordance with the compensation policy, had not been met and therefore resulted in a quantitative portion of the variable portion equal to 0.

To reorganize the Group's entire management team (the 400 most senior operational managers) around new operational targets (cost variability, cash flow and customer retention), the Executive Committee had recorded a variable portion of zero for the first half of 2020, but it reviewed the conditions for operational managers' bonuses for the second quarter of 2020, capping the amount at 70% of the maximum budget.

Meanwhile, the Supervisory Board set a new course at its meeting on June 30, 2020.

Finally, the Supervisory Board, at its meeting of March 8, 2021, as recommended by the Appointments, Compensation and Governance Committee, decided to review the quantitative performance criteria taken into account in determining the variable portion of the compensation of the Chairman and members of the Management Board for the year 2020 as follows:

- The quantitative targets (accounting for 70% of variable compensation) based on financial indicators would no longer be set on the basis of the budget pre-approved by the Supervisory Board, but on the basis of new financial projections established on June 30, 2020 by the Board, taking into account 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.
- The nature (i.e. revenue, EBIT and operating cash flow) of the quantitative performance criteria is unchanged.
- However, the weighting of these quantitative performance criteria has been significantly reduced to take account of the health crisis. The first half of the year does not give rise to the payment of any variable portion and, for the second half of the year, the rates for the achievement of revenue and EBIT criteria are capped at 100%. Accordingly, the maximum amount that can be allocated is one-third of what it was in 2019.

The sole purpose of this review is to take into account the consequences of the health crisis linked to Covid-19 and of recognizing the high quality of the Group's performance during this crisis, which was well above the expectations discussed by the Supervisory Board at its meeting of June 30, 2020, and above the benchmark for European service companies:

Revenue was €2,806 million, down 13.3%, strongly impacted by negative customer activity for around 16%). Over the full year, revenue from Hospitality customers (irrespective of price, business development and exchange rate effects) was down 55% due to the public health restrictions. Revenue from Industry and Trade & Services customers was down 5%, while revenue from Healthcare customers was slightly negative.

However, the Supervisory Board acknowledged the excellent work done by teams in the following areas:

- Highly responsive development of new offers adapted to the segment context, be it workwear for Industry and Trade & Services, scrubs or isolation gowns for Healthcare, or hand hygiene and disinfection supplies, whether on a permanent or temporary basis (temporary hospitals in the United Kingdom, isolation gowns in Brazil, etc);
- Quality of service maintained during the crisis that improved customer satisfaction and garnered some commercial success.

The same applies to cost control, where the Supervisory Board noted:

- A cost-cutting effort that increased the EBITDA margin by 20 basis points by making all costs variable: for every euro of revenue lost compared to 2019, 67 euro cents of opex were saved;
- An effort to reduce investments, the EBITDA–capex indicator was up compared to 2019;
- The considerable effort made on customer payments, resulting in a positive change in WCR.

As a result, free cash flow totaled €216.8 million, an improvement of €42.6 million compared to 2019, even though EBITDA was down €155.6 million.

In light of this review, at its meeting on March 8, 2021, the Supervisory Board then examined the level of fulfillment of the performance conditions relating to the annual variable compensation for 2020 of the Chairman of the Management Board and each member of the Management Board. It concluded that the level of achievement and performance of the financial and non-financial indicators used to determine this element of compensation was as indicated below. The amounts allocated to the Chairman of the Management Board and to each of the members of the Management Board with regard to the level of fulfillment of the performance conditions were calculated based on the theoretical fixed compensation, not taking into account the waivers of a portion of the fixed compensation by the members of the Management Board in April and November 2020.

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	Louis Guyot	Matthieu Lecharny	
Revenue	20%	10% The objective is assessed over 6 months, i.e. 50%, and may not exceed the target in the event of outperformance	80,000	28,000	21,000	Revenue totaled €2,806.3 million, with negative 13.3% growth that was strongly impacted by a 16% decrease in customer activity. Over the full year, revenue from Hospitality customers (irrespective of price, business development and exchange rate effects) was down 55% due to the public health restrictions. Revenue from Industrial and Commercial Services (ICS) customers was down 5%, while revenue from Healthcare customers was slightly negative. However, this decline appears to be less than the estimates discussed on June 30, 2020, revealing a very high quality performance of the company during the crisis, above the benchmark for European service companies.
EBIT compared to budget	30%	15% The objective is assessed over 6 months, i.e. 50%, and may not exceed the targetin the event of outperformance	120,000	42,000	31,500	The Group's EBIT was €292 million, or a margin of 10.4%, well above the revised trajectory as set by the Supervisory Board on June 30, 2020.
Operating cash flow compared to budget	20%	20% The objective is assessed over 6 months, i.e. 50%, and may exceed the targetin the event of outperformance, according to the initial criteria	160,000	56,000	42,000	Free cash flow amounted to €216.8 million, an improvement of €42.6 million compared to 2019, and the expectations of the Supervisory Board on June 30, 2020, thanks in particular to: › a cost-cutting effort that increased the EBITDA margin by 20 basis points by making all costs variable; › an effort to reduce investments, the EBITDA-capex indicator was up compared to 2019; › the considerable effort made on customer payments, resulting in a positive change in WCR.
TOTAL	**70%**	**45%**	**360,000**	**126,000**	**94,500**	

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				
› Transformation of EBITDA into cash flow	7.5%	7.5%	60,000	Free cash flow amounted to €216.8 million, an improvement of €42.6 million compared to 2019, thanks in particular to: › a cost-cutting effort that increased the EBITDA margin by 20 basis points by making all costs variable; › an effort to reduce investments, the EBITDA-capex indicator was up compared to 2019; › the considerable effort made on customer payments, resulting in a positive change in WCR.
› CSR: reduction in water, energy and chemical consumption	7.5%	7.5%	60,000	› Water, gas and chemical consumption down 36%, 18%, and 25%, respectively, from 2010. › Overall CSR policy: GAIA 80/100 vs. 76/100 in 2019, while peers are 51/100 › Creation of the CSR Committee › Hiring of the CSR Director › Increase in the number of women on the Executive Committee › Participation of Xavier Martiré in the "Women in Comex" mentoring program › Increase in the resources of the Elis Foundation
› Integration of ROCE into investment decisions	7.5%	7.5%	60,000	› Processes have been enhanced for linen purchases, industrial capex and M&A › Apart from the mechanical effect on depreciation and amortization in 2020, the EBIT/capital employed ratio, as reported in chapter 5 of this document, has seen continuous structural improvement
› Development of IT systems and digitalization	7.5%	7.5%	60,000	IT systems: › Successful onboarding of Michel Delbecq › Extensive restructuring of IT teams › LMS operational in the UK › Implementation of paperless business contracts › Pest control traceability › Connected hygiene appliances › Introduction of a flat linen traceability system at a plant in Denmark and in Île-de-France › Digitalization: in progress, although the MyElis project (customer portal) and CRM project have been put on hold
TOTAL	**30%**	**30%**	**240,000**	
Louis Guyot, member of the Management Board				
› Implementation of a tool for monitoring central support service expenditures in all countries	10%	10%	28,000	Tools put in place that proved useful in supporting the reduction in fixed costs in 2020
› Integration of ROCE into investment decisions	10%	10%	28,000	› Processes have been enhanced for linen purchases, industrial capex and M&A › Apart from the mechanical effect on depreciation and amortization in 2020, the EBIT/capital employed ratio, as reported in chapter 5 of this document, has seen continuous structural improvement
› Improvement of financial communications and integration of CSR policy into these communications	10%	10%	28,000	The Group was very communicative during the pandemic, with numerous updates given to the market, banks and rating agencies outlining action plans and liquidity management. CSR is now fully integrated into financial reporting (presentations, commitments, meetings, conferences, etc.). The Gaia score rose to 80 out of 100 (vs. 76 in 2019 and 51 for peers).
TOTAL	**30%**	**30%**	**84,000**	

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				
› Cash management across all regions	7.5%	7.5%	15,750	Free cash flow rose from R$60 million to R$132 million in Brazil between 2019 and 2020, owing to the effort made across all lines: EBITDA, capex, WCR. In Spain, despite a 40% fall in revenue, the significant effort made with capex (a 48% reduction) and customer payments helped maintain positive free cash flow.
› Acceleration of international pest control acquisitions	7.5%	7.5%	15,750	› One acquisition in Italy › Two bids in progress in two of the Group's regions › acquisition proposals in several countries
› Spain: ICS growth, price increases, productivity, customer losses	7.5%	7.5%	15,750	› More than 10% growth in workwear in 2020 due to strong sales momentum › Stable prices, despite the economic situation › Productivity up 1.8% in flat linen and 7.7% in workwear › Customer losses under control, despite the pandemic
› Development of CSR in Brazil	7.5%	7.5%	15,750	› Strong productivity gains in water, chemicals and energy › Continuation of employee initiatives with staff and social initiatives where Elis operates (distribution of food and bicycles in favelas, etc.) › Significant improvement in accident rates
TOTAL	**30%**	**30%**	**63,000**	

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

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

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

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

In terms of scope, the Company included its subsidiary Elis Services, including employees from head office and supply chain. This scope constitutes a thousand people in France; is stable over the past five financial years and identical to what was contained in the 2019 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	**2020**	2019	2018	2017	2016
	€139 M	**€256 M**	**€224 M**	**€163 M**	**€108 M**
Change YOY	-46%	14%	37%	51%	
Change in average employee compensation	-3%	2%	18%	-8%	
Change in median employee compensation	-3%	5%	8%	1%	
Xavier Martiré, Chairman of the Management Board					
Compensation and benefits due or paid for the financial year	2,759,503	3,491,573	3,707,976 (b)	3,440,920 (a)	4,192,643
Change YOY	-21%	-6%	8%	-18%	
Ratio to average pay	28.7	35.1	37.9	41.4	46.6
Change YOY	-18%	-7%	-8%	-11%	
Ratio to median pay	45.7	56.3	63.1	63.0	77.3
Change YOY	-19%	-11%	0%	-18%	
Louis Guyot, member of the Management Board					
Compensation and benefits due or paid for the financial year	1,149,588	1,402,091	1,546,699 (b)	1,015,684 (a)	909,095
Change YOY	-18%	-9%	52%	12%	
Ratio to average pay	11.9	14.1	15.8	12.2	10.1
Change YOY	-15%	-11%	30%	21%	
Ratio to median pay	19.1	22.6	26.3	18.6	16.8
Change YOY	-16%	-14%	42%	11%	
Matthieu Lecharny, member of the Management Board					
Compensation and benefits due or paid for the financial year	844,237	1,039,409	1,210,116 (b)	763,053	909,454
Change YOY	-19%	-14%	59%	-16%	
Ratio to average pay	8.8	10.5	12.4	9.2	10.1
Change YOY	-16%	-16%	35%	-9%	
Ratio to median pay	14.0	16.8	20.6	14.0	16.8
Change YOY	-17%	-19%	47%	-17%	
Thierry Morin, Chairman of the Supervisory Board					
Compensation and benefits due or paid for the financial year	70,000	77,200	64,800	68,000	62,000
Change YOY	-9%	19%	-5%	10%	
Ratio to average pay	0.7	0.8	0.7	0.8	0.7
Change YOY	-6%	17%	-19%	19%	
Ratio to median pay	1.2	1.2	1.1	1.2	1.1
Change YOY	-7%	13%	-11%	9%	

(a) This includes the amount of the special bonus linked to the Berendsen acquisition.

(b) The compensation of members of the Management Board was revised with effect from January 1, 2018. This revision was part of the three-year review and is consistent with the events affecting the Group and market practices since the Company's IPO, especially the significant change in the responsibilities of the Management Board, and executives in general, related to the change in scope following the Berendsen acquisition.

Summary tables of executive corporate officers' compensation for 2020

TABLE 1: SUMMARY OF THE COMPENSATION, OPTIONS AND SHARES GRANTED TO MANAGEMENT BOARD MEMBERS FOR FINANCIAL YEARS 2019 AND 2020

The following tables present a summary of the compensation awarded to Xavier Martiré, Louis Guyot and Matthieu Lecharny during the financial years ended December 31, 2019 and 2020:

(in euros)	**Financial year ended December 31, 2020**	Financial year ended December 31, 2019
Xavier Martiré, Chairman of the Management Board		
Compensation awarded or paid for the financial year[a]	1,357,293	2,001,681
	(Actually paid after waiver of a portion of the fixed compensation in November 2020: 1,350,626)	
Value of multi-year variable compensation granted during the year	0	0
Value of options granted during the year	0	0
Value of performance shares[b][c]	1,402,211	1,489,892
TOTAL	**2,759,503**	**3,491,573**
Louis Guyot, member of the Management Board		
Compensation awarded or paid for the financial year[a]	604,282	822,684
	(Actually paid after waiver of a portion of the fixed compensation in November 2020: 600,949)	
Value of multi-year variable compensation granted during the year	0	0
Value of options granted during the year	0	0
Value of performance shares[b][c]	545,306	579,407
TOTAL	**1,149,588**	**1,402,091**
Matthieu Lecharny, member of the Management Board		
Compensation awarded or paid for the financial year[a]	454,730	625,554
	(Actually paid after waiver of a portion of the fixed compensation in November 2020: 452,230)	
Value of multi-year variable compensation granted during the year	0	0
Value of options granted during the year	0	0
Value of performance shares[b][c]	389,507	413,855
TOTAL	**844,237**	**1,039,409**

(a) Compensation due, i.e., after applying the fulfillment condition to the variable compensation base and including the provisional profit-sharing amount for 2020 paid annually in May. It should be noted that in 2020, the fixed compensation awarded to members of the Management Board was not paid in full to take account of the effects of the crisis. The variable compensation of the members of the Management Board, calculated on the basis of the theoretical fixed compensation (not taking into account the waivers of a portion of the fixed compensation by the members of the Management Board in April and November 2020), is established based on the following criteria: financial indicators accounting for 70% and non-financial indicators accounting for 30%. The level of the performance criteria that must be met corresponding to the targets set for determining variable compensation for 2020 (as reviewed, with respect to quantitative targets based on financial indicators, by the Supervisory Board on March 8, 2021), approved by the Supervisory Board on March 8, 2021, is 75% of theoretical fixed compensation for Xavier Martiré, 53% of theoretical fixed compensation for Louis Guyot, and 53% of theoretical fixed compensation for Matthieu Lecharny.

(b) The vesting of performance shares awarded in 2020 to executive corporate officers is contingent on the fulfillment of performance conditions and continuous service with the Group for the duration of the vesting period. The performance targets are defined in reference to three quantitative criteria linked to consolidated revenue, consolidated EBIT and the performance of the Company's share price relative to a benchmark index. Table 6 below, as well as Notes 5.4 and 5.2 to the 2020 consolidated financial statements and 2020 parent company financial statements, respectively, included in chapter 6, "Financial statements for the year ended December 31, 2020" of this 2020 universal registration document, detail the rules of the plan for performance shares granted in 2020 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, 2020, 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, 2020		Financial year ended December 31, 2019	
	Amount awarded(1)	Amount paid(2)	Amount awarded(1)	Amount paid(2)
Xavier Martiré, Chairman of the Management Board				
Fixed compensation	750,000(b)	743,333(c)	800,000(a)	800,000
Annual variable compensation	600,000(d)	1,194,380(e)	1,194,380(e)	1,096,830(f)
Special compensation				
Compensation allocated to members of the Supervisory Board	Not applicable	Not applicable	Not applicable	Not applicable
Benefits in kind(g)	7,293	7,293	7,301	7,301
TOTAL	**1,357,293**	**1,945,006**	**2,001,681**	**1,904,131**
Louis Guyot, Member of the Management Board				
Fixed compensation	390,000(b)	386,667(c)	400,000(a)	400,000
Annual variable compensation	211,813(d)	420,215(e)	420,215(e)	382,324(f)
Special compensation				
Compensation allocated to members of the Supervisory Board	Not applicable	Not applicable	Not applicable	Not applicable
Benefits in kind(g)	2,469	2,469	2,469	2,469
TOTAL	**604,282**	**809,351**	**822,684**	**784,793**
Matthieu Lecharny, Member of the Management Board				
Fixed compensation	292,500(b)	290,000(c)	300,000(a)	300,000
Annual variable compensation(2)	159,313(d)	322,637(e)	322,637(e)	285,301(f)
Special compensation				
Compensation allocated to members of the Supervisory Board	Not applicable	Not applicable	Not applicable	Not applicable
Benefits in kind (g)	2,917	2,917	2,917	2,917
TOTAL	**454,730**	**615,554**	**625,554**	**588,218**

(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 2019 and 2020 was determined based on the market practices of international listed companies. This compensation has applied since January 1, 2018.*

(b) *However, for 2020, the compensation policy as approved by the ordinary general shareholders' meeting on June 30, 2020 as part of the say on pay procedure included, in recognition of the impact of the public health crisis, fixed compensation of €750,000 for Xavier Martiré (instead of €800,000), of €390,000 for Louis Guyot (instead of €400,000), and of €292,500 for Matthieu Lecharny (instead of €300,000), it being noted that this revision is not taken into account in calculating the variable portion (theoretical fixed compensation).*

(c) *Xavier Martiré, Louis Guyot and Matthieu Lecharny waived 10% of their fixed compensation for the month of November 2020 to support the efforts made by the Group during the second wave of the Covid-19 pandemic.*

(d) *The variable compensation for financial year 2020 for each member of the Management Board, calculated on the basis of the theoretical fixed compensation (not taking into account the waivers of a portion of the fixed compensation by the members of the Management Board in April and November 2020), 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 at its meeting on March 3, 2020 following the advice of the Appointments, Compensation and Governance Committee, and then reviewed, with regard to quantitative objectives based on financial indicators, by the Supervisory Board on March 8, 2021 following the advice of the Appointments, Compensation and Governance Committee. The fulfillment condition corresponding to the 2020 targets approved by the Supervisory Board at its meeting on March 8, 2021 is 75% of the theoretical fixed compensation for Xavier Martiré, Chairman of the Management Board, and 53% of the theoretical fixed compensation for Louis Guyot and Matthieu Lecharny. Amount including the estimated amount of profit-sharing for financial year 2020 to be paid to Louis Guyot and Matthieu Lecharny as Elis employees (final payment in May 2021). These amounts include profit-sharing compensation of €1,813 paid to Louis Guyot and Matthieu Lecharny as employees.*

(e) *Amount including profit-sharing compensation of €4,702 paid to Louis Guyot and Matthieu Lecharny as Elis employees for financial year 2019.*

(f) *Amount of annual variable target-based compensation for financial year 2018, paid in 2019 to Xavier Martiré, Louis Guyot and 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 2020	Value of performance shares[(a)] *(in euros)*	Vesting date[(b)(e)]	Availability date[(c)]	Performance conditions
Xavier Martiré Chairman of the Management Board	2020 plan July 9, 2020	165,746, i.e., 0.074% of the share capital[(d)]	1,402,211	July 9, 2023	July 9, 2023	› Revenue compared to business plan › Consolidated EBIT compared to business plan › Change in the relative performance of the Elis share price (TSR) compared to the EuroStoxx 600 index over three financial years[(e)]
Louis Guyot Member of the Management Board	2020 plan July 9, 2020	64,457, i.e., 0.029% of the share capital[(d)]	545,306	July 9, 2023	July 9, 2023	› Revenue compared to business plan › Consolidated EBIT compared to business plan › Change in the relative performance of the Elis share price (TSR) compared to the EuroStoxx 600 index over three financial years[(e)]
Matthieu Lecharny Member of the Management Board	2020 plan July 9, 2020	46,041, i.e., 0.021% of the share capital[(d)]	389,507	July 9, 2023	July 9, 2023	› Revenue compared to business plan › Consolidated EBIT compared to business plan › Change in the relative performance of the Elis share price (TSR) compared to the EuroStoxx 600 index over three financial years[(e)]
TOTAL		**276,244, OR 0.12% OF THE SHARE CAPITAL[(D)]**	**2,337,024**			

(a) The value of the performance shares is equal to that used to prepare the consolidated financial statements for the year ended December 31, 2020, 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, 2020.

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

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.

The relative criterion is linked to the relative performance of the Company's share price compared with the EuroStoxx 600 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, such 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 this plan, the vesting percentages are as follows:

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

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

Target:

- *Economic criteria: performance at least on a par with the business plan (the expected level of absolute internal targets cannot be made public for business confidentiality reasons).*
- *Stock market performance: TSR of Elis shares ≥ change in value of the EuroStoxx 600 during the period from July 1, 2020 to June 30, 2023 (20-day moving average).*

TABLE 7: SHARES THAT VESTED DURING FINANCIAL YEAR 2020 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 2020	Vesting date	Availability date[(b)]	Performance conditions
Xavier Martiré Chairman of the Management Board	Plan no. 6 March 24, 2017	100,000, i.e., 100% of the shares granted[(c)]	March 24, 2020	March 24, 2020	› 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 SBF 120 index over three financial years
Louis Guyot Member of the Management Board	Plan no. 6 March 24, 2017	23,350, i.e., 100% of the shares granted[(c)]	March 24, 2020	March 24, 2020	› 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 SBF 120 index over three financial years
Matthieu Lecharny Member of the Management Board	Plan no. 6 March 24, 2017	23,350, i.e., 100% of the shares granted[(c)]	March 24, 2020	March 24, 2020	› 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 SBF 120 index over three financial years

(a) *See Notes 5.4 and 5.2 to the consolidated financial statements and parent company financial statements, respectively, for the year ended December 31, 2020.*

(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 March 24, 2020 and were subject to the fulfillment of performance conditions assessed over a period of three financial years. The performance conditions for the vesting of the shares were defined in relation to two absolute internal criteria linked to consolidated revenue and consolidated EBIT, determined in relation to the business plan, and an external criterion linked to the Elis share price relative to the SBF 120 index.*

Target performance:

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

› *Stock market performance: TSR of Elis shares > change in SBF 120*

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

Amount paid: *At its meeting on March 3, 2020, the Supervisory Board, on the recommendation of the Appointments, Compensation and Governance Committee, looked at the level of fulfillment of the performance conditions attached to the vesting of the shares granted under Plan No. 6 dated March 24, 2017. The Board concluded that the target amount for each of the criteria had been reached, so that 100% of the shares granted vested.*

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 2020 consolidated financial statements and Note 5.2 to the parent company financial statements for the year ended December 31, 2020, which are included in chapter 6, "Financial statements for the year ended December 31, 2020" of this 2020 universal registration document.

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

See also Note 12 to the Group's 2020 consolidated financial statements, which are included in chapter 6, "Financial statements for the year ended December 31, 2020," of this universal registration document, regarding an "Adaptation of the 2018 and 2019 performance share plans: In view of the exceptional impact of the health crisis, the Supervisory Board, at its meeting on March 8, 2021, on the advice of the Appointments, Compensation and Governance Committee, decided, in accordance with the applicable compensation policy approved by shareholders at the general shareholders' meeting of May 18, 2018 (for the 2018 plan) and the general shareholders' meeting of May 23, 2019 (for the 2019 plan), to adjust the performance criteria applicable to the 2018 and 2019 plans for the Executive Committee (including members of the Management Board) as follows:

› for the class A shares allocated under the 2018 plan and the shares allocated under the 2019 plan, adjustment of the performance criteria on the basis of new projections established by the Board, taking into account the impact of the health crisis (in terms of the volume of customer activity and fluctuations in the main exchange rates) on the Group's theoretical trajectory and;

› for the class B shares allocated under the 2018 plan, adjustment of the second performance criterion (EBIT margin Germany), considering that the target would have been achieved without the health crisis. The third criterion (operational synergies) had already been approved and disclosed; conversely, the first criterion (EBIT margin UK) is not deemed to have been met.

As a result of this adjustment, the number of vested shares acquired by members of the Executive Committee (including members of the Management Board) under the 2018 performance share plan is expected to represent 50% of the number of class A shares and 66% of the number of class B shares initially allocated. The fulfilment of the performance criteria attached to the 2019 performance share plan will be assessed in 2022, in view of the Group's performance during the year ending December 31, 2022.

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

Thierry Morin, Chairman of the Supervisory Board for 2020

Elements of compensation paid or awarded for the financial year ended December 31, 2020	Amount or valuation submitted for voting *(in euros)*	Description and comments
Fixed compensation	0	Not applicable, as the 2020 compensation policy for non-executive corporate officers does not provide for it.
Annual variable compensation	0	Not applicable, as the 2020 compensation policy for non-executive corporate officers does not provide for it.
Deferred variable compensation	0	Not applicable, as the 2020 compensation policy for non-executive corporate officers does not provide for it.
Multi-year variable compensation	0	Not applicable, as the 2020 compensation policy for non-executive corporate officers does not provide for it.
Special compensation	0	Not applicable, as the 2020 compensation policy for non-executive corporate officers does not provide for it.
Stock options, performance shares or any other element of long-term compensation	0	Not applicable, as the 2020 compensation policy for non-executive corporate officers does not provide for it.
Compensation allocated to members of the Supervisory Board	70,000[(a)]	In accordance with the compensation policy for non-executive corporate officers approved by the general shareholders' meeting on June 30, 2020, the amount of compensation allocated to the Chairman of the Supervisory Board and paid in 2021 to Thierry Morin for the 2020 financial year is composed of a gross fixed portion equal to €36,000, and a variable portion linked to his attendance at Supervisory Board meetings during the 2020 financial year. For 2020, 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 2020, this variable compensation represents an amount of €18,000 (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 attended by conference call. For 2020, the portion related to Thierry Morin's attendance at committee meetings amounted to €16,000 (gross)[(*)]. (*) Given the public health situation due to the Covid-19 pandemic, members of the Supervisory Board, including Thierry Morin, Chairman of the Supervisory Board, waived the payment of the variable portion for Board and committee meetings held during lockdown (from March 17 to May 11, 2020). This was recorded by the Supervisory Board at its meeting on April 27, 2020 in a supplement to the 2020 compensation policy contained in the corporate governance report. It was subsequently approved by the general shareholders' meeting on June 30, 2020.
Benefits of any kind	0	Not applicable, as the 2020 compensation policy for non-executive corporate officers does not provide for it.
Severance benefits	0	Not applicable, as the 2020 compensation policy for non-executive corporate officers does not provide for it.
Non-compete benefits	0	Not applicable, as the 2020 compensation policy for non-executive corporate officers does not provide for it.
Supplemental retirement plan	0	Not applicable, as the 2020 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.

Other members of the Supervisory Board

The total compensation paid during the 2020 financial year or awarded for the 2020 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, including members who were appointed during that year, is presented below in summary table 3 "Fees and other compensation granted to members of the Supervisory Board."

These elements are the only compensation paid during the 2020 financial year or awarded for the 2020 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 June 30, 2020.

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

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

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

TABLE 3: COMPENSATION RECEIVED BY MEMBERS OF THE SUPERVISORY BOARD

Non-executive corporate officer (Supervisory Board member)	Compensation for work and attendance at Board meetings *(gross amounts* in euros)*				Other compensation (fixed, variable, special, benefits in kind)			
	2020		2019		**2020**		2019	
	Fixed	**Variable****	Fixed	Variable	**Fixed**	**Variable**	Fixed	Variable
Marc Frappier[(a)]	-	-	10,500	13,000	0	0	0	0
Thierry Morin	36,000	34,000	36,000	41,200	0	0	0	0
Florence Noblot[(b)]	18,000	30,000	18,000	33,600	0	0	0	0
Philippe Delleur	18,000	18,000	18,000	23,400	0	0	0	0
Magali Chessé[(c)]	0	0	0	0	0	0	0	0
Anne-Laure Commault	18,000	18,000	18,000	0	0	0	0	0
Joy Verlé	18,000	26,000	18,000	27,200	0	0	0	0
Antoine Burel	18,000	30,000	18,000	31,800	0	0	0	0
Maxime de Bentzmann[(d)]	-	-	7,500	5,400	0	0	0	0
Amy Flikerski[(e)]	9,000	14,400	-	-	0	0	0	0
Fabrice Barthélemy[(f)]	9,000	10,800	-	-	0	0	0	0
Philippe Beaudoux[(g)]	0	0	-	-	0	0	0	0
Valérie Gandré[(g)]	0	0	-	-	0	0	0	0
TOTAL	**126,000**	**181,200**	**144,000**	**175,600**	**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.

(**) Given the public health situation due to the Covid-19 pandemic, members of the Supervisory Board, including Thierry Morin, Chairman of the Supervisory Board, waived the payment of the variable portion for Board and committee meetings held during lockdown (from March 17 to May 11, 2020). This was recorded by the Supervisory Board at its meeting on April 27, 2020 in a supplement to the 2020 compensation policy contained in the corporate governance report. It was subsequently approved by the general shareholders' meeting on June 30, 2020.

(a) Marc Frappier resigned from the Supervisory Board and from the Appointments, Compensation and Governance Committee on July 29, 2019.

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

(c) 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.

(d) Maxime de Bentzmann resigned from the Supervisory Board effective May 23, 2019.

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

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

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

2.2.3 Shareholder approval and presentation of resolutions relating to compensation (say on pay)

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

Eighth resolution

Approval of the compensation policy applicable to the Chairman of the Management Board for the financial year ended December 31, 2020

The general shareholders' meeting, voting with the quorum and majority required for ordinary general shareholders' 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, as well as the amendments to said policy by the Supervisory Board on April 27, 2020 and by the Supervisory Board on March 8, 2021, as detailed in the supplements to the Supervisory Board's report on corporate governance, approves, in accordance with Articles L. 22-10-26 and R. 22-10-18 of the French Commercial Code, the total compensation policy applicable to the Chairman of the Company's Management Board for the financial year ended December 31, 2020, 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 2019 universal registration document and the supplements to this report outlining the amendments to the policy.

Ninth resolution

Approval of the compensation policy applicable to members of the Management Board for the financial year ended December 31, 2020

The general shareholders' meeting, voting with the quorum and majority required for ordinary general shareholders' 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, as well as the amendments to said policy by the Supervisory Board on April 27, 2020 and by the Supervisory Board on March 8, 2021, as detailed in the supplements to the Supervisory Board's report on corporate governance, approves, in accordance with Articles L. 22-10-26 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, 2020, 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 2019 universal registration document and the supplements to this report outlining the amendments to the policy.

Tenth resolution

Approval of the compensation policy applicable to the Chairman of the Supervisory Board for the year ending December 31, 2021

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, 2021, as described in the Supervisory Board's report on corporate governance attached to the management report and presented in chapter 2 "Corporate governance" of the Company's 2020 universal registration document.

Eleventh resolution

Approval of the compensation policy applicable to members of the Supervisory Board for the year ending December 31, 2021

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, 2021, as described in the Supervisory Board's report on corporate governance attached to the management report and presented in chapter 2 "Corporate governance" of the Company's 2020 universal registration document.

Twelfth resolution

Approval of the compensation policy applicable to the Chairman of the Management Board for the year ending December 31, 2021

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 total compensation policy applicable to the Chairman of the Company's Management Board for the financial year ending December 31, 2021, as described in the Supervisory Board's report on corporate governance attached to the management report and presented in chapter 2 "Corporate governance" of the Company's 2020 universal registration document.

Thirteenth resolution

Approval of the compensation policy applicable to members of the Management Board for the financial year ending December 31, 2021

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, 2021, as described in the Supervisory Board's report on corporate governance attached to the management report and presented in chapter 2 "Corporate governance" of the Company's 2020 universal registration document.

Fourteenth resolution

Approval of the information referred to in Article L. 22-10-9 I of the French Commercial Code on compensation paid during the 2020 financial year or awarded for the 2020 financial year to all corporate officers in respect of their appointments to the Supervisory Board or the Management Board

The general shareholders' meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Supervisory Board's report on corporate governance referred to in Article L. 22-10-20 of the French Commercial Code, approves, pursuant to Article L. 22-10-34 of the French Commercial Code, the information referred to in Article L. 22-10-9(I) of the French Commercial Code on compensation paid during the 2020 financial year or awarded for the 2020 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 2020 universal registration document.

Fifteenth resolution

Approval of the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to Thierry Morin, Chairman of the Supervisory Board, for the financial year ended December 31, 2020

The general shareholders' meeting, voting with the quorum and majority required for ordinary general shareholders' meetings, and having reviewed the Supervisory Board's report on corporate governance attached to the management report, approves, pursuant to Article L. 22-10-34, III of the French Commercial Code, the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to **Thierry Morin** in his capacity as Chairman of the Supervisory Board for the financial year ended December 31, 2020, 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 2020 universal registration document.

Sixteenth resolution

Approval of the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to Xavier Martiré, Chairman of the Management Board, for the financial year ended December 31, 2020

The general shareholders' meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Supervisory Board's report on corporate governance attached to the management report, approves, pursuant to Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to **Xavier Martiré** in his capacity as Chairman of the Management Board for the financial year ended December 31, 2020, 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 2020 universal registration document.

Seventeenth resolution

Approval of the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to Louis Guyot, member of the Management Board, for the financial year ended December 31, 2020

The general shareholders' meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Supervisory Board's report on corporate governance attached to the management report, approves, pursuant to Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to **Louis Guyot** in his capacity as member of the Management Board for the financial year ended December 31, 2020, 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 2020 universal registration document.

Eighteenth resolution

Approval of the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to Matthieu Lecharny, member of the Management Board, for the financial year ended December 31, 2020

The general shareholders' meeting, voting with the quorum and majority required for ordinary general shareholders' meetings, and having reviewed the Supervisory Board's report on corporate governance attached to the management report, approves, pursuant to Articles L. 22-10-34, III of the French Commercial Code, the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to **Matthieu Lecharny** in his capacity as member of the Management Board for the financial year ended December 31, 2020, 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 2020 universal registration document.

2.3 PARTICIPATION OF SHAREHOLDERS AT 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.

However, due to the persistence of the Covid-19 health crisis, the methods of meeting and deliberating of the general shareholders' meetings, and in particular the combined general shareholders' meeting of May 20, 2021, may be adapted pursuant to Order 2020-1497 of December 2, 2020. In this regard, the Board of Directors will inform the shareholders in the notice of meeting and/or on the Company's website.

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

(See chapter 7, section 7.2.3 of this 2020 universal registration document).

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 2020
Capital increase through the issue of shares and/or any other securities giving access to the Company's share capital					
Capital increase through the issue of shares and/or any other securities giving access, immediately or in future, to the Company's share capital, with preferential subscription rights	110 million[a]	June 30, 2020	August 31, 2022	26 months	-
Capital increase through the capitalization of reserves; profits; share, merger or contribution premiums or other additional paid-in capital	130 million	May 18, 2018 June 30, 2020	July 18, 2020 August 31, 2022	26 months	March 24, 2020 April 6, 2020 August 31, 2020 December 20, 2020
Capital increase through the issue of shares and/or any other securities giving access, immediately or in the future, to the Company's share capital without preferential subscription rights, under a public exchange offer	22 million[b][c]	June 30, 2020	August 31, 2022	26 months	–
Capital increase through the issue of shares and/or any other securities giving access, immediately or in future, to the Company's share capital without preferential subscription rights, as part of an offering referred to in section II of Article L. 411-2 of the French Monetary and Financial Code	10% of the Company's share capital as at the date of the transaction per 12-month period[c][d]	June 30, 2020	August 31, 2022	26 months	-
Authorization, in the event of an issue of shares and/or securities giving access, immediately or in the future, to the Company's share capital without preferential subscription rights, to set the issue price[f]	10% of the Company's share capital as at the date of the transaction per 12-month period	June 30, 2020	August 31, 2022	26 months	–
Capital increase through the issue of shares and/or securities giving access, immediately or in the future, to the share capital in consideration for contributions in kind granted to the Company	10% of the Company's share capital at the time of the issue	June 30, 2020	August 31, 2022	26 months	–
Increase in the number of shares or other securities to be issued in the event of a capital increase with or without preferential subscription rights	15% of the initial issue	June 30, 2020	August 31, 2022	26 months	–
Share buyback program					
Share buyback	10% of the Company's share capital Maximum purchase price per share: €30 Maximum purchase amount: 350 million	May 23, 2019 June 30, 2020	November 23, 2020 December 31, 2021	18 months	Use outside of the liquidity agreement: none Use under the liquidity agreement:[e]
Capital reduction through the cancellation of treasury shares	10% of the Company's share capital per 24-month period	June 30, 2020	December 31, 2021	18 months	–

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 2020
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	August 31, 2023	38 months	July 9, 2020 December 28, 2020
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	June 30, 2020	August 31, 2022	26 months	
Capital increase through the issue of ordinary shares or securities giving access to the Company's share capital reserved for employees	5 million(h)	June 30, 2020	December 31, 2020	18 months	August 31, 2020(g) December 20, 2020(g)

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

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

(c) Deducted from the overall limit of €110 million set by the 18th resolution adopted by the general shareholders' meeting on June 30, 2020.

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

(e) For more details, see chapter 7, section 7.2.2 of the 2020 universal registration document.

(f) Under this authorization, should it be used by the Management Board, the issue price of the shares would be set in accordance with the following conditions:

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

(g) Used to cover the free performance share allocation plans whose vesting period expired in 2020 (See chapter 6 of this 2020 universal registration document and Note 5.4 and Note 5.2 to the 2020 consolidated and parent company financial statements, respectively).

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

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

To the Shareholders,

Our Company's Management Board has called a combined general shareholders' meeting, in accordance with the law and the Company's bylaws, to inform you of the position and activities of the Company during the financial year ended December 31, 2020, 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 new 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 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 2020, the consolidated financial statements for 2020, and the Management Board's report in accordance with new Article L. 22-10-20 of the French Commercial Code.

Having verified and audited the parent company financial statements for 2020, the consolidated financial statements for 2020 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 new Articles L. 22-10-26, R. 22-10-18 and L. 22-10-34 of the French Commercial Code, the Supervisory Board has drawn up the resolutions pertaining, first, to the principles and criteria for determining, structuring and awarding the fixed, variable and special elements of total compensation and benefits of any kind attributable to Management Board and Supervisory Board members for the fulfillment of their duties, and second, to the elements of compensation due or awarded to members of the Management Board and to the Chairman of the Supervisory Board.

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

The Supervisory Board

3

Disclosure of non-financial performance AFR

3

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

In recent years, we have taken steps to formalize our approach to CSR by setting targets and establishing performance measures. For Elis, CSR is not a distinct program that runs parallel to the rest of the company; CSR is inseparable from our daily operations and to Elis' development and strategy. This reflects the fact that our multi-service business exemplifies the notion of a "circular economy," in which the take-make-dispose model of production is replaced by a system that minimizes waste and maximizes the value of resources. With its business model, Elis is at the forefront of the product-service system, encouraging maintenance, reuse and recycling. At the same time, we genuinely involve our employees, ensuring a positive workplace environment in which diversity is promoted and ethics and integrity instilled in all we do.

At the heart of our CSR strategy are three complementary focus areas: responsible products and services, our environmental footprint and employee well-being and growth.

This strategy is supported by our 2025 sustainability goals in which we want to do our part in creating a more sustainable world for society, the environment and our own people.

Xavier Martiré – CEO

3.1 THE GROUP'S APPROACH TO CSR

3.1.1 Vision

Elis's primary responsibility is to ensure the well-being and professional development of its employees. Our human resources are a pillar of the culture that underpins everything we do. This culture is based on the values that have been the core of Elis's DNA from the very beginning: respect for others, exemplarity, integrity and responsibility.

The Group's ethical and responsible conduct are the key to our success and longevity.

Respect for others and exemplary conduct under all circumstances are factors that contribute to our employee's job satisfaction. The principles that are shared by all Elis employees can be summarized as follows:

- act with integrity, responsibility, and exemplarity;
- respect the dignity and rights of others;
- act in an environmentally-friendly way;
- comply with all laws and regulations;
- continuously improve performance.

Respect for those principles and values is a major factor in the Group's positive reputation and performance.

The Elis Group does not compromise when it comes to integrity, which it believes must govern its business relations and professional practices every single day.

The Group's business model is based on the concept of the product–service system and offering a range of high-quality products and services. This business model, which is centered around the life cycle of products, has led the Group to improve both their resource efficient design and sustainability in contrast to traditional modes of consumption, which encourage disposable products or planned obsolescence; this business model puts less pressure on the environment.

Thanks to the continuous improvement of its industrial performance, Elis also contributes to reducing water and energy consumption compared to traditional laundry services.

The Group's business model, which reflects the value chain of Elis's products and services, is described in chapter 1, section 1.2.

3.1.2 The Group's commitments

The Group's commitments are demonstrated by the priority given to employee comfort and safety, the attention paid to employees' career development, the promotion of the true value of work, and profit sharing.

Its Code of Ethics states the principles that apply to everything the Company does and provides a reference framework for what the Group expects from its employees, its managers and its partners. The Code is intended to help everyone seek out and make the right decision in any given situation, in accordance with the prevailing laws and regulations in each of the countries where the Group operates.

The Code sets out rules of conduct all stakeholders must adopt in four major areas:

- protecting employees;
- acting with all stakeholders with integrity, responsibility, and exemplarity;
- protecting Group assets;
- limiting environmental impact.

This Code is intended to form the foundation on which all internal standards and charters adopted by the Group are based, including the Supplier Code of Conduct, the Code of Conduct for Trading and Market Activities, and resources developed by the Group to combat the risk of corruption. The documents referred to are publicly available on the Elis website.

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.

All Group employees, regardless of rank, whom they report to, or geographical region of activity, must be both promoters and guardians of this Code of Ethics.

The Group's principles 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.

3.1.3 CSR policy

Elis's CSR policy aligns with the Group's overall strategy, which is based on customer satisfaction, the ability to enter new territories and markets and generating continuous, profitable and sustainable growth. Elis strives to provide a working environment that respects human rights and promotes diversity while limiting its 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.

Elis's commitments are based on three pillars:

Manage our impact on society through responsible products and services

- Ensuring that our products are produced in a manner that respects people and the planet
- Respecting the Elis Code of Ethics throughout the value chain, whatever our function or the country in which we operate
- Empowering those directly or indirectly connected to Elis through educational support

Continuously reducing our business's environmental footprint

- Promoting more sustainable choices that incorporate the reduction, reuse or recycling of our raw materials and products
- Increasing the value of our products by improving their resource-efficient design, lifespan and end-of-life use
- Reducing our consumption of natural resources (water, energy, fuel) to limit greenhouse gas emissions

Promoting the well-being and fulfillment of our employees

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

The key elements for the sustainable growth of the Group's business are: the Elis experience, employees proud of their Company and its values, and shareholder confidence. Individual buy-in at all levels of the Group is essential to ensure the success of this approach and, by extension, total customer satisfaction.

3.1.4 CSR governance

To steer and coordinate its sustainability ambitions, Elis has set up a governance structure overseen by the Chairman of the Management Board and headed by a CSR Director who reports directly to the Chairman of the Management Board.

To facilitate the Supervisory Board's work on CSR-related matters, the Supervisory Board also set up a standing committee to deal with these issues in 2020. The CSR Committee is tasked with assisting the Supervisory Board in monitoring and anticipating issues relating to the Company's CSR strategy, both in terms of its definition and implementation. The CSR Committee is expected to begin its work in 2021. The Company's commitment to CSR is reflected in the compensation policy applied to members of the Management Board, who thus have annual, individual non-financial goals related to CSR topics. These goals are reviewed annually and are published in the annual report on corporate governance.

Similarly, a global CSR review is presented annually to the Executive Committee. As CSR is a broad subject, closely-linked to the Group's day-to-day activities, subareas have been defined and placed under the responsibility of our Executive Committee members and their teams:

- The CSR Director
- The Human Resources Director: subjects linked to human resources
- The Engineering, Purchasing and Supply Chain Director: subjects related to health and safety, the environment and responsible purchasing
- The Marketing and Innovation Director: product development and sustainable innovation.

In addition, the key CSR and sustainability issues are reviewed during the annual collection of worldwide data on human resources and quality, safety and environment (QSE) and during meetings organized alongside this exercise.

3.1.5 Assessment of non-financial risks

Methodology

The Human Resources, Legal, Quality, Safety, and Environment and Purchasing departments have formed an in-house working group to describe and assess the CSR risks that could affect the Elis Group's performance. Its work is based on the Group's business model described in chapter 1, section 1.2.

The risks identified and examined cover the following four areas:

- the social impact of our business;
- the environmental impact of our business;
- the impact of our business with regard to human rights;
- the impact of our business with regard to the fight against corruption.

Some thirty risks were initially identified in 2018 and a risk matrix was created. In order to identify its material risks, Elis assessed the likelihood of occurrence, as well as the potential consequences at the legal, operational and financial level and on brand image. The CSR risks were reassessed in 2019 and 2020. The risk associated with Covid-19 was also taken into account in 2020.

The significant new risks and opportunities identified in 2020 are:

- risks associated with climate change: increased attention from investors and customers and strengthening of regulations;
- circular economy opportunities: becoming a leading company in the circular economy (eco-label or eco-design to reintroduce recycled products into the manufacturing of textile articles, or in other industrial applications).

This study and assessment were validated by two members of the Executive Committee and some risks were taken into account, even though they did not emerge as significant after application of the rating.

Of the risks assessed, the following were not selected:

- the impact on economic performance and employee working conditions of collective bargaining agreements entered into within the Group; good labor relations mean that the Group negotiates balanced collective bargaining agreements that protect the interests of both the Group and its employees;
- the risks related to initiatives aimed at combating discrimination and promoting diversity and measures taken for people with disabilities; the Company is committed to promoting diversity and equal opportunity without these initiatives creating any risk for the Group or the Company itself.

Corruption risk was also not selected as a material risk, firstly because the Group has implemented procedures to combat corruption and influence peddling, especially in countries considered vulnerable (see the paragraph entitled "Combating corruption and influence peddling" in section 4.2 "Elis Group's internal control and risk management system" of this document), and secondly because the percentage of business activities and sites that could be considered vulnerable to corruption at Group level is very small. Similarly, given the Group's business activities and the location of its sites, its exposure to the risk of tax evasion is minimal (see the paragraph titled "Tax policy" in section 4.2 "The Elis Group's internal control and risk management system" of this document).

In addition, the following social aspects were not considered to pose a significant risk to Elis's business activities: food insecurity, animal welfare, responsible, fair and sustainable food, and the fight against food waste.

Summary of material non-financial risks and key performance indicators

Social	Environment	Responsible Purchasing
› **Challenge: Ongoing dialogue with employees** - Risk: Temporary halt to business with operational, financial and reputational consequences - KPI: Percentage of employees working at sites or in countries with stable or increasing results (when comparison is possible) › **Challenge: Occupational health and safety** - Risk: Employee injuries, accidents or illnesses - KPI: Frequency rate › **Challenge: Managing short-term absenteeism** - Risk: Business disruption - KPI: Percentage of employees present throughout the year who had no days absent during the year - KPI: Percentage of short absences (up to seven days) out of all absences › **Challenge: Recruitment of key personnel** Risk: Difficulty recruiting certain types of candidates due to a market unsuited to our needs - KPI: Recruitment rate of permanent staff (number of permanent hires/permanent staff as at December 31)	› **Challenge: Having the required environmental permits for our activities** - Risk: Not obtaining environmental permits - KPI: Percentage of countries with a system for managing environmental permits[(a)] › **Challenge: Climate change, energy management and associated costs** - Risk: Insufficient response to the growing expectations of investors and customers and the strengthening of regulations related to climate change - KPI: Ratio of CO_2e discharged per ton of linen delivered - Risk: Increased energy-related costs - KPI: Thermal energy consumption ratio (excluding fuel for vehicles) in kWh per kg of linen delivered - KPI:Ratio of kg delivered per liter of fuel[(b)] › **Challenge: Protection of water resources** - Risk: Reduction in water resources that could result in the temporary closure of laundries - KPI: Ratio of water consumption in liters per kg of linen delivered - Risk: Untreated wastewater discharged into municipal networks for regulatory or other reasons - KPI: Percentage of wastewater treated before being discharged into the natural environment[(c)] › **Challenge: Circular economy** **Opportunity:** Becoming a leading company in the circular economy (eco-label or eco-design to reintroduce recycled products, or in other industrial applications) - KPI: % of product and service families with at least one sustainable collection - KPI: % of used textiles recycled	› **Challenge: Sustainable purchasing** - Risk: Unethical practices on the part of our suppliers in conducting their business - KPI: Percentage of direct purchases covered by a CSR assessment

(a) Environmental permits required for the operation of sites (operating permits, discharge authorizations, etc.).
(b) KPIs defined in 2020, objectives being developed.
(c) Treated on-site or connected to an external treatment plant.

Elis implements appropriate policies with relevant indicators to prevent, identify and mitigate the occurrence of these risks.

For each indicator, the scope covered is specified in order to calculate the rate of coverage.

As is standard:

- the coverage rate for social indicators is calculated on the basis of the number of employees (total employees of contributing entities/total consolidated employees);
- the coverage rate for environmental indicators is calculated on the basis of revenue.

Reporting scope

The declaration of non-financial performance applies to all of Elis's business, including all of its subsidiaries in all countries of operation.

The entities acquired in 2020 (Clinilaves Lavanderia Industrial EIRELI and Lavanderia ASPH Ltda in Brazil, 2MB Servitec in Spain, Haber Textile Dienste GmbH & Co KG and Haber Geschäftsführungsgesellschaft GmbH in Germany, Rentex Vertriebs GmbH in Luxembourg, Textile Washing Company k.s. and Gonser Textil Washing spol.sro in the Czech Republic) were not included in the 2020 report.

They will be included in the 2021 report or, at the latest, the 2022 report (in order to set up reporting and ensure it is reliable).

Where applicable, new entities have been added to the reporting scope (those acquired before 2019 but not included in the 2019 report, and entities acquired in 2019).

A few minor logistics sites with no environmental aspects have been excluded from the scope of environmental reporting.

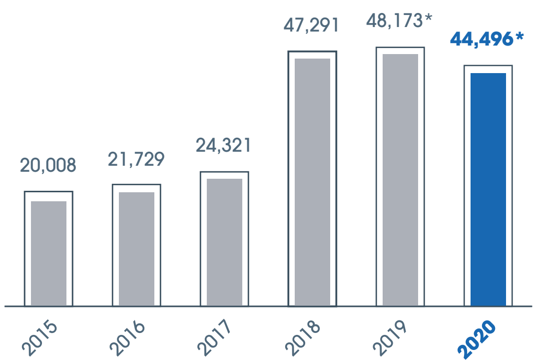
3.2 EMPLOYEE-RELATED RISKS

3.2.1 Ongoing dialogue with employees

Challenge

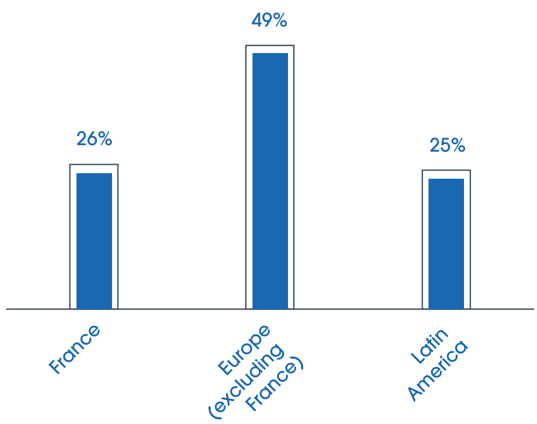
Social conflicts or even strikes caused by a lack of monitoring and prevention of social tension could have an operational and financial impact due to temporary inactivity, and a reputational impact as an employer and supplier within the local community. No events of this magnitude have occurred in recent years, but if they did, the consequences are likely to be significant. As a company committed to its employees' wellbeing, Elis makes every effort to ensure ongoing close contact between management and employees at every level. Because its employees are the guarantors of the quality of its service, the trust that the Group places in these relationships every day is essential and was a key factor in coping with the effects of the health crisis in 2020..

NUMBER OF EMPLOYEES



* Scope of CSR.

BREAKDOWN OF TOTAL WORKFORCE (PERMANENT AND NON-PERMANENT) BY REGION AS AT DECEMBER 31, 2020



Policy

Every day, at each site, Elis employees create value. This is the result of a close relationship between the Company and its employees, established on the basis of a common vision and ambition since Elis was created, which naturally allows them to promote and contribute to performance.

Elis's long-held values are an integral part of our social policy:

- respect: accepting everyone's differences, recognizing everyone's commitment, valuing each contribution;
- integrity: remaining true to our values, respecting our commitments, being honest;
- responsibility: listening to our customers and our employees, working to protect the environment and being involved at the local level, taking responsibility for the quality of our service;
- exemplarity: serving as an example to all, both internally and externally, embodying the company's values in everything that we do, remaining humble.

Together with the communications department, we have created several types of documents to facilitate the sharing of our values among all Elis employees and to insist that they be applied.

Measures implemented

Communication during the health crisis

Against the backdrop of an unprecedented health crisis, Elis had to take operational measures throughout 2020 and put in place communications adapted to the context of each site and country. Some sites continued to operate, others had somewhat reduced activity during the year, while some were forced to close temporarily.

Communications to employees at the sites were organized so as to minimize health risks by using posters, messages broadcast on television screens, and communications to individuals or very small groups of people.

For teleworking employees, communication was done via email, online meetings, or telephone.

For furloughed employees, most of whom do not have business email, communication was done by regular mail or telephone and the sending of memos or personal emails on a very regular basis to keep them informed of the site's situation and get updates from them.

Because of the part-time furlough, shifts were organized so that almost all employees could work, even on a reduced basis, and thus be informed of changes in the situation.

Some countries used a dedicated application or specific email address to answer employees' questions.

Employee representatives were involved in managing the crisis and were informed and consulted on the measures taken throughout 2020.

Elis's core value: a commitment to local communities

Throughout the health crisis, Elis's teams, wherever they were, mobilized to provide assistance and support to local communities. From donating linens to helping underserved populations, here are some examples of our actions in recent months:

Employees in Colombia distributed basic necessities to three neighborhoods in Bogotá.

In Spain, at the beginning of the lockdown period, the La Alumnia site (Zaragoza) donated masks, hydro-alcoholic gel and sheet paper to the health center and to the Guardia Civil (Spanish police) of La Almunia, and the Getafe site donated clothing for the healthcare employees and residents of two care homes in Madrid and a hospital in Seville.

In France, the Saint Thibault des Vignes site donated protective fabric gowns for the staff of a Children's Home and the Loudun site provided gowns for nursing staff and offered free cleaning services during the crisis.

Employee representation

Since employee regulations are specific to each country, staff representative bodies are created accordingly.

For example, in France in 2018 and 2019, new employee representative bodies created by the Order of September 22, 2017 have gradually been introduced at different sites.

Created in 2018, the European Works Council has 28 members, covers approximately 32,900 employees in 22 countries. The EWC leads discussions and formal meetings with its members on the Group's current situation and outlook. In 2020, due to the health crisis, only the select committee met.

72% of Elis employees are covered by a collective bargaining agreement. These agreements, which mainly concern working time organization, remuneration or working conditions contribute to the ongoing dialogue with the employees, and their representatives.

Elis for All

In 2019, Elis launched its first employee shareholding plan, "Elis for All," in 16 countries. The aim is to increase employee engagement and give employees the opportunity to capitalize on Elis's success.

During the first operation, which took place in September 2019, eligible employees were able to purchase Group shares directly or indirectly via a mutual fund, thereby participating in the Group's growth.

In 2020, Elis once again wanted to give its employees the option to become long-term partners in the Group's development and to invest in the company. To this end, in late 2020, Elis obtained approval from the AMF for a second employee shareholding operation, which should take place in May 2021.

Elis Chevron – rewarding our employees' work

The effectiveness of the Elis model is strengthened by a strong culture of conviviality, as a way for employees to engage. The best example is Elis's "Club des Chevrons" (Chevrons Club) which has been rewarding the most deserving production and maintenance operators for more than 30 years. In 2019, this club brought together employees from the entities of the former Berendsen Group for the first time. The same program has been set up in Brazil. In 2020, due to the health crisis, it was not possible for the Club des Chevrons to meet and the reward trip was postponed to the end of 2021.

Employee surveys

The commitment of each and every individual is key to the Group's success. This commitment is measured periodically through a survey sent to all employees, who respond individually and anonymously. Employees can thus give their opinions on a variety of issues such as working conditions, training, career development, working time and safety via anonymous individual questionnaires. It demonstrates the importance attached to corporate climate and the working environment at all levels.

The results of each social survey are eagerly awaited and allow us to determine the areas of improvement specific to each site.

The results are communicated to the employees by the management team together with the action plans defined in the response to the survey.

This periodic measurement of employee commitment 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 policy.

Key performance indicator (KPI) and outcomes

In all, 25 countries periodically conduct employee surveys. In 2019, a total of 6,935 employees in 14 countries responded to an employee survey (compared with a total of 9,881 employees in 10 countries in 2018). The health situation did not allow the surveys that were planned for 2020 to take place. A survey will be conducted in 2021 in most of the countries as soon as health conditions permit.

At the sites or in countries where a comparison can be made with previous surveys, the 2019 results were stable or improving for 87% of employees surveyed.

Due to the health situation, we do not have more recent KPIs as we are unable to conduct the surveys in a manner that is safe for employees.

(2018: 87%)

3.2.2 Managing short-term absenteeism

Challenge

Absenteeism is a reality that affects the Group. A reactive attitude towards absenteeism caused by internal and external factors could cause a negative operational and financial impact.

In our business, unexpected and short-term absences impact us the most. These absences have a variety of consequences:

- company productivity and performance can suffer: production delays, quality issues, poor customer service;
- work teams must be reorganized on short notice to replace absent workers;
- workloads must be redistributed, other employees must be asked to step in and ensure additional effort;
- it represents a cost for the company in terms of administrative and replacement costs, plus it can have an indirect financial impact linked to the repercussions on the quality of customer services (dissatisfactions that have to be dealt with, durability of contracts, etc.).

This year, Elis was also confronted with absences related to Covid-19 (sick and vulnerable people, contact cases, childcare issues, etc.).

Policy

Although each absence has its own particular characteristics and employers are not permitted to ask employees about the medical reasons for their absence, the Group has nevertheless implemented a series of collective measures to prevent absences and limit their impact on its business. There is no international policy for absenteeism, as this issue is very much linked to different climates (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.

Measures implemented

Preventative measures

Each site has introduced measures in accordance with their specific issues:

- vaccinations against influenza (or other diseases) are offered every year at certain sites;
- some sites pay a bonus to employees who have perfect or near-perfect attendance;
- in 2012, French entities introduced the Gest'Elis program, aimed primarily at preventing 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 distribution staff;
- tools for monitoring absences are made available to managers and training is offered provide them with the skills and knowledge to deal with absenteeism cases;
- some countries link a portion of managers' variable compensation to the absenteeism performance of their teams.

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 Company to demonstrate to employees not only its concern for them, but also how much absences impact its business. 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 the quality of life in the workplace. Appropriate measures may be taken following these interviews.

Versatility

The company encourages employee versatility, so they can step into a variety of positions at processing centers in order to replace an absent colleague. This is ensured by cross-functional training and job adjustments or modifications to documentation material, with the simplest positions being filled by employees on fixed-term contracts.

Absences related to the health crisis

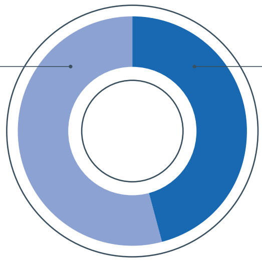
Throughout 2020, management was particularly committed to implementing and adapting health measures at the sites. Work processes have been adapted to minimize the risks of contamination. Personal protective equipment has been made available to all employees.

Key performance indicator (KPI) and outcomes

Number of absences shorter than 7 days (paid or unpaid): 78,518

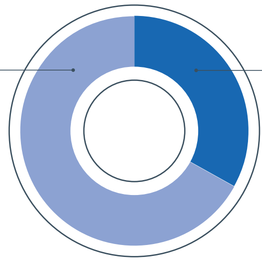
In 2020, the coverage rate was 94%(compared with 73% in 2019).

KPI: NUMBER OF EMPLOYEES WITH PERFECT ATTENDANCE



In 2020, the coverage rate was 93%.
(In 2019, the coverage rate was 94.3%.)

KPI: BREAKDOWN OF DAYS ABSENT



In 2020, the coverage rate was 94%.
(In 2019, the coverage rate was 73%.)

3.2.3 Health and safety

Challenge

When an Elis employee is doing the job he or she was hired to do, he/she can be exposed to some risks that can cause injuries, accidents or disease. This could result in legal proceedings and could have significant financial and operational consequences if the person concerned has core competencies. Thus, for the Elis Group, the health and safety of its employees and everyone else at its sites is paramount. To this end, it strives to offer a safe, healthy working environment by preventing the occurrence of workplace accidents, injuries and occupational diseases. With its ongoing expansion and entries into new regions and markets, the Group wants to become an example in terms of health and safety.

Policy

The Elis Group's health and safety policy is designed to reduce the accident rate to zero by improving workplace safety. This means reducing risks, preventing accidents, and applying the Group's safety standards in all countries and across all businesses with the involvement of all employees. This internal policy is rolled out internationally and reviewed frequently. The main commitments in the Elis Health and Safety policy are:

› ensure workplace safety by reducing and preventing accidents;

› apply the Group's safety standards in all our countries and businesses;

› involve all employees, so they actively contribute to maintaining a safe work environment;

› ensure compliance with legal requirements in all countries where we operate.

The Group is committed to a process of continuous improvement to reduce the number of risk situations. Its priorities are to strengthen the Group's safety culture by promoting and raising awareness, preventing fire and handling risks, improving workstation ergonomics, work-place hygiene and preventing business-specific risks.

Measures implemented

In 2020, Elis continued to implement its corporate safety strategy. In each operating region, the Cluster/Country QSE teams work closely with the Group QSE Department to define and improve the Group's safety standards. These teams also assist countries and sites with operational deployment and monitoring their application.

The measures introduced in 2020 with the support of the QSE network primarily involved:

› standardizing incident and accident reporting and safety indicators for all operations;

  In 2020, Elis consolidated the rigorous monitoring of incidents within the company, in particular via the corporate incident reporting system (CIRS), to record all information relating to incidents, their causes and the measures taken as a result, and to communicate the associated indicators. To achieve the objective of reducing the accident frequency rate by 50% by 2025, this objective has been broken down by region and according to the current maturity of each one.

  An analysis of the types of accidents is consolidated at Group level by activity (processing, maintenance, distribution, etc.), type of injury and type of risk (human, technical). This analysis helps to identify improvement actions to be strengthened in each country;

› reinforcing the Elis safety culture providing materials that promote safety.

  In October 2020, Elis launched its 10 safety golden rules, which are now communicated to the entire Group. These rules are based on creating a safe work environment and healthy habits. The launch has already been very well received and meets the expectations of our employees. The golden rules are now part of onboarding for everyone at Elis. A communication and activity plan is being implemented throughout 2021, with communications that highlight one rule each month so that each employee can fully internalize it and transpose it into his or her own work environment.

- sharing feedback and good practices;

  The most significant incidents related to employee safety and fire safety were shared throughout the Group and communicated via the QSE network to operational teams;
- defining the priorities for strengthening and supplementing Group safety standards, based in particular on feedback from the most significant incidents.

  New standards are being created and will be rolled out as an expansion on the golden rules.
- strengthening fire prevention with the deployment of a fire management standard in conjunction with the QSE Cluster team, training for the departments concerned, the fire prevention program and continuation of the fire protection strategy;

  Elis now has a documented prevention strategy and a maturity assessment for each site. Although the insurer audit program was disrupted by the Covid-19 crisis, the prevention program is ongoing and should resume its normal course in 2021. The level of investment in line with the strategy has been reviewed and its monitoring initiated;
- integrating safety principles into all new work equipment and new production lines with main suppliers;

  integrating ergonomics principles by continuing the implementation of the Gest'Elis program. This program includes solutions to improve workstation layout/organization as well as the equipment and tools used. Information sheets are created for each affected workstation featuring details about how to perform the task correctly and tips on comfort and safety;
- holding safety committee meetings at sites.
- defining and implementing hygiene rules and protective measures in the context of the Covid-19 pandemic to allow our teams to continue to operate safely at our sites and for our customers.

  The rules put in place have enabled us to continue our operations and prevented the development of Covid-19 clusters at our sites.

The QSE teams have assisted with the improvement plans within their respective scopes of activity:

- in France, site visits were conducted by health and safety engineers to assess the safety procedures and identify the priority improvement actions to be carried out at each of the sites visited. "Minute safety" training materials have been implemented to help managers conduct monthly meetings with all operators;
- in Brazil, daily safety discussions were maintained in the plants in connection with a safety monitoring program based on the training of over 200 staff members (supervisors, managers, team leaders) to work on the prevention of safety risks;
- the United Kingdom launched a new safety campaign called The Safety Premiership. This has resulted in a 95% safety compliance rate, a reduction in lost-time accidents and over 30,000 safety observations submitted by employees. The Shrewsbury site won the challenge with, among other things, Zero Accidents in 2020.

Key performance indicator (KPI) and outcomes

With the support of the Group's Human Resources Department and the various countries, reporting on safety indicators, frequency rates (FR) and severity rates (SR) is regularly published and updated in all the countries where Elis operates. *(Permanent and non-permanent staff)*	2020	2019	2018
Fatal accidents	0	0	0
Lost time accidents	1,141	1,529	1,658
KPI: Frequency rate (a)	14.32	16.90	19.15
Severity rate (b)	0.70	0.66	0.71

(a) Frequency rate = Number of accidents resulting in lost time, excluding commuting accidents, during the year/Total number of theoretical hours worked × 1,000,000.

(b) Severity rate = Number of calendar days of lost work due to workplace accidents with lost work of more than 1 day, excluding commuting accidents/Total number of theoretical hours worked × 1,000.

In 2020, the furlough hours were excluded from the theoretical hours

In 2020, the coverage rate was 100% (compared with 99% in 2019).

3.2.4 Talent acquisition

Some types of candidates can be more difficult to recruit because of a labor market unsuited to our needs, or due to challenges related to our employer brand.

This may result in problems performing certain services or impact the quality of our services, or even lead to compliance issues. The Group's development strategy relies on its ability to recruit and retain competent, high-performing employees.

Policy

Elis is committed to providing a workplace that respects human rights and promotes diversity. Elis seeks to foster a culture of diversity and inclusion, ensuring that each employee can develop and grow without being subjected to discrimination, including on the basis of gender, religion, origin, age, sexual orientation, physical appearance, health status, disability or political beliefs. Elis promotes equal opportunities for all employees and candidates in terms of recruitment, access to training, compensation and social protection. Elis is committed to highlighting the benefits of diversity and how different knowledge and viewpoints contribute to building synergies and stimulating innovation.

Diversity and equality

The Elis Code of Ethics is the basic foundation for diversity and equality. Many countries have their own initiatives and sometimes local or national regulations that go beyond the Code of Ethics. The themes that often recur in the countries where Elis operates is gender equality, the gender salary gap, and recruiting people who are mentally or physically challenged.

Elis sites in France are covered by agreements on gender equality in the workplace and the recruitment of disabled persons, which were signed in 2019.

In 2020, Elis signed an equal opportunity plan for women and men in Spain.

Elis has decided to increase our efforts to move toward greater gender equality within the management teams over the next few years. It is essential for the cultural enrichment of the company that more women attain management positions. The Group has set a goal for 2025 of having at least 40% women in management positions. To achieve this goal, action plans are being implemented within the company and deployed internationally.

The individuals responsible for recruitment within the various Human Resources departments work with local employment agencies and other recruitment channels. Depending on the position targeted headhunting is used. Furthermore, on site level the General Managers have the authority to work together with agencies to be flexible in case of absenteeism and seasonal fluctuations in certain activities.

Referral policy

Employees are rewarded for using their network to find a new recruit who proves to be successful in the position (in the Netherlands and Germany, employees receive vouchers after the trial period and after the first year of employment. In France, they can choose to make a donation to the Elis Foundation or receive a cultural voucher).

Talentsoft

Talentsoft is a tool developed for the Human Resources department which was further developed in 2019. Talentsoft can be used to support and streamline processes. The following topics are part of the scope: recruiting, performance and competencies review, talent review, compensation and general HR analytics. In 2020, this tool was rolled out in new countries. These roll-outs will continue in 2021 and the following years, with the goal of making it available throughout the Elis Group.

Measures implemented

Targeted partnerships

Targeted partnerships with schools and universities are being developed in countries experiencing recruitment problems, the goal being to attract interns or apprentices. Site visits are being organized and the Group is participating in open houses at schools and universities to introduce the Group and its business lines. The partnerships with schools and universities differ depending on the country and the type of challenges they face. In Denmark, for example, HR teams are working in partnership with Aalborg University, where employees and former graduates spoke to students in 2020 about their careers.

Building on our reputation as an employer

The Company must boost its attractiveness and increase its recognition to encourage more people to join us. The Group's Communications and Human Resources teams have worked together to develop a new social media communications strategy aimed at promoting the jobs available within the Group and increasing the applicant pool, as well as uniting employees and strengthening internal cohesion.

To become better known and be able to recruit these types of individuals, Elis must increase its visibility among students and more experienced professionals. This objective can be achieved through the Group's presence on social media with articles, videos and pictures, which helps to both enhance the employer brand and provide information about job opportunities.

Programs aimed at young people

- Management Trainee Program: each management trainee completes four projects over a two-year period. Each project lasts six months and one is international. The first and final projects are conducted in the trainee's country of origin, allowing them to create their own network and prepare for taking on their permanent role. Throughout the program, management trainees interact with staff in different business lines and from different operating departments. The variety of our business lines and locations means that we can offer them a multitude of opportunities. The recruits are often new graduates or people with a short work experience after their graduation.
- International Exchange Programs: young people are hired and trained in the Group's key business lines (in the production and commercial segments), then sent to another country for 12 to 24 months to complete their training, share best practices and strengthen the Group's culture. The first exchange programs took place in 2013 and involved young Spaniards coming to France. Additional exchanges were then organized between Brazil, Portugal and Sweden. In 2020, employees from Brazil, Sweden and Spain were welcomed to French plants.

Onboarding program

To help new employees settle in, onboarding is arranged for every new hire. This onboarding is developed in each country according to the position being filled. Onboarding kits are being developed in the various countries where the Group operates. It contains information for new employees as well as tools and resources that can be adapted to suit different situations. Most countries have a buddy/mentor program in place for new employees depending on the position to help them get settled in their new role.

Personal and professional development

The majority of countries have an annual performance review in place. This is a moment during which 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 or broaden their skills, making it possible for them to switch to a new role. This can mitigate recruitment issues, either as part of succession planning or at the request of the employee.

Training

Training is a key factor of success for the Group. It starts upon the arrival of new employees, with a program enabling them to discover Elis's values, culture, organizational structure and functions, and build themselves an internal network. Recognizing and developing the skills of all employees to upskill and promote mobility and career development, including internal promotion and geographic mobility, are crucial aspects to develop and nurture employees that make up Elis.

The human resources teams have the freedom to adjust their training initiatives to the specific challenges and opportunities where they are. This gives them the flexibility to quickly adjust their approach when labor market dynamics change and to promote internal mobility.

The Group offers a variety of training programs enabling employee development. The training programs that are internationally available are: the onboarding program, the management trainee program, the Sales Academy and the International Exchange Program.

These are trainings aside from the international programs, to uphold the knowledge and skill level for relevant positions.

For example, in France, there are specific professional development programs to meet future skill requirements for the following roles:

- Production team leaders, through the École de maîtrise program: this enabled a number of production operators to move into team-leader positions;
- Customer Service Managers, through the Filière d'Excellence Disco (FED) program: since 2010, this veritable corporate ladder has allowed service agents to advance within the Company.

Promotions

Elis recognizes and develops the skills of all employees to promote mobility and career development.

Certain vacant positions are filled through internal promotion. 340 in 2020 (1,700 positions in 2019).

26% of new managers arepromoted internally.

(35.82% in 2019)

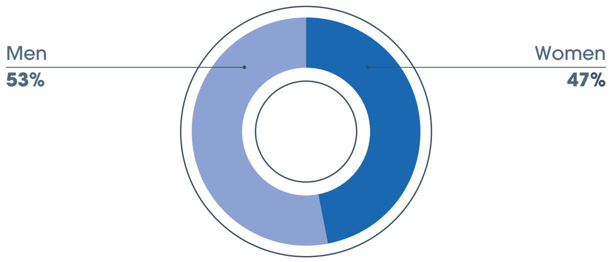
Key performance indicator (KPI) and outcomes

There was a total of 7,955 permanent new hires, 252 of them managers, with a hiring rate of 19.8%

In 2020, the coverage rate was 100%

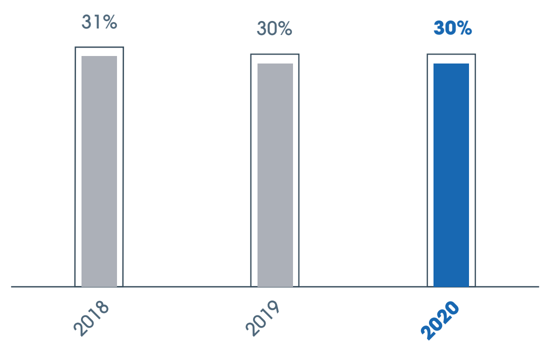
(In 2019, there was a total of 10,736 permanent new hires, 448 of them managers, with a coverage rate of 100% and a hiring rate of 24.7%)

BREAKDOWN OF NEW HIRES BY GENDER



In 2020, the coverage rate was 100%.
(In 2019, the coverage rate was 100%.)

PERCENTAGE OF NEWLY HIRED FEMALE MANAGERS



In 2020, the coverage rate was 100%.
(In 2019, the coverage rate was 99%.)

3.3 ENVIRONMENTAL RISKS

3.3.1 Having the required environmental permits for our activities

Challenge

Industrial laundry operations are subject to particularly strict environmental regulations. In most of the countries where Elis does business, such operations require a number of separate permits to cover industrial operations, chemical storage, withdrawal of water resources from the natural environment, and the discharge of industrial wastewater.

In many European countries, discharges into water are subject to authorizations by local authorities (waste water discharge license or consent) setting the conditions for discharges into municipal networks before treatment at wastewater treatment plants. When so required by local regulations, these specifications are also included in environmental permits covering discharges to municipal treatment plants or into the natural environment. The fact that Elis may not be able to discharge its wastewater into municipal collection systems or to other locations, for regulatory reasons, for example, could have operational and financial consequences.

In France, for example, each French processing site that washes more than five tons of linen per day is subject to a prefectural-level registration requirement, pursuant to France's regulation on classified facilities for the protection of the environment (ICPE), which sets, among other things, limits on water withdrawal, discharges into water, air emissions and waste management.

Policy

Elis makes every effort to ensure that it is in compliance with legal requirements, regardless of the country of operation, and that its industrial laundries have the necessary approvals and permits covering the entire operating cycle.

Organizational structure vis-à-vis the environment

The Group's Quality, Safety and Environment (QSE) Director reports to the Group Engineering, Purchasing and Supply Chain Director who is a member of the Executive Committee. The QSE Director is responsible for defining the Group's environmental policy and environmental risk prevention policy. A team of environmental engineers assists him with regulatory compliance management.

In the countries where Elis operates, QSE operational teams, or sometimes teams specifically dedicated to the environment, support the operational departments and help sites deal with the competent authorities to obtain, modify or renew permits. The teams are also responsible for helping sites manage environmental indicators and follow environmental best practices.

Operational deployment at each processing center is handled by a network of environmental officers (the plants' technical managers), who are trained in environmental best practices.

Measures implemented

Environmental compliance

Since 2018, all Group countries have implemented a system to manage each site's environmental permits. Whenever it acquires a new company, Elis performs environmental due diligence and systematically checks that the operator is compliant with local regulatory requirements and has the necessary permits.

To support its environmental management system and promote its efforts in this area to stakeholders, Elis holds ISO 14001 certification for a total of 143 sites, mainly in Germany (31), Sweden (26), Spain (23), Denmark (18), Norway (9), the Netherlands (10) and Poland (7).

Investments in environmental provisions and compliance

Elis invests in compliance and in improving its environmental performance every year. The amounts invested are mainly allocated to improving the on-site pre-treatment of water discharges, monitoring action plans following inspections by government environmental agencies, and the remediation of closed facilities.

Elis also regularly assesses its environmental provisions, especially when acquiring new companies.

Key performance indicator (KPI) and outcomes

Number of countries with a system for managing environmental permits: 100%.

The coverage rate was 100%.

AMOUNTS AND RESOURCES DEDICATED TO COMPLIANCE AND PREVENTION OF ENVIRONMENTAL RISK AND POLLUTION

(In millions of euros)	2020
Compliance costs	5.6
Environmental provisions and guarantees	72.1
Compensation paid for environmental litigation	0

The coverage rate was 100%.

3.3.2 Protecting water resources

Challenge

Water is a strategic global resource and a real sustainability challenge for communities, companies, and in particular for Elis in relation to its activity.

For Elis, the management of water resources presents a twofold challenge:

- minimizing water consumption;
- managing the impact of its discharges.

Water supply is crucial to operating an industrial laundry, in large part due to the activity of washing laundry. The Group's processing centers obtain their water either from an underground supply (wells) or from the public drinking water system.

Unlike traditional modes of consumption, the rental and maintenance model – which fully fits into the product–service system – enables Group customers to benefit from Elis's services without having to purchase any products. This model simplifies customers' lives while also reducing pressure on natural resources and the environment. Through process optimization, the rental and laundry service is able to substantially reduce water consumption compared to a solution based on purchasing and in-house laundering.

This approach also extends the service life of products and maximizes their use by naturally encouraging their repair, reuse and recycling.

Since the nature of wastewater from laundries is the same as household wastewater, the vast majority of Elis's laundry facilities are connected to the municipal wastewater networks. Prior to being discharged into the natural environment, all industrial discharge is treated either entirely on-site or at the municipal water treatment plant with or without on-site pretreatment, depending on the case. The permanence of these connections, or of the possibility of discharging wastewater into the natural environment itself once it has been treated, is key to growing the Group's business while limiting its impact on the natural environment.

Policy

In accordance with its Quality, Health, Safety and Environment policy, Elis's environmental commitments are primarily aimed at furthering the circular economy aspect of its business model and improving its performance in terms of natural resource consumption.

These commitments are also reflected in the Group's CSR policy, thanks to a concerted capital expenditure program and the deployment and promotion of water-saving best practices. Throughout the Elis group the water and energy consumption reduction are central topics.

The Group has been committed to reducing its water consumption for many years and, consequently, the volume of its industrial wastewater discharges has been reduced. In 2019, ELIS revised its target for reducing water consumption in its laundries: -50% by 2025 compared to 2010 in Europe.

In addition, thanks to the self-monitoring of wastewater performed through regular analyses at most sites, the Elis Group has acquired in-depth knowledge of the quality of its wastewater and is working to improve it. Depending on local conditions, some of Elis's plants may have their own water treatment stations to ensure consistent discharges and quality levels.

Elis laundries are in regular contact with public sanitation services. In the event of changes in the quality or volume of a site's discharges, Elis reviews the potential measures to be implemented with the competent local authorities. If need be, the Group will invest in processes based on the treatment capacities of the local authorities and the local regulations in each country. The Elis Group monitors the topic on corporate level through annual surveys filled out by the local QSE and/or site teams, to get an updated view of how the wastewater is treated.

Measures implemented

The optimizations made in recent years are mainly based on the reduction of water consumption and better management of discharges.

These include:

- increasing use of heavy-duty tunnel washers: equipped with separate compartments, they allow laundry to progress through the different processing stages by moving from one compartment to another;
- regular monitoring of plants' water meters to prevent any losses;
- optimization of washing equipment (fine-tuning of water flow monitoring) and related washing programs;
- reusing press water for the first rinsing;
- reusing water between washing equipment;
- recycling of wastewater when discharged from the plant;
- implementing the best available techniques at each opportunity to replace obsolete machines;
- selection and management of the laundry products used for the industrial process (which affects water consumption);
- self-monitoring of industrial wastewater in accordance with the requirements of industrial wastewater discharge ordinances or prevailing regulations.

  In 2020, Elis optimized its washing processes by changing products or dosages at 124 sites, especially with an emulsion detergent technology to ensure optimal dosage. Elis also continued to deploy its program to replace powdered detergents with liquid detergents, which are easier to rinse and therefore consume less new water (18 since 2018). To carry out this program, Elis has mobilized a dozen or so chemical-water-energy process engineers in the field to manage each switchover;
- wastewater treatment and recycling:

  Elis is seeking to develop the reuse of its wastewater through specific treatment with the goal of significantly reducing water consumption and related discharges. For France, Elis has identified 2 pilot sites to be established in 2021.

Matching water needs with local resources

When choosing sites for its new processing plants, Elis conducts a hydrogeological survey to determine whether its water supply can be obtained from wells or from other sources (recycled water, municipal water, etc.) and consults with the competent authorities regarding the technical and regulatory feasibility of the provision of process water.

When planning to expand its operations, Elis verifies whether it has sufficient supply and implements measures to adapt to local constraints.

Before acquiring a new company, Elis performs environmental audits and systematically checks that the operator has the necessary resources.

Adapting water management in the context of climate change

The measures implemented by Elis to reduce its water consumption have helped reduce the potential consequences of droughts. Elis has begun to identify the sites at risk of drought on a country-by-country basis to target our actions to reduce and recycle water. The Group also complies with any exceptional measures that may be determined by the authorities in the event of drought: these go hand-in-hand with the continuous reduction of water consumption.

Risks related to climate change also include potential changes to flood risk prevention programs. Elis is incorporating appropriate constructive measures when building its new buildings.

Key performance indicator (KPI) and outcomes

Ratio of water consumed per kg of linen delivered: 9.4

The coverage rate was 100%.

Annual use of water for the Group's activities: water consumption (in millions of m^3): 13.0

The coverage rate was 100%.

Water: 36% savings per kg of linen delivered since 2010

AREA: EUROPE*

* Laundries only. New facilities acquired in a given year are included in the ratio two years after the acquisition year.

% of wastewater treated before being discharged into the natural environment*: 100%

The coverage rate was 100%.

* Industrial discharge is treated prior to discharge either entirely at the site or at the municipal water treatment plant with or without on-site pretreatment.

3.3.3 Managing risks related to climate change, energy consumption and associated costs

Challenge

Climate change

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.

In the context of growing concern over global warming, Elis wishes to communicate its commitments and results in terms of reducing greenhouse gas emissions to all stakeholders.

Elis is regularly asked by its customers, particularly during tenders, to provide data in this area. Elis is thus called to account for its results in terms of reducing the impacts of climate change. This also means that Elis can contribute to the measurement of its customers' carbon footprints.

In addition, investors and credit institutions regularly assess the Group's response to climate change.

The main greenhouse gas emissions related to Elis's activities are:

- thermal energy consumption;
- electricity consumption;
- fuel consumption.

Thermal and electrical energy

The Elis Group has been continuously improving its thermal energy performance in Europe for more than ten years, thanks to its focus on energy reduction. Its efforts in this area underpin the Group's resolve to strengthen its leadership position and involve all stakeholders, from the design and purchase of equipment to the daily operation of our facilities, in the ongoing quest for optimal energy consumption. This approach is fully in line with the Elis Group's drive for operational excellence.

Events such as changes in supply and demand, changes in energy-related taxes, or political events in oil- and gas-producing countries can cause fluctuations—sometimes significant—in the price of the thermal energy and electricity required to operate the Group's laundry facilities and processing centers. For this reason, the Group pays close attention to its energy costs and expected trends as it has a financial and operational impact.

Fuels

With several hundred thousand customers in Europe and Latin America, the logistics service provided by the Group's vehicles accounts for a non-negligible portion of the Group's CO_2 emissions and its consumption of fossil fuels. This is the subject of an optimization strategy with ongoing priority objectives to limit fuel consumption and reduce emissions of pollutants and nitrous oxides (NO_x). Elis is also adapting its delivery fleet to low-emission zones and preparing for a possible reduction of fossil fuel availability and the associated rising costs.

Policy

Climate change

Through its CSR policy, Elis has made a commitment to continually reduce its direct and indirect environmental footprint, and in particular to reduce greenhouse gas emissions generated by its activities.

In 2020, Elis set a Group-wide target of a 20% reduction of its CO_2 emissions intensity by 2025, compared to 2010.

In addition, Elis has launched a program to assess its global emissions including scope 3 (including suppliers, inbound logistics, product end-of-life, etc.) on a voluntary basis.

Thermal and electrical energy

The Group has set the following consumption reduction targets:

- 35% thermal energy from 2010 to 2025. The process to reduce energy consumption, which is fully in line with the Group's drive for operational excellence, underpins the following program, which is designed to:

› continuously improve the energy performance of processes, buildings and the vehicle fleet by incorporating energy efficiency criteria at the facility design phase, encouraging the purchase of energy-efficient appliances and services, and implementing best practices for efficient and rational use of energy at existing facilities;

› analyze significant energy consumption items (gas, fuel oil, electricity and fuel);

› monitor improvements in energy performance through appropriate indicators and communicate them to all relevant levels of the organization to help achieve the objectives and targets set;

› adapt energy use and consumption and maintain equipment and buildings so that they are always in compliance with legal and other relevant requirements;

› involve all employees and external partners so that everyone is aware of their roles and responsibilities in the Group's overall energy performance.

The program is further strengthened by Elis's efforts to obtain ISO 50001 energy management system certification, which was awarded to 81 European sites in 2020.

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 actively monitors changes in energy costs and contracts with preferred suppliers. This allows it to plan for any potential changes and avoid fluctuations in its energy bills.

Fuels

Concerning fuel consumption, with the assistance of the Logistics Department nationally and internationally, are implementing route optimization plans. The Logistics Department makes sure that the most suitable delivery vehicles are used, manages logistical dashboards and produces strategic studies related to industrial strategy and site location.

Elis manages and reduces its fuel consumption by consolidating its delivery trips, promoting eco-driving, maximizing the fill rate of its trucks, and improving the performance of its vehicle fleet.

Lastly, the Group actively monitors future developments in alternative energy trucks in order to diversify its fleet.

Measures implemented

Climate change

In addition to the analysis of the sources of direct GHG emissions (scope 1) and indirect energy emissions (scope 2) that have been taken into account in the carbon footprint, Elis is now engaged in the analysis of other emissions (scope 3) that are linked to the entire value chain, such as the purchase of raw materials, other products and services, employee travel, inbound and outbound transportation of goods, management of waste generated by the organization's activities, use and end-of-life of products and services sold, capitalization of production goods and equipment, etc.

An initial scope 3 assessment was finalized for Sweden in 2019 and will be finalized for France in 2021.

Elis examines and continues to deploy the use of alternative energies:

› in Sweden, several sites have already switched to low-carbon energies such as biogas and bio-oil;

› use of biomass in South America (e.g. the Diadéma site in Brazil in 2020);

› use of solar panels at several sites in Europe;

› acquisition of electric and hybrid vehicles to replace fossil fuel vehicles;

› testing in 2021 of vehicles that run on biodiesel B100;

› switching to electricity from renewable sources. Examples in 2020: 100% wind power in the Netherlands, 100% hydropower in Sweden.

Thermal and electrical energy

The Group continues its efforts to reduce the intensity of its energy consumption:

› monitoring of low-temperature washing technologies

› design of the new steam-free laundries with hot water tanks for washing (3 new plants since 2019)

› in-depth studies of the settings on our most high-consumption equipment followed by Group recommendations sent to the sites (calenders, finishing tunnels, dryers)

› replacement of spin-drying presses and drying/ironing equipment under energy performance conditions.

› use of C2E (Certificat Économies d'Énergies - Energy Savings Certificate) information sheets to:

  – isolate the critical points of networks,

  – replace old burners with modern micro-modulating versions,

  – treat boiler water with an osmosis unit.

Fuels

In 2020, the Group pursued the following actions to reduce the intensity of its fuel consumption:

Management of fuel performance

In order to better manage energy performance related to fuel consumption, the Group has revised and optimized its logistics KPIs for closer monitoring of our performance and is reviewing its fleet management tool.

Best practices for eco-driving have been strengthened and action plans drawn up across the entire Group.

Maximizing the use and fill rates of delivery vehicles

To optimize travel while guaranteeing high service quality, the Group's Field Agents have one objective: "full vehicles in both directions." A delivery vehicle never returns empty, as the return journey to the processing center is an opportunity to transport soiled linen/clothing, mats, empty water cooler bottles, etc.

Since 2008, the Elis Group has been upgrading its vehicle fleet on a regular basis, thereby increasing the payload of its light utility vehicles and deploying heavy goods vehicles with increased transport capacities.

Use of tools to reduce distances traveled

The Logistics Department lends its expertise to all service centers to optimize routes using special software, and is the European leader in computer-assisted route planning. These operations aim to concentrate deliveries to a limited number of areas and assign customers to the nearest delivery centers.

Elis is also launching the GLAD (Global Logistics Assistant for Deliveries) project to assist operational staff in the field. Field Agents will have a PDA that shows them the best route in real time, while their managers will have software tools that help them adjust their routes.

3

This system, which is scheduled for roll-out in 2021, will also promote eco-driving, informing drivers in the event of excessive speed and monitoring sudden acceleration and braking.

Development of the clean vehicle fleet

Based on the results of tests, Elis has been expanding its fleet of alternative energy vehicles (electric, hybrid and NGV) since 2019, and is continuing to explore the use of bio-fuels (biodiesel, biogas). In 2020, 10 fully-electric light utility vehicles were purchased in France. In the Netherlands, five diesel vehicles were replaced by biogas-powered vehicles. In Sweden, Elis is already equipped with 27 logistics vehicles using low-carbon fuels (biodiesel, biogas) and 13 electric utility vehicles.

The Elis Group now has in its logistics fleet 87 hybrid vehicles, 24 electric vehicles, and 12 vehicles powered by natural gas, 6 biogas and 5 LPG vehicles. Commercial vehicles also include 73 hybrids, 35 electric vehicles, 14 LPG, and 2 biogas vehicles.

Key performance indicator (KPI) and outcomes

Climate change

Ratio of CO_2e discharged in kg per ton of linen delivered: 319

(Scope 1 and 2, transportation included.)

(The coverage rate was 100%)

12% reduction in CO_2 emissions intensity[(a)(b)(c)] per kg of linen delivered since 2010

(a) GROUP SCOPE

(b) Laundries only. New facilities acquired in a given year are included in the ratio two years after the acquisition year.

(c) Scope 1 and 2 emissions.

Energy

Ratio of thermal energy consumption in kWh per kg of linen delivered: 1.38

(All sites, excluding fuel for vehicles)

(The coverage rate was 100%)

Thermal energy: 18.2% savings per kg of linen delivered since 2010

AREA: EUROPE*

* Laundries only. New facilities acquired in a given year are included in the ratio two years after the acquisition year.

Fuel

Kg delivered per liter[(1)]: 34.0

New KPI defined in 2020, objectives being developed

(1) kg delivered, all items: textiles, hygiene and well-being and all types of vehicles, owned or leased.

The coverage rate was 71%.

3.3.4 Promoting the circular economy and protection of natural resources

Challenge

Elis offers its customers services based on a product-service business model, which is intrinsically virtuous since the Group remains the owner of the rented products, which are reused for as long as possible. Elis has every interest in prolonging their lifespan by selecting quality products that meet expectations in terms of use, comfort and aesthetics.

Elis has been implementing sustainable offerings for more than 10 years to meet growing demands around environmental issues. The resources used, eco-design, and the reuse of textiles at the end of their life cycle are a core concern for the Elis Group, both on a daily basis and when renewing our offerings.

Policy

At the beginning of 2020, Elis set a target of offering at least one sustainable collection for each product family by 2025. In addition, Elis has set a target of recycling 80% of its end-of-life textile items by 2025.

For each product group or product family in the Group's marketing classification: product line (flat linen), family (bath linen) and sub-family (bath mats), Elis will list a collection composed of sustainable materials by 2025 (e.g. the Bio's Fair collection in organic fair-trade cotton for bath linen).

The "preferred options" listed by Textile Exchange in its annual Preferred Fiber & Materials report list many sustainable textile fiber options for Elis.

However, the sustainability of materials must be considered at the product level as well as the service level. The choice of materials must allow excellent resistance to industrial maintenance processes to optimize the lifespan of the products as well as their reuse at the end of their life.

For this reason, the Group applies life cycle assessment (LCA) methodology. The LCA makes it possible to determine the most relevant actions to implement in the choice of materials to protect the environment–i.e. to create an eco-design strategy. In addition, the LCA also makes it possible to evaluate the overall impact of the Elis service offer compared with alternative offers on the market such as disposable products.

Measures implemented

Sustainable products and services

The sustainability of the Elis pyjamas rental, laundry and maintenance solution

In 2020, Elis finalized an LCA in partnership with strategic customers to compare the environmental impact of the Elis hospital scrub suits offering with competing single-use polypropylene products for France. This LCA was critically reviewed by a panel of experts.

The use of reusable hospital scrub suits results in a 32% reduction in climate change impact compared to disposable hospital scrub suits. This impact reduction can be as much as 62% depending on the level of over-consumption of disposable hospital scrub suits in a healthcare facility.

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

Elis, 10 years of fair trade

For 10 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 supplier Malongo. Malongo's 100% arabica fair trade Ethiopian Moka coffee is now part of our offering

Currently, Elis uses fair trade organic cotton in 23 of its products (Bio's Fair collection: bath linens and workwear), and is committed via the Fairtrade/Max Havelaar label to pay development premiums to small cotton producers (an aggregate total of over €200,000 in development premiums paid to small producers since the beginning of our commitment).

97,000 Fairtrade/Max Havelaar-labeled clothing items were in circulation in the Elis network at the end of 2019.

560 hospitality customers have chosen organic and fair trade cotton for their bath linen and support this responsible approach.

A new sustainable fiber in our workwear offerings

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

The Covid crisis, an opportunity for more sustainable solutions

In the Healthcare sector, Elis has deployed textile solutions in several countries as an alternative to single-use solutions to respond to risks of shortages and to guide its customers toward a return to reusable textile solutions:

- Patient shirts in France;
- isolation gowns in the UK, Spain and Brazil.

EU Ecolabel: a label chosen for various product families

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 environmentally- and health-friendly products throughout their life cycle. It meets high levels of requirements in terms of limiting impacts (such as limitation of hazardous substances, reduction of air and water pollution during fiber production, etc.) while maintaining their level of performance.

Elis also provides its customers with Ecolabel-certified paper products for hand towel dispensers, as well as toilet paper dispensers for the Aqualine and Fusion collections. In 2020, the Elis Group ordered 2.6 million Ecolabel-certified products (1.8 million for paper towels and 0.8 million for toilet paper). Elis also provides its customers with Ecolabel liquid and foam hand soaps. In 2020, 97,000 consumables were delivered.

FSC: responsible management of our forests

The Forest Stewardship Council is an environmental label whose purpose is to ensure that the production of wood or a wood-based product complies with procedures that ensure the sustainable management of forests. Over 400,000 FSC-labeled paper towels were ordered by Elis sites in 2020.

GOOD: high-quality recycled paper

Elis offers its customers in Northern Europe a specific range of recycled paper towels and toilet papers.

This GOOD range of paper is made from recycled cellulose fibers found in food packaging cartons. These fibers are of equivalent quality to pure cellulose lining.

The cotton solution that respects the environment

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

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

Eco-design

Two in one waterproof desinfectable duvets

In 2013, Elis collaborated with its largest domestic Healthcare customer to address a major issue of quality and extension of the lifespan of its duvet range in an environment where hygiene is the priority criterion and industrial maintenance significantly degrades quilted duvets. Two years of research and testing with laboratories such as IFTH and Institut Pasteur have led to the definition of a general concept of duvets that allow surface disinfection with (European standard) EN 1040 products, that are resistant to cleaning products, and that are water resistant according to standard EN 20811. The concept is based on the replacement of quilted duvets initially treated between each patient by a polyurethane-coated duvet wrapped in a duvet cover that is treated industrially each time a patient leaves.

As a result, over the last four years, the availability in Europe of nearly 17,000 disinfectable duvets in healthcare institutions has made it possible to replace the production, transportation, maintenance and logistics for nearly 50,000 quilted duvets (assumption of an average length of stay of 3 days observed in the sector).

Fusion Collection

Fusion is an elegant range of hygiene appliances available in 10 colors that combines hygiene and style and meets Cradle to Cradle certificate standards.

The Cradle to Cradle certificate promotes the design of products with a positive impact. It certifies the maintenance of raw materials throughout the multiple life cycles of the product and its components. Since the launch of the Fusion range, 7,000 Cradle to Cradle appliances have been installed at our customers' sites.

Project

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

Water fountain

Elis has a service that specializes in the refurbishment of some of our water coolers. In this way, Elis is extending the lifespan of its devices and limiting waste.

The coolers offered are 100% recyclable. The charcoal in the filters is also recyclable. Elis selects various sources to limit the transportation distances of water to the distribution sites.

The water cooler bottles are also recycled at the end of their life.

Recovery of textiles at the end-of-life

Worn out flat linen from its laundries is taken back and reused in the form of rags, as well as in the form of textile articles such as bags.

Workwear is a complex, technical type of textile, which makes it difficult to recycle. For this reason, this topic is being studied at the Group level.

More specifically, Elis is working in two areas of research:

- production of materials from our textile waste (such as thermal and acoustic insulation);
- production of recycled textiles.

Finally, Elis participates in trials with other manufacturers.

Key performance indicators (KPIs) and outcomes

Number of product families with at least one collection composed of sustainable materials[1]: 33%

(1) In relation to the total number of product families.

Share of used textiles recycled: 65%

(recovery via reuse or material recycling for the manufacturing of new textiles or other materials)

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

3.4 SUSTAINABLE PURCHASING

Challenge

Unethical practices of Elis's suppliers in their business (labor, environmental) could result in a significant operational, financial and reputational impact. Therefore, the standards imposed by the Group on its suppliers and subcontractors in terms of fair practices, human rights, health and safety, and environmental protection are set out in a Sustainable and Ethical Purchasing Charter. Standards like this Charter, other guiding documents and the measures derived from those enable us to decrease the likelihood of an unethical event to occur.

The Purchasing and Procurement Department plays an important role in selecting suppliers, products and services throughout the world. At Elis, item quality is a constant priority. As such, purchases of textile products and HWB (health and well-being) appliances are a key concern.

Therefore, it naturally gravitates toward genuine partnerships, fostered by recurrent collections and stable production cycles. Most of the Company's suppliers have built and continue to build strong relationships with Elis, some of them going back more than 20 years. These relationships are essential to the Company's long-term success and the satisfaction of its customers.

Policy

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 Charter, which is central to the Group's purchasing policies, is integrated into the ISO 9001 documentation system of the Purchasing Department. This system is used to support the deployment of the Charter among all tier 1 suppliers (that is suppliers with whom Elis has a direct business relationship) as well as tier 2 suppliers (but only in situations where Elis imposes the choice of weaver on the manufacturer).

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

Elis procures its supplies from Europe, Asia and Africa. For example, Elis's coffee supplier, Malongo, and its paper and soap suppliers are based in Europe. Furthermore, to ensure the sustainability of the French supply chain, Elis guarantees constant volumes to its European partners, helping them remain competitive and safeguarding local jobs.

Lastly, Elis has established a risk assessment matrix for its suppliers related to corporate social responsibility, so that it can conduct periodic CSR assessments of all suppliers of linens and hygiene and well-being products. Any new supplier of items for any Elis service or product must have a satisfactory CSR assessment in order to be listed. The Elis Supplier CSR management policy and the Elis Supplier Management Process policy describe this selection procedure. This procedure can be summarized in the following general steps:

General Elis requirements

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

Step 1 - Evaluation: country risk assessment

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

Step 2 - Evaluation: supplier risk validation

Suppliers operating in medium or high-risk areas must complete a questionnaire, providing detailed information on supplier positioning with respect to CSR international norms and standards. ISO 26000, SA 8000 or ISO 14001 certifications or validated Sedex/SMETA or BSCI audits are considered as positive statements. A CSR self-assessment may be considered as a positive statement, particularly if validated through a third-party audit.

Step 3 - Evaluation: priorization of tasks

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

Step 4 - Mitigation: supplier control and audits

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

Measures implemented

Our Supplier Code of Conduct applies to all our suppliers, whether new or existing. Each supplier must sign the Supplier Code of Conduct when entering into or renewing a contract. In 2020, Elis deployed a software tool called the "Supplier On-boarding & Claim system". Documents such as proof of the OEKO-TEX certification, a signed Supplier Code of Conduct, REACH commitments and more will be uploaded in this tool. The used of the system will first be required for all direct preferred suppliers and notifies them when documents are about to expire. This document management campaign will begin in 2021.

Elis is gradually rolling out the CSR assessment to the entire supplier base, which has grown in size since the integration of the Berendsen Group and the other companies acquired in 2018. The Purchasing Department prioritizes this action for strategic suppliers, as defined in the Group's purchasing strategy. In 2019, the focus was on selecting suppliers that fit the new scope and size of the Elis group. In 2020, the Group worked to maintain the CSR assessment levels of its suppliers despite the global health crisis.

Key performance indicator (KPI) and outcomes

The percentage of direct purchases covered by a supplier CSR assessment is calculated based on revenue from the previous year.

Percentage of direct purchases* covered by a supplier's CSR assessment: 92%

In 2020, Elis commissioned 12 CSR audits (in 2019 it was 16).

3

3.5 SUMMARY OF ENVIRONMENTAL AND SOCIAL INFORMATION

3.5.1 Summary of environmental information

	Unit	Group 2020	Group 2019
Scope			
Gross revenue of sites within the scope	Millions of euros	2,646.4	3,200.7
Number of sites included in the scope	Number of sites	425	419
General environmental policy			
ISO 14001 certified sites	Number of sites	143	139
ISO 50001 certified sites	Number of sites	81	81
Amount of compliance costs	Millions of euros	5.6	7.5
Amount of environmental provisions and guarantees	Millions of euros	72.1	70.7
Amount of compensation paid for environmental litigation	Millions of euros	0	0.03
Pollution prevention and waste management			
Total amount of waste generated	Tons	35,733	34,794
Amount of hazardous waste generated	Tons	6,958	6,367
Proportion of hazardous waste recovered	as a %	56	67
Amount of non-hazardous waste generated	Tons	28,775	28,428
Proportion of non-hazardous waste recovered	as a %	63	65
Amount spent on waste treatment	Millions of euros	7.1	6.6
Amount generated through waste recovery	Millions of euros	0.7	1.20
Sustainable use of resources			
Total volume of water consumed	Millions of m^3	13.0	15.6
Proportion of public water	as a %	48.5	46
Proportion of groundwater	as a %	50.5	52
Proportion of surface water	as a %	1	2
Amount spent on water consumption	Millions of euros	10.5	12.2
Volume of industrial wastewater discharged	Millions of m^3	10.8	13.7
Volume of industrial wastewater treated	Millions of m^3	10.8	13.7
Proportion of industrial wastewater treated in municipal wastewater treatment facilities	as a %	92	90
Proportion of industrial wastewater treated in-house before discharge into natural environment	as a %	8	10
Total energy consumption (excl. vehicles)	MWh (HHV)	2,196,145	2,696,704
Electricity consumption	MWh	289,827	324,787
Consumption of renewable energy	MWh (HHV)	435,649	454,655
Consumption of natural gas/propane/butane	MWh (HHV)	1,390,895	1,810,510
Consumption of fuel oil (excluding fuel for vehicles)	MWh (HHV)	50,658	64,276
Consumption of other energy sources	MWh (HHV)	29,116	42,477
Amount spent on energy consumption	Millions of euros	88.4	109.4
Total fuel consumption for vehicles (deliveries and services)	Thousands of liters	39,674.3	43,992.4
Gasoline consumption	Thousands of liters	594.3	773.6
Diesel consumption	Thousands of liters	38,749.4	43,068.1
Amount spent on fuel consumption	Millions of euros	35.6	50.6
Fight against climate change			
Direct GHG emissions – Scope 1	Kt CO_2 eq.	381.2	474.8
Indirect GHG emissions – Scope 2	Kt CO_2 eq.	58.6	71.1
Total GHG emissions	Kt CO_2 eq.	439.8	545.9

3.5.2 Summary of social information

	Unit	Group 2020	Group 2019
Total workforce	Number of employees	**44,496**	**48,173**
Permanent workforce		**40,171**	**41,701**
Permanent female workforce		21,297	22,073
Permanent male workforce		18,874	19,628
Permanent managers		3,209	3,147
Permanent female managers		1,082	1,027
Non-permanent workforce		**4,325**	**6,472**
Total workforce – France		11,575	13,235
Total workforce – Europe (excluding France)		21,611	23,652
Total workforce – Latin America		11,310	11,286
Permanent workforce aged 17 or under as at December 31		11	4
Permanent workforce aged 18-29 as at December 31 *Change in tranches in 2020 to be GRI-compliant* ** In 2019: Permanent workforce aged 18-26 as at December 31*		6,406	4,502
Permanent workforce aged 30-49 as at December 31 *Change in tranches in 2020 to be GRI-compliant* ** In 2019, permanent workforce aged 27-49 as at December 31*		20,505	23,949
Permanent workforce aged 50 and over as at December 31		13,249	13,246
Based on the social reporting scope			
Number of new permanent hires		**7,955**	**9,969**
Hiring rate in the permanent workforce *New permanent hires as a proportion of workforce as at December 31*	as a %	17.9	20.6
New permanent female hires	Number of employees	3,732	4,410
New permanent male hires	Number of employees	4,223	5,559
New permanent hires aged 17 or under as at December 31	Number of employees	13	28
New permanent hires aged 18-29 as at December 31 *Change in tranches in 2020 to be GRI-compliant* ** In 2019: New hires aged 18-26 as at December 31*	Number of employees	3,262	2,906
New permanent hires aged 30-49 as at December 31 *Change in tranches in 2020 to be GRI-compliant* ** In 2019: New hires aged 27-49 as at December 31*	Number of employees	3,811	5,687
New permanent hires aged 50 and over as at December 31	Number of employees	869	1,261
New permanent hires in France	Number of employees	1,052	1,494
New permanent hires in Europe (excl. France)	Number of employees	2,294	4,230
New permanent hires in Latin America	Number of employees	4,609	4,245
Number of departures in the permanent workforce *Permanent employees who leave the organization voluntarily*	Number of employees	4,136	4,765
Turnover rate in the permanent workforce in France *Hires and departures in the permanent workforce as a proportion of the workforce as at December 31*	as a %	6.9	8.8
Turnover rate in the permanent workforce in Europe (excluding France) *Hires and departures in the permanent workforce as a proportion of the workforce as at December 31*	as a %	9.6	14
Turnover rate in the permanent workforce in Latin America *Hires and departures in the permanent workforce as a proportion of the workforce as at December 31*	as a %	28.1	25.6
Departures in the permanent workforce in France	Number of employees	548	838
Departures in the permanent workforce in Europe	Number of employees	1,841	2,395
Departures in the permanent workforce in Latin America	Number of employees	1,747	1,532
Departure rate *Departures of employees who leave voluntarily as a proportion of the workforce as at December 31*		9.30	11.43
Compensation	Euros		

	Unit	Group 2020	Group 2019
Fixed and variable compensation, collective and individual		**861,799,365**	**978,436,212**
Of which bonuses, collective compensation and discretionary profit sharing		14,523,813	17,343,534 86
Organization of work	as a %		
Proportion of full-time permanent workforce		94.20	93.8
Proportion of part-time permanent workforce		**5.80**	**6.2**
Absenteeism rate		6.64	6.37
Number of absences shorter than seven days (paid or unpaid)	Number	78,518	48,246
Average number of training hours per employee *Number of training hours in proportion to the permanent and non-permanent workforce*	Number	4.38	5.8
Workplace accidents			
Permanent and non-permanent workforce	Number		
Number of fatal accidents		0	0
Number of accidents with lost time		1,140	1,529
Frequency rate *[Number of lost time accidents (excluding commuting accidents) relative to the number of worked hours during the year] x 1,000,000*		14.31	16.90
Frequency rate in Europe (including France)		15.98	18.66
Frequency rate in Latin America		9.71	11.15
Severity rate *[Number of calendar days off related to lost time accidents with more than 1 day off (excluding commuting accidents) relative to the number of worked hours during the year] x 1,000*		0.70	0.66
Severity rate in Europe (including France)		0.87	0.77
Severity rate in Latin America		0.23	0.29

3.6 CROSS-REFERENCE WITH THE UNITED NATIONS GLOBAL COMPACT

Category		Principles of the United Nation Global Compact	Sections
Human Rights	1	Business should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	3.1 3.4
	2	Businesses should make sure that they are not complicit in human rights abuses.	3.1 3.4 4.2: The fight against corruption and influence peddling
Labor rights	3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	3.1 3.4
	4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	3.1 3.4
	5	Businesses should uphold the effective abolition of child labor.	3.1 3.4
	6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	3.1 3.4
Environment	7	Business should support a precautionary approach to environmental challenges.	3.1 3.3 3.4
	8	Businesses should undertake initiatives to promote greater environmental responsibility.	3.1 3.3 3.4
	9	Business should encourage the development and diffusion of environmentally friendly technologies	3.1 3.3 3.4
Fight against corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery.	3.1 3.4 4.2: The fight against corruption and influence peddling

3.7 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED DISCLOSURE OF NON-FINANCIAL PERFORMANCE PRESENTED IN THE GROUP'S MANAGEMENT REPORT

Financial year ended December 31, 2020

To the Elis Shareholders,

In our capacity as the Statutory Auditor of Elis (the "Company"), appointed as an independent third party and accredited by Cofrac (Cofrac Inspection accreditation no. 3-1060, the scope of which is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial performance statement for the financial year ended December 31, 2020 (the "Statement") presented in the Group management report in accordance with the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Responsibility of the Company

It is the responsibility of the Management Board to 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.

The Statement was prepared by applying the Company's procedures (the "Reporting Framework"), the material elements of which are available upon request from the Company's registered office.

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 the Code of Ethics, professional guidelines and applicable legal and regulatory requirements.

Responsibility of the Statutory Auditor appointed as independent third party

It is our role, based on our work, to formulate a reasoned opinion expressing a limited assurance conclusion that:

- the Statement complies with the provisions of Article R. 225-105 of the French Commercial Code;
- the disclosures made pursuant to Article R. 225-105(I)(3) and (II) of the French Commercial Code, namely the policy outcomes, including the key performance indicators, and actions in relation to the main risks (the "Disclosures") are fairly presented.

It is not, however, our responsibility to comment on:

- the Company's compliance with other applicable legal and regulatory provisions, particularly with regard to the vigilance plan and the fight against corruption and tax evasion;
- the compliance of products and services with the applicable regulations.

Nature and scope of our work

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 setting out the conditions under which the independent third party is to conduct its review, the professional guidelines issued by the French Association of Statutory Auditors (Compagnie nationale des commissaires aux comptes) with respect to this engagement, and international standard ISAE 3000 (Assurance engagements other than audits or reviews on historical financial information).

Our work enabled us to assess the Statement's compliance with the regulations in force and the fair presentation of the Disclosures:

- we learned about the business of each of the companies included within the scope of consolidation, the major social and environmental risks affecting that business, and their impact on respect for human rights and the fight against corruption and tax evasion, as well as the resulting policies and their outcomes;
- 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), as well as the information provided for in the 2nd paragraph of Article L. 22-10-36 concerning respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement includes an explanation of the reasons for not including the information required by the 2nd paragraph of Article L. 225-102-1(III);
- we confirmed that the Statement describes the business model and the 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;
- we checked that the Statement contains the information required under Article R. 225-105(II), where relevant in view of the main risks or policies presented;
- we assessed the selection and validation process for the main risks;
- we inquired about the existence of internal control and risk management procedures put in place by the Company;
- we examined the coherence of the key performance indicators selected and outcomes in view of the main risks and policies presented;
- we verified that the Statement includes a clear and reasoned explanation of the reasons justifying the absence of a policy on one or more of these risks;
- we verified whether the Statement covers the entire scope of consolidation, i.e. all of the companies included in the scope of consolidation in accordance with Article L. 233-16, subject to the limits set out in the Statement;
- we evaluated the data-gathering process put in place by the Company to ensure that the Disclosures are fair and complete;
- we conducted the following for the key performance indicators and other quantitative results we considered material, as listed in the appendix:
  - 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 to verify the correct application of the definitions and procedures and reconcile the data with the supporting documents. The audit was carried out on a selection of contributing entities (Elis Netherlands and Elis France). It covers between 28% and 26% of the consolidated KPI data and results selected for these tests;
- we checked the sources of the documentation provided and conducted interviews to corroborate the qualitative information (actions and outcomes) that we considered material, as listed in the appendix;
- we assessed the overall consistency of the Statement with our knowledge of all of the companies included in the scope of consolidation.

We consider that the work carried out by exercising our professional judgment allows us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work.

Means and resources

Our work called on the expertise of four people and took place between November 2020 and March 2021 over a total engagement period of approximately four weeks.

We were assisted in our work by our specialists in sustainability and corporate social responsibility. We conducted approximately 15 interviews with the persons responsible for preparing the Statement, mainly from the Legal, Environment and CSR Quality departments.

Conclusion

Based on our work, 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.

Comment

Without qualifying our conclusion, and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comment:

- The risks related to the prevention of corruption and those related to the prevention of tax evasion have not been selected among the main risks of this Statement; however, they are presented in chapter 4 of the Universal Registration Document.

Neuilly-sur-Seine, March 8, 2021

One of the Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT

Edouard Sattler	Pascal Baranger
Partner	*Director, Sustainable Development Department*

Appendix: List of CSR information that we considered to be the most material

Key performance indicators and other quantitative results:

- % of short-term absences (up to seven days) out of all absences;
- Number of employees with no recorded absences;
- Number of fatal accidents, number of lost time accidents;
- Frequency rate & Severity rate;
- Number of new permanent hires in 2020, Hiring rate in the permanent workforce (New permanent hires in proportion to the permanent workforce on December 31);
- Percentage of newly hired female managers;
- Percentage of countries with a system for managing environmental permits;
- Ratio of water consumed in liters per kg of linen delivered;
- Percentage of wastewater treated before being discharged into the natural environment;
- Ratio of CO_2 emissions intensity per kg of linen delivered since 2010;
- Ratio of thermal energy consumption in kWh per kg of linen delivered;
- Ratio of fuel per kg delivered per liter;
- % of used textiles recovered;
- Number of product families with at least one collection composed of sustainable materials;
- Percentage of direct purchases covered by a CSR assessment.

Qualitative information(examples of reviewed actions):

- Involvement of employee representatives in managing the crisis and the measures taken throughout 2020;
- Bonuses for employees who have perfect or near-perfect attendance;
- 10 golden rules of safety for the Group;
- Partnerships targeted at universities and schools as well as year-long international exchange programs;
- Rollout of TalentSoft in 2020 in several countries;
- Since 2018, all Group countries have implemented a system to manage each site's environmental permits;
- Optimization of washing processes by changing products or dosages at 124 sites in 2020;
- Use of solar panels at several sites in Europe;
- Rollout of a new "Supplier On-Boarding & Claim System" in 2020.

4

Risk factors, risk control, insurance policy, and vigilance plan

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 13 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 2020 universal registration document.

SUMMARY OF SPECIFIC AND MATERIAL RISK FACTORS FOR THE GROUP

Strategic risks
Section 4.1.1 (pages 131-133)

- 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

Operational risks specific to the Group's business
Section 4.1.2 (pages 134-136)

- Risks related to IT systems
- Risks related to the Group's international operations
- Risks related to the customer portfolio
- Risks related to supply chain disruptions
- Risks related to fires and industrial accidents

Financial risks
Section 4.1.3 (pages 137-138)

- Liquidity risk
- Currency risk

Legal, regulatory and tax risks
Section 4.1.4 (pages 139-141)

- 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 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, where health-related restrictions led to a Group-wide drop of 65% in visits to hotels and restaurants in 2020, compared with 2019.

Other circumstances, whether similar or different in nature (weather, health or environmental events), which may result in the inability to travel, could also lead to a sharp drop in visits to hotels and restaurants.

These disruptions could affect the Group's business, revenue, future financial results and outlook.

Risk management

From an operational standpoint, the Group is used to being highly responsive when it comes to managing business downturns (such as, for example, after the November 2015 terrorist attacks in Paris), and has demonstrated its ability to variabilize all its costs:

- direct operating costs: logistics and workshops, specifically by reorganizing routes or reducing plant operating hours, in particular by making use of temporary contracts, annualized hours contracts for permanent employees and, where applicable, furlough schemes. Some consumables are directly variable (fuel, water, gas, detergent, washroom consumables, etc.);
- indirect operating costs: plant supervisory staff, sales forces, country headquarters and Group headquarters, either through furlough schemes where applicable, or through cost reduction plans.

The Group has also demonstrated its ability to scale back its investments:

- investments in linen are automatically impacted, particularly flat linen, two-thirds of which ensures the maintenance of the stock in circulation, which is greatly reduced in the event of a downturn;
- capital expenditure on plant capacity becomes irrelevant.

Lastly, the Group's operational teams are able to maintain a solid level of cash inflows, automatically ensuring a positive accounts receivable position in working capital.

The COVID-19 crisis provides a good example of the Group's ability to respond: although revenue fell by 14.5% in 2020 compared with 2019, the margin increased by 20 bps, and *free cash flow* by €43 million.

Risks related to acquisitions, mergers and disposals

Criticality 3

Description

As part of its development strategy, the Group has made numerous significant acquisitions. In 2020, despite the difficult context of the Covid-19 epidemic, it made 8 acquisitions of all sizes in a large number of regions. The Group had also previously made the following major acquisitions: Atmosfera, Indusal, Lavebras and Berendsen. It plans to continue this external growth (between 2014 and 2020, total growth was 20% per year, 3% of it organic and 17% external; revenue generated outside France fell from 72% to 33% over the period). Thanks to its expertise in making and integrating acquisitions, the Group has made external growth one of the cornerstones of its strategy.

The implementation of this strategy presupposes that Elis can identify appropriate targets and growth opportunities at an acceptable cost and on acceptable terms.

In addition, the Group may be confronted with the need to obtain prior authorization for certain transactions from antitrust authorities. Due to its position in some markets, the Group may be faced with the impossibility of completing certain acquisitions or forced to complete them according to terms that make them less attractive.

Although the Group carefully studies each acquisition target, it cannot guarantee that their valuation and the assumptions will prove to be correct. Therefore, actual developments may differ significantly from expectations.

The Group could end up having to bear significant costs, delays or other operational or financial challenges in connection with the integration of its acquisitions. The synergies and other benefits expected may not materialize as expected. The acquired companies may also have trouble maintaining their existing customer base or generating the expected margins or cash flows.

Furthermore, the successful integration of acquired companies requires a high degree of involvement from the Group's central departments, which is likely to adversely affect the ability of these departments to carry out their day-to-day activities.

Despite conducting audits prior to any acquisition, there can be no guarantee that the documents and information provided to the Group during the due diligence process will be comprehensive, suitable or accurate. In particular, it is difficult to guarantee that the due diligence process will identify all the litigation risks of the acquired companies or all the risks related to possible breaches of regulations governing corruption and money laundering. 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 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,
- 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:

- a product–service system with an advanced CSR approach;
- traceability solutions to prove to our customers that staff have visited their premises and that services have been rendered, by wearer or piece of equipment, and even Internet of Things (IoT) solutions to monitor and improve toilet paper and soap consumption, etc.
- responsiveness to new needs that may emerge, such as for workwear, scrubs, hand hygiene and disinfection of premises, which were identified during the Covid-19 crisis.

The Group also has an active monitoring system to identify new players or solutions and swiftly anticipate market trends.

Elis is seen as a partner rather than a supplier. As such, the digital tools put in place enable it to create new customer experiences that set it apart from its competitors.

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4.1.2 Operational risks specific to the Group's business

The operational risks below are presented in decreasing order of importance. The greatest operational risk is presented first.

Risks related to IT systems

Criticality 4

Description

The Group has a range of information technology (IT) systems to manage the operations of its sites and central support services.

The sites' IT systems cover the customer order and supply processes, as well as activities related to production, distribution, service delivery and billing. These processes apply to all service lines (workwear, flat linen and health and well-being appliances).

The Group's central systems cover prospecting, purchasing, accounting and finance, human resources, communications tools, and the supply of digital services to customers.

The Group faces the following main risks:

- the risk of computer failure. IT systems are made up of multiple components, which, if any one of them were to fail, could lead to business interruption for a site or for the entire Group;
- the risk of cybercrime: through contamination (viruses) or hacking of IT systems, cybercrime can have serious consequences, including business interruption, data theft, ransom demands, data loss or infringement of intellectual property rights;
- the risk of obsolescence and IT system scalability. The multitude of IT solutions resulting from acquisitions and the obsolescence of some systems complicates process changes and the implementation of new services. They are also an added risk factor for computer failure and cybercrime.

As at the date of this universal registration document, the Group had not been the target of any cyberattacks that had impacted its business.

Risk management

The Group is upgrading its hardware and updating its software to ensure their longevity. This obsolescence management policy is essential to reduce the risk of failure and cybercrime and to improve the scalability of IT systems.

Another fundamental part of managing this risk is the policy to standardize and integrate IT systems. It is easier to protect and upgrade IT systems if they are standardized and shared across the entire Group. The strategy is to ensure that IT systems, and particularly infrastructure, are gradually standardized across all countries.

Managing the risk of computer failure requires the implementation of a disaster recovery plan. The plan includes the management of backup procedures, the redundancy of critical systems and documentation and testing of recovery procedures. The recovery plan is focused on the Group's critical processes.

Preventing cybercrime risk is a priority, since the risk factors represent a growing threat. The priority is to protect production management systems, analyze vulnerabilities, detect any attacks and manage any incidents. Ensuring systems are secure requires an ongoing effort. The strategy is to pool resources and teams from different countries make actions more effective. The segmentation of the telecommunications network is another priority to limit the impact of an attack or the spread of contamination.

In order to protect itself, the Group follows a specific segregation policy for information access rights. Access privilege management is synchronized with the HR management systems to ensure that the information is correct. Constantly evolving threats have required the Group to strengthen the resources dedicated to information security with a specialized team and the recent and ongoing implementation of a Security Operation Center to detect and prevent cyber risks.

The Group is also implementing the recommendations required to ensure compliance with the general data protection regulation (GDPR).

Risks related to the Group's international operations

Criticality 4

Description

Elis operates in 28 countries and generates 69% of its consolidated revenue internationally. Notes 3.1 and 3.3 to the consolidated financial statements describe how much each geographic area and the Group's main countries contributed to revenue in 2019 and 2020. Due to the international scope of its activities, the Group is exposed to a certain amount of risk that is beyond its control.

Political, social or economic upheaval in countries where the Group generates a significant share of its revenue, such as the potential consequences of the Covid-19 crisis, for example, could affect its business.

Any such event or perception could have a material adverse effect on the Group's business, results, financial position or outlook.

In addition, the management of decentralized international business requires compliance with the legislative and regulatory framework in many different jurisdictions, especially in terms of tax, labor, competition and environmental legislation.

Risk management

Liaising with General Management, the Group's operating departments are continuously analyzing the Group's exposure to activity in less stable countries. The Group has also set up a unit to ensure that the Group's activities and procedures comply with all applicable rules.

In addition, the Group monitors legislation, either directly or through its local advisers. This enables it to learn as much as possible about the scope of any changes that could occur.

In addition, the Group is fully prepared to implement, through a crisis management system, the necessary measures to safeguard its assets and its ability to operate, to adapt to changes in the situation, and to plan, through appropriate measures, for a return to a more normal context for its staff, its business, and commercial demand.

Risks related to the customer portfolio

Criticality 3

Description

The Group's organic growth rests on its ability to win new contracts and build customer loyalty over the long term.

The Group must be able to respond to various calls for tender or customer requests with a unique, innovative offering.

Contract expirations are critical junctures. Even when contracts have an automatic renewal clause, they may be terminated at the expiration of the stated term (contracts are usually valid for an initial four-year term). These contracts may also be terminated by the customer before the end of the stated term by paying a termination fee (which usually equals almost the entire residual value of the contract, calculated on the basis of the time remaining had the contract not been canceled), unless the Group has not complied with the terms of the contract. The loss of several contracts at the same time, particularly those with key accounts, could have a material adverse effect on the Group's business, results, financial position or outlook, and its reputation.

In Workwear, the annual loss rates were 2% in the best-performing countries. However, in the United Kingdom, the annual loss rate was 15% in 2017 (and was reduced to less than 10% in 2020).

This could have a material adverse effect on its ability to win new contracts from other customers.

Customer satisfaction is the key to loyalty, which makes it possible for the Group to stay in business. Any customer dissatisfaction is a risk factor.

Risk management

The Group prioritizes customer relationship management. The Group's customer base is extremely diverse in terms of size, sectors and profiles, such that the Group's dependence on its customers is limited in each of the sectors in which it operates.

The Group's ten largest customers account for less than 10% of consolidated revenue, while the largest single contract accounts for less than 1% of the Group's revenue.

In 2020, the Group launched a program called HiFi, designed to closely monitor all expiring French contracts and consisting in particular of training for all operational managers working directly with customers. The aim of this program is ensure follow-up on customer satisfaction and provide the teams concerned with the necessary tools to sustain the customer relationship over time. This HiFi program is shared with all Group countries so that they can adapt it locally.

Customer satisfaction is a valuable KPI for our teams, especially when it comes to handing out bonuses. The entire Group is therefore entirely focused on customers and loyalty. In the context of the Covid-19 epidemic, a specific process was implemented in 2020 to measure the satisfaction of Group customers and to use this indicator as a management tool.

Lastly, customer attrition rates are monitored at the Executive Committee level across all operating regions to ensure a timely and effective responsive.

4

Risks related to supply chain disruptions

Criticality 3

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 an effect on the Group's business or outlook.

The Group may also face supply risks or be adversely affected by various events or measures, such as pandemics (Covid-19), strikes, import quotas, taxes and customs duties, unexpected spikes in volume, or the insolvency of a supplier, subcontractor or service provider.

In addition, the Group's suppliers could refuse to fill orders if the negotiated pricing terms were no longer acceptable. Textile prices are fixed for one year in exchange for binding estimates. Sharp fluctuations in cotton prices could make the situation unacceptable to our suppliers.

In cases of captive suppliers (a monopoly or oligopoly situation), such as our partnership with Malongo for coffee, or our suppliers of laundry or tracking equipment, the Group could face supply disruptions, resulting in a risk to its business or outlook.

Risk management

The Group has a centralized purchasing department supported by local buyers in countries with significant purchasing volumes. The Group coordinates and has procedures in place to ensure operating guidelines are followed. This does not yet extend to countries in Latin America.

The central purchasing department is responsible for supplier selection and manages a list of the Group's approved suppliers. Approved suppliers are regularly audited on their innovation and non-financial indicators and challenged to improve them. They also have to compete regularly for contracts to ensure that our prices remain competitive.

The Group regularly seeks out and approves new suppliers to prevent these risks from occurring and to have solutions that can keep pace with its development.

Meanwhile, and since the integration of Berendsen, the marketing department has been working on a plan to streamline the Group's offering. The plan is intended to significantly reduce the number of products listed and therefore reduce the number of suppliers.

The Group has a supply chain unit that centralizes and manages procedures related to goods. It has several warehouses in Europe to facilitate deliveries to laundries. The Group keeps the best-selling from its catalog in stock, thereby reducing the risk of an inventory shortage due to operational uncertainties in the supply chain.

For its workwear business, the Group has its own design center in Sweden, 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 laundry products and general purchases. These agreements are closely monitored, allowing the Group to secure its procurement and supply arrangements over the long term.

Risks related to fires and industrial accidents

Criticality 2

Description

The Group's 330 processing centers 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. Specifically, the Group's processing centers present a high risk of fire and industrial accidents. For example, every year, several dozen fires break out (related to dryers, electric arcs, cotton lint, etc.), most of which are inconsequential. However, they are occasionally difficult to get under control, resulting in one or two plants that are damaged or partially inoperable every year. The Group may also be held liable for accidents involving its activities or products. 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 established a proactive prevention/protection approach to industrial hazards related to its business, mainly with the support of internationally recognized insurance companies. The Group thereby ensures that around 35 preventive inspections on average are carried out per year at its production sites by the insurer and/or its safety department, both of which have expertise in engineering, fire prevention and consulting. In 2020, however, the schedule of visits was impacted by constraints related to the Covid-19 epidemic.

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	Risk management
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, 2020 totaled €3,418.6 million, borrows on banking and capital markets. This exposes it to liquidity risk in the event of the partial or total closure of these markets. Furthermore, the bank financing and private placement agreements described in Note 8.3 "Gross debt" to the 2020 consolidated financial statements contain a single restrictive clause pertaining to consolidated financial ratios: the Group's net debt (as defined in the agreement) to pro forma EBITDA (excluding the impact of IFRS 16) must be less than 4.75x at December 31, 2020, 4.50x at June 30, 2021 and then 3.75x on the dates of the subsequently half-yearly tests. As at December 31, 2020, the total net leverage ratio was 3.7x. As at December 31, 2020, the Group was complying with all covenants. The maturities of the Group's financial liabilities can be found in Note 8.1 to the 2020 consolidated financial statements.	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 means that the Group will have no major medium-term debt maturities to refinance before 2023, which allows it to tackle the difficulties related to the Covid-19 crisis with reduced and managed liquidity risk. The Group also has €900 million in revolving credit lines, which provide it with a significant cash buffer in the event that access windows to capital markets are temporarily closed, particularly in relation to short-term debt (NEU CP), as was the case for several weeks in the second quarter of 2020 at the height of the Covid-19 crisis. Furthermore, as a prudent measure in view of the adverse impact of the Covid-19 crisis on the Groups' EBITDA, a waiver was obtained from the lenders of bank financing and private placement agreements (USPP and Schuldschein) to increase the ratio of the financial covenant applicable at June 30, 2020, December 31, 2020 and June 30, 2021 from 3.75x to, respectively, 5.00x, 4.75x and 4.50x. However, given the Group's ability to both maintain positive cash flow generation since the start of the Covid-19 crisis and limit its impact on EBITDA, the level of the total net leverage ratio published on June 30, 2020 (3.5x) and on December 31, 2020 (3,7x) remained lower than the initial level of the financial covenant (3.75x). For more details, see the paragraph "Liquidity risk" in Note 8.1 ("Financial risk management") to the 2020 consolidated financial statements, included in chapter 6 "Financial statements for the year ended December 31, 2020" of the 2020 universal registration document.

Currency risk

Criticality 1

Description

Because the Group operates in 28 countries, Group entities may be exposed to a transactional currency risk in their operations. However, since rental and maintenance services tend to be sold locally, the Group’s entities do not have significant transactional currency exposure. Transaction risk is mainly linked to the purchase of goods (particularly linen) or services in currencies other than the functional currency of the Group’s purchasing entities. Exchange rate fluctuations for these purchases in foreign currencies could therefore adversely affect the Group’s results.

In addition, the financing needs of non-eurozone foreign subsidiaries covered by intra-group loans/borrowings expose some Group entities to financial currency risk (linked to the change in value of financial receivables or payables denominated in currencies other than the functional currency of the borrower or lender), which could adversely affect the Group’s results.

Lastly, when the Group prepares its consolidated financial statements, it must translate the financial statements of its non-eurozone subsidiaries into euros at the applicable exchange rates (61% of revenue is in euros, 8% in South American currencies, 16% in Nordic currencies, and 10% in pounds sterling). As a result, the Group is exposed to fluctuations in exchange rates, which have a direct accounting impact on the Group’s consolidated financial statements. This creates a risk relating to the conversion into euros of non-eurozone foreign 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 2020 consolidated financial statements, included in chapter 6 "Financial statements for the year ended December 31, 2020" of the 2020 universal registration document.

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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 2020 consolidated financial statements (in chapter 6 of this 2020 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$337 million, or approximately €75 million). As far as Elis is aware and as at the date of this 2020 universal registration document, other than those listed above and described in Note 7.2 to the 2020 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 are involved and which could materially affect its position.

Generally, it is nevertheless possible that in the future, new proceedings that may or may not be connected with those described above and currently underway could be brought to the Company's attention or initiated against Atmosfera and its subsidiaries or other Group companies in Brazil, including Lavebras and its subsidiaries.

The occurrence of one or more of the above events could have a material adverse effect on the Group's image, business model, activities, strategy, results, financial position or outlook.

Risk management

The Group closely monitors the status of ongoing disputes and litigation. It has introduced reporting rules to enable the Group's Legal Department to be informed promptly when a material dispute arises and to optimize its management and the understanding of the associated risks and possible consequences. A provision is also allocated in the parent company and consolidated financial statements whenever this is possible and necessary.

To manage and monitor the main disputes and proceedings to which it is party, the Group relies on a network of lawyers and advisers chosen by the Group's legal department and regarded as experts in their field.

The Group views customer satisfaction and following best business and ethical practices as playing a part in limiting the number of disputes to which the Group could be exposed. Therefore, it pays close attention on a day-to-day basis to customer satisfaction and the implementation of best practices.

4

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, including those that have occurred in the past, such as Berendsen Cleanroom Services Limited, a subsidiary of Berendsen, being fined on December 14, 2017 by the UK Competition and Markets Authority (CMA) for market-sharing arrangements in the UK cleanroom sector, could also be followed by action taken by existing or former customers seeking compensation for alleged losses.

In addition, especially as part of merger control, the relevant authorities, courts, and some governments could take steps or make decisions aimed at maintaining or increasing competition in certain markets, to the detriment of the Group’s economic and financial interests.

The occurrence of one or more of the above events could have a material adverse effect on the Group’s image, business model, activities, strategy, results, financial position or outlook.

Potential exposure to major antitrust cases is described in Note 7.2 to the 2020 consolidated financial statements (see the paragraph on "Inquiry by DIRECCTE" in chapter 6 of this 2020 universal registration document). To the Company's knowledge, there have been no other governmental, arbitration or legal proceedings, including any pending or threatened proceedings, over the past 12 months that have or are likely to have a material adverse effect on the Group's financial position or profitability.

Risk management

The Group’s Code of Ethics reaffirms the obligation to comply with local laws and lays down the internal principles that reflect competition law. The Code of Ethics is formally accepted by the Group’s main managers, who pledge to uphold its principles and advocate them to their teams.

The implementation of principles relating to competition law is covered in training sessions for the staff concerned in countries considered to be at risk.

In France, in accordance with Decision No. 07-D-21 of the French Competition Authority of June 26, 2007, which imposed a penalty for specific anti-competitive practices, and as part of a compliance program, the Group has adopted internal guidelines regarding compliance with antitrust laws and regulations and has set up a training program and a whistleblowing mechanism for the staff concerned. In addition, mandatory annual compliance reports are prepared and made available to the French antitrust authorities.

Moreover, the Group periodically carries out a critical analysis of its business practices in its most sensitive markets to ensure that they are consistent with applicable regulations.

Acquiring companies according to the process described in the "Risks related to acquisitions, mergers and disposals" section above also provides some control over the risks associated with merger control. The involvement of the various teams concerned in the back and forth and discussions with the relevant authorities and courts and in the analysis of any conditions that could potentially be imposed is meant to ensure that those conditions are the least unfavorable possible and that they can be reasonably implemented.

Risks related to restrictive regulations applicable to the Group or to some of its business sectors

Criticality 3

Description

The Group is subject to complex and restrictive regulations for some of its operations or due to the operations of some of its customers in highly regulated sectors. This includes transportation in connection with medical waste management, personal protective equipment (PPE), "cleanroom" (lint-free) clothing, pest control, beverages (water coolers 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 2020 universal registration document.

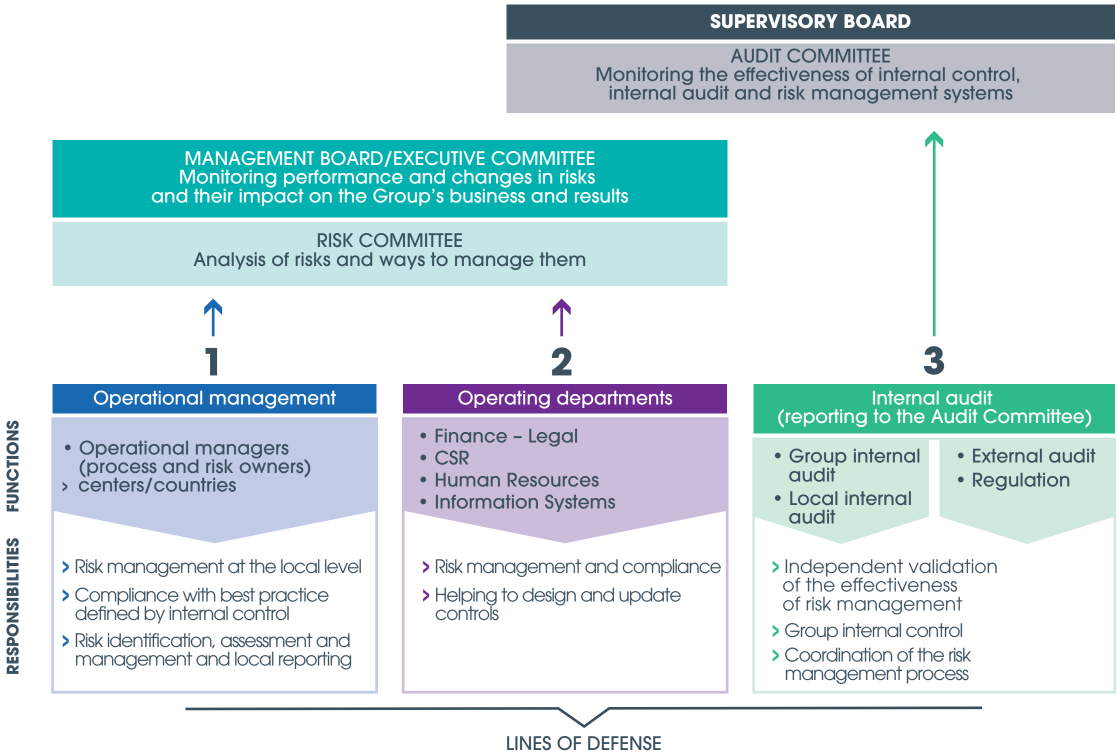
4

4.2 ELIS GROUP'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AFR

This section describes the Group's internal control and risk management system, implemented in accordance with the AMF reference framework published in July 2010. The AMF framework draws on French and European legislative and regulatory requirements and on best practices and international internal control and risk management standards, in particular ISO 31000 and COSO II.

Risk management process

The risk management process ensures that risks are identified and managed at all organizational levels of the Group.



Scope of internal control and risk management

The Group's internal control and risk management system, which is set up to ensure the reliability of its parent company and consolidated financial statements, covers all controlled companies within the Group's scope of consolidation.

Definition of internal control and risk management

The Group's internal control and risk management framework is based on a set of resources, policies, behaviors, procedures and adapted actions aimed at ensuring that the necessary measures are taken in order to manage:

› business activities, the effectiveness of operations and the efficient use of resources;
› risks that may have a material impact on the Group's assets or the reaching of its objectives, whether of an operational or financial nature or related to compliance with laws and regulations.

Internal control and risk management are defined as processes conducted by the Management Board under the oversight of the Supervisory Board and implemented by the Executive Committee and all staff.

Regardless of its quality and the degree to which it is applied, it cannot provide an absolute guarantee that the objectives in the following categories will be reached:

› compliance with applicable laws and regulations;
› application of instructions and guidelines set out by the Management Board;
› proper functioning of internal processes, especially processes for safeguarding assets;
› reliability of financial and accounting information.

The likelihood of achieving these objectives is subject to the limitations inherent in any internal control system, and in particular:

› human error or malfunctions while making or applying decisions;
› cases of deliberate collusion between several people making it possible to elude the control system in place; or
› cases where the implementation or maintenance of control would be costlier than the risk it is supposed to mitigate.

Furthermore, in pursuing the aforementioned objectives, companies face events and uncertainties that are out of their control, such as unexpected changes in the market, competition, or geopolitical situation, forecasting errors, or incorrect estimates of the impact of these changes on the organization.

Environment of internal control and risk management

The Group's internal control and risk management framework is based on a decentralized organizational structure with a clear definition of responsibilities, in particular through job descriptions, delegations of powers and organizational charts shared with all departments. It includes principles and values governing the behavior and ethics of all employees, as presented in the Group's Code of Ethics. It is also based on human resource management that ensures employees have the necessary skills, act in ethical ways and remain engaged.

Code of Ethics

The Group's ethical principles are set out in the Group Code of Ethics, distributed initially in 2012 to all Group employees and revised in 2018. The Code is available on the Group's website (www.elis.com) in the "Our CSR policy" section.

The Code of Ethics contains the Group's commitments and rules of conduct towards its main stakeholders, namely its employees, its customers and consumers, its commercial partners and its competitors, the environment and civil society.

The internal control charter

In 2015, the Elis Group established a Group internal control charter which presents internal control, its components and its limits to all managers. It also reminds them that internal control concerns everyone, from the Executive Committee to each and every one of the Group's employees.

Management remains operationally in charge of internal control and must be proactive in the tasks and controls that it carries out or delegates.

Human resources policy

The quality of human resources, the diversity of employee profiles, and management cohesion are key factors in the Group's success.

Elis therefore ensures that its various subsidiaries pursue human resources policies suited to their respective situations and the challenges they face, while also meeting the best local standards. The principles of subsidiary autonomy and accountability still apply, but the Group ensures that the policies implemented are consistent and align with Elis's centrally defined values and actions.

In terms of labor relations policy, subsidiaries abide by high standards of employee dialogue and involvement in the Company, while the Group supports employee dialogue through employee representative bodies.

As regards executives and senior managers, Elis is involved directly in the management of the Group's key men and women in order to guarantee consistency between subsidiaries. The Group therefore develops cross-functional training programs and performs yearly people reviews of subsidiaries' management resources. Elis thereby ensures that these management resources are suited to the current and future challenges faced by its subsidiaries. These reviews translate into promotions and transfers between departments, as well as external hires when necessary to acquire new skills.

Furthermore, the Group has developed cross-functional tools for assessing individual performance and the external competitiveness of compensation packages. In this regard, one of the duties of the Appointments, Compensation and Governance Committee is to make recommendations in light of market practices on the compensation paid to members of the Executive Committee, including members of the Management Board, as well as that of the main directors.

Coordination and oversight of internal control and risk management

The Group's risk management and internal control process is coordinated by the Management Board, under the oversight of the Supervisory Board, with the assistance of the Audit Committee. The Audit Committee's task is to ensure the quality of the risk management and internal control system and to monitor issues relating to the preparation of and controls on accounting and financial information.

The operating departments of each of the Group's subsidiaries are responsible for risk management and internal control. The role of central support services is to define the framework in which subsidiaries fulfill their risk management and internal control responsibilities, and to coordinate the whole system.

Responsibilities for control activities

Control activities are performed first by subsidiaries' functional and operating departments and then by central support services.

Monitoring the management of internal control procedures is primarily the responsibility of the Audit Committee and the Risk Management and Internal Audit Department.

Audit Committee

The composition and operations of the Audit Committee are detailed in the Supervisory Board's report on corporate governance (see chapter 2 of this universal registration document).

The Audit and Internal Control Department

The Audit and Internal Control Department reports to the Group's Administrative and Finance Department. It informs the Management Board, the Administrative and Finance Department, and the Audit Committee of the main results of its work (preparation of the audit plan in connection with the risk review, internal control system, audits, monitoring of action plan implementation, etc.).

The operating procedures for internal audits are described in the Audit Charter.

The Audit and Internal Control Department assesses how the internal control and risk management procedures are working and makes recommendations to improve their effectiveness. It also monitors internal control best practices.

The Audit and Internal Control Department initiates, coordinates and reviews procedures formalized by the operating departments.

The role of the Audit and Internal Control Department is to provide independent, objective assurance and support services that help to create added value and improve the degree of control of the Group's operations at all of its subsidiaries and in all of its business segments. Internal audit helps the organization to achieve its targets by using a regular and methodological approach to assess its management, control and corporate governance processes, and by making suggestions to improve their effectiveness.

Internal audit also helps to ensure that all management, control and corporate governance processes are appropriate and guarantee that:

- risks are identified and managed appropriately;
- executives' and employees' actions comply with applicable rules, standards, procedures, laws and regulations;
- resources are acquired and used efficiently;
- material financial, management and operating information is accurate, reliable and issued in a timely manner;
- the targets defined and validated by the Executive Committee are met.

Internal audit activities are performed in concert with the Audit Committee, and the Statutory Auditors present their recommendations upon completion of their internal control review.

The annual audit plan is prepared by the Audit and Internal Control Department using a risk-based approach and takes into account specific requests from the Executive Committee and operating departments.

The Audit and Internal Control Department presents a report to the Audit Committee at least twice per year on progress made on the audit plan as well as the monitoring of action plans.

Internal control and risk management analysis

Overall risk management and internal control system

The overall risk management and internal control system has several components, the most important of which are:

- managing operational risks;
- managing Group risks at various levels (entities, operational departments and subsidiaries);
- monitoring the preparation of accounting and financial information;
- internal audit, which assesses how the internal control and risk management system works and makes recommendations in order to improve it;
- preventing and combating fraud and corruption.

The risks to which the consolidated subsidiaries that carry out most of the Group's activities are exposed are handled through specific control procedures forming part of the following operating processes:

- investment decisions and monitoring of fixed assets;
- purchasing decisions and monitoring of trade payables;
- monitoring of inventories and production costs;
- monitoring of work in progress (workshops, work sites and IT projects);
- selling decisions and monitoring of trade receivables (credit and collections);
- monitoring of petty cash and bank transactions;
- payroll validation and monitoring of employee benefits;
- accounting entries relating to transactions and monitoring of monthly account closings; and
- monitoring of IT access and protection of data and hardware.

Group risk map

The Group has mapped the main risks to which it is exposed. The risk map is updated annually with the main "risk owners" by incorporating new potential risks and monitoring the action plans.

The risks have been identified by the main managers of the Group and prioritized based on their criticality and how well they are managed.

Material, Group-specific risks and the way each of these risks is managed are described in section 4.1 above.

Risk management at the local level

Each subsidiary's management team ensures that risk management and internal control procedures are properly applied. It is the duty of each operational manager to ensure that risk exposure is consistent with the guidelines issued by the management teams of the divisions concerned. The quality and effectiveness of the controls carried out at operating subsidiaries are then reviewed during assessments conducted by the Internal Audit Department, which informs the divisional management teams of the results.

Assessment of internal control and monitoring of action plans

Internal control self-assessment questionnaires

The Group has set up self-assessment questionnaires on the main activities carried out at the Group's headquarters, in each country and at each processing and service center. Self-assessment is one of the key components of the Group's risk management and internal control system. In Elis's northern European countries, self-assessment questionnaires on financial and accounting processes were introduced in 2019.

For 2020, the following activities were self-assessed in France and abroad: central finance and accounting, finance and accounting at the sites, production, sales, maintenance, logistics 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. Against the backdrop of the Covid-19 epidemic, a total of 34 assignments were conducted in 2020 across all business lines.

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 Chapter 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 2020, 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 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.

During the 2020 financial year, based on the eight measures required under the Sapin II law, the Group continued rolling out the following initiatives:

- the updating of the Group's corruption risk map and its breakdown by country;
- whenever necessary, the adaptation to the specific local circumstances of its Group Code of Ethics, which includes the Code of Conduct referred to in the Sapin II law, to be disseminated in all Group countries;
- the continued implementation of a single Group-wide whistleblowing mechanism and a procedure for handling alerts, as well as the regular monitoring of alerts and a biannual presentation to the Group Audit Committee;
- the continuation of training for at-risk managers and staff, giving priority to the most susceptible regions;
- the strengthening of its procedures when necessary;
- the sharing of updated accounting control procedures via a dedicated intranet;
- the continuation of a system for classifying third parties according to their risk level to introduce different levels of investigation.

The rollout of the program to prevent and combat the risks of corruption and influence peddling will continue throughout the current financial year.

This program complements the programs that had already been implemented in some Group countries, as well as the existing programs at Elis's northern European countries and its subsidiaries under UK anti-corruption regulations. The Company has incorporated these programs to prevent and combat corruption risks into its own program.

Tax policy

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. Fiscal matters are duly covered and managed by a Group tax division within the Finance Department. The Group uses external consultants for significant transactions and whenever the necessary expertise is not available in-house.

The Group's tax principles are set out below.

- Taxes are paid in accordance with all rules and regulations applicable in the countries in which the Group operates. The Group undertakes to abide by both the spirit and the letter of the law. The Group pays corporate income tax, withholding tax, customs duties and other taxes to which it is subject in the countries in which it operates, in accordance with national and international rules (i.e. OECD guidelines, local tax laws, international tax treaties, EU directives, etc.).
- The Company's decision to invest in a particular country is driven primarily by commercial objectives and investment strategies, as well as the Company's commitment to develop the best solutions and offer its customers the best service.
- The Group encourages open, respectful and constructive relationships with the tax authorities in each jurisdiction in which it operates. It provides factual and relevant information in accordance with OECD recommendations (Country-by-Country Reporting).
- The Group is transparent about its tax strategy. Declarations are made in accordance with applicable national legislation and reporting requirements.
- Transactions between Group subsidiaries are carried out solely for commercial reasons. They are conducted according to the arm's length principle in accordance with international standards (OECD guidelines) and local transfer pricing rules to ensure they are fairly taxed (i.e. the taxation of profits where value is created).
- As a matter of principle, the Group avoids acquisitions in places that are considered tax havens or non-cooperative countries and territories ("NCCT") under French law or by the OECD. The Group prohibits any tax evasion or artificial tax arrangements that could compromise the Group's reputation and values.

Internal control relating to the preparation of accounting and financial information

The Audit Committee monitors the preparation and control of accounting and financial information and ensures the high quality of the risk management and internal control system in order to facilitate the Supervisory Board's control and monitoring duties.

Building on how the Management Control Department is organized, the Group has set up a system allowing for the internal circulation of relevant, reliable information that helps all staff to carry out their duties in a timely fashion. The Company has also set up budget procedures, reporting procedures and procedures for the preparation of full- and half-year consolidated financial statements. Monthly reporting documents from subsidiaries are sent each month to the chief financial officers or managers of each country concerned and to the Group's Consolidation Department.

Role of the Statutory Auditors

The role of the Statutory Auditors is to certify the regularity, accuracy and fair presentation of the Group's parent company and consolidated financial statements on an annual basis and deliver a report on the Group's half-year consolidated financial statements.

While performing their assignment, the Statutory Auditors present the Audit Committee with a summary of their work and the accounting methods used to prepare the financial statements.

During the audit of the financial statements, the Statutory Auditors present the Audit Committee with a report highlighting the key aspects of the scope of consolidation, the results of the statutory audit, in particular the accounting methods selected and, where applicable, the misstatements found and material weaknesses in internal control identified during their work.

The Statutory Auditors' main recommendations regarding these weaknesses in internal control are incorporated by the management teams concerned into an action plan and a monitoring procedure that are presented to the Audit Committee and General Management at least once per year.

The audit assignments are divided between Mazars and PricewaterhouseCoopers Audit, the Company's Principal Statutory Auditors.

4.3 GROUP INSURANCE

4.3.1 Policy on insurance

The Group's policy on insurance is coordinated by the Property & Insurance Department, whose role is to identify the main insurable risks and to quantify their potential consequences. The aim is to:

- keep the level of some risks to a minimum by implementing prevention measures in collaboration with other Group departments;
- partially or fully cover risks by taking out insurance policies. This section deals with exceptional risks with high potential impact and low frequency, and risks relating to the services provided (claims from third parties and customers).

The Property & Insurance Department is assisted by the Group's various departments, each Group entity in France and each Group subsidiary outside France in obtaining the information needed to identify and quantify insured and insurable risks and in mobilizing the necessary resources to ensure business continuity in the event of a loss. The Insurance Department negotiates with major insurance and reinsurance providers to arrange the coverage that is best suited for insuring those risks.

Furthermore, specialized firms appraise the real value of the operating premises and their contents. The sites are visited regularly, on average every four years, so that the values declared to the insurers are as close as possible to the real values of the properties and their contents.

For some local entities, specific policies are put in place to meet local legal obligations or to obtain necessary local coverage, such as automotive insurance.

Insurance policies are purchased according to the level of coverage needed, based on reasonable estimates, to deal with the occurrence of liability risks, property and casualty risks or other risks. That analysis takes into account the assessments made by the insurers as the underwriters, and by brokers and the Group as specialists in the insurance market and experts on the business and the risks involved.

4.3.2 Insurance programs

The Group's insurance programs are taken out with leading insurers.

The Group has international insurance programs with master property and casualty, liability, environmental liability and fraud policies. This insurance coverage is supplemented by local policies taken out on the Group's recommendation in all countries where it is mandatory or customary to do so.

The Group-level insurance programs aim to cover business activities when local policies are insufficient or do not apply.

The insurance policies taken out by the Group contain:

- exclusion riders, which are uninsured perils, meaning things that cannot be insured under insurance law. These exclusion riders are the same for insurance policies provided by all insurance companies. However, where legally possible and where appropriate given the risk concerned, the Group takes out additional policies to insure against these perils; and
- coverage limits and deductibles, the amounts of which are set and reviewed on renewal according to changes in the Group's risks.

The Group's "property and casualty" insurance program primarily covers the Group's buildings, property, additional costs and potential operating losses, in particular those of its processing centers.

The Group has total coverage of €130 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 vans 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 mapping

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: IN53, usually referred to as the "Supplier Code of Conduct" has existed within the Group in a fully revised version. The Charter contains the standards the Group applies to its suppliers and subcontractors regarding fair practices, human rights, health and safety, and environmental protection. This document, which is central to the Group's purchasing policies, is integrated into the ISO 9001 documentation system of the Purchasing and Procurement Department. It is also routinely appended to the Group's framework agreements. By auditing its strategic suppliers, the Group verifies that they are abiding by the charter. This measure covers over 90% of direct expenditure.

The measures already in place and described below are detailed in chapter 3 in the sections on the system and its results.

(1) *Article L. 225-102-4.-I. of the French Commercial Code requires a five-point vigilance plan.*

4

4.4.3 Other measures of the vigilance plan

Activities of the Company and its subsidiaries	Activities of suppliers and subcontractors
Measure 2: **Procedures for regularly assessing the situation in light of the risk map**	
› Signature of the UN *Global Compact* and annual reporting of corporate social responsibility results. › Self-assessment in France of human resource and safety processes as part of the Group's risk management and internal control system. › Periodic employee surveys in 25 countries. › Annual quantification and consolidation of the impacts of production sites (see sections 3.3 and 3.5.1 of chapter 3 of this universal registration document). › Periodic energy efficiency and resource utilization audits of production sites (see sections 3.3.2, 3.3.3 and 3.3.4 of chapter 3 of this universal registration document). › Systematic environmental audits during laundry facility acquisitions (see section 3.3.1 of chapter 3 of this universal registration document). › Identification and assessment of risks and *processes* implemented for specific Elis activities through the ISO 9001 quality management system certification.	› Upstream evaluation of all potential new suppliers against the requirements of the Sustainable and Ethical Purchasing Charter (see IN53). › Listing contingent on a satisfactory CSR assessment according to a standard analysis grid (see PR39). › Mapping of tier 1 suppliers and weavers as tier 2 suppliers. › Identification of at-risk suppliers. › Periodic CSR assessment of suppliers against the requirements of the Sustainable and Ethical Purchasing Charter. › CSR audits of at-risk suppliers by an independent third party.
Measure 3: **Appropriate actions to mitigate risks or prevent serious harm**	
› Update of the Group Code of Ethics and distribution to all employees. › Anti-corruption compliance program at the Group and its main subsidiaries. › Assessment of corrective actions resulting from employee surveys and their integration into the risk management system (see section 3.2.1 of chapter 3 of this universal registration document). › Implementation of a policy to promote diversity and fight against discrimination through diversity advisers and annual training. › Annual review and approval of the QHSE and energy policy and associated targets by the Chairman of the Management Board. › Annual review of the priority preventive action plan (see section 3.2.3 of chapter 3 of this universal registration document). › Fire prevention program in partnership with the Group's insurer. › Annual training in best environmental practices for all new technical managers (see section 3.3.1 of chapter 3 of this universal registration document). › Annual resource impact reduction targets (water, energy).	› Listing subject to triple validation using a written procedure (applicant, segment purchasing manager and purchasing directors) and to the systematic and binding signature of the Sustainable and Ethical Purchasing Charter by all new suppliers. › Strict supervision of the use of subcontracting, which requires written agreement from the Group. › Training of buyers in the charter principles and supplier evaluation procedures. › Involvement of suppliers in achieving performance objectives, particularly those relating to the environment.
Measure 4: **A whistleblowing mechanism that collects alerts related to the existence or occurrence of risks, established in conjunction with the representative trade unions at the Company**	
› Reporting channels set up by networks of contact persons in Human Resources, and Quality, Safety and Environment. › In the event of an incident, the HR and QSE departments are responsible for defining the corrective actions to be implemented and establishing long-term preventive measures. › Duty of vigilance and duty to alert of employee representatives vis-à-vis the Human Resources Department. › Procedure for receiving and handling alerts related to the creation of a whistleblowing mechanism.	› Centralization and standardization of purchasing departments and deployment of tracking tools throughout the value chain. › Development of long-term supplier relationships through "Corporate" and "Local" buyers, including mobilization of their own networks of suppliers and regular dialogue. › Suppliers' duty to inform the Group about any incident that may have an impact on Elis's service or the products delivered.

Activities of the Company and its subsidiaries	Activities of suppliers and subcontractors
Measure 5: **System for monitoring the measures implemented and assessing their effectiveness**	
› Annual review of the actions taken following the self-assessment of production sites by the Audit and Internal Control Department and the departments concerned. › Internal audit by the Audit and Internal Control Department of imperative safety requirements. › 40 safety inspections per year as part of the insurance program. › Monitoring of the management indicators related to performance and environmental compliance. › Action and improvement plans developed based on the results of internal and external audits and inspections, as well as employee surveys. › Assistance provided to operational staff for their improvement plans through support functions (HR, QSE, etc.).	› Action plan developed according to the results of external audits based on critical and major non-compliances identified (see PR40). › Compliance deadlines imposed by management. › Systematic follow-up audits in case of non-compliance (see PR40). › Delisting in the event of non-compliance with the required corrective measures. › Annual economic review of the business activity to measure suppliers' CSR coverage (see PR40).

4.4.4 Actions implemented in 2020

In 2020, the Group continued the actions described above as part of its continuous improvement and risk management strategy.

Chapter 3 describes and explains how the effectiveness of the measures that have been implemented is evaluated, especially the environmental, health and safety and industrial risk management programs, as well as the measures to ensure ongoing social dialogue.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5 Comments on financial year 2020

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5.1 HIGHLIGHTS OF FINANCIAL YEAR 2020 AFR

5.1.1 Highly responsive to the crisis: protecting our employees, adjusting our cost structure and developing an adapted service offering

In all countries, a rapid adjustment of expenses was implemented in order to optimize production capacities and limit costs.

This resulted in the temporary shutdown or near-total stoppage of around 100 plants during the lockdown period.

Sustainable cost-saving measures have been implemented in all countries: permanent shutdown of plants, reorganization of sites, reduction of central costs, review of the capex plan, including the cancellation of most projects to increase capacity

In addition, numerous commercial initiatives have been launched to address new customer needs.

Note 2.8 in chapter 6.1 of this universal registration document provides a link to the figures in the 2020 consolidated financial statements on the effects of the Covid-19 pandemic.

5.1.2 Major acquisitions

The major acquisitions the Group completed during the financial year were:

- Textile Washing Company in the Czech Republic;
- Haber in Germany;
- Central Laundry in the United Kingdom;
- Kings Laundry in Ireland;
- Clinilaves and ASPH in Brazil.

Detailed information on these transactions can be found in Note 2.4 to the 2020 consolidated financial statements in chapter 6.1 of this universal registration document.

5.1.3 Financing

To deal with the effects of the health crisis linked to the Covid-19 pandemic, the Group adjusted the level of its bank covenant on the test dates of June 30, 2020, December 31, 2020 and June 30, 2021. The Group also extended the final maturity of its €500 million revolving credit facility by one year, thus postponing it from January 2022 to January 2023, with an option to extend it by a further six months. Additional information on these transactions can be found in Notes 8.1 and 8.3 to the 2020 consolidated financial statements in chapter 6.1 of this universal registration document.

5.2 GROUP RESULTS AFR

The Group's consolidated financial statements 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

(In millions of euros)	2020	2019 restated	Change
Revenue	**2,806.3**	**3,281.8**	**-14.5%**
EBITDA	**947.5**	**1,103.1**	**-14.1%**
As a % of revenue	*33.8%*	*33.6%*	*20 bps*
EBIT	**291.5**	**454.9**	**-35.9%**
As a % of revenue	*10.4%*	*13.9%*	*-350 bps*
Net income (loss) from ordinary operations	**138.6**	**256.1**	**-45.9%**
Free cash flow	**216.8**	**174.2**	**24.5%**
Net debt – end of period	**3,281.0**	**3,372.1**	
TOTAL NET LEVERAGE	**3.7 X**	**3.2 X**	

5.2.2 Analysis of revenue and EBITDA by operating segment for the financial year ended December 31, 2020

REVENUE BY GEOGRAPHIC REGION

(In millions of euros)	2020	2019	Change	Organic change
France	867.8	1,065.7	-18.6%	-18.6%
Central Europe	704.2	731.0	-3.7%	-6.0%
Scandinavia and Eastern Europe	474.0	507.0	-6.5%	-6.8%
United Kingdom and Ireland	305.1	396.1	-23.0%	-24.2%
Southern Europe	198.2	298.2	-33.5%	-33.5%
Latin America	213.4	262.5	-18.7%	5.4%
Other	43.5	21.4	103.6%	105.5%
TOTAL	**2,806.3**	**3,281.8**	**-14.5%**	**-13.3%**

France

In 2020, revenue was down 18.6% (entirely on an organic basis). The sharp slowdown in Hospitality (which in 2019 accounted for approximately one-third of the country's revenue) has, despite a good summer season, weighed on business since the start of the health crisis. After a general decline in activity in the second quarter, business subsequently recovered in Industry, Healthcare and Commerce and Services, with good developments in Workwear (increase in the number of foreign exchange transactions, increased outsourcing, return to textile garments in operating rooms) and in Hygiene and Well-Being (increased demand for hand cleaning solutions, hydro-alcoholic gels and disinfection services).

Central Europe

In 2020, revenue in the region declined slightly by 3.7% (6.0% decline on an organic basis). In this region, where the Group has little exposure to Hospitality, industrial activities showed good resilience, with new contracts won in Workwear. In Germany, organic revenue was down by around 5%. The Netherlands and Poland experienced growth. Switzerland and Belgium, countries with a greater exposure to Hospitality, posted a sharp contraction over the year.

Scandinavia & Eastern Europe

In 2020, revenue in the region declined in a limited manner by 6.5% (6.8% decline on an organic basis). The high percentage of customers in the Industry and Commerce and Services sectors has allowed this region to be relatively resilient since the beginning of the crisis. Sweden and Denmark, the largest contributors in the region, recorded organic revenue declines of 9% and 10%, respectively, over the year. We have noted, mainly in Sweden, a decrease in the number of wearers of our workwear among some of our customers whose business is very internationally oriented. Norway, the Baltic States and Russia grew over the year, with contract wins in workwear and mats.

United Kingdom & Ireland

In 2020, the region's revenue was down 23.0% (24.2% down on an organic basis). After a second quarter marked by declines of nearly 50% in April and May, activity improved slightly starting in the summer. Approximately one-third of the region's activity is usually conducted in Hospitality, a sector that has declined by about 60% since the beginning of the crisis. Industry and Commerce and Services, which account for another third of activity, were down approximately 15%, in connection with our high number of customers in the contract catering and QSR sectors, which have been hard hit by the health crisis. Finally, Healthcare, which accounts for the remaining third of the region's activity, was down slightly over the year, as the NHS deprogrammed some interventions during the first lockdown period.

Kings Laundry, whose acquisition was finalized on July 7, has been consolidated in the financial statements since August 1.

Southern Europe

In 2020, the region's revenue was down 33.5% (fully organic), with a slowdown of around 40% in Spain and 30% in Portugal. The region, which is highly exposed to the Hospitality sector (more than 60% of total 2019 revenue), has experienced a very sharp slowdown in activity, especially since the contribution of international tourism is normally very high. In Workwear, revenue for the year was up, driven by good sales momentum and the continued growth of outsourcing.

Latin America

In 2020, organic growth in the region was up 5.4%, but the currency effect (-24.6%) caused reported revenue to fall by 18.7%. Elis's business mix in the region is favorable because it is very oriented toward Healthcare and the Food and Beverage Industry. In addition, the new technical offerings and solutions proposed by the Group generated additional revenue of more than €10 million over the year (one-time supply of isolation gowns to Brazilian hospitals).

Other

The strong growth in "Other" revenue mainly corresponds to the growth in activity of Kennedy, a UK-based subsidiary that produces hygiene appliances. In 2020, its revenue rose sharply, in line with the increase in demand for hygiene appliances (soap and gel dispensers, hand wiping appliances, etc.).

EBITDA

(In millions of euros)	2020	2019	Change
France	**329.9**	**406.1**	**-18.8%**
As a % of revenue	*38.0%*	*38.0%*	*=*
Central Europe	**231.0**	**231.8**	**-0.3%**
As a % of revenue	*32.7%*	*31.6%*	*110 bps*
Scandinavia & Eastern Europe	**184.4**	**196.3**	**-6.0%**
As a % of revenue	*38.9%*	*38.7%*	*20 bps*
United Kingdom & Ireland	**88.7**	**113.5**	**-21.8%**
As a % of revenue	*29.0%*	*28.6%*	*40 bps*
Southern Europe	**45.7**	**85.9**	**-46.8%**
As a % of revenue	*23.0%*	*28.8%*	*-580 bps*
Latin America	**72.0**	**79.7**	**-9.7%**
As a % of revenue	*33.7%*	*30.4%*	*330 bps*
Other	**(4.3)**	**(10.2)**	**-57.7%**
TOTAL	**947.5**	**1,103.1**	**-14.1%**
As a % of revenue	*33.8%*	*33.6%*	*20 bps*

Percentage change calculations are based on actual figures.
"Other" include Manufacturing Entities and holdings.

In 2020, Group EBITDA was €947.5 million. The EBITDA margin was up 20bps to 33.8% of revenue.

France

In 2020, EBITDA was down by 18.8% to €329.9 million, but the EBITDA margin was stable at 38.0%. This good performance reflects the operational adjustments and savings achieved against the backdrop of a sharp decline in activity, primarily in Hospitality & Catering.

Central Europe

In 2020, EBITDA was nearly unchanged at €231.0 million despite a 3.7% decline in revenue. The EBITDA margin for the region was thus up 110 bps to 32.7%. In Germany, the operational adjustments made and continued productivity gains improved the EBITDA margin by 120 bps to 27.3%. The Netherlands, Poland and Belux also reported EBITDA margin improvements. In Switzerland, a country that is more exposed to Hospitality, the impact of the crisis was more pronounced and the EBITDA margin was down.

Scandinavia & Eastern Europe

In 2020, EBITDA was down 6.0% to €184.4 million, but the EBITDA margin improved by 20 bps to 38.9%. Nearly all countries recorded an improvement in their EBITDA margin, in line with effective cost variabilization and savings achieved.

United Kingdom & Ireland

In 2020, despite a 23.0% decline in revenue, the EBITDA margin improved by 40 bps to 29.0%. This performance highlights the success of the measures put in place since the acquisition of Berendsen to improve operations in the United Kingdom and the effectiveness of the operational adjustments made starting in March 2020 to mitigate the effects of the crisis.

Southern Europe

In 2020, EBITDA was down 46.8% to €45.7 million, and the EBITDA margin fell by 580 bps to 23.0%. In this region, where Hospitality accounted for the Group's largest share of revenue in 2019 (around 60%), the measures taken and the savings achieved did not offset the 33.5% decline in revenue. In particular, EBITDA in the first half of the year was affected by a delay in the implementation of certain operational adjustments due to the social measures in force in the country.

Latin America

Cost savings, continued productivity improvements in the region's plants, particularly in Brazil, and short-term but very profitable contracts (supply of isolation gowns to Brazilian hospitals), helped to improve the EBITDA margin by 330 bps to 33.7%. EBITDA was down 9.7% to €72.0 million due to a strongly negative currency effect.

5.2.3 Income statement analysis for the financial year ended December 31, 2020

The table below shows certain line items from the income statement for the financial years ended December 31, 2019 and December 31, 2020.

(In millions of euros)	Financial year ended December 31			
	2020	2019 restated	Change (€)	Change as a %
Revenue	**2,806.3**	**3,281.8**	**(475.6)**	**-14.5%**
Cost of linen, equipment and other consumables	(527.9)	(532.0)	4.1	-0.8%
Processing costs	(1,018.7)	(1,230.4)	211.7	-17.2%
Distribution costs	(466.9)	(538.3)	71.4	-13.3%
Gross margin	**792.8**	**981.1**	**(188.3)**	**-19.2%**
Selling, general and administrative expenses	(502.7)	(539.6)	36.9	-6.8%
Net impairment on trade and other receivables	(13.7)	0.5	(14.2)	-2,810.4%
OPERATING INCOME BEFORE OTHER INCOME AND EXPENSES AND AMORTIZATION OF INTANGIBLE ASSETS RECOGNIZED IN A BUSINESS COMBINATION	**276.4**	**442.0**	**(165.6)**	**-37.5%**
Amortization of intangible assets recognized in a business combination	(93.0)	(88.5)	(4.5)	5.1%
Goodwill impairment	-	-	N/A	N/A
Other operating income and expenses	(64.1)	(18.4)	(45.7)	248.9%
OPERATING INCOME	**119.3**	**335.2**	**(215.8)**	**-64.4%**
Net financial income (expense)	(88.4)	(150.0)	61.6	-41.1%
INCOME (LOSS) BEFORE TAX	**30.9**	**185.2**	**(154.3)**	**-83.3%**
Tax	(27.1)	(47.5)	20.4	-43.0%
Share of income of equity-accounted companies	-	-	N/A	N/A
INCOME FROM CONTINUING OPERATIONS	**3.9**	**137.7**	**(133.9)**	**-97.2%**
Income from discontinued operations, net of tax	-	4.1		
NET INCOME (LOSS)	**3.9**	**141.8**	**(138.0)**	**-97.3%**

Revenue

The Group's consolidated revenue fell by €475.6 million, or 14.5%, from €3,281.8 million for the year ended December 31, 2019 to €2,806.3 million for the year ended December 31, 2020.

This decrease in revenue is mainly due to the organic decline related to the health crisis (13.3%) and the currency effect (2.2%). See section 5.2.2 of this chapter.

Cost of linen, equipment and other consumables

Costs of linen, equipment and other consumables fell by €4.1 million (or 0.8%), from €532.0 million for the financial year ended December 31, 2019 to €527.9 million for the financial year ended December 31, 2020. This slight decrease is explained by the immediate decrease in washroom consumables due to the decrease in activity and by the slowdown in depreciation of linen and equipment following the decrease in related investments.

Processing costs

Processing costs fell by €211.7 million (17.2%), reflecting the high level of operational responsiveness in adjusting linen processing costs in the laundries following the decline in volumes.

Distribution costs

Distribution costs fell by €71.4 million (13.3%). As was the case with linen processing costs, logistics were immediately adapted to the decline in volumes.

Gross margin

The gross margin decreased by €188.3 million, or 19.2%, from €981.1 million for the year ended December 31, 2019 to €792.8 million for the year ended December 31, 2020. All direct expenses could be adjusted, but depreciation and amortization suffered from an inertia effect in relation to the decline in investments.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased by €36.9 million, or 6.8%, from €539.6 million for the year ended December 31, 2019 to €502.7 million for the year ended December 31, 2020. This decrease is mainly the result of structural downsizing efforts related to the decline in revenue. It should be noted, however, that close attention has been paid to maintaining the sales force so as not to hinder future growth.

Operating income before other income and expenses and amortization of intangible assets recognized in a business combination

Operating income before other income and expenses and amortization of intangible assets recognized in a business combination decreased by €165.6 million, or 37.5%, from €442.0 million for the year ended December 31, 2019 to €276.4 million for the year ended December 31, 2020.

Amortization of intangible assets recognized in a business combination

Amortization of intangible assets recognized in a business combination increased by €4.5 million, or 5.1%, from €88.5 million for the year ended December 31, 2019 to €93.0 million for the year ended December 31, 2020. This increase is mainly explained by the change in the amortization schedule for the Berendsen brand following a rebranding that was faster than anticipated.

Goodwill impairment

No goodwill impairment losses were recognized for the financial years ended December 31, 2019 and December 31, 2020.

Other operating income and expenses

Other operating income and expenses fell by €45.7 million from a net expense of €18.4 million for the year ended December 31, 2019 to a net expense of €64.1 million for the year ended December 31, 2020.

For 2020, they mainly consisted of costs related to acquisitions and earnouts (€5.3 million), restructuring costs (€33.4 million) and additional costs directly related to Covid-19 during the first lockdown period (€22.2 million) (see also Note 2.8 to the consolidated financial statements at December 31, 2020 for this last point).

Net financial income (loss)

The net financial expense improved by €61.6 million, from an expense of €150.0 million for the year ended December 31, 2019 to an expense of €88.4 million for the year ended December 31, 2020. This was due to the positive effect of the refinancing of bank debt and high-yield bonds in 2019, with better interest rate conditions, which also resulted in an additional cost in 2019 related to termination indemnities and accelerated amortization of borrowing costs, and to the negative impact in 2019 of the termination of interest rate swaps historically backed by bank debt, which was fully repaid in October 2019.

Tax

Income tax expense fell by €20.4 million, from €47.5 million for the year ended December 31, 2019 to €27.1 million for the year ended December 31, 2020. This line item includes €9.4 million for the French company value-added contribution (CVAE) and the Italian regional tax on productive activities (IRAP). The decrease in 2020 is due mainly to the decline in income before tax (see also Note 9 to the consolidated financial statements at December 31, 2020).

Income from discontinued operations, net of tax

Income from discontinued operations includes the after-tax profit of the Clinical Solutions business and the gain on disposal during the 2019 financial year (see Note 2.5 to the Group's consolidated financial statements for the year ended December 31, 2020).

Net income (loss)

Net income fell by €138.0 million, from €141.8 million for the financial year ended December 31, 2019 to €3.9 million for the financial year ended December 31, 2020 for the aforementioned reasons.

Net income (loss) from ordinary operations

Net income (loss) from ordinary operations amounted to €138.7 million in 2020, a decrease of 45.9% over 2019.

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, 2019 and December 31, 2020:

	At December 31	
(In millions of euros)	**2020**	2019 restated
Net cash from operating activities	848.0	1,018.5
Net cash flows from investing activities	(582.6)	(715.5)
Net cash flows from financing activities	(290.2)	(311.7)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(24.8)**	**(8.7)**

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, 2019 and December 31, 2020:

	At December 31	
(In millions of euros)	**2020**	2019 restated
Consolidated net income (loss)	3.9	141.8
Cash flow before finance costs and tax	887.1	1,067.9
Tax paid	(65.8)	(76.2)
Change in inventories	(13.0)	(2.6)
Change in trade, other receivables and contract assets	114.5	33.2
Change in other assets	2.4	7.6
Change in trade and other payables	(57.6)	3.2
Change in contract and other liabilities	(20.3)	(13.4)
Other changes	2.7	0.2
Employee benefits	(1.9)	(1.3)
NET CASH FROM OPERATING ACTIVITIES	**848.0**	**1,018.5**

The change in inventories was due to the increase in linen inventories in central warehouses resulting from orders that were inventoried and not delivered.

The change in trade and other receivables is explained by the strong cash inflows combined with the mechanical effect of the decline in revenue at the end of 2020 on trade and other receivables.

The change in trade and other payables is mainly explained by the decrease in accounts payable due to the decrease in trade payables in line with the decline in activity.

The change in contract and other liabilities is explained mainly by the decrease in tax and other liabilities (€12.0 million) and the decrease in contract liabilities (€8.8 million), both of which are related to the decline in activity (see Note 4.9 of the Group's consolidated financial statements for the year ended December 31, 2020).

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, 2019 and December 31, 2020:

	At December 31	
(In millions of euros)	**2020**	2019 restated
Acquisition of intangible assets	(16.0)	(23.2)
Proceeds from sale of intangible assets	0.1	0.0
Acquisition of property, plant and equipment	(483.2)	(659.1)
Proceeds from sale of property, plant and equipment	5.3	22.0
Acquisition of subsidiaries, net of cash acquired	(88.1)	(83.2)
Proceeds from disposal of subsidiaries, net of cash transferred	0.5	30.0
Changes in loans and advances	(1.3)	(2.0)
Dividends from equity-accounted companies	0.0	0.0
Investment grants	0.0	0.0
NET CASH FROM INVESTING ACTIVITIES	**(582.6)**	**(715.5)**

Net investments during the year (€493.7 million) included capital expenditure, IT, and items for rent (linen and hygiene and well-being appliances).

They decreased sharply in line with the decline in revenue and the end of major capital expenditure programs, representing 17.6% of revenue in 2020.

Acquisition of subsidiaries corresponds to the acquisitions made throughout 2020 (see Note 2.4 to the consolidated financial statements).

The table below shows inflows/outflows for 2019 and 2020.

(In millions of euros)	**2020**	2019 restated
Linen purchases	(343.2)	(437.8)
Purchases of other items for rental/laundry/maintenance services	(27.4)	(33.7)
Other acquisitions of property, plant and equipment and intangible assets	(128.5)	(210.8)
Asset disposals	5.4	22.0
Investment grants	0.0	0.0
OUTFLOWS/INFLOWS RELATING TO PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	**(493.7)**	**(660.3)**

Cash flows from financing activities

The table below breaks down the Group's cash flows from financing activities for the financial years ended in December 31, 2019 and December 31, 2020:

	At December 31	
(In millions of euros)	**2020**	2019 restated
Capital increase	(0.0)	6.6
Treasury shares	(1.3)	1.5
Dividends paid	-	(81.2)
Change in borrowings[(a)]	(146.6)	(34.6)
› *Proceeds from new borrowings*	*868.6*	*2,392.0*
› *Repayment of borrowings*	*(1,015.2)*	*(2,426.5)*
Lease liability payments – principal	(73.4)	(73.3)
Net interest paid (including interest on lease liabilities)	(64.1)	(110.7)
Other cash flows related to financing activities	(4.8)	(20.0)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(290.2)**	**(311.7)**

(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 totaled €2,955.7 million as at December 31, 2019 and €2,807.3 million as at December 31, 2020. The change in total Group equity in 2020 includes earnings for the year and mainly reflects the decrease in translation reserves in connection with the fall in the Brazilian real.

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 year ended December 31, 2020 in chapter 6.1 of this universal registration document.

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 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, laundry and 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, 2018, 2019 and 2020 (excluding acquisitions) totaled €654.4 million, €682.3 million, and €499.2 million, respectively and are divided up in all Group's countries. The decline recorded in 2020 is related to the reduction in investments decided by the Group to deal with the reduced revenue caused by the health crisis.

Acquisitions

The European market for the rental and maintenance of textile products and hygiene and well-being appliances remains relatively fragmented, and there are interesting consolidation opportunities in the foreign countries where the Group already operates.

For acquisitions outside France, the Group evaluates the relevant markets of other countries with the aim of carrying out targeted acquisitions. The Group relies in particular on the following indicators for the basis of these evaluations: favorable business environment, geopolitics, population, per capita GDP, GDP growth, the tourism sector, the healthcare sector and the presence of international companies as potential customers. The Group's objective is to become one of the leading service providers in each country in which it operates and in each of its market segments.

In recent years, the Group has finalized numerous acquisitions, especially in 2019 and the first half of 2020. For a description of the acquisitions made in financial years 2020 and 2019, see Note 2.4 "Changes in scope of consolidation" to the consolidated financial statements in chapter 6 of this universal registration document. Given the impact of the health crisis, the Group limited its acquisition policy in the second half of 2020 to preserve its liquidity and cash generation.

Net interest paid

The Group paid financial interest (net of financial income) of €110.7 million for the year ended December 31, 2019 and €64.1 million for the year ended December 31, 2020. This decrease can be explained by several factors: first, the positive impact of the refinancing of bank debt and the high-yield bonds in 2019 on the amount of interest paid in 2020, thanks to better interest rate conditions and the favorable calendar effect of the annual coupon payment on the dual-tranche bonds issued in October 2019, and secondly, the negative impact in 2019 of the termination indemnity on the interest rate swaps that have historically backed bank debt and the payment of termination indemnities due for the early redemption of the 2022 high-yield bonds.

Financing structure

The table in Note 8.3 to the consolidated financial statements breaks down the Group's net debt as at December 31, 2019 and December 31, 2020. 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' 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' results. These indicators, generally, have no standardized meaning and therefore may not be compared to similarly labeled indicators used by other companies. As a result, none of these indicators should be considered separately from, or as a substitute for, the Group's consolidated financial statements and related notes prepared in accordance with IFRS.

Organic growth

Organic growth in the Group's revenue is calculated excluding (i) the impacts of changes in the scope of consolidation of "major acquisitions" and "major disposals" (as defined in the Document de Base) in each of the periods under comparison, as well as (ii) the impact of exchange rate fluctuations.

EBITDA, EBIT

The definitions of EBITDA and EBIT are given in Note 3.2. "Earnings" to the Group's consolidated financial statements presented in chapter 6.1. of this universal registration document.

Net income (loss) from ordinary operations

Net income (loss) 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)	2020	2019 restated
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	**3.9**	**137.7**
Amortization of intangible assets recognized in a business combination[a]	73.5	70.8
IFRS 2 expense[a]	13.4	10.6
Accelerated amortization of bridge loan issuing costs[a]	0.1	12.2
Breakage costs related to refinancing[a]	-	4.5
Unwinding of swaps[a]	-	12.9
Other income and expenses (non-current) including:	47.8	7.4
› Reversal of provisions for disputes	0.6	(11.6)
› Exceptional costs related to the health crisis[a]	16.5	-
› Restructuring costs[a]	25.2	6.5
› Costs related to acquisitions[a]	4.1	6.6
› Other[a]	1.4	5.9
NET INCOME (LOSS) FROM ORDINARY OPERATIONS	**138.7**	**256.1**

(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)	2020	2019
EBITDA	**947.5**	**1,103.1**
Non-recurring items and changes in provisions	(55.2)	(24.4)
Acquisition and disposal expenses	(3.8)	(10.2)
Other	(1.4)	(0.6)
Cash flow before finance costs and tax	**887.1**	**1,067.9**
Net capex	(493.8)	(660.3)
Change in working capital requirement	26.7	26.9
Net interest paid	(64.1)	(110.7)
Tax paid	(65.8)	(76.2)
Lease liabilities payments – principal	(73.4)	(73.3)
FREE CASH FLOW	**216.8**	**174.2**

Total net leverage

The total net leverage ratio is a leverage ratio calculated for bank loan covenants: Total net leverage is equal to [Net financial debt, less current accounts held for employee profit-sharing and accrued interest not yet due, plus unamortized debt issuance costs and finance lease liabilities as measured under IAS 17 had the standard had continued to apply] divided by [Pro forma EBITDA of acquisitions finalized during the last 12 months after synergies and excluding the impact of IFRS 16].

The net debt calculated for bank *covenants* came to €3,291.0 million as at December 31, 2019. The Group's pro forma EBITDA for 2019 after synergies and excluding the impact of IFRS 16 amounted to €879.1 million (equal to the published 2020 EBITDA of €947.5 million, adjusted by €83.3 million to cancel the impact of IFRS 16, increased by €7.8 million to account for acquisitions made in 2020 as if they had taken place on January 1, 2020 – see Note 2.4 to the consolidated financial statements) to which €7.0 million is added for estimated potential synergies for 2021.

The total net leverage ratio as at December 31, 2020 was therefore 3.7x.

ROCE

Return on capital employed (ROCE) before tax is an indicator of investment performance:

(in millions of euros)	2020	2019
EBIT (I)	**291.5**	**454.9**
Capital employed at beginning of period (II)	4,878.2	4,770.5
ROCE (BEFORE TAX) = (I)/(II)	**6.0%**	**9.5%**

	As at January 1,	
(in millions of euros)	2020	2019
TOTAL ASSETS	**8,198.0**	**7,796.4**
Employee benefit assets	(32.1)	(17.5)
Cash and cash equivalents	(172.3)	(197.0)
Intangible assets recognized in the Group's last LBO (net of deferred tax)	(1,537.5)	(1,536.9)
SUBTOTAL (III)	**6,456.1**	**6,045.0**
TOTAL EQUITY AND LIABILITIES	**8,198.0**	**7,796.4**
Equity	(2,956.6)	(2,868.2)
Employee benefit liabilities	(119.1)	(99.0)
Borrowings and financial debt	(3,116.3)	(3,101.6)
Bank overdrafts and current borrowings	(428.1)	(453.1)
SUBTOTAL (IV)	**1,577.9**	**1,274.4**
Capital employed at beginning of period (II)=(III)-(IV)	**4,878.2**	**4,770.5**

5.3 EVENTS AFTER THE REPORTING PERIOD RFA

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 2020 consolidated financial statements in chapter 6.1 of this universal registration document.

5.4 RECENT DEVELOPMENTS

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 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 rental, laundry and maintenance. Scaldis generated revenue of around €10 million in 2020. This acquisition enables Elis to strengthen its footprint in the fast-growing and profitable Cleanroom market.

5.5 OUTLOOK RFA

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.

Q1 2021 organic revenue growth should be about 15% due to a difficult 2020 comparable base in January and February.

The comparable base will become favorable from Q2 onwards and H1 2021 organic revenue growth should be stable.

With many uncertainties surrounding the evolution of the health crisis (efficiency of vaccination campaigns, emergence of new variants, resumption of international travel), our working assumptions currently factor a modest activity improvement in our markets starting in the second quarter of 2021, which would lead to c. 3% organic revenue growth for the year.

The EBITDA margin is expected to increase slightly thanks to the savings achieved in 2020 and the Group's ability to variabilize its costs in a context of activity slowdown.

Free cash flow after lease payments is expected to be in the range of €190 million to €230 million, the main variable being the change in working capital requirement, linked to the impact of year-end activity on trade receivables.

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 are likely to significantly adversely affect 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, service vehicles, 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 RFA

The Elis Group allocates resources to its industrial, marketing and IT departments to continuously improve the company’s processes, products and services.

The Group’s research and development activities are detailed in the “Innovation Focus” section in chapter 1 of this 2020 universal registration document.

The Company has no other research and development activities.

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5.8 ELIS'S RESULTS AFR

Elis generated an operating loss of €21.1 million for the 2020 financial year, versus a loss of €32.2 million in 2019.

The reduction 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 lower amount of refinanced debt than in the previous financial year, down -€6.2 million;
- the decrease in fees paid to outside service providers and in compensation paid to executives.

Net financial expense totaled €35.0 million versus an expense of €67.9 million for 2019. The reduction in the net financial expense is due mainly to:

- the early repayment of loans, which involved the payment of swap termination fees amounting to €24.4 million in 2019.
- the decrease in interest related to the better interest rate conditions following the refinancing that took place during the previous year.

Non-recurring income showed an expense of €7.4 million composed primarily of the amortization of the Berendsen acquisition costs of €5.4 million and the fees linked to the waiver of its banking covenant of €1.3 million euros

Elis posted a consolidated income tax benefit of €20,7 million (compared to €36.1 million in 2019). This benefit arose from tax consolidation, since the tax paid by the subsidiaries was higher than the tax owed by the tax group of which Elis is the parent company.

Elis's equity totaled €2,779.5 million, a decrease of €37.4 million compared to December 31, 2019, due to losses during the financial year and the distribution of reserves as described in Note 5.1 to the financial statements.

5.9 FIVE-YEAR FINANCIAL SUMMARY AFR

Financial year Type of information *(in euros)*	2016	2017	2018	2019	2020
I. Financial position at the financial year-end					
› share capital	1,140,061,670	219,370,207	219,927,545	221,297,797	221,819,430
› number of shares issued	114,006,167	219,370,207	219,927,545	221,297,797	221,819,430
› number of bonds convertible into shares					
II. Results of operations					
› revenue excl. tax	1,043,582	566,299	1,005,480	1,005,480	1,005,480
› net income (loss) before tax, depreciation, amortization and provisions	18,026,719	(85,195,401)	(81,200,450)	(103,380,084)	(60,322,556)
› income taxes	33,754,357	27,990,088	26,846,894	36,127,575	26,443,630
› net income (loss) after tax, depreciation, amortization and provisions	15,712,964	(58,908,721)	(64,875,081)	(70,323,741)	(42,796,153)
› amount of earnings distributed	0	0	0	0	0
III. Per share data					
› net income (loss) after tax, but before depreciation, amortization and provisions	0.14	(0.26)	(0.37)	(0.47)	(0.27)
› net income (loss) after tax, depreciation, amortization and provisions	0.14	(0.27)	(0.29)	(0.32)	(0.19)
› dividend per share	0.00	0.00	0.00	0.00	0.00
IV. Employees					
› number of employees	3	3	2	2	2
› payroll expenses	1,641,594	2,506,992	3,442,019	3,263,588	3,361,711
› employee benefits (social security, etc.)	596,565	716,203	965,034	1,890,025	894,124

5.10 LEGAL, FINANCIAL AND TAX INFORMATION ABOUT THE COMPANY AFR

5.10.1 Significant equity investment in France

The Company did not acquire any companies in France during the financial year.

5.10.2 Injunctions or fines for anticompetitive practices

None[(1)].

5.10.3 Additional tax information

During the financial year ended December 31, 2020, the Company:

- recognized €25,175 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 €363,613 for directors' fees exceeding the deductible threshold of €457 per Board member.

5.10.4 Information about payment terms for customers and suppliers

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, the balance of net trade payables at the end of the financial year (excluding accrued expenses) was €295,840.

Invoices received or issued but unpaid and past due at the closing date of the financial year (table provided for in Article D. 441-4-I)

	Article D. 441-I para. 1: Invoices received, unpaid and past due at the financial year-end						Article D. 441-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	7	59	2		3		1	3	1			
Aggregate invoice amount (incl. VAT)	(11.4)	(14.6)	0.2		2.1		(158.8)	171.1	32.3			
Percentage of total amount of purchases (incl. VAT) for the year	(0.05)%	(0.07)%	-	-	0.01%							
Percentage of revenue (incl. VAT) for the year							(0.68)%	0.73%	0.14%			
(B) Invoices excluded from (A) relating to disputed or unrecognized receivables and payables												
Number of excluded invoices												
Aggregate amount of excluded invoices (incl. taxes)												
(C) Standard payment terms used (contractual or legal terms – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment terms used to calculate late payments	Contractual or legal payment terms						Contractual payment terms: 15th of the following month					

5.10.5 Dividends

Dividend policy

The Company will determine the amounts of any future dividend distributions on the basis of various factors, including the Company's general business conditions and in particular its strategic objectives, financial position, the opportunities it wishes to pursue and the applicable statutory provisions.

Given the uncertainty surrounding the health crisis, and in order to increase the Group's liquidity during these challenging times, no dividend will be paid for the 2020 financial year.

(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.

Dividends paid in the past three financial years

The Company did not pay any dividends in the financial years ended December 31, 2018, 2019 and 2020. However, amounts deducted from its additional paid-in capital account were paid out during those periods.

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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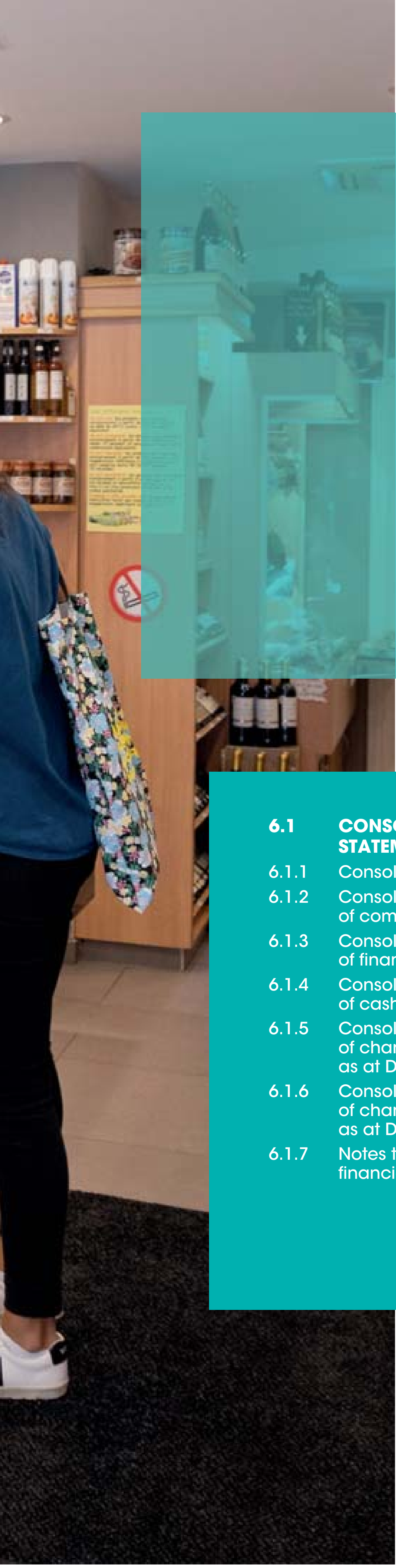

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Financial statements for the year ended December 31, 2020

6

6.1 CONSOLIDATED FINANCIAL STATEMENTS AFR

6.1.1 Consolidated income statement

(In millions of euros)	Notes	12/31/2020	12/31/2019 restated[(a)]
Revenue	**3.1/4.1/4.2**	**2,806.3**	**3,281.8**
Cost of linen, equipment and other consumables		(527.9)	(532.0)
Processing costs		(1,018.7)	(1,230.4)
Distribution costs		(466.9)	(538.3)
Gross margin		**792.8**	**981.1**
Selling, general and administrative expenses		(502.7)	(539.6)
Net impairment on trade and other receivables		(13.7)	0.5
Operating income before other income and expenses and amortization of intangible assets recognized in a business combination	**3.2**	**276.4**	**442.0**
Amortization of intangible assets recognized in a business combination	4.5	(93.0)	(88.5)
Goodwill impairment	6.1	-	-
Other operating income and expenses	4.6	(64.1)	(18.4)
Operating income		**119.3**	**335.2**
Net financial income (expense)	8.2	(88.4)	(150.0)
Income (loss) before tax		**30.9**	**185.2**
Income tax expense	9	(27.1)	(47.5)
Income from continuing operations		**3.9**	**137.7**
Income from discontinued operations, net of tax	2.5	-	4.1
NET INCOME (LOSS)		**3.9**	**141.8**
Attributable to:			
› owners of the parent		3.9	142.0
› non-controlling interests		(0.0)	(0.2)
Earnings (loss) per share (EPS) *(in euros)*:			
› basic, attributable to owners of the parent	10.3	€0.02	€0.64
› diluted, attributable to owners of the parent	10.3	€0.02	€0.63
Earnings (loss) per share (EPS) from continuing operations *(in euros)*:			
› basic, attributable to owners of the parent	10.3	€0.02	€0.63
› diluted, attributable to owners of the parent	10.3	€0.02	€0.61

(a) See Note 1.4.

6.1.2 Consolidated statement of comprehensive income

(In millions of euros)	Notes	12/31/2020	12/31/2019 restated[(a)]
Net income (loss)		**3.9**	**141.8**
Gains (losses) on cash flow hedges, before tax	8.8	(1.1)	(7.4)
Cash flow hedge reserve reclassified to income	8.8	0.4	13.4
Total change in cash flow hedge reserve, before taxes		**(0.7)**	**6.0**
Related tax	8.8	0.2	(2.1)
Net change in the cost of hedging, before tax	8.8	**0.9**	**0.3**
Related tax	8.8	(0.2)	(0.1)
Effects of changes in foreign exchange rates – net translation differences		**(174.1)**	**8.1**
Other comprehensive income (loss) which may be subsequently reclassified to income		**(173.9)**	**12.2**
Actuarial gains (losses) on defined benefit plans, before tax		**12.3**	**(5.8)**
Related tax		(2.2)	2.2
Other comprehensive income (loss) which may not be subsequently reclassified to income		**10.1**	**(3.5)**
Other comprehensive income		**(163.9)**	**8.7**
TOTAL COMPREHENSIVE INCOME (LOSS)		**(160.0)**	**150.5**
Attributable to:			
› owners of the parent		(160.0)	150.7
› 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	12/31/2020	12/31/2019 restated[a]
Goodwill	6.1	3,765.9	3,795.6
Intangible assets	6.2	782.5	869.5
Right-of-use assets	6.4	438.6	410.8
Property, plant and equipment	6.3	1,883.8	1,998.5
Other equity investments		0.2	0.2
Other non-current assets	8.7	64.4	69.0
Deferred tax assets	9	36.6	23.2
Employee benefit assets	5.3	34.1	32.1
TOTAL NON-CURRENT ASSETS		**7,006.2**	**7,198.9**
Inventories	4.7	137.3	124.8
Contract assets	4.3	27.6	36.2
Trade and other receivables	4.4	519.1	632.4
Current tax assets		13.6	11.8
Other assets	4.9	18.8	21.1
Cash and cash equivalents	8.4/8.5	137.6	172.3
Assets held for sale		0.4	0.7
TOTAL CURRENT ASSETS		**854.4**	**999.2**
TOTAL ASSETS		**7,860.6**	**8,198.0**

(a) See Note 1.4.

Equity and liabilities

(In millions of euros)	Notes	12/31/2020	12/31/2019 restated[a]
Share capital	10.1	221.8	221.3
Additional paid-in capital	10.1/10.2	2,575.6	2,646.4
Treasury share reserve		(11.2)	(10.1)
Other reserves		(366.2)	(192.2)
Retained earnings (accumulated deficit)		387.2	290.3
Equity attributable to owners of the parent		**2,807.3**	**2,955.7**
Non-controlling interests	**2.7**	**0.6**	**0.8**
TOTAL EQUITY		**2,808.0**	**2,956.6**
Provisions	7.1	83.7	85.8
Employee benefit liabilities	5.3	111.0	119.1
Borrowings and financial debt	8.3/8.5	3,066.6	3,116.3
Deferred tax liabilities	9	299.4	316.7
Lease liabilities	6.4	368.3	343.7
Other non-current liabilities	8.7	23.5	8.4
TOTAL NON-CURRENT LIABILITIES		**3,952.5**	**3,990.0**
Current provisions	7.1	14.5	17.0
Current tax liabilities		25.5	23.7
Trade and other payables	4.8	221.3	288.5
Contract liabilities	4.3	62.7	71.5
Current lease liabilities	6.4	79.0	63.7
Other liabilities	4.9	345.1	359.0
Bank overdrafts and current borrowings	8.3/8.5	352.0	428.1
Liabilities directly associated with assets held for sale		-	-
TOTAL CURRENT LIABILITIES		**1,100.1**	**1,251.4**
TOTAL EQUITY AND LIABILITIES		**7,860.6**	**8,198.0**

(a) See Note 1.4.

6.1.4 Consolidated statement of cash flows

(In millions of euros)	Notes	12/31/2020	12/31/2019 restated[a]
CONSOLIDATED NET INCOME (LOSS)		**3.9**	**141.8**
Income tax expense	2.5/9	27.1	48.2
Net financial income (expense)	2.5/8.2	88.4	150.2
Share-based payments		12.9	11.0
Depreciation, amortization and provisions	4.5	751.0	721.5
Portion of grants transferred to income	4.5	(0.3)	(0.4)
Net gains and losses on disposal of property, plant and equipment and intangible assets		4.2	2.4
Other		(0.1)	(6.8)
CASH FLOWS BEFORE FINANCE COSTS AND TAX		**887.1**	**1,067.9**
Change in inventories	4.7	(13.0)	(2.6)
Change in trade and other receivables and contract assets	4.4	114.5	33.2
Change in other assets	4.9	2.4	7.6
Change in trade and other payables	4.8	(57.6)	3.2
Change in contract and other liabilities	4.9	(20.3)	(13.4)
Other changes		2.7	0.2
Employee benefits		(1.9)	(1.3)
Tax paid		(65.8)	(76.2)
NET CASH FROM OPERATING ACTIVITIES		**848.0**	**1,018.5**
Acquisition of intangible assets		(16.0)	(23.2)
Proceeds from disposal of intangible assets		0.1	0.0
Acquisition of property, plant and equipment		(483.2)	(659.1)
Proceeds from disposal of property, plant and equipment		5.3	22.0
Acquisition of subsidiaries, net of cash acquired	2.4	(88.1)	(83.2)
Proceeds from disposal of subsidiaries, net of cash transferred		0.5	30.0
Changes in loans and advances		(1.3)	(2.0)
Dividends earned		0.0	0.0
Investment grants		0.0	0.0
CASH FLOWS FROM INVESTING ACTIVITIES		**(582.6)**	**(715.5)**
Capital increase	10.1/2.7	(0.0)	6.6
Treasury shares		(1.3)	1.5
Dividends and distributions paid			
› to owners of the parent		0.0	(81.2)
› to non-controlling interests		-	-
Change in borrowings[b]:	8.3	(146.6)	(34.6)
› proceeds from new borrowings	8.3	868.6	2,392.0
› repayments of borrowings	8.3	(1,015.2)	(2,426.5)
Lease liability payments – principal	6.4	(73.4)	(73.3)
Net interest paid (including interest on lease liabilities)		(64.1)	(110.7)
Other cash flows related to financing activities		(4.8)	(20.0)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(290.2)**	**(311.7)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(24.8)**	**(8.7)**
Cash and cash equivalents at beginning of period		170.8	179.1
Effect of changes in foreign exchange rates on cash and cash equivalents		(8.4)	0.4
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8.4**	**137.6**	**170.8**

(a) See Note 1.4.
(b) Net change in credit lines.

6.1.5 Consolidated statement of changes in equity as at December 31, 2020

(In millions of euros)	Notes	Share capital	Additional paid-in capital	Treasury share reserve	Cash flow hedge reserve	Cost of hedging reserve	Translation reserve	Equity component of convertible notes	Legal reserve	Retained earnings (accumulated deficit)	**Owners of the parent**	Non-controlling interests	**Total equity**
Balance as at December 31, 2019 (restated[a])		**221.3**	**2,646.4**	**(10.1)**	**(1.6)**	**0.6**	**(235.8)**	**37.8**	**6.8**	**290.3**	**2,955.7**	**0.8**	**2,956.6**
Cash increase in share capital		-	-	-	-	-	-	-	-	(0.0)	(0.0)	-	(0.0)
Amounts paid to shareholders	10.2	-	-	-	-	-	-	-	-	0.0	0.0	-	0.0
Issue of convertible notes		-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments		-	-	-	-	-	-	-	-	12.9	12.9	-	12.9
Changes in treasury shares		-	-	(1.1)	-	-	-	-	-	-	(1.1)	-	(1.1)
Acquisition of NCI without a change in control		-	-	-	-	-	-	-	-	(0.1)	(0.1)	(0.2)	(0.3)
Acquisition of subsidiaries – NCI												-	-
Other changes	10.1	0.5	(70.8)	-	-	-	-	-	-	70.2	(0.0)	-	(0.0)
Net income (loss) for the period		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.9**	**3.9**	**(0.0)**	**3.9**
Other comprehensive income		-	-	-	(0.5)	0.6	(174.1)	-	-	10.1	(163.9)	-	(163.9)
Total comprehensive income (loss)		**-**	**-**	**-**	**(0.5)**	**0.6**	**(174.1)**	**-**	**-**	**13.9**	**(160.0)**	**(0.0)**	**(160.0)**
BALANCE AS AT DECEMBER 31, 2020		**221.8**	**2,575.6**	**(11.2)**	**(2.1)**	**1.2**	**(409.8)**	**37.8**	**6.8**	**387.2**	**2,807.3**	**0.6**	**2,808.0**

(a) *See Note 1.4.*

6.1.6 Consolidated statement of changes in equity as at December 31, 2019

(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 notes	Legal reserve	Retained earnings (accumulated deficit)	Owners of the parent	Non-controlling interests	Total equity
Balance as at December 31, 2018		**219.9**	**2,943.9**	**(11.4)**	**(5.6)**	**0.3**	**(241.3)**	**37.8**	**0.7**	**(77.7)**	**2,866.8**	**1.4**	**2,868.2**
First-time adoption of IFRS 16										-	-		-
First-time adoption of IFRIC 23										-	-		-
Adjusted balance as at January 1, 2019		**219.9**	**2,943.9**	**(11.4)**	**(5.6)**	**0.3**	**(241.3)**	**37.8**	**0.7**	**(77.7)**	**2,866.8**	**1.4**	**2,868.2**
Cash increase in share capital	10.1	0.6	6.1	-	-	-	-	-	-	(0.0)	6.6	-	6.6
Amounts paid to shareholders	10.2	-	(81.4)	-	-	-	-	-	-	0.2	(81.2)	-	(81.2)
Issue of convertible notes		-	-	-	-	-	-	-	-	-	-	-	-
Share-based payments		-	-	-	-	-	-	-	-	11.0	11.0	-	11.0
Changes in treasury shares		-	-	1.3	-	-	-	-	-	-	1.3	-	1.3
Acquisition of NCI without a change in control		-	-	-	-	-	(2.5)	-	-	3.0	0.5	(0.5)	0.0
Disposal of subsidiaries – NCI												0.1	0.1
Other changes	10.1	0.8	(222.2)	-	-	-	-	-	6.1	215.3	0.0	-	0.0
Net income (loss) for the period		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**142.0**	**142.0**	**(0.2)**	**141.8**
Other comprehensive income		-	-	-	3.9	0.2	8.1	-	-	(3.5)	8.6	0.1	8.7
Total comprehensive income (loss)		**-**	**-**	**-**	**3.9**	**0.2**	**8.1**	**-**	**-**	**138.5**	**150.7**	**(0.1)**	**150.5**
BALANCE AS AT DECEMBER 31, 2019 (RESTATED)		**221.3**	**2,646.4**	**(10.1)**	**(1.6)**	**0.6**	**(235.8)**	**37.8**	**6.8**	**290.3**	**2,955.7**	**0.8**	**2,956.6**

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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 Trade 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, 2020 were approved by the Management Board on March 8, 2021 and reviewed by the Audit Committee and the Supervisory Board on March 8, 2021.

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 IFRIC interpretations as adopted by the European Union as at December 31, 2020 and available on the following website: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en

The accounting policies adopted are identical to those used to prepare the consolidated financial statements for the year ended December 31, 2019 except for the following standards, amendments and interpretations effective for annual periods beginning on or after January 1, 2020.

Main standards, amendments and interpretations with mandatory application from January 1, 2020

- Covid-19-Related Rent Concessions amendment to IFRS 16;
- Definition of a Business amendments to IFRS 3 Business Combinations;
- Interest Rate Benchmark Reform amendments to IFRS 9, IAS 39, and IFRS 7;
- Amendments to IAS 1 and IAS 8 – Definition of Material;
- Amendments updating the reference to the Conceptual Framework for IFRS.

These amendments, which have been mandatory since January 1, 2020, 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, 2020 but not mandatory as at January 1, 2020:
  - Extension of the temporary exemption from Applying IFRS 9 (Proposed Amendments to IFRS 4)

  The Group does not plan to apply this standard prior to its required effective date in the European Union.
- Main standards, amendments and interpretations that have been published but not yet adopted by the European Union as at December 31, 2020:
  - Amendments to IAS 39 Financial Instruments: Recognition and Measurement, IFRS 4 Insurance Contracts, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IFRS 16 Leases;
  - Amendments to IAS 1 Presentation of Financial Statements to clarify the classification of liabilities as "current" or "non-current";
  - 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;
  - IFRS 17 Insurance Contracts.

  To date, the Group has not identified any material impact of these new standards and does not expect to be impacted by IFRS 17 Insurance Contracts.

1.3 Critical accounting estimates and judgments

The preparation of consolidated financial statements requires the Elis Group to make estimates and assumptions that affect the carrying amount of assets, liabilities, income and expenses and the disclosures in some of the notes to the financial statements. The Elis Group reviews these estimates and judgments on a regular basis, taking into consideration past experience and other factors deemed relevant in light of economic conditions.

Amounts reported in future financial statements may differ from current estimates due to changes in assumptions or if conditions vary from those anticipated.

Critical accounting estimates and assumptions

Recoverable amount of goodwill and intangible assets with indefinite useful lives

The Group performs annual impairment tests on goodwill and intangible assets with indefinite useful lives (brands) in accordance with IAS 36 Impairment of Assets. The recoverable amount of cash-generating units is calculated on the basis of their value in use. These calculations require the use of estimates. The estimates used, together with an analysis of assumption sensitivity, particularly for goodwill, are presented in Note 6.5 "Impairment losses on non-current assets."

Allocation of the acquisition price in business combinations

Business combinations are accounted for using the purchase accounting method: this means that, at the date on which control is acquired, the identifiable assets, liabilities and contingent liabilities acquired or assumed are measured at fair value. One of the most significant estimates when accounting for an acquisition is the determination of the fair value and the assumptions used to determine it. While the fair value of some acquired items, such as property, plant and equipment, can be accurately measured (using the market price), others are more complex to measure, such as intangible assets or contingent liabilities. These measurements are generally made by independent experts who base their work on assumptions and must estimate the effect of future events that are uncertain at the acquisition date.

Employee benefit liabilities

The present value of employee benefit obligations is computed on an actuarial basis using various assumptions. The discount rate is one of the assumptions used to calculate the net cost of retirement benefits. Any change in the assumptions affects the carrying amount of the employee benefit liabilities.

The Group sets the appropriate discount rate at the end of each reporting period. This is the interest rate applied to calculate the present value of future disbursements necessary to meet retirement benefit obligations. To determine the appropriate rate, the Group takes into account the interest rates on high-quality corporate bonds (Iboxx Corporate AA 10+ for France) in the currencies in which benefits are to be paid and with a term comparable to the estimated average maturity of the corresponding obligation.

Note 5.3 "Employee benefit assets/liabilities" provides further details on the matter.

Provisions

The Group records provisions, mainly for disputes and environmental compliance:

- 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.
- 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.

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.

Critical judgments in applying accounting policies

Recognition of assets related to rental, laundry and maintenance services

Rental, laundry and 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, laundry and 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 prior business combinations (IFRS 3) to the income statement, the statement of financial position, and the statement of cash flows as at December 31, 2019, compared to the previously published financial statements as at December 31, 2019.

IFRS 3 Business combinations

IFRS 3 requires previously published comparative periods to be retrospectively restated for business combinations (recognition of the final fair value of the assets acquired and the liabilities and contingent liabilities assumed when this fair value was provisionally determined at the previous balance sheet date).

The changes are mainly related to the final measurement of customer relationships, property and provisions, especially environmental provisions, of the acquisition of Blesk inCare Mats in Russia. The measurements were performed with the methods usually applied by the Group, with the involvement of experts where necessary. The final fair value of assets and liabilities acquired in a business combination in 2019 is disclosed in the "Acquisitions in 2019" section of Note 2.4 "Changes in scope of consolidation."

CONSOLIDATED INCOME STATEMENT

(In millions of euros)	12/31/2019 published	IFRS 3	12/31/2019 restated
Revenue	**3,281.8**	**-**	**3,281.8**
Cost of linen, equipment and other consumables	(532.0)	-	(532.0)
Processing costs	(1,230.4)	(0.0)	(1,230.4)
Distribution costs	(538.3)	-	(538.3)
Gross margin	**981.2**	**(0.0)**	**981.1**
Selling, general and administrative expenses	(539.6)	-	(539.6)
Net impairment on trade and other receivables	0.5	-	0.5
Operating income before other income and expenses and amortization of intangible assets recognized in a business combination	**442.1**	**(0.0)**	**442.0**
Amortization of intangible assets recognized in a business combination	(88.3)	(0.2)	(88.5)
Goodwill impairment	-	-	-
Other operating income and expenses	(18.5)	0.1	(18.4)
Operating income	**335.3**	**(0.1)**	**335.2**
Net financial income (expense)	(150.0)	(0.0)	(150.0)
Income (loss) before tax	**185.3**	**(0.1)**	**185.2**
Income tax expense	(47.6)	0.1	(47.5)
Income from continuing operations	**137.7**	**(0.0)**	**137.7**
Income from discontinued operations, net of tax	4.1	-	4.1
NET INCOME (LOSS)	**141.9**	**(0.0)**	**141.8**
Attributable to:			
› owners of the parent	142.0	(0.0)	142.0
› non-controlling interests	(0.2)	-	(0.2)
Earnings (loss) per share (EPS) *(in euros)*:			
› basic, attributable to owners of the parent	€0.64		€0.64
› diluted, attributable to owners of the parent	€0.63		€0.63
Earnings (loss) per share (EPS) from continuing operations *(in euros)*:			
› basic, attributable to owners of the parent	€0.63		€0.63
› diluted, attributable to owners of the parent	€0.61		€0.61

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions of euros)	12/31/2019 published	IFRS 3	12/31/2019 restated
Net income (loss)	**141.9**	**(0.0)**	**141.8**
Gains (losses) on cash flow hedges, before tax	(7.4)		(7.4)
Cash flow hedge reserve reclassified to income	13.4		13.4
Total change in cash flow hedge reserve, before taxes	**6.0**	**-**	**6.0**
Related tax	(2.1)		(2.1)
Net change in the cost of hedging, before tax	**0.3**		**0.3**
Related tax	(0.1)		(0.1)
Effects of changes in foreign exchange rates – net translation differences	**8.2**	**(0.1)**	**8.1**
Other comprehensive income (loss) which may be subsequently reclassified to income	**12.3**	**(0.1)**	**12.2**
Actuarial gains (losses) on defined benefit plans, before tax	**(5.8)**		**(5.8)**
Related tax	2.2		2.2
Other comprehensive income (loss) which may not be subsequently reclassified to income	**(3.5)**	**-**	**(3.5)**
OTHER COMPREHENSIVE INCOME	**8.7**	**(0.1)**	**8.7**
TOTAL COMPREHENSIVE INCOME (LOSS)	**150.6**	**(0.1)**	**150.5**
Attributable to:			
› owners of the parent	150.7	(0.1)	150.7
› non-controlling interests	(0.1)	-	(0.1)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

(In millions of euros)	12/31/2019 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	12/31/2019 restated
Goodwill	3,801.3	(5.6)	-	(0.1)	3,795.6
Intangible assets	866.7	3.0	(0.2)	(0.0)	869.5
Right-of-use assets	411.4	(0.5)	(0.1)	(0.0)	410.8
Property, plant and equipment	1,993.6	4.9	(0.0)	0.0	1,998.5
Other equity investments	0.2	(0.0)	-	-	0.2
Other non-current assets	69.0	-	-	-	69.0
Deferred tax assets	24.4	(1.3)	0.1	(0.0)	23.2
Employee benefit assets	32.1	-	-	-	32.1
TOTAL NON-CURRENT ASSETS	**7,198.7**	**0.4**	**(0.2)**	**(0.1)**	**7,198.9**
Inventories	125.1	(0.3)	-	-	124.8
Contract assets	36.2	-	-	-	36.2
Trade and other receivables	632.9	(0.5)	-	(0.0)	632.4
Current tax assets	11.8	(0.0)	-	-	11.8
Other assets	21.1	-	-	-	21.1
Cash and cash equivalents	172.3	(0.0)	-	-	172.3
Assets held for sale	0.7	-	-	-	0.7
TOTAL CURRENT ASSETS	**999.9**	**(0.8)**	**-**	**(0.0)**	**999.2**
TOTAL ASSETS	**8,198.6**	**(0.4)**	**(0.2)**	**(0.1)**	**8,198.0**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

(In millions of euros)	12/31/2019 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	**12/31/2019 restated**
Share capital	221.3	-	-	-	221.3
Additional paid-in capital	2,646.4	-	-	-	2,646.4
Treasury share reserve	(10.1)	-	-	-	(10.1)
Other reserves	(192.2)	-	-	(0.1)	(192.2)
Retained earnings (accumulated deficit)	290.3	0.0	(0.0)	-	290.3
Equity attributable to owners of the parent	**2,955.8**	**0.0**	**(0.0)**	**(0.1)**	**2,955.7**
Non-controlling interests	**0.8**	**-**	**-**	**-**	**0.8**
TOTAL EQUITY	**2,956.7**	**0.0**	**(0.0)**	**(0.1)**	**2,956.6**
Provisions	83.3	2.5	-	0.0	85.8
Employee benefit liabilities	119.1	-	-	-	119.1
Borrowings and financial debt	3,116.3	-	-	-	3,116.3
Deferred tax liabilities	316.7	-	-	-	316.7
Lease liabilities	342.5	1.2	(0.0)	0.0	343.7
Other non-current liabilities	11.3	(2.8)	-	(0.1)	8.4
TOTAL NON-CURRENT LIABILITIES	**3,989.2**	**0.8**	**(0.0)**	**(0.0)**	**3,990.0**
Current provisions	17.0	-	-	-	17.0
Current tax liabilities	23.7	(0.0)	-	-	23.7
Trade and other payables	290.2	(1.6)	(0.1)	(0.0)	288.5
Contract liabilities	71.5	-	-	-	71.5
Current lease liabilities	63.6	0.1	-	0.0	63.7
Other liabilities	358.8	0.2	-	0.0	359.0
Bank overdrafts and current borrowings	428.1	-	-	-	428.1
Liabilities directly associated with assets held for sale	-	-	-	-	-
TOTAL CURRENT LIABILITIES	**1,252.8**	**(1.2)**	**(0.1)**	**0.0**	**1,251.4**
TOTAL EQUITY AND LIABILITIES	**8,198.6**	**(0.4)**	**(0.2)**	**(0.1)**	**8,198.0**

CONSOLIDATED STATEMENT OF CASH FLOWS

(In millions of euros)	12/31/2019 published	IFRS 3	12/31/2019 restated
CONSOLIDATED NET INCOME (LOSS)	**141.9**	**(0.0)**	**141.8**
Income tax expense	48.3	(0.1)	48.2
Net financial income (expense)	150.1	0.0	150.2
Share-based payments	11.0		11.0
Depreciation, amortization and provisions	721.2	0.2	721.5
Portion of grants transferred to income	(0.4)		(0.4)
Net gains and losses on disposal of property, plant and equipment and intangible assets	2.4		2.4
Other	(6.7)	(0.1)	(6.8)
CASH FLOWS BEFORE FINANCE COSTS AND TAX	**1,067.8**	**0.1**	**1,067.9**
Change in inventories	(2.6)		(2.6)
Change in trade and other receivables and contract assets	33.2		33.2
Change in other assets	7.6		7.6
Change in trade and other payables	3.2		3.2
Change in contract and other liabilities	(13.4)		(13.4)
Other changes	0.2		0.2
Employee benefits	(1.3)		(1.3)
Tax paid	(76.2)		(76.2)
NET CASH FROM OPERATING ACTIVITIES	**1,018.4**	**0.1**	**1,018.5**
Acquisition of intangible assets	(23.2)		(23.2)
Proceeds from disposal of intangible assets	0.0		0.0
Acquisition of property, plant and equipment	(659.1)	-	(659.1)
Proceeds from disposal of property, plant and equipment	22.0		22.0
Acquisition of subsidiaries, net of cash acquired	(83.2)		(83.2)
Proceeds from disposal of subsidiaries, net of cash transferred	30.0		30.0
Changes in loans and advances	(2.0)		(2.0)
Dividends earned	0.0		0.0
Investment grants	0.0		0.0
CASH FLOWS FROM INVESTING ACTIVITIES	**(715.5)**	**-**	**(715.5)**
Capital increase	6.6		6.6
Treasury shares	1.5		1.5
Dividends and distributions paid			
› to owners of the parent	(81.2)		(81.2)
› to non-controlling interests	-		-
Change in borrowings:	(34.6)		(34.6)
› proceeds from new borrowings	2,392.0		2,392.0
› repayments of borrowings	(2,426.5)		(2,426.5)
Lease liability payments – principal	(73.3)	(0.0)	(73.3)
Net interest paid (including interest on lease liabilities)	(110.7)	(0.0)	(110.7)
Other cash flows related to financing activities	(20.0)		(20.0)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(311.6)**	**(0.1)**	**(311.7)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(8.7)**	**-**	**(8.7)**
Cash and cash equivalents at beginning of period	179.1		179.1
Effect of changes in foreign exchange rates on cash and cash equivalents	0.4	-	0.4
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**170.8**	**(0.0)**	**170.8**

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

2020 acquisitions

During the financial year, the Group acquired the following companies or assets, which the Group deemed to be business combinations:

In Germany and Luxembourg

On March 31, 2020, the Group closed its acquisition of a 100% interest in German group Haber. Haber is a family-owned business that operates two plants in Western Germany. It works in Germany and Luxembourg and is dedicated to flat linen and workwear rental, laundry and maintenance for customers mainly in the healthcare sector, as well as laundry services for the personal clothing of nursing home residents. It generated revenue of €23.4 million in 2020. Haber has almost 400 employees.

In Brazil

On October 30, 2020, the Group acquired 100% of Clinilaves and ASPH ("Clinilaves"). Clinilaves operates two sites (with another under construction) near São Paulo and Joinville, located in Santa Catarina state. Its business focuses on the rental, laundry and maintenance of flat linen for mainly private customers in the healthcare sector. Clinilaves generated revenue of approximately €8.8 million in 2020 and has around 490 employees. This acquisition strengthens Elis's position in the healthcare market in Brazil and will contribute to the Group's profitable growth in the country.

In Colombia

On July 31, 2020, the Group acquired the assets of Fontana, which operates a site near Medellín. Its business focuses on the rental, laundry and maintenance of flat linen for customers in the hospitality sector. It generated revenue of approximately €0.6 million in 2020 and has around 70 employees. Thanks to this acquisition, Elis is growing in the hospitality sector in Colombia.

In Spain

On February 27, 2020 Indusal Centro acquired its subcontractor 2MB Servitec, located in Villares de la Reina (Salamanca province). The company posted revenue of €1 million in 2019 and has about 25 employees.

In France

On May 29, 2020, Elis Pest Control closed its acquisition of a 100% interest in Cap Services. Cap Services is a French pest control company with around 10 employees and approximately €1 million in revenue, operating in the Île-de-France and Eure-et-Loir regions.

In Ireland

On July 7, 2020, the Group closed its acquisition of a 100% interest in Kings Laundry Ltd in Ireland. Kings Laundry has two plants in Cork and Dublin specialized in flat linen, primarily for customers in the hospitality sector. In 2020, Kings Laundry generated revenue of about €15.5 million. This acquisition, which complements Elis's existing network, will generate synergies and expand the Group's portfolio of customers.

In Norway

On March 31, 2020 Berendsen Tekstil Service AS finalized the acquisition of the assets of Skovly, a company specializing in the rental and maintenance of mops and mats. Skovly operates in the Oslo and Stavanger regions and generated revenue of approximately €1.6 million in 2020. It has around 20 employees.

In the Czech Republic and Germany:

On January 31, 2020, the Group acquired 100% of Textile Washing Company in the Czech Republic. Textile Washing Company is a family-owned group located in Kralovice whose business is dedicated exclusively to the rental and maintenance of flat linen for customers mainly from the Hospitality sector. In 2020, it generated revenue of around €1.3 million. The TWC group has almost 60 employees.

In the United Kingdom

On May 11, 2020, Elis acquired a 100% interest in Central Laundry, a company with a plant in the Birmingham area. Its business focuses on the rental, laundry and maintenance of flat linen for customers in the healthcare sector. The company generated revenue of approximately €4.3 million in 2020 and has around 85 employees.

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	of which France	of which Germany & Luxembourg	of which Brazil	of which Colombia	of which Spain	of which Norway	of which United Kingdom	of which Ireland	of which Czech Republic	of which Denmark	of which Sweden
Balance sheet												
Intangible assets	18.9	1.0	15.7	0.0	0.0	-	2.1	-	-	0.1	-	-
Right-of-use assets	9.4	0.2	1.1	1.7	-	-	0.2	-	6.3	-	-	-
Property, plant and equipment	29.0	0.0	8.4	4.0	0.2	0.2	-	0.8	13.8	1.6	-	-
Other non-current assets	1.1	-	0.0	-	-	-	-	-	-	1.1	-	-
Deferred tax assets	(0.0)	-	-	-	-	-	-	(0.0)	-	-	-	-
Inventories	1.9	0.0	0.1	-	-	0.0	-	0.1	1.7	0.0	-	-
Trade and other receivables	10.7	0.3	2.8	3.4	-	0.1	-	0.8	3.1	0.2	-	-
Current tax assets	(0.0)	-	0.1	-	-	-	-	(0.1)	0.0	-	-	-
Other assets	0.2	0.0	0.1	0.0	-	-	-	0.0	-	0.0	-	-
Cash and cash equivalents	7.3	0.2	1.0	0.0	-	0.1	-	0.7	5.4	(0.0)	-	-
Borrowings and financial debt	(1.1)	(0.0)	(0.1)	(0.1)	-	(0.1)	-	-	(0.8)	(0.0)	-	-
Lease liabilities	(7.8)	(0.1)	(0.6)	(1.6)	-	(0.0)	(0.1)	-	(5.3)	-	-	-
Other non-current liabilities	(5.4)	-	(0.7)	(0.3)	-	(0.2)	-	-	(2.6)	(1.6)	-	-
Current tax liabilities	(0.2)	0.0	(0.1)	(0.1)	-	-	-	-	0.0	-	-	-
Trade and other payables	(5.1)	(0.0)	(1.9)	(1.5)	-	(0.1)	-	(0.2)	(1.2)	(0.1)	-	-
Contract liabilities	(0.2)	(0.2)	-	-	-	-	-	-	-	-	-	-
Current lease liabilities	(1.6)	(0.0)	(0.5)	(0.0)	-	(0.0)	(0.1)	-	(1.0)	-	-	-
Other liabilities	(5.4)	(0.1)	(1.2)	(0.7)	(0.0)	(0.1)	-	(0.5)	(2.6)	(0.1)	-	-
Bank overdrafts and current borrowings	(3.2)	(0.0)	(2.8)	(0.2)	-	(0.1)	-			-	-	-
TOTAL IDENTIFIABLE NET ASSETS AND LIABILITIES AT FAIR VALUE[(A)]	**45.5**	**1.0**	**20.2**	**4.5**	**0.2**	**(0.1)**	**2.1**	**1.4**	**16.7**	**(0.6)**	**-**	**-**
Goodwill	58.8	0.7	-	22.7	0.9	0.1	-	4.4	28.2	1.8	-	-
PURCHASE PRICE	**104.3**	**1.7**	**20.2**	**27.2**	**1.1**	**0.0**	**2.1**	**5.8**	**44.9**	**1.2**	**-**	**-**
Acquisition-related transaction costs	3.7	0.0	0.5	0.1	0.2	-	-	1.3	1.4	0.2	0.2	-

(a) Provisional amount, see below.

As at December 31, 2020, due to these recent acquisitions, the initial accounting for the business combinations acquired during the last 12 months had not been completed and the amounts recognized were therefore provisional.

Since being acquired in 2020, the acquired companies have contributed €31.0 million to revenue, €8.5 million to EBITDA, €2.1 million to operating income (before amortization of intangible assets recognized in a business combination) and €2.7 million to net loss for the period. If these acquisitions had taken place at the beginning of 2020, the additional revenue would have been €25.2 million, with additional EBITDA of €8.0 million, additional operating income (before amortization of intangible assets recognized in a business combination) of €1.1 million, and additional net income of €0.2 million.

Residual goodwill

Residual goodwill reflects unidentifiable items, such as the Group's human capital and the expected synergies arising from the acquisitions.

Cash flows from acquisitions

(In millions of euros)	12/31/2020	of which France	of which Germany & Luxembourg	of which Brazil	of which Colombia	of which Spain	of which Norway	of which United Kingdom	of which Ireland	of which Czech Republic	of which Denmark	of which Sweden
Net cash acquired including subsidiaries	7.3	0.2	1.0	0.0	-	0.1	-	0.7	5.4	(0.0)	-	-
Amount paid	(95.4)	(1.7)	(20.2)	(15.6)	(3.8)	(0.7)	(2.1)	(5.8)	(42.4)	(1.3)	(0.5)	(1.3)
NET CASH FLOW	**(88.1)**	**(1.5)**	**(19.2)**	**(15.6)**	**(3.8)**	**(0.6)**	**(2.1)**	**(5.1)**	**(37.0)**	**(1.3)**	**(0.5)**	**(1.3)**

2019 acquisitions

In Germany

On January 14, 2019, Elis acquired 100% of Curantex GmbH and Curantex GmbH & Co. KG ("Curantex"). The Curantex plant, located in Erkelenz in North Rhine-Westphalia, serves customers in the healthcare sector, including hospitals and retirement homes (flat linen, workwear and resident clothing). Curantex is a family-owned company that generated revenue of €13.6 million in 2019. This acquisition, which expands Elis's existing network in the Cologne region, will allow it to streamline its plants in Western Germany, a densely populated area in which Elis already operates five flat linen plants and two workwear plants.

In Brazil

On October 31, 2019, the Group acquired BR Laundry. Located in Anápolis, in the state of Goiás, BR Laundry specializes in workwear in the Industry and Healthcare sectors. The company generated annual revenue of approximately €1.6 million.

In Colombia

On January 14, 2019, Elis completed the acquisition of 100% of Metropolitana SAS. Metropolitana has two plants in Bogotá dedicated to operators in the Healthcare, Industry and Hospitality sectors. Metropolitana is a family-owned company that generated revenue of €4.4 million in 2019. This acquisition boosts Elis's existing network in the Bogotá region and allows it to expand further in the Hospitality and Industry sectors, where until now it had a limited foothold.

On September 19, 2019, the Group acquired 100% of Lavamejor, located in Cartagena. This laundry business mainly serves hotels on the Caribbean coast. The company employs nearly 80 people and generates annual revenue of €1.6 million. This acquisition extends Elis's coverage in Colombia.

In Denmark

On January 4, 2019, the Group completed the acquisition of 100% of A-vask A/S. A-vask A/S is a family-owned group with two multi-service plants in Aabenraa (southern Denmark) and Taastrup (Copenhagen region) with customers in the Hospitality and public sectors. A-vask A/S generated revenue of around €6.5 million in 2019.

In Spain

On January 29, 2019, Elis announced the acquisition of 100% of Lloguer Textil Maresme, SL (Lloguer Textil). Lloguer Textil is a family-owned group with a flat linen plant in Mataró, north of Barcelona, that generated revenue of around €2.5 million in 2019. In addition, the Group also acquired Base Lavanderias and Marina de Complementos, which operate in the Healthcare sector (flat linen) in Valencia and La Rioja, employing nearly 50 people and generating almost €1.6 million in revenue.

On October 30, 2019, the Group acquired the assets of La Perla. Based in the Barcelona region, La Perla operates mainly in the workwear segment. The company generated annual revenue of approximately €1.9 million and employs around 40 people.

In France

On February 5, 2019, Elis acquired 100% of Rathiboust, a French pest control company that mainly serves building management companies in the Greater Paris region. The company has 13 employees and generated revenue of approximately €1.4 million in 2019.

On February 21, 2019, the Group completed the acquisition of 100% of Blanchisserie Sud Aquitaine. The company, which operates in the hospitality sector in Nouvelle-Aquitaine in southwestern France, has nearly 40 employees and generated revenue of approximately €3.9 million.

In addition, on March 1, 2019, Les Lavandières acquired a pest control business in Nantes (€0.2 million in revenue last year with four employees).

In Italy

On July 4, 2019, the Group acquired Italian company Organizzazione Arrigoni, which is located near Milan. The company, which specializes in pest control, generated €1.3 million in revenue in 2019 and employs 14 people.

In Norway

At the end of April, 2019, the Group completed the acquisition of the business assets of Storvask, a company specialized in mats and workwear located in the Trondheim area. This business generates nearly €1 million in revenue.

In Great Britain

At the end of March, 2019, Elis acquired the business assets of Ocean Breeze, which operates in the Hospitality sector in Cornwall. This business generates nearly €0.7 million in revenue.

In Russia

On July 17, 2019, the Group acquired 100% of the mat business of Blesk InCare. Blesk InCare is a mat market leader with five locations providing coverage across Russia. Blesk InCare's mat business serves 10,000 customers across all private-sector industries and generated revenue of approximately €11.2 million in 2019 in a rapidly expanding market. It has approximately 350 employees.

In Sweden

On March 1, 2019, Elis acquired 100% of Carpeting Entrémattor. A family-run group located in Stockholm, Carpeting Entrémattor is dedicated exclusively to the rental and maintenance of mats for clients of all sizes operating in a variety of sectors. In 2019, it generated revenue of around €3.3 million.

At the end of March, 2019, Elis acquired Skräddarens Tvätt & Hyrservice, a mat and workwear company located in the Umeå area. The company has 13 employees and generated revenue of approximately €2.3 million.

In Switzerland

On April 2, 2019, Elis moved forward with the acquisition of AS Désinfection, which operates in the Pest control sector in the Fribourg area. The company has three employees and generated revenue of approximately €0.4 million.

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**	*of which France*	*of which Germany*	*of which Brazil*	*of which Colombia*	*of which Denmark*	*of which Spain*	*of which Italy*	*of which United Kingdom & Ireland*	*of which Russia*	*of which Norway*	*of which Sweden*	*of which Switzerland*
Balance sheet													
Intangible assets	30.7	0.4	8.2	0.9	1.1	4.4	3.5	0.0	0.7	1.9	1.1	8.4	-
Right-of-use assets	5.5	0.4	-	-	0.7	2.7	-	0.2	-	1.6	-	-	-
Property, plant and equipment	35.5	1.5	8.9	2.8	2.8	1.8	1.2	0.0	0.2	10.5	0.4	5.3	0.0
Other equity investments	0.0	0.0	-	-	-	-	0.0	-	-	-	-	-	-
Other non-current assets	0.2	0.0	0.1	-	0.1	-	-	0.0	-	-	-	-	-
Deferred tax assets	(1.1)	-	-	-	-	-	0.0	-	-	(1.1)	-	-	-
Inventories	0.3	0.1	0.1	-	0.1	-	-	0.0	0.0	0.0	-	-	0.0
Trade and other receivables	11.8	0.9	1.3	0.2	1.3	3.7	1.9	0.4	-	1.3	-	0.9	0.0
Current tax assets	0.3	-	0.0	-	-	-	0.0	-	-	0.2	-	0.1	-
Other assets	0.1	0.1	0.0	-	-	0.0	-	-	-	0.0	-	0.0	0.0
Cash and cash equivalents	3.3	0.1	(0.1)	0.1	0.6	(0.1)	0.8	0.5	-	0.1	-	1.3	0.1
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	(3.1)	-	-	-	(0.1)	(0.5)	(0.1)	-	-	(2.3)	-	-	(0.0)
Borrowings and financial debt	(0.1)	-	-	(0.1)	-	-	-	(0.0)	-	-	-	-	-
Deferred tax liabilities	(2.8)	(0.0)	(0.0)	-	-	(0.6)	-	-	-	-	-	(2.2)	-
Lease liabilities	(3.9)	(0.2)	-	-	(0.6)	(1.3)	(0.1)	(0.2)	-	(1.6)	-	-	-
Other non-current liabilities	(3.4)	(0.5)	-	-	(1.0)	-	-	-	(0.1)	(1.8)	-	-	-
Current provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Current tax liabilities	(0.7)	-	(0.0)	-	(0.1)	(0.2)	0.0	(0.0)	-	-	-	(0.4)	(0.0)
Trade and other payables	(8.2)	(0.3)	(1.2)	(0.0)	(0.5)	(3.2)	(1.6)	(0.0)	-	(0.4)	-	(0.8)	(0.0)
Contract liabilities	(0.8)	-	-	-	(0.0)	(0.6)	-	-	-	(0.0)	-	(0.2)	-
Current lease liabilities	(2.4)	(0.1)	-	-	(1.9)	(0.0)	-	(0.0)	-	(0.3)	-	-	-
Other liabilities	(5.5)	(0.5)	(0.4)	(0.1)	(0.4)	(0.8)	(0.3)	(0.1)	-	(1.2)	-	(1.6)	(0.0)
Bank overdrafts and current borrowings	(15.1)	(1.3)	(5.3)	(0.0)	(0.6)	-	(0.8)	-	0	(7.1)	-	-	-
TOTAL IDENTIFIABLE NET ASSETS AND LIABILITIES AT FAIR VALUE	**40.5**	**0.5**	**11.6**	**3.9**	**1.3**	**5.1**	**4.6**	**0.6**	**0.8**	**(0.3)**	**1.4**	**10.9**	**0.1**
Non-controlling interests (-)	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill	55.2	4.2	-	3.2	4.4	2.8	2.0	2.4	1.6	26.3	-	7.9	0.4
PURCHASE PRICE	**95.7**	**4.7**	**11.6**	**7.0**	**5.7**	**8.0**	**6.6**	**3.0**	**2.4**	**26.0**	**1.4**	**18.8**	**0.5**
Acquisition-related transaction costs	2.6	0.0	0.8	0.3	0.2	0.2	0.2	0.2	-	0.8	-	-	-

CASH FLOWS FROM ACQUISITIONS

(In millions of euros)	12/31/2019	of which France	of which Germany	of which Brazil	of which Colombia	of which Denmark	of which Spain	of which Italy	of which United Kingdom & Ireland	of which Russia	of which Norway	of which Sweden	of which Switzerland
Net cash acquired including subsidiaries	3.3	0.1	(0.1)	0.1	0.6	(0.1)	0.8	0.5	-	0.1	-	1.3	0.1
Amount paid	(86.5)	(26.0)	(11.6)	(4.7)	(5.3)	(8.4)	(5.9)	(3.0)	(2.5)	-	(1.4)	(17.0)	(0.5)
NET CASH FLOW	**(83.2)**	**(25.9)**	**(11.7)**	**(4.6)**	**(4.8)**	**(8.5)**	**(5.1)**	**(2.5)**	**(2.5)**	**0.1**	**(1.4)**	**(15.8)**	**(0.4)**

Since their acquisition, the acquired companies had contributed €46.5 million to revenue, €13.8 million to EBITDA, €8.4 million to operating income (before amortization of intangible assets recognized in a business combination) and €3.4 million to net income in 2019. If these acquisitions had taken place at the beginning of 2019, the additional revenue would have been €14.6 million, with additional EBITDA of €3.2 million, additional operating income (before amortization of intangible assets recognized in a business combination) of €2.1 million, and additional net income of €0.5 million.

Residual goodwill

Residual goodwill reflects unidentifiable items, such as the Group's human capital and the expected synergies arising from the acquisitions.

2019 disposals

In Switzerland

On July 2, 2019, the Group sold its 50.02% stake in On My Way, a Swiss startup offering dry cleaning services to individual customers. The results of this disposal were not material.

In the United Kingdom

On August 22, 2019, the Group completed the sale of the single use (Rocialle)/medical consumables (Guardian) divisions of its Clinical Solutions segment to Multigate Medical Products UK Ltd and New Beginnings Investment (Hong Kong) Co, Ltd, subsidiaries of Multigate Medical Products and Zhende Medical, respectively. This division supplies single-use products used for specific surgical procedures in the form of medical packs as well as surgical drapes, gowns, and surgical tray packaging. This division posted revenue of approximately GBP 42 million in 2018.

Then, on October 31, 2019, Elis completed the sale of IHSS, another Clinical Solutions division that belonged to Berendsen prior to its acquisition by Elis in 2017. This division provides decontamination and sterilization solutions for medical equipment in the private and public Healthcare sector. This division posted revenue of approximately GBP 19 million in 2018. The division was sold to Vamed, an international service provider based in Germany that provides customized services to hospitals and other healthcare institutions. The disposal of IHSS thus completes the process of selling the Clinical Solutions business, which had been split into two parts for the purposes of the sale. In order to remain focused on its core business, at the end of the first half of 2018, Elis had announced the disposal of the totality of its Clinical Solutions business – see also Note 2.5 "Non-current assets (or groups of assets) held for sale."

2.5 Non-current assets (or groups of assets) held for sale

Non-current assets (or groups of assets) are considered as held for sale and measured at the lower of the carrying amount or fair value less cost to sell if their carrying amount will be recovered primarily through sale rather than continued use. For this to be the case, an asset (or group of assets) must be available for immediate sale in its current state, subject only to terms that are usual and customary for sales of such assets, and its sale must be deemed highly probable.

Discontinued operations are presented separately in the income statement for both the current and comparative financial years. IFRS 5 states that a group of assets to be disposed of is a discontinued operation when it corresponds, in particular, to a cash-generating unit or group of units, is classified as a group held for sale, and represents a separate major line of business or a geographical area of operations. A separate major business line or geographical area may, for example, comprise all or part of an operating segment as defined by IFRS 8.

In the second half of 2019, the Group completed the sale of the Clinical Solutions business in the United Kingdom. The business has been classified under "Discontinued operations."

The net income (or loss) for this business in 2019 was as follows:

(In millions of euros)	12/31/2020	12/31/2019
Revenue	-	46.4
Expenses	-	(44.9)
Gain on disposal	-	3.4
Income (loss) from discontinued operations before tax	**-**	**4.8**
Income tax expense	-	(0.7)
NET INCOME (LOSS)	**-**	**4.1**
Earnings (loss) per share (EPS) from discontinued operations *(in euros)*:		
› basic, attributable to owners of the parent	€0.00	€0.02
› diluted, attributable to owners of the parent	€0.00	€0.02

As at December 31, 2019, the process of selling the Clinical Solutions business, which had been split into two parts, was completed. The after-tax profit from the disposal included in "Income from discontinued operations, net of tax" came to €3.4 million.

The consolidated statement of cash flows presents the cash flows from both continuing and discontinued operations for 2019. The cash flows included in the consolidated statement of cash flows for discontinued operations are:

(In millions of euros)	12/31/2020	12/31/2019
Cash flows from operating activities	-	2.5
Cash flows from investing activities	-	27.2
› Proceeds from disposal of subsidiaries, net of cash transferred	-	30.1
› Acquisitions/disposals of non-current assets	-	(2.9)
Net cash flows from financing activities	-	(1.1)
NET CASH FLOWS FOR THE PERIOD	**-**	**28.6**

2.6 Off-balance sheet commitments relating to changes in the consolidation scope

Commitments given relate to guarantees granted by Elis in connection with disposals. They totaled €11.1 million as at December 31, 2020 (compared to €11.7 million as at December 31, 2019).

Commitments received totaled €119.2 million as at December 31, 2020 (€179.8 million as at December 31, 2019) and correspond to the maximum guarantees granted to Elis in connection with its acquisitions.

2.7 Non-controlling interests

In early March 2020, the Group acquired the balance of the shares that it did not already hold in Blanchisserie Moderne.

No detailed information is provided under IFRS 12 as there is no subsidiary with material non-controlling interests.

2.8 Impact of the Covid-19 pandemic

Going concern

The Group reasonably expects to have sufficient financial resources to continue to operate for at least the next 12 months and has deemed it appropriate to prepare its financial statements on a going concern basis.

The Covid-19 pandemic and the measures adopted by the government to mitigate its effects have impacted the Group. The Group had to close down a number of production centers during the first lockdown in spring 2020 and implement a number of measures to adapt to the crisis (furloughs, workforce changes, eliminating dividends, deferring investments, and reducing executive compensation).

It remains uncertain how much future changes in the pandemic will affect demand from businesses and customers. The appropriateness of the going concern principle of accounting depends on the continued availability of borrowings. The Group has very good liquidity and has no major debt maturities before 2023. Elis has more than €1 billion of liquidity in the form of (i) two revolving lines of credit with a total undrawn amount of €900 million and (ii) €137.6 million in cash as at December 31, 2020. To weather the crisis more easily, the Group requested and obtained a waiver for its financial covenant tests on December 31, 2020 and June 30, 2021. On this basis and based on its forecasts, the Group reasonably expects to have sufficient resources and credit.

Accounting judgments and estimates

The company reviewed the consequences of the Covid-19 event on the recognition and measurement of assets, liabilities, income and expenses in the financial statements for the periods closed after January 1, 2020. The main consequence relates to the impairment tests on intangible assets as described in Note 6.5 "Impairment losses on non-current assets."

Effects of Covid-19 on the income statement

The main impacts on the income statement are:

- A decrease in services sales, with Covid-19 accounting for most of the change from 2019, along with the currency effect. As set out in Note 4.2 "Disaggregation of revenue," France, the United Kingdom, Spain, and Portugal have been particularly hard hit due to their high exposure to the hospitality sector;
- A drop in earnings (especially EBITDA as presented in Note 3.2 "Earnings") despite the operational measures that were quickly introduced to deal with this unusual situation (temporary closure or near-total shutdown of some one hundred plants during the first lockdown to optimize production capacities and limit costs, headcount adjustments at the central level and at all Group plants impacted by a drop in business, reduction in the compensation of the members of the Management Board, Executive Committee and Management Committees in all Group countries) and public support measures in the various countries where the Group operates (such as furlough benefits).
- Additional costs directly related to the event itself that would not have been incurred or recognized if the first lockdown had not taken place (such as costs for protecting and securing Group facilities and the employees and partners working there totaling €3.3 million, one-time bonuses for staff who worked during that period totaling €3.6 million, fees for renegotiating financial covenant tests, etc.), and additional compensation not covered by government measures totaling €11.9 million. These costs are presented in Note 4.6 "Other operating income and expenses";
- Restructuring costs, also classified as "Other operating income and expenses" as per the Group's established practice.

2.9 Events after the reporting period relating to changes in the consolidation scope

On January 12, 2021, Elis 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 generates revenue of approximately €0.7 million. This acquisition strengthens Elis's presence in the pest control market in Île-de-France.

On February 5, 2021, Elis (via its subsidiary Elis Manomatic) finalized 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. This acquisition has helped Elis strengthen its position in this part of Spain.

On February 26, 2021, Elis Colombia finalized the acquisition of the assets of Logística Institucional Ultramatic (Ultramatic). Ultramatic, based in Bucaramanga, Colombia, mainly serves the healthcare market. It has annual revenue of around €1.7 million with 122 employees.

NOTE 3 SEGMENT INFORMATION

The Group is structured into six main operating segments, based mainly on geography. In grouping different countries together, the Group used its best judgment and considered that the groupings presented best reflect the similar economic characteristics and long-term growth maturity of each country.

The geographical breakdown of rental and maintenance services for textiles and hygiene and well-being appliances is as follows:

- France;
- UK & Ireland;
- Central Europe: Germany, Austria, Belgium, Luxembourg, the Netherlands, Poland, the Czech Republic, Hungary, Slovakia and Switzerland;
- Scandinavia & Eastern Europe: Denmark, Finland, Norway, Sweden, Estonia, Latvia, Lithuania and Russia;
- Southern Europe: Spain, Andorra, Italy and Portugal;
- Latin America: Brazil, Chile and Colombia.

The other segments include the manufacturing entities that comprise the cash-generating units Le Jacquard Français (designer and manufacturer of table, kitchen and bath linen in France) and Kennedy Hygiene (manufacturer of hygiene appliances in the United Kingdom) and holding companies.

To track performance, management monitors each segment's EBITDA. Financing costs and income tax expense are primarily monitored at the Group level.

3.1 Revenue

2020

(In millions of euros)	France	UK & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Eliminations & other segments	Total
External customers	867.8	305.1	704.2	474.0	198.2	213.4	43.5	2,806.3
Inter-segment	1.4	0.5	3.4	0.3	0.2	-	(5.8)	-
SEGMENT REVENUE	**869.2**	**305.6**	**707.6**	**474.3**	**198.4**	**213.4**	**37.7**	**2,806.3**

2019

(In millions of euros)	France	UK & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Eliminations & other segments	Total
External customers	1,065.7	396.1	731.0	507.0	298.2	262.5	21.4	3,281.8
Inter-segment	1.6	1.0	3.6	0.5	0.4	-	(7.1)	-
SEGMENT REVENUE	**1,067.3**	**397.1**	**734.6**	**507.5**	**298.6**	**262.5**	**14.3**	**3,281.8**

3.2 Income (loss)

Non-IFRS indicators

EBIT is defined as net income (loss) before net financial income (loss), income tax, share in net income of equity-accounted companies, amortization of intangible assets recognized in a business combination, goodwill impairment losses, other operating income and expense, miscellaneous financial items (bank fees recognized in operating income) and IFRS 2 expense (share-based payments). A reconciliation of EBIT with the consolidated income statement is presented below.

EBITDA is defined as EBIT before depreciation and amortization, net of the portion of grants transferred to income. A reconciliation of EBITDA with the consolidated income statement is presented below.

2020

(In millions of euros)	France	UK & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Eliminations & other segments	Total
Operating income before other income and expenses and amortization of intangible assets recognized in a business combination	**129.0**	**(11.4)**	**76.1**	**86.0**	**(19.5)**	**35.7**	**(19.5)**	**276.4**
Miscellaneous financial items	*0.6*	*0.1*	*0.1*	*0.0*	*0.2*	*0.1*	*0.4*	*1.4*
Expenses related to share-based payments	*0.3*	-	-	-	-	-	*13.3*	*13.6*
EBIT	129.9	(11.3)	76.2	86.0	(19.3)	35.8	(5.8)	291.5
Depreciation and amortization, net of the portion of grants transferred to income	*200.0*	*100.0*	*154.9*	*98.4*	*65.1*	*36.2*	*1.4*	*656.0*
EBITDA	**329.9**	**88.7**	**231.0**	**184.4**	**45.7**	**72.0**	**(4.3)**	**947.5**
EBITDA margin	*38.0%*	*29.0%*	*32.7%*	*38.9%*	*23.0%*	*33.7%*		*33.8%*

2019

(In millions of euros)	France	UK & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Eliminations & other segments	Total
Operating income before other income and expensesand amortization of intangible assets recognizedin a business combination	**206.8**	**14.7**	**79.0**	**105.8**	**20.6**	**37.5**	**(22.4)**	**442.0**
Miscellaneous financial items	*0.5*	*0.3*	*0.1*	*0.0*	*0.2*	*0.1*	*0.4*	*1.7*
Expenses related to share-based payments	*0.4*	-	*0.0*	*0.2*	-	-	*10.6*	*11.2*
EBIT	207.7	15.0	79.1	106.0	20.8	37.6	(11.4)	454.9
Depreciation and amortization, net of the portion of grants transferred to income	*198.4*	*98.5*	*152.7*	*90.2*	*65.1*	*42.1*	*1.2*	*648.2*
EBITDA	**406.1**	**113.5**	**231.8**	**196.3**	**85.9**	**79.7**	**(10.2)**	**1,103.1**
EBITDA margin	*38.0%*	*28.6%*	*31.6%*	*38.7%*	*28.8%*	*30.4%*		*33.6%*

3.3 Information by region

(In millions of euros)	12/31/2020	12/31/2019
France (including Le Jacquard Français)	876.3	1,075.9
Germany	380.4	388.9
United Kingdom (including Kennedy Hygiene)	289.0	361.0
Sweden	197.9	213.8
Brazil	181.2	225.0
Denmark	180.5	195.9
Netherlands	135.4	129.2
Spain and Andorra	126.1	209.2
Other countries	439.5	483.0
REVENUE	**2,806.3**	**3,281.8**

(In millions of euros)	12/31/2020	12/31/2019
France (including Le Jacquard Français)	2,363.9	2,347.3
Sweden	865.0	847.6
Denmark	653.0	688.8
Netherlands	522.1	531.8
Germany	486.5	479.7
United Kingdom (including Kennedy Hygiene)	431.7	473.6
Brazil	358.3	474.5
Spain and Andorra	281.4	307.3
Other countries	908.9	923.9
NON-CURRENT ASSETS	**6,870.8**	**7,074.4**

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.

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.

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, trade, and healthcare sectors.

2020

(In millions of euros)	France	UK & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Other segments	Total
Flat linen	255.3	182.9	248.5	74.6	107.1	157.6	-	1,025.9
Workwear	355.5	97.8	382.1	190.7	57.0	43.4	-	1,126.6
Hygiene and well-being	281.4	14.8	58.7	176.3	33.9	0.0	0.6	565.8
Other	(24.4)	9.6	14.9	32.5	0.1	12.4	42.9	88.0
Revenue by service	**867.8**	**305.1**	**704.2**	**474.0**	**198.2**	**213.4**	**43.5**	**2,806.3**
Hospitality	188.8	53.4	63.2	49.1	67.0	7.7	-	429.2
Industry	196.0	54.2	230.3	288.8	44.5	49.8	-	863.6
Healthcare	180.9	139.5	288.2	62.0	47.7	155.2	-	873.6
Trade	326.7	58.0	122.4	74.2	39.0	0.7	-	620.9
Other	(24.6)	0.0	(0.0)	(0.0)	0.0	0.0	43.5	19.0
Revenue by customer segment	**867.8**	**305.1**	**704.2**	**474.0**	**198.2**	**213.4**	**43.5**	**2,806.3**
Services(supplied over a given period)	865.9	293.2	689.0	444.7	198.0	211.4	4.9	2,707.2
Sales of goods(supplied on a specific date)	1.9	11.9	15.2	29.3	0.2	2.0	38.6	99.1
REVENUE	**867.8**	**305.1**	**704.2**	**474.0**	**198.2**	**213.4**	**43.5**	**2,806.3**

2019

(In millions of euros)	France	UK & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Other segments	Total
Flat linen	442.7	258.2	298.7	107.4	212.2	208.2	-	1,527.5
Workwear	364.5	111.5	367.0	190.0	51.1	52.8	-	1,136.8
Hygiene and well-being	295.9	16.8	53.2	171.8	35.9	0.0	0.7	574.3
Other	(37.3)	9.6	12.1	37.8	(1.1)	1.5	20.6	43.2
Revenue by service	**1,065.7**	**396.1**	**731.0**	**507.0**	**298.2**	**262.5**	**21.4**	**3,281.8**
Hospitality	376.0	124.1	112.0	78.3	175.0	22.6	-	888.0
Industry	192.5	58.4	212.2	320.0	35.9	62.3	-	881.3
Healthcare	170.6	141.9	288.2	59.8	39.4	178.1	-	878.0
Trade	364.0	71.8	118.6	48.8	48.0	(0.6)	-	650.6
Other	(37.4)	(0.0)	0.0	0.0	(0.0)	0.0	21.4	(16.0)
Revenue by customer segment	**1,065.7**	**396.1**	**731.0**	**507.0**	**298.2**	**262.5**	**21.4**	**3,281.8**
Services (supplied over a given period)	1,064.0	384.0	715.5	474.2	297.8	260.4	1.5	3,197.2
Sales of goods (supplied on a specific date)	1.8	12.1	15.5	32.8	0.4	2.1	19.9	84.6
REVENUE	**1,065.7**	**396.1**	**731.0**	**507.0**	**298.2**	**262.5**	**21.4**	**3,281.8**

4.3 Contract balances

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

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)	12/31/2020	12/31/2019
Trade receivables and notes receivable (gross)	533.5	636.1
(-) Impairment of trade receivables	(67.0)	(56.4)
TRADE RECEIVABLES AND NOTES RECEIVABLE	**466.4**	**579.7**
Other receivables	52.7	52.7
TOTAL TRADE AND OTHER RECEIVABLES	**519.1**	**632.4**
Contract assets	27.6	36.2
TOTAL TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS	**546.8**	**668.6**
› collection expected in less than one year	546.8	668.6
› 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)	12/31/2020	12/31/2019
Opening balance	**668.6**	**681.2**
Change in gross WC	(100.8)	(33.8)
Change in write-downs	(13.7)	0.6
Change in net WC	(114.5)	(33.2)
Increase related to business combinations	10.7	11.8
Translation differences	(15.6)	1.6
Change in receivables on disposal of fixed assets	(0.8)	0.4
Other movements	(1.7)	6.8
AS AT DECEMBER 31	**546.8**	**668.6**

The change in gross WC in 2020 is mainly due to the business contraction resulting from the coronavirus crisis.

Movements in the impairment of trade receivables are as follows:

(In millions of euros)	Impairment loss
As at December 31, 2019	**(56.4)**
Movements for the year	(13.7)
Changes in consolidation scope	(0.1)
Translation differences	2.5
Other	0.6
AS AT DECEMBER 31, 2020	**(67.0)**

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)	12/31/2020	12/31/2019
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	(390.7)	(396.5)
Other leased items	(27.7)	(29.3)
Other property, plant and equipment and intangible assets	(154.9)	(153.5)
Right-of-use assets	(83.0)	(69.2)
Portion of grants transferred to income	0.3	0.4
› *included in Other operating income and expenses*	*(1.6)*	*(0.2)*
› *amortization of intangible assets recognized in a business combination*	*(93.0)*	*(88.5)*
› *included in Income from discontinued operations*	-	-
TOTAL DEPRECIATION AND AMORTIZATION (NET OF THE PORTION OF GRANTS TRANSFERRED TO INCOME)	**(750.6)**	**(736.9)**
Additions to or reversals of provisions		
› *included in Operating income before other income and expense and amortization of intangible assets recognized in a business combination*	*(0.4)*	*0.1*
› *included in Other operating income and expenses*	*0.3*	*15.7*
TOTAL ADDITIONS TO OR REVERSALS OF PROVISIONS	**(0.1)**	**15.8**

4.6 Other operating income and expenses

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)	12/31/2020	12/31/2019
Costs related to acquisitions and earnout adjustments	(5.3)	(8.9)
Restructuring costs	(33.4)	(12.7)
Additional costs directly related to Covid-19	(22.2)	-
Uncapitalizable costs for change in IT systems	(0.1)	(2.0)
Litigation	(0.9)	11.6
Net gain (loss) on site disposals	0.3	(0.5)
Expenses relating to site disposal	(0.5)	(3.9)
Environmental rehabilitation costs	(1.4)	0.2
Other	(0.7)	(2.2)
OTHER OPERATING INCOME AND EXPENSES	**(64.1)**	**(18.4)**

Restructuring costs in 2020 correspond mainly to the implementation of voluntary separation programs, including at the Group's headquarters and in various countries, especially the United Kingdom, and the cost of shutting down plants (including La Chaux-de-Fonds in Switzerland and Freiburg im Breisgau in Germany).

The additional costs directly related to Covid-19 (first lockdown) are detailed in Note 2.8 "Impact of the Covid-19 pandemic."

The line "disputes" corresponds mainly to the reversal in 2019 of an unused €10.4 million provision in the United Kingdom after the end of an employee dispute.

4.7 Inventories

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)	12/31/2020	12/31/2019
Raw materials, supplies	36.6	36.4
Work in progress	0.3	0.4
Intermediate and finished goods	14.4	18.3
Goods for resale	85.9	69.6
INVENTORIES	**137.3**	**124.8**
› o/w inventories (at cost)	142.1	129.2
› o/w write-downs	(4.9)	(4.4)

Changes in net inventories during the financial years presented are analyzed as follows:

(In millions of euros)	12/31/2020	12/31/2019
As at January 1	**124.8**	**120.2**
Change in gross inventory	*13.5*	*0.4*
Change in write-downs	*(0.5)*	*2.2*
Change in net inventory	13.0	2.6
Increase related to business combinations	1.9	0.3
Translation differences	(3.1)	0.9
Other movements	0.7	0.7
AS AT DECEMBER 31	**137.3**	**124.8**

4.8 Trade and other payables

(In millions of euros)	12/31/2020	12/31/2019
Trade payables	193.9	263.2
Trade payables (fixed assets)	14.5	17.7
Other payables	12.8	7.6
TOTAL TRADE AND OTHER PAYABLES	**221.3**	**288.5**

Changes in trade and other payables during the financial years presented are analyzed as follows:

(In millions of euros)	12/31/2020	12/31/2019
As at January 1	**288.5**	**274.5**
Change in WC	(57.6)	3.2
Increase related to business combinations	5.1	8.2
Translation differences	(7.9)	0.6
Change in trade payables (fixed assets)	(5.5)	0.6
Other movements	(1.3)	1.4
AS AT DECEMBER 31	**221.3**	**288.5**

The change in WC is mainly due to the decline in business and purchases at the end of 2020 compared to the same period in 2019.

4.9 Other current assets and liabilities

(In millions of euros)	Notes	12/31/2020	12/31/2019
Prepaid expenses		15.9	19.2
Current asset derivatives – cash flow hedging	8.8	0.0	0.0
Other current asset derivatives		1.5	0.3
Other assets		1.5	1.5
TOTAL OTHER ASSETS		**18.8**	**21.1**
Deposits received		10.7	8.8
Payroll-related liabilities		175.1	178.6
Tax liabilities and other debt		149.2	161.2
Deferred consideration payable on acquisitions		1.8	3.9
Liability for repurchase commitments to non-controlling interests		1.8	1.9
Current liability derivatives – cash flow hedging	8.8	3.0	1.9
Other current liability derivatives		1.7	0.5
Investment grants		1.9	2.2
TOTAL OTHER LIABILITIES		**345.1**	**359.0**
Contract liabilities		62.7	71.5
TOTAL CONTRACT AND OTHER LIABILITIES		**407.8**	**430.5**

Changes in other assets during the financial years presented are analyzed as follows:

(In millions of euros)	**12/31/2020**	12/31/2019
As at January 1	**21.1**	**26.0**
Change in WC	(2.4)	(7.6)
Increase related to business combinations	0.2	0.1
Translation differences	(0.3)	0.3
Change in derivatives	1.1	(1.3)
Other movements	(0.8)	3.5
AS AT DECEMBER 31	**18.8**	**21.1**

The changes in contract liabilities and other current liabilities during the financial years presented are as follows:

(In millions of euros)	**12/31/2020**	12/31/2019
As at January 1	**430.5**	**449.9**
Change in WC	(20.3)	(13.4)
Increase related to business combinations	5.6	6.3
Translation differences	(8.2)	2.9
Change in debt related to business combinations	(1.3)	(16.2)
Change in derivatives	2.3	2.3
Other movements	(0.6)	(1.3)
AS AT DECEMBER 31	**407.8**	**430.5**

The change in WC in 2020 is mainly due to the contraction in business, with a reduction in the workforce and amount of VAT to be remitted.

NOTE 5 EMPLOYEE BENEFITS EXPENSE

5.1 Average number of employees

(In number of people)	**12/31/2020**	12/31/2019
Executives	2,925	2,884
Supervisory personnel	3,017	3,215
Employees	4,673	4,541
Service employees	6,319	6,692
Other employees	29,730	32,525
Total employees per category	**46,664**	**49,868**
France	11,976	13,267
Other countries	34,688	36,601
Total employees	**46,664**	**49,868**

For companies acquired during the year, the number of employees is calculated on a prorated basis.

5.2 Expenses related to employee benefits

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)	**12/31/2020**	12/31/2019
Wages and salaries	(904.9)	(1,056.4)
Payroll taxes	(230.9)	(266.4)
Mandatory/optional profit-sharing	(14.5)	(27.1)
Other employee benefits	1.0	1.4
Equity-settled share-based payments	(13.6)	(11.2)
TOTAL EMPLOYEE BENEFIT EXPENSES FROM CONTINUING OPERATIONS	**(1,162.9)**	**(1,359.8)**

5.3 Employee benefit assets/liabilities

Defined contribution plans

The Group pays contributions under a range of mandatory systems or on a voluntary basis under contractual agreements. The Group's obligation is limited to paying the contributions.

Defined benefit plans

The Elis Group's commitments to defined benefit plans and other post-employment benefits relating to its French subsidiaries consist of:

- supplementary retirement benefits paid to a category of senior executives. The supplementary retirement plan, for which all the beneficiaries have already retired, is now closed;
- retirement benefits paid to employees when they retire in accordance with French regulations;
- long-service awards, for which the amount paid depends on seniority.

The commitments of the Group's subsidiaries in the United Kingdom are grouped in a single pension plan specific to them. These commitments are covered by a dedicated external fund set up on February 1, 2016 and covering all commitments at that date, so as not to have to make additional payments except in extraordinary circumstances. The last three-year review of the fund's valuation under UK regulations was carried out in February 2019 and confirmed the fund's ability to meet its commitments.

The benefits paid to the beneficiaries of this plan depend on their seniority in the plan and their compensation in the final years preceding their retirement. The benefits paid are adjusted by 5% each year for rights vested before February 1, 1999, and in line with the Consumer Price Index for commitments vested after that date. The terms and conditions governing the management of the plan's assets are defined by UK regulations, as well as the relationship between the Group and the managers (trustees) of the fund. Responsibility for the management of the fund, including decisions on asset allocation and calls for contributions, rests jointly with the Group and the fund managers, the latter comprising representatives of the Group and beneficiaries of the plan in accordance with current regulations.

A comparatively small defined benefit plan also exists in the Republic of Ireland. It is also covered by a dedicated external fund.

The commitments of the Group's subsidiaries in Sweden stem mainly from their participation in the ITP-2 plan covering certain categories of private sector employees born before 1978.

The Group's Swiss subsidiaries have employee benefit liabilities in accordance with the Swiss Law on Occupational Benefits.

Employee-related liabilities

The corresponding obligations are measured using the projected unit credit method.

The Group's obligations are partially funded by external funds. Unfunded amounts are covered by provisions recognized in the balance sheet.

The 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, 2019	**533.3**	**451.7**	**81.5**
Current service cost	6.7		6.7
Interest expense	12.9	11.3	1.7
Benefit paid	(30.1)	(25.7)	(4.4)
Employee contributions	7.8	7.8	-
Employer contributions		3.0	(3.0)
Past service cost			-
Plan amendments			-
Plan curtailments or settlements	(0.2)	(0.1)	(0.0)
Return on plan assets		51.7	(51.7)
Actuarial gains and losses	57.1		57.1
Increase related to business combinations and other movements	0.1		0.1
Reclassification to liabilities directly related to assets held for sale			-
Translation adjustments	21.6	22.5	(0.9)
As at December 31, 2019	**609.3**	**522.2**	**87.1**
Current service cost	7.4		7.4
Interest expense	9.5	9.0	0.5
Benefit paid	(27.0)	(22.8)	(4.2)
Employee contributions	4.9	4.9	-
Employer contributions		2.9	(2.9)
Past service cost	(1.3)		(1.3)
Plan amendments	(1.0)		(1.0)
Plan curtailments or settlements	(2.3)	(2.2)	(0.1)
Return on plan assets		57.6	(57.6)
Actuarial gains and losses	45.4		45.4
Increase related to business combinations and other movements	0.5	0.2	0.3
Reclassification to liabilities directly related to assets held for sale			
Translation adjustments	(19.7)	(23.2)	3.5
AS AT DECEMBER 31, 2020	**625.5**	**548.7**	**76.8**

FUNDED STATUS OF EMPLOYEE BENEFIT OBLIGATION

(In millions of euros)	12/31/2020	12/31/2019
Present value of unfunded obligations	88.3	88.9
Present value of partially or fully funded obligations	537.2	520.3
Total value of defined benefit plan obligations (1)	625.5	609.3
Fair value of plan assets (2)	548.7	522.2
NET VALUE OF DEFINED BENEFIT PLAN LIABILITY (ASSET) (3) - (1) = (2)	**76.8**	**87.1**

INFORMATION BY REGION

(In millions of euros)	12/31/2020	12/31/2019
France	44.3	44.0
UK & Ireland	(34.1)	(30.4)
Sweden	38.8	37.9
Switzerland	22.5	30.2
Other countries	5.4	5.4
NET EMPLOYEE BENEFIT LIABILITIES (ASSETS)	**76.8**	**87.1**

FRANCE – DETAILS

The Group's obligations and provisions for its French subsidiaries break down as follows:

	12/31/2020	12/31/2019
Discount rate	0.5%	0.7%
Expected salary increase rate	inflation+0/6%	inflation+0/6%
Expected retirement benefit increase rate	1.0%	1.3%

(In millions of euros)	12/31/2020	12/31/2019
Present value of unfunded obligations	44.3	44.0
Present value of partially or fully funded obligations		
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**44.3**	**44.0**
Fair value of plan assets (2)		
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**44.3**	**44.0**

	Sensitivity France
Discount rate: -0.5% impact	+3.8%
Discount rate: +0.5% impact	-3.1%
Expected salary/retirement benefit increase rate: -0.5 impact	-4.4%
Expected salary/retirement benefit increase rate: +0.5 impact	+4.4%

	France
Expected contribution for next financial year	2.0
Weighted average duration of the obligation	10.3

UNITED KINGDOM AND IRELAND – DETAILS

The Group's obligations and provisions for its UK and Irish subsidiaries break down as follows:

	12/31/2020	12/31/2019
Discount rate	1.40%	2.10%
Expected salary increase rate	2.60%	2.50%
Expected retirement benefit increase rate	2.70%	2.60%

(In millions of euros)	12/31/2020	12/31/2019
Present value of unfunded obligations		
Present value of partially or fully funded obligations	453.0	431.6
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**453.0**	**431.6**
Fair value of plan assets (2)	487.2	462.0
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**(34.1)**	**(30.4)**

	Sensitivity UK & Ireland
Discount rate: -0.5% impact	+9.4%
Discount rate: +0.5% impact	-8.2%
Expected salary/retirement benefit increase rate: –0.5 impact	-0.2%
Expected salary/retirement benefit increase rate: +0.5 impact	+0.2%

	UK & Ireland
Expected contribution for next financial year	0.6
Weighted average duration of the obligation	17.4

	UK & Ireland
Cash and cash equivalents	1.9
Shares	95.8
Bonds	218.9
Properties & mortgages	1.0
Derivatives	169.5
FAIR VALUE OF PLAN ASSETS	**487.2**

SWEDEN – DETAILS

The Group's obligations and provisions for its Swedish subsidiaries break down as follows:

	12/31/2020	12/31/2019
Discount rate	1.00%	1.50%
Expected salary increase rate		-
Expected retirement benefit increase rate	1.50%	2.00%

(In millions of euros)	12/31/2020	12/31/2019
Present value of unfunded obligations	38.8	37.9
Present value of partially or fully funded obligations		
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**38.8**	**37.9**
Fair value of plan assets (2)		
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**38.8**	**37.9**

	Sensitivity Sweden
Discount rate: –0.5% impact	+9.8%
Discount rate: +0.5% impact	-8.6%
Expected salary/retirement benefit increase rate: –0.5 impact	-8.5%
Expected salary/retirement benefit increase rate: +0.5 impact	+9.6%

	Sweden
Expected contribution for next financial year	1.0
Weighted average duration of the obligation	18.4

SWITZERLAND – DETAILS

The Group's obligations and provisions for its Swiss subsidiaries break down as follows:

	12/31/2020	12/31/2019
Discount rate	0.15%	0.15%
Expected salary increase rate	1.00%	1.00%
Expected retirement benefit increase rate	-	-

(In millions of euros)	12/31/2020	12/31/2019
Present value of unfunded obligations		
Present value of partially or fully funded obligations	83.4	88.5
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**83.4**	**88.5**
Fair value of plan assets (2)	60.9	58.2
TOTAL VALUE OF DEFINED BENEFIT PLANS LIABILITY (3) – (1) = (2)	**22.5**	**30.2**

	Sensitivity Switzerland
Discount rate: -0.5% impact	+9.2%
Discount rate: +0.5% impact	-8.0%
Expected salary/retirement benefit increase rate: -0.5 impact	-0.5%
Expected salary/retirement benefit increase rate: +0.5 impact	+0.5%

	Switzerland
Expected contribution for next financial year	2.4
Weighted average duration of the obligation	16.9

	Switzerland
Cash and cash equivalents	2.4
Shares	21.2
Bonds	22.4
Properties & mortgages	10.5
Derivatives	4.4
FAIR VALUE OF PLAN ASSETS	**60.9**

5.4 Share-based payments

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 fair value of the discount granted by the Group is thus reduced by the cost to the employee of not being able to sell the shares. This cost is measured as the cost of a strategy combining the forward sale of shares at the end of the lock-up period with the cash purchase of the same number of shares, financed by an unrestricted loan with bullet repayment, taken out for the lock-up period at the rate that a bank would grant to an individual with an average risk profile. The valuation date used is the date on which the Group and its employees accepted the share-based payment agreement.

Free performance share grants

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. 6 – 2017	Plan no. 7 – 2018	Plan no. 8 – 2018	Plan no. 9 – 2018	Plan no. 10 – 2019	Plan no. 11 – 2019	Plan no. 12 – 2020	Plan no. 13 – 2020
Date of shareholders' meeting	05/27/2016	05/27/2016	05/27/2016	05/27/2016	05/27/2016	05/27/2016	06/30/2020	06/30/2020
Date of Supervisory Board meeting	03/14/2017	03/06/2018	03/06/2018	03/06/2018	03/06/2019	03/06/2019	03/03/2020 06/30/2020	03/03/2020 06/30/2020
Date of decision of the Management Board	03/24/2017	03/29/2018	08/31/2018	12/20/2018	05/02/2019	07/25/2019	07/09/2020	12/28/2020
Number of rights originally granted	577,050	1,071,374	29,750	28,604	1,476,558	10,018	2,101,762	19,350
› of which members of the Executive Committee	249,300	494,100	-	-	417,746	-	581,029	-
› of which corporate officers	146,700	206,490	-	-	194,300	-	276,244	-
– Xavier Martiré	100,000	117,995	–	–	116,580	-	165,746	-
– Louis Guyot	23,350	49,164	–	–	45,337	-	64,457	-
– Matthieu Lecharny	23,350	39,331	–	–	32,383	-	46,041	-
Number of beneficiaries	230	472	36	25	521	4	536	23
› of which members of the Executive Committee	9	11	–	–	11	-	11	-
› of which corporate officers	3[a]	3[a]	–	–	3[a]	-	3[a]	-
Grant date	03/24/2017	04/06/2018	08/31/2018	12/20/2018	05/02/2019	08/01/2019	07/09/2020	12/28/2020
Vesting date								
› members of the Management Committee and the Executive Committee	03/24/2020[c]	04/06/2021[c]	–	–	05/02/2022[c]	-	07/09/2023[c]	
› other beneficiaries	03/24/2019[c]	04/06/2020[c]	08/31/2020[c]	12/20/2020[c]	05/02/2021[c]	08/01/2021[c]	07/09/2022[c]	12/28/2022[c]
End of share lock-up period								
› members of the Management Committee and the Executive Committee	03/24/2020[d]	04/06/2021[d]	–	–	05/02/2022[d]	-	07/09/2023[d]	
› other beneficiaries	03/24/2019[d]	04/06/2020[d]	08/31/2020[d]	12/20/2020[d]	05/02/2021[d]	08/01/2021[d]	07/09/2022[d]	12/28/2022[d]
Rights vested in 2020	249,300[e]	245,777[f]	13,359[f]	13,197[f]	0[g]	0[g]	0[g]	0[g]
Number of rights lapsed or forfeited as at 12/31/2020	-	365,912	16,391	15,407	139,251	2,732	34,532	-
Number of rights outstanding as at 12/31/2020	-	459,685	-	-	1,337,307	7,286	2,067,230	19,350
› of which members of the Executive Committee	-	459,685[h]	-	-	391,839	-	581,029	
› of which corporate officers	-	206,490	-	-	194,300	-	276,244	
– Xavier Martiré	-	117,995	-	-	116,580	-	165,746	
– Louis Guyot	-	49,164	-	-	45,337	-	64,457	
– Matthieu Lecharny	-	39,331	-	-	32,383	-	46,041	
Number of working beneficiaries as at 12/31/2020	175	378	31	23	459	2	520	23
› of which members of the Executive Committee	8	10	0	0	10	-	11	0
› of which corporate officers	3[b]	3[b]	0	0	3[b]	-	3[b]	0

(a) Xavier Martiré, Louis Guyot and Matthieu Lecharny.

(b) Xavier Martiré, Louis Guyot and Matthieu Lecharny.

(c) Shares vest at the end of a vesting period set at two years from the date of the grant for all beneficiaries, except for the members of the Executive Committee (including members of the Management Board) for whom the vesting period is set at three years from the date of the grant.

(d) There is no lock-up period under this plan so the shares will be available and may be freely transferred by the beneficiaries at the end of the vesting period, subject to statutory blackout periods and the provisions of the French Code of Conduct for Trading and Market Activities. 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 2020 universal registration document.

(e) At its meeting on March 3, 2020, the Supervisory Board reviewed the performance associated with the vesting of the performance shares granted to the members of the Executive Committee in 2017 and for which the vesting period expired in 2020. The Supervisory Board noted that all performance conditions had been met, such that 100% of the shares granted in 2017 were vested. These performance targets were linked to internal absolute criteria relating to revenue and EBIT set on the basis of the business plan, itself in line with market expectations, and to an external criterion linked to the Elis share price relative to a benchmark index. The shares vested on March 24, 2020.

(f) At its meeting on March 3, 2020, the Supervisory Board reviewed the performance associated with the vesting of the performance shares granted to employees (excluding the Executive Committee) in 2018 and for which the vesting period expired in 2020. The Supervisory Board noted that two performance conditions had been met, such that 50% of the shares granted in 2018 to employees (excluding the Executive Committee) were vested. These performance targets were linked to internal absolute criteria relating to revenue and EBIT and to a criterion linked to the Elis share price relative to a benchmark index.

(g) The vesting of shares is contingent on the achievement of performance targets measured over a two-year period for all beneficiaries, except for the members of the Executive Committee, whose performance is measured over a three-year period. Unless waived by the Management Board, the vesting of shares is also contingent on uninterrupted, continuous service with the Group for the duration of the vesting period. The performance targets associated with the vesting of the shares were defined in reference to internal absolute criteria linked to consolidated revenue and consolidated EBIT set on the basis of the business plan, itself in line with market expectations, and to the performance of the Elis share price relative to a benchmark index. The number of vested shares will depend on the number of targets achieved, with the understanding that the achievement of performance targets is binary, so that if a target is not met, the number of rights linked to that target is not due and the corresponding shares do not vest. For plans implemented in 2019 and 2020, 34% of the shares will vest if just one of those performance conditions is met, 67% if two of the conditions are met, and 100% if all three conditions are met. No shares will vest if none of the performance conditions is met.

(h) For the 2018 plan for members of the Executive Committee, the performance conditions attaching to performance shares are also subject to the successful integration of Berendsen: synergies achieved and EBIT margin in the UK and Germany. 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.

Group Savings Plan

Pursuant to the 21st resolution of the annual general shareholders' meeting on May 23, 2019, the Management Board, after receiving authorization from the Supervisory Board on July 24, 2019, decided on July 24, 2019 on the principle of a capital increase reserved for employees who are members of the Elis Group Savings Plan.

Pursuant to the 22nd resolution of the annual general shareholders' meeting on May 23, 2019, the Management Board, after receiving authorization from the Supervisory Board on July 24, 2019, decided on July 24, 2019 on the principle of a capital increase reserved for employees of Elis's foreign subsidiaries operating in the following countries: Belgium, Brazil, Denmark, Germany, United Kingdom, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Spain, Sweden and Switzerland.

These two capital increases, known as "Elis For All," are intended to help grow the Elis Group's employee share ownership with the aim of bolstering its employees' sense of belonging by giving them the opportunity to be more closely connected to its future development and performance. They involve a so-called "standard" formula only, with a discount and matching contribution, under which the subscriber is fully exposed to changes in the Elis share price.

The table below sets out the main features of the Plan offered in 2019 and the valuation assumptions used:

Plan characteristics	"Elis for All 2019"		
Date of general shareholders' meeting	05/23/2019		
Date of Management Board decision setting the subscription price	09/19/2019		
Closing date of employee subscriptions	10/08/2019		
Plan maturity *(in years)*	5		
Subscription price	€12.98		
Closing price on the subscription closing date	€15.08		
Face value discount	20.00%		
Discount relative to price on the subscription closing date	13.93%		
Number of shares matched	1 for 10		
Valuation assumptions (5-year maturity)			
Employee financing rate over 5 years	3.54%		
5-year risk-free interest rate	-0.44%		
Securities lending or borrowing rate	0.50%		
Non-transferability for the market participant, as a %	21.16%		
Amounts subscribed and valuation	**Subscription**	**Matching contribution**	**Total**
Amount subscribed by employees *(in millions of euros)*	7.0		
Number of shares granted	541,292	53,500	594,792
Gross expense, before non-transferability discount *(in millions of euros)*	1.1	0.8	1.9
Valuation of non-transferability discount *(in millions of euros)*	(1.1)	(0.2)	(1.3)
Net expense *(in millions of euros)*	0.0	0.6	0.6
Impact of a 0.5 point decrease in the employee financing rate	0	0	0
Number of shares as at December 31, 2020			579,905

The amount expensed in 2019 for standard plans was €0.6 million, net of the cost of non-transferability for employees of €1.3 million. The free share expense related to the matching contribution was €0.8 million.

5.5 Executive compensation (related party transactions)

As at December 31, 2020, 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)	12/31/2020	12/31/2019
Number of people	**11**	**11**
Short-term benefits – Fixed, variable, special and other elements of compensation	(7.5)	(9.3)
Post-employment benefits	-	-
Termination benefits	(0.1)	(0.1)
Expenses related to share-based payments (IFRS 2)	(3.3)	(3.3)

As at December 31, 2020, the employee benefit liability accrued for termination benefits totaled €0.8 million (€0.7 million as at December 31, 2019).

Compensation allocated to members of the Supervisory Board and expensed as directors' fees totaled €0.4 million (€0.5 million as at December 31, 2019).

NOTE 6 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

6.1 Goodwill

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)	12/31/2020	12/31/2019
Gross value	3,862.0	3,811.6
Accumulated impairment	(66.4)	(66.0)
CARRYING AMOUNT AT BEGINNING OF PERIOD	**3,795.6**	**3,745.7**
Increase related to business combinations	58.8	55.2
Disposals	-	-
Translation adjustments	(89.0)	(5.4)
Other changes	(0.0)	0.6
CHANGES IN GROSS CARRYING AMOUNT	**(30.2)**	**50.4**
Impairment	-	-
Translation adjustments	0.5	(0.4)
Other changes	0.0	0.0
CHANGES IN IMPAIRMENT	**0.5**	**(0.4)**
CARRYING AMOUNT AT END OF PERIOD	**3,765.9**	**3,795.6**
Gross value	3,831.8	3,862.0
Accumulated impairment	(66.0)	(66.4)

The carrying amount of goodwill is allocated to the main cash-generating units as follows:

(In millions of euros)	12/31/2020	12/31/2019
CGU France	1,410.5	1,409.8
CGU Sweden & Finland	580.8	557.8
CGU Denmark	392.4	390.8
CGU Netherlands	364.7	364.7
CGU Brazil	228.5	292.8
CGU Germany	173.8	173.8
CGU Spain & Andorra	102.0	101.9
CGU United Kingdom	88.3	88.8
Other CGU	424.9	415.2
CARRYING VALUE OF GOODWILL	**3,765.9**	**3,795.6**

Recognition of impairment

The method and assumptions used for impairment tests are described in Note 6.5 "Impairment losses on non-current assets."

Following the impairment tests carried out as at December 31, 2020 and December 31, 2019, the Group recorded no impairment losses.

6.2 Intangible assets

Brands

Brands acquired in a business combination are recognized at fair value (valued using the relief from royalty method) at the acquisition date. Costs incurred to create a new brand or to develop an existing one are expensed.

Brands with finite useful lives are amortized over their useful lives. Brands with indefinite useful lives are not amortized but are tested for impairment on an annual basis. The same applies whenever there is an indication of impairment.

The following criteria are used to determine whether a brand has a finite or indefinite life:

- overall market positioning of the brand, measured by sales volume, international reach and reputation;
- long-term profitability outlook;
- exposure to fluctuations in the economy;
- major developments in the industry liable to have an impact on the brand's future;
- age of the brand.

Intangible assets (other than brands)

Intangible assets (other than brands) are measured at acquisition cost less accumulated amortization and impairment. Intangible assets have finite useful lives. Amortization is recognized as an expense generally on a straight-line basis over the estimated useful lives of the assets:

- textile patterns: 3 years;
- software: 5 years;
- ERP: 15 years;
- acquired customer contracts and relationships: 4 to 14 years

Depreciation is recorded from the date the asset is first used.

(In millions of euros)	Trademarks & non-competition clauses	Customer relationships	Other	Total
Gross value	**266.2**	**1,275.1**	**164.2**	**1,705.5**
Accumulated depreciation and impairment	**(21.4)**	**(659.5)**	**(99.4)**	**(780.3)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2018	**244.8**	**615.6**	**64.8**	**925.2**
Adjustment related to first-time adoption of IFRS 16	**-**	**-**	**(1.1)**	**(1.1)**
Investments	0.0	1.0	22.2	23.2
Acquisitions through business combinations	-	30.6	0.1	30.7
Retirements and disposals	(0.0)	(0.0)	(0.0)	(0.0)
Depreciation	(12.2)	(76.3)	(17.8)	(106.3)
Translation adjustments	(0.1)	(2.4)	0.1	(2.4)
Impairment	(0.0)	-	-	(0.0)
Other movements	(0.0)	0.1	0.0	0.1
Gross value	**265.9**	**1,283.2**	**169.5**	**1,718.7**
Accumulated depreciation and impairment	**(33.4)**	**(714.4)**	**(101.4)**	**(849.2)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2019	**232.5**	**568.8**	**68.2**	**869.5**
Investments	-	(0.0)	16.0	16.0
Acquisitions through business combinations	0.0	18.8	0.1	18.9
Retirements and disposals	-	-	(0.1)	(0.1)
Depreciation	(17.5)	(75.5)	(20.1)	(113.1)
Translation adjustments	(2.5)	(6.2)	(0.1)	(8.8)
Impairment	-	-	-	-
Other movements	0.0	0.0	0.1	0.1
Gross value	**260.2**	**1,270.7**	**182.9**	**1,713.9**
Accumulated depreciation and impairment	**(47.7)**	**(764.8)**	**(118.9)**	**(931.4)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2020	**212.5**	**506.0**	**64.0**	**782.5**

Other intangible assets consist primarily of software.

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)	**12/31/2020**	12/31/2019	Amortization
Elis Brands	206.5	206.5	Not amortized
Berendsen brands	-	14.5	3.33 years
Brands of manufacturing entities	2.1	2.2	
› Le Jacquard Français brand	0.9	0.9	Impairment loss
› Kennedy brand	1.2	1.3	Not amortized
Non-competition clauses and miscellaneous	3.9	9.2	
TRADEMARKS & NON-COMPETITION CLAUSES	**212.5**	**232.5**	

Recognition of impairment

No brand impairment loss was recognized in the last two financial years. The Le Jacquard Français brand, worth €6.8 million gross, has an accumulated impairment loss of €5.9 million.

6.3 Property, plant and equipment

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, laundry and 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	**772.9**	**158.7**	**1,492.9**	**1,830.3**	**4,254.8**
Accumulated depreciation and impairment	**(240.0)**	**(108.9)**	**(867.8)**	**(1,131.1)**	**(2,347.8)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2018	**532.9**	**49.9**	**625.1**	**699.2**	**1,907.0**
Adjustment related to first-time adoption of IFRS 16	(15.6)	(3.7)	(7.6)		(26.9)
Investments	59.5	12.7	114.0	471.5	657.8
Acquisitions through business combinations	19.7	1.1	8.8	6.0	35.5
Retirements and disposals	(4.2)	(14.1)	(1.8)	(4.7)	(24.8)
Depreciation	(26.8)	(12.5)	(96.3)	(425.8)	(561.5)
Translation adjustments	5.0	0.1	4.9	4.0	14.0
Impairment	(0.0)	-	0.1	-	0.1
Other movements	20.6	0.7	(23.1)	(0.9)	(2.7)
Gross value	**854.9**	**143.3**	**1,569.2**	**1,954.0**	**4,521.3**
Accumulated depreciation and impairment	**(263.9)**	**(109.1)**	**(945.1)**	**(1,204.7)**	**(2,522.8)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2019	**590.9**	**34.1**	**624.1**	**749.3**	**1,998.5**
Investments	19.7	1.6	83.2	374.1	478.7
Acquisitions through business combinations	6.3	0.7	12.7	9.3	29.0
Retirements and disposals	(0.9)	(2.0)	(2.4)	(3.5)	(8.8)
Depreciation	(28.5)	(10.0)	(96.3)	(418.4)	(553.2)
Translation adjustments	(16.9)	(0.6)	(24.5)	(16.8)	(58.8)
Impairment	-	-	(1.6)	-	(1.6)
Other movements	2.1	0.3	1.5	(4.0)	(0.1)
Gross value	**864.4**	**135.8**	**1,614.2**	**1,865.8**	**4,480.2**
Accumulated depreciation and impairment	**(291.7)**	**(111.6)**	**(1,017.4)**	**(1,175.7)**	**(2,596.4)**
NET CARRYING AMOUNT AS AT DECEMBER 31, 2020	**572.7**	**24.2**	**596.8**	**690.1**	**1,883.8**

"Other movements" include item-to-item transfers, particularly in 2019 for the commissioning of new plants.

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.

Right-of-use assets

The Group records right-of-use assets on the lease start date (the date on which the underlying set of assets becomes available). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses and adjusted according to the measurement of the lease liabilities. The cost of right-of-use assets comprises the amount of the lease liability, initial direct costs incurred, and lease payments made before the start date, less any lease incentives received. Unless the Group is reasonably certain that ownership of the leased asset will be transferred at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's estimated useful life or the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

As at the lease start date, the Group records lease liabilities as measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price for a purchase option that the Group is reasonably certain will be exercised, as well as penalty payments for terminating a lease if the lease term reflects exercise of the termination option by the Group. Variable lease payments that do not depend on an index or a rate are recorded as expenses in the period during which the event or condition that triggered the payments occurred.

To calculate the present value of lease payments, the Group uses the Group's incremental borrowing rate adjusted using a spread for each country as at the lease start date if the interest rate implicit in the lease cannot be readily determined. The rate also depends on the duration of the agreement. After the start date, the lease liability is increased to reflect interest incurred and reduced to reflect lease payments made. The carrying amount of the lease liability is remeasured in the event there is a change in the term of the lease, the in-substance fixed lease payments are changed, or the measurement is modified such that the underlying asset may be purchased.

In the statement of cash flows, these lease payments are presented in cash flows from financing activities, broken down between interest (recorded as financial expenses) and principal payments (presented on a separate line).

Simplification measures used

The Group applies the recognition exemption for short-term leases (leases with terms shorter than 12 months from the start date that do not include a purchase option). It also applies the recognition exemption for the leasing of low-value assets (assets whose replacement cost is less than €4,000). Lease payments on short-term leases and leases of low-value assets are recorded as expenses on a straight-line basis over the term of the lease. In the statement of cash flows, these lease payments are presented in cash flows from operating activities.

The Group has also chosen to use the simplification measure provided for in the standard whereby lease components are not separated from non-lease components (mainly for leased vehicles). Instead, these components are recognized as a single lease component.

	Right-of-use assets				Lease liabilities
(In millions of euros)	Land and buildings	Vehicles	Plant & equipment	**Total**	
As at January 1, 2019	**326.2**	**57.5**	**13.5**	**397.3**	**392.2**
Increase related to business combinations	2.6	0.1	2.7	5.5	6.4
Reclassified to assets held for sale	(6.7)	(0.1)	(0.1)	(6.8)	(6.8)
New rights of use	22.7	47.5	4.1	74.2	74.2
Remeasuring of rights of use	12.8	(0.0)	(0.0)	12.7	12.7
Depreciation & amortization / impairment	(39.2)	(26.4)	(4.0)	(69.5)	
Principal payments					(73.3)
Translation differences	3.0	0.8	0.1	3.8	3.2
Other movements	(4.0)	(0.5)	(1.8)	(6.3)	(1.1)
As at December 31, 2019	**317.5**	**78.9**	**14.4**	**410.8**	**407.4**
Increase related to business combinations	5.9	2.7	0.8	9.4	9.4
Reclassified to assets held for sale	-	-	-	-	-
New rights of use	8.3	78.8	1.4	88.4	88.4
Remeasuring of rights of use	24.4	2.3	(1.3)	25.4	25.4
Depreciation & amortization / impairment	(39.8)	(39.5)	(3.6)	(83.0)	
Principal payments					(73.4)
Translation differences	(6.7)	(1.0)	(0.1)	(7.8)	(8.0)
Other movements	1.0	(3.8)	(1.8)	(4.6)	(1.8)
As at December 31, 2020	**310.6**	**118.3**	**9.7**	**438.6**	**447.3**

The Group recognized lease expenses relating to:

- short-term leases totaling €7.4 million in 2020 (versus €16.0 million in 2019);
- leases of low-value assets totaling €1.7 million in 2020 (versus €2.3 million in 2019);
- variable lease payments totaling €1.0 million in 2020 (versus €1.0 million in 2019).

The remaining contractual maturities of lease liabilities are as follows (undiscounted amounts):

	Carrying value	Cash flow 2021	Cash flow 2022	Cash flow 2023-2024-2025	Cash flow 2025 and beyond	**Estimate of future cash flows as at 12/31/2020**
Lease liabilities	447.3	87.0	77.3	175.5	185.9	525.7

6.5 Impairment losses on non-current assets

Fair value method

Impairment tests are systematically performed on goodwill and intangible assets with indefinite useful lives on December 31 or whenever there is an indication of impairment. Goodwill impairment losses may not subsequently be reversed.

Value in use is calculated by discounting to present value the estimated future cash flows expected to arise from the continuing use of an asset and from its disposal. These calculations are usually supplemented by a valuation using multiple economic indicators (mainly EBITDA).

If the recoverable amount is less than the carrying amount, an impairment loss is recognized corresponding to the difference between the two amounts.

To assess impairment, assets are combined in the smallest group of assets that generates separately identifiable cash flows (cash-generating unit or group of cash-generating units).

In accordance with IAS 36 Impairment of Assets, whenever the value of intangible assets and property, plant and equipment with definite useful lives is exposed to a risk of impairment due to events or changes in market conditions, these assets are reviewed to determine whether their carrying amount is less than their recoverable amount, defined as the higher of fair value (less cost to sell) and value in use.

If applicable, impairment losses are recognized at the CGU 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 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 cash-generating unit and approved by the Management Board. The trajectory for 2021–2023 has been approved by the Supervisory Board. Future cash flows are estimated based on conservative growth assumptions;
- cash flows are calculated using the discounted cash flow method = EBITDA (operating income before depreciation and amortization) – rents +/– change in WC – income tax at standard rate – capital expenditure);
- a five-year maximum explicit time horizon has been chosen, except for countries where a longer duration is justified (mainly Latin America, which has 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 on the WACC calculation date (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 compared to the market);
- average gearing ratio (net debt/equity) for comparable companies: ratio calculated on the basis of market capitalizations to net debt (excluding lease liabilities), observed on a quarterly basis over the last two years:
  - the average gearing ratio obtained for each comparable company is used to unlever the company's beta,
  - the unlevered beta is representative of industry beta and will be used to calculate the WACC (extreme values are excluded from the average),
  - the gearing used to calculate the WACC is derived from the average debt (excluding lease liabilities) to equity ratio calculated on the basis of the quarterly ratios of comparable companies.

The WACC used for impairment testing on each of the main CGUs was as follows:

Country	France	Germany	Brazil	Denmark	Spain	United Kingdom	Netherlands	Sweden
Risk-free rate	0.5%	0.1%	9.3%	0.2%	1.2%	1.1%	0.3%	0.4%
Credit spread	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Cost of debt (before tax)	**1.5%**	**1.2%**	**10.4%**	**1.3%**	**2.2%**	**2.1%**	**1.3%**	**1.5%**
Tax rate	25.8%	30.0%	34.0%	22.0%	25.0%	19.0%	25.0%	20.6%
Cost of debt, net of tax	**1.1%**	**0.8%**	**6.9%**	**1.0%**	**1.7%**	**1.7%**	**1.0%**	**1.2%**
Risk premiums	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Levered beta	0.99	0.98	0.98	0.99	0.99	0.99	0.99	0.99
Cost of equity	7.1%	6.7%	15.9%	6.9%	7.8%	7.8%	6.9%	7.1%
Gearing	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
WACC 2020	**6.5%**	**6.1%**	**14.9%**	**6.3%**	**7.1%**	**7.1%**	**6.3%**	**6.4%**
WACC 2019	6.1%	5.8%	13.0%	6.0%	6.9%	6.9%	6.0%	6.1%
PRE-TAX DISCOUNT RATE 2020 (APPROXIMATION)	**8.7%**	**8.7%**	**22.6%**	**8.0%**	**9.5%**	**8.8%**	**8.4%**	**8.1%**
Pre-tax discount rate 2019 (approximation)	8.3%	8.2%	19.8%	7.6%	9.2%	8.3%	7.6%	7.7%

Multiples used

The multiples approach was not used as at December 31, 2020 as doing so would have been difficult given the current Covid-19 public 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 used in the latest business plan for future cash flows is a return to the Group's 2019 business and earnings levels by end-2022/early 2023 following a cautious recovery with no further general lockdown, but taking into account the upcoming economic crisis.

Sensitivity of tests related to goodwill

In the impairment tests, the items with the most material sensitivity in relation to the WACC and perpetual growth rate are as follows (difference between the carrying amount and the recoverable amount of the CGU):

France		Perpetual growth rate		
(In millions of euros)		**1.5%**	**2.0%**	**2.5%**
WACC	6.0%	877	1,192	1,597
	6.5%	585	832	1,142
	7.0%	347	545	788

Germany		Perpetual growth rate		
(In millions of euros)		**1.5%**	**2.0%**	**2.5%**
WACC	5.6%	295	376	483
	6.1%	207	268	346
	6.6%	137	184	242

Brazil		Perpetual growth rate		
(In millions of euros)		**2.8%**	**3.3%**	**3.8%**
WACC	14.4%	72	82	93
	14.9%	51	60	70
	15.4%	32	40	48

Denmark		Perpetual growth rate		
(In millions of euros)		**1.5%**	**2.0%**	**2.5%**
WACC	5.8%	60	141	248
	6.3%	(9)	55	136
	6.8%	(65)	(13)	51

Spain		Perpetual growth rate		
(In millions of euros)		**1.5%**	**2.0%**	**2.5%**
WACC	6.6%	155	188	228
	7.1%	114	140	172
	7.6%	81	102	126

United Kingdom		Perpetual growth rate		
(In millions of euros)		**1.5%**	**2.0%**	**2.5%**
WACC	6.6%	78	111	151
	7.1%	38	64	95
	7.6%	5	25	50

Netherlands *(In millions of euros)*		Perpetual growth rate		
		1.5%	**2.0%**	**2.5%**
WACC	5.8%	176	257	363
	6.3%	108	171	252
	6.8%	52	104	167

Sweden *(In millions of euros)*		Perpetual growth rate		
		1.5%	**2.0%**	**2.5%**
WACC	5.9%	105	213	352
	6.4%	13	99	206
	6.9%	(62)	7	92

In the impairment tests, the items with the most material sensitivity to any delay in the timing of a return to a normal economic situation are as follows (allowing for a safety margin):

(In millions of euros)	Return to normal late 2022/early 2023	Effect of a one-year delay	Adverse scenario
France	832	(55)	777
Germany	268	(66)	202
Brazil	60	(47)	12
Denmark	55	(14)	41
Spain	140	(39)	101
United Kingdom	64	(38)	26
Netherlands	171	(12)	159
Sweden	99	(24)	74

As the sensitivity analysis presented shows that the recoverable amount of these CGUs exceeds their carrying value, no impairment loss was recorded for the 2020 financial year. The same applies to the Group’s other CGUs.

Sensitivity of tests for unamortized brands

The assumptions used in impairment tests performed using the relief from royalty method are as follows:

	Elis	Le Jacquard Français	Kennedy
Discount rate	7.5%	7.5%	8.1%
Perpetual growth rate	2.0%	2.0%	2.0%
Royalty rate	1.0%	4.0%	2.0%

The sensitivity of the excess of the recoverable amount of the Elis brand over its carrying amount is as follows:

(In millions of euros)	Perpetual growth rate		
Discount rate	1.5%	2.0%	2.5%
7.0%	257	300	352
7.5%	219	254	296
8.0%	187	216	251

NOTE 7 PROVISIONS AND CONTINGENT LIABILITIES

7.1 Provisions

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, 2019	**71.8**	**7.8**	**23.2**	**102.7**
Increases/additions for the year	2.1	3.4	2.0	7.5
Increase related to business combinations	2.8	-	-	2.8
Decreases/reversals of used and unused provisions	(2.1)	(3.1)	(2.1)	(7.3)
Translation differences	(1.7)	(1.3)	(4.4)	(7.5)
Other	0.1	(0.1)	(0.1)	(0.0)
AS AT DECEMBER 31, 2020	**73.0**	**6.6**	**18.6**	**98.2**
Current portion	**0.0**	**3.5**	**11.0**	**14.5**
Non-current portion	**73.0**	**3.1**	**7.6**	**83.7**
France	*16.7*	*2.4*	*0.4*	*19.6*
UK & Ireland	*11.5*	*-*	*(0.0)*	*11.5*
Scandinavia & Eastern Europe	*28.8*	*-*	*3.7*	*32.6*
Latin America	*4.0*	*3.7*	*11.2*	*18.9*
Other segments	*12.0*	*0.5*	*3.3*	*15.8*

Provisions for environmental compliance

Provisions for environmental compliance are assessed based on experts' reports and the Group's experience. These provisions correspond to the expected costs of studies or work to be undertaken by the Group to comply with its environmental obligations, particularly those related to the ongoing degradation recorded. They relate to sites or categories of work that will be completed in the foreseeable future.

Provisions for litigation

Provisions for litigation chiefly includes provisions for employee-related risks.

Other provisions

Other provisions also include provisions for tax risks (not related to income tax), restructuring costs, onerous contracts and disputes arising in the normal course of the Group's business.

7.2 Contingent liabilities

The Elis Group has contingent liabilities relating to disputes or legal proceedings arising in the normal course of its business:

In Brazil

Proceedings related to alleged acts of administrative improbity

Atmosfera filed a preliminary response in December 2014 to a public action filed against several industrial laundry service providers, including Atmosfera and Prolav, regarding the alleged bribery of civil servants between 2003 and 2011 related to contracts in the state of Rio de Janeiro. The public prosecutor rejected the arguments put forward by Atmosfera and decided to continue the action.

As at December 31, 2020, 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. 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

Proceedings initiated by Atmosfera before the Labor Court against Brazil's Ministry of Work and Employment

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. This first-instance decision was appealed by the administration, resulting in a new proceeding. This proceeding was still underway as at December 31, 2020, and there is no specific time frame known for this case. If the Ministry of Labor's decision is upheld on the aforementioned appeal, Atmosfera will be put on the blacklist for a period of two years.

Should this happen, and even if it were not mandatory, ministries, federal agencies and public bodies could terminate service agreements with Atmosfera at the next renewal date. Furthermore, some private companies may have internal regulations that prohibit them from working with blacklisted suppliers, even if this is not stated in the contracts. Regulations in the states of São Paulo, Rio de Janeiro and Bahia require removal of the state tax number (Inscrição Estadual) of any blacklisted companies, and the regulations in the states of São Paulo and Bahia require this to be done for a period of 10 years (the state of Rio de Janeiro does not provide a time frame). The loss of Atmosfera's state tax number could make it necessary to use external service providers for transportation relating to Atmosfera's rental and laundry business. If Atmosfera were blacklisted, it is possible that Atmosfera's image and that of the rest of the Group could be tarnished by negative publicity, especially in the Brazilian press. It is nevertheless possible that more Brazilian customers may decide to terminate their contracts with Atmosfera, even though the company has opened its in-house production workshop and launched a major advertising campaign targeting its customers.

Administrative proceedings initiated by the CADE

In February 2016, Prolav was ordered by the Brazilian competition authority (CADE) to pay a fine of R$2.5 million (approximately €0.4 million) for antitrust offenses. Any delay in payment of this fine will incur interest on arrears at the benchmark rate of Brazil's central bank (SELIC), which may lead to significant additional costs. Prolav has not, to date, paid the aforementioned fine and has set aside a provision in the amount of R$3.0 million (approximately €0.5 million). After lodging an appeal, which was rejected by the CADE, Prolav was unable to reach an agreement with the CADE's prosecutor on a possible reduction of the fine and payment in installments. As at the reporting date, Prolav was awaiting the implementation of the enforcement phase of the sanction.

Proceedings against NJ Lavanderia

Proceedings initiated by Brazil's Federal District public prosecutor

In the public civil action brought in 2014 by the Federal District's public prosecutor against NJ Lavanderia Industrial e Hospitalar Ltda ("NJ Lavanderia"), a subsidiary of Lavebras, and the government of the Federal District (GDF) related to a public contract signed between NJ Lavanderia and the GDF (contract no. 184/2014) for the provision by NJ Lavanderia of industrial laundry services to public health establishments in the Federal District (Brasilia), a decision was rendered in July 2020 on the appeal lodged following the decision on the merits rendered in August 2018. The July 2020 decision upheld the decision by the trial judge under which the judge annulled contract no. 184/2014. As in August 2018, NJ Lavanderia was not ordered to return the amounts received under the annulled contract (which has already been performed in full) and no evidence was found of wrongdoing on the part of NJ Lavanderia or its representatives in connection with the tender procedure for contract no. 184/2014. An appeal before the High Court of Justice could be lodged by one of the parties to the proceedings; however, NJ Lavanderia has no intention of appealing the decision. As at December 31, 2020, NJ Lavanderia was not aware of any appeal lodged before the High Court of Justice and was waiting for confirmation the proceedings had been terminated.

Other proceedings are also ongoing against NJ Lavanderia as part of a public civil action initiated in 2014 by Federal District's public prosecutor for alleged breach of the public tender process under Brazil's law on public procurement at the time the public-service contract described above was entered into. The closing briefs have been submitted for these proceedings and a decision on the merits is expected in the coming months.

To date, the Company has no information allowing it to estimate the contingent liability incurred by NJ Lavanderia as a result of these proceedings in the event of an unfavorable outcome, its impact on the Group's financial condition, its business, reputation or earnings, or the amount of the compensatory assets to be received under the liability guarantee. No provision has been set aside by Lavebras or NJ Lavanderia in relation to these proceedings.

Proceedings before Brazil's Federal Court of Accounts

NJ Lavanderia is also party to administrative proceedings initiated in March 2014 by the Democratas political party against the Health Secretariat of Brazil's Federal District government, alleging that NJ Lavanderia continued to provide services under two public-service contracts (one being the contract involved in the proceedings initiated by Brazil's Federal District public prosecutor described above) entered into as emergency agreements, beyond their respective terms. The Federal Court of Accounts ruled on February 12, 2019 that it had found irregularities in the delivery of these services and indicated that the Health Secretariat of Brazil's Federal District government should, according to the results of the public civil action described above, initiate specific administrative proceedings to review said irregularities and, if applicable, impose a penalty.

Should the decision in connection with the above proceedings go against NJ Lavanderia, the possible penalties could include the repayment of profits derived from the contracts in question, as well as fines and a ban on participating in public tenders and entering into public contracts.

To date, the Company has no information allowing it to estimate the contingent liability incurred by NJ Lavanderia as a result of this proceeding in the event of an unfavorable outcome, its impact on the Group's financial condition, its business, reputation or earnings, or the amount of the compensatory assets to be received under the liability guarantees. No provision has been set aside by Lavebras or NJ Lavanderia in relation to this proceeding.

Proceedings against 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, 2020, Lavebras had not received any formal notification of these potential violations, with the exception of separate proceedings conducted by the tax authorities against ICN, a social organization.

In these tax proceeding against ICN, the Brazilian tax authorities argue that Lavebras – as well as other companies – must be held jointly and severally liable for ICN's obligations in view of (i) the illegal nature of the payments made by ICN under contracts it entered into and under which Lavebras and ICN had a business relationship, and (ii) the lack of cooperation shown by ICN during the audit by the Brazilian tax authorities. At the end of December 2020, the amount of the dispute was approximately R$344 million, or around €52 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. Lavebras still believes that it has strong arguments to contest the Brazilian tax authorities' position. The Group therefore considers that the risk of Lavebras being held jointly and severally liable with ICN for payment of the tax penalty is limited. No provision has been set aside by Atmosfera or Lavebras in relation to these proceedings.

In the event that Lavebras is served notice and, after the Brazilian Federal Police's investigation, held liable for the offenses, it could be subject to various penalties, including (i) a ban on receiving incentives, subsidies, grants, donations or loans from public entities or financial institutions for a period of up to five years, (ii) a fine of up to three times the amounts unjustly collected, (iii) a ban on entering into agreements with public entities for a period of up to 10 years, and (iv) an obligation to fully compensate the government for all damage actually suffered. In addition, Lavebras could also be subject to an administrative fine of between 0.1% and 20% of the gross revenue excluding tax in the financial year preceding the filing of the administrative proceedings. Because of Lavatec's merger with Lavebras in 2014, the Brazilian authorities could argue that the amount of the administrative fine should be calculated based on Lavebras's gross revenue instead of Lavatec's, which Lavebras will contest on the grounds that its total liability (including the amount of the fine and any compensation due for the damage that may have been caused) should be limited to the amount of Lavatec assets transferred to Lavebras in the merger.

Since no notification has been received, no provision has been set aside by Atmosfera or Lavebras in relation to these proceedings.

Proceedings related to the conclusion of public contracts in the state of São Paulo

The Group has been informed of various investigations and proceedings initiated by five authorities in the state of São Paulo related to the conclusion of several contracts between public customers (hospitals) and various companies of the same sector as the Group (including but not limited to Atmosfera, Lavebras and other companies of the Group in Brazil).

These investigations and proceedings are the result of an audit conducted by the General Controller of the state of São Paulo (CGA) at various state hospitals during which the CGA noticed a high number of contracts entered into as emergency contracts (outside the regular tender process provided by Brazilian law) and decided to (i) open an investigation of the various hospitals and companies concerned to check whether there were any irregularities with these emergency contracts and (ii) transmit the results of its audit to various Brazilian authorities so that they could initiate investigations at their own discretion.

As a consequence, the Group (as well as some of its competitors) are facing the four investigations or proceedings described below. Other investigations or proceedings by other Brazilian authorities might occur as a result of the transmission of the results of the audit referred to above to those authorities.

The CGA initiated administrative proceedings based on the Brazilian Clean Company Act (law no. 12.846/2013). The Group presented its defense in November 2019, along with a description of its compliance program in Brazil. The other parties have to present their defenses before the CGA can continue the proceedings. In the coming months, the CGA should decide to either close the proceedings, impose sanctions against one or more parties, or postpone the timeline for the proceedings to continue its investigations.

The Public Prosecutor's office of the state of São Paulo has filed a civil inquiry on the basis of the Administrative Improbity Act (law no. 8429/1992) at the end of which it may decide to file a public civil action against any of the Company's subsidiaries. The Group submitted its defense and is awaiting a decision from the public prosecutor's office in the coming months on whether it will launch a public civil action.

The Public Prosecutor's Office of the City of Paulínia (São Paulo state) has filed a civil investigation under the Administrative Improbity Act, after which it may decide to file a public civil action against Lavebras. The Group has submitted its defense and is awaiting a decision from the public prosecutor's office on whether it will file a public civil action.

The Group has been informed that, in connection with the aforementioned CGA administrative proceeding, the São Paulo state police have initiated a criminal inquiry against the corporate officers of the Group's subsidiaries in Brazil. The Group has presented the same arguments as those presented to the CGA; the Police are continuing their investigation.

The public prosecutor finally decided to terminate the civil investigation that the Public Prosecutor's Office of the City of Santos (São Paulo state) intended to open under the Administrative Improbity Act against Atmosfera and Lavebras in relation to the Guilherme Álvaro Hospital on February 27, 2020. As at December 31, 2020, the termination of the proceedings was pending confirmation from the public prosecutor's office.

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, 2020. The Company considers that it has strong arguments in connection with these various investigations and proceedings, which also concern other players in the sector.

Proceeding in Minas Gerais

In the dispute between Atmosfera and one of its former customers in the state of Minas Gerais, Imprensa Oficial (with which it stopped doing business in September 2015), Atmosfera, despite appealing the decision made by Imprensa Official, was banned from participating in public tenders for 9 months and 13 days from December 18, 2019.

This ban ended on October 1, 2020 and no longer applies to Atmosfera.

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. Pursuant to this public civil action, the public prosecutor's office is asking the judge in charge of the case 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. The duration and scope (the public entities concerned) of such a ban would be determined by the judge, with the understanding that (i) it may be up to five years and (ii) the public prosecutor's office has not issued any recommendation to that effect.

This public action follows the difficulties faced by Lavebras in its discussions with the Environment Secretariat (SEMAM) to renew its operating permits and licenses for the Teresina laundry. Although the plant has been running since 2005 with all the required permits and licenses, Lavebras encountered a number of difficulties in 2019 in renewing these permits and licenses and had to take legal action in order to be able to operate its plant.

In this public civil action, the public prosecutor's office alleges that Lavebras has caused water pollution through illegal wastewater discharges and intends to obtain compensation for the alleged damage caused.

Lavebras's main defense is the fact that the Teresina plant has always operated in compliance with the permits and authorizations it holds, including for the treatment and discharge of wastewater.

The Group believes that it has strong arguments to defend itself in this case. No provision has been recorded in the financial statements in connection with these proceedings as at December 31, 2020.

In addition, the Group has been informed that a criminal inquiry has been initiated against the Lavebras corporate officers in connection with this proceeding.

In France

Inquiry by DIRECCTE

The Group was informed of an ongoing investigation by French competition authorities following a complaint relating to some of the Group's pricing practices that was filed in 2014 by a bed and breakfast, a customer of the Group, with the Pays de la Loire regional department for companies, competition, consumption, labor and employment (known by the French acronym DIRECCTE). The Group cannot rule out the investigation being extended to practices other than pricing practices.

No provision is being recognized since at this stage, it is difficult to assess whether this risk will materialize and what the consequences, especially financial, might be for the Group.

Tax audits

The Group is subject to tax audits in various countries. When the Group considers, with its advisors, that it has a sufficiently strong case, no provision is recorded.

NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

8.1 Financial risk management

Credit and counterparty risk

The main financial assets that could expose the Group to credit or counterparty risk are as follows:

- Trade receivables, the amount and aging of which are closely monitored as an integral part of the monthly reporting system:
  - in France, the Group insures its customer risk with a well-known insurance company. Trade receivables are managed in a decentralized manner by the operational centers and by the Key Accounts Department, which handle the first stage of receivables collection. A second stage of receivables collection and dispute management is handled by the Finance and Legal Departments, depending on the type of receivable.
  - in other countries where the Group operates, the Group may use an insurance company to insure its customer risk. This is the case in the United Kingdom. Receivables collection and disputes may be handled by the operational centers and/or by the central finance departments at the country level.

As at December 31, 2020, the exposure to credit risk on trade receivables by operating segment is as follows:

(In millions of euros)	12/31/2020	12/31/2019
France	179.1	223.2
UK & Ireland	43.3	61.4
Central Europe	88.8	106.0
Scandinavia & Eastern Europe	76.0	85.5
Southern Europe	49.1	77.2
Latin America	45.8	59.1
Other operating segments	11.9	3.6
TRADE RECEIVABLES AND CONTRACT ASSETS	**494.0**	**615.9**

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:

	12/31/2020			
(In millions of euros)	**Gross value**	**Impairment**	**Expected credit loss rate**	**Net value**
Not yet due or less than 1 month overdue	421.6	(1.1)	-0.3%	420.4
Between 1 and 4 months overdue	65.1	(3.8)	-5.8%	61.3
Between 5 and 12 months overdue	20.1	(12.3)	-61.0%	7.8
More than 1 year overdue	54.4	(49.9)	-91.7%	4.5
TRADE RECEIVABLES AND CONTRACT ASSETS	**561.1**	**(67.0)**		**494.0**

	12/31/2019			
(In millions of euros)	Gross value	Impairment	Expected credit loss rate	Net value
Not yet due or less than 1 month overdue	516.1	(0.8)	-0.2%	515.3
Between 1 and 4 months overdue	86.3	(0.7)	-0.8%	85.6
Between 5 and 12 months overdue	17.3	(7.4)	-42.8%	9.9
More than 1 year overdue	52.6	(47.5)	-90.2%	5.1
TRADE RECEIVABLES AND CONTRACT ASSETS	**672.3**	**(56.4)**		**615.9**

- cash assets: due to historically low and significantly negative interest rates, the Group's policy is to minimize its cash position in order to reduce its debt and optimize its financial expenses. With its remaining cash, the Group invests in short-term money market funds or deposits it in bank accounts with the bank counterparties that finance the Group in accordance with the diversification and counterparty quality rules set out in the Group's Cash and Investment Management Policy.
- derivatives: as part of its Interest Rate and Currency Risk Management Policies, the Group enters into hedging contracts with leading financial institutions and the Group's financing banks.

Bank counterparty risk is managed by the Financing and Treasury Department in accordance with both the Treasury and Investment Management Policies and the Interest Rate and Foreign Exchange Risk Management Policies. It is related to outstanding deposits, the market values of derivative instruments, and credit lines opened with each bank. In line with its financial policy, in most cases, the Group only enters into commitments on financial instruments with counterparties that have a minimum long-term rating of A- from S&P Global Ratings or A3 from Moody's. The list of bank counterparties involved in investments and the list of financial instruments are regularly reviewed and approved by the Group's Finance Department.

In the Group's view, these investments and derivatives do not expose it to any material counterparty risk.

Liquidity risk

The Group must always have financial resources available, not just to finance the day-to-day running of its business, but also to maintain its investment capacity. The Group's has several sources of financing: its free cash flow and cash flow from operating activities; financing on short- and medium-term capital markets; and bank financing. To tackle the impacts of the Covid-19 pandemic, the Group focused in 2020 on closely managing its cash inflows, a fundamental of its cash position, working on and strengthening its access to capital markets, especially the short-term capital market through its commercial paper program (NEU CP), and maintaining an ongoing dialog with its banking partners.

The use of these various sources of financing is part of an overall financing policy implemented by the Finance Department. This financing policy is reviewed on a regular basis to best support the Group's growth and respond to changes in financial market conditions while maintaining a credit profile compatible with a minimum long-term financial rating by S&P Global Ratings and Moody's in the BB/Ba2 category. The aim of the Group's financing strategy is to maintain the leverage ratio (net debt/EBITDA) at around three times EBITDA. In 2020, the Group focused on keeping increases in its leverage ratio caused by the impacts of the Covid–19 pandemic on its business and consolidated EBITDA to a minimum.

Given the coronavirus crisis, the ratios of the financial covenant applicable at December 31, 2020 and June 30, 2021 under the bank financing and private placement agreements (USPP) were increased by waiver to 4.75x for December 31, 2020 and 4.50x for June 30, 2021. Note that the financial covenant applicable from December 31, 2021 is 3.75x.

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, 2020, the weighted average maturity of borrowings and gross financial debt was 4 years compared to 4.75 years as at December 31, 2019, with a percentage of long-term debt (borrowings and gross financial debt maturing in more than one year/total borrowings and gross financial debt) of 91%;
- 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, 2020, the Group had undrawn confirmed credit lines totaling €900 million. In order to further strengthen the liquidity related to these confirmed bank credit lines, which in 2020 provided the Group with the necessary leeway to withstand the effects of the Covid-19 pandemic, particularly when the commercial paper market closed for several weeks, in December 2020, the Group finalized the extension by one year of the maturity of the revolving credit facility of €500 million from January 2022 to January 2023;

- continuous monitoring of available cash: as at December 31, 2020, 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

The implementation of the financing policy and liquidity risk management require regular monitoring of the Group's financial ratings. This monitoring was particularly active in 2020, in light of the impacts of the Covid-19 pandemic. The Group maintained an ongoing dialog with rating agencies to explain the impacts of the public health crisis on the Group's operating performance and ratios, thus limiting rating adjustments by certain agencies. As at December 31, 2020, the Company is rated by S&P Global Ratings, Moody's and DBRS:

- S&P Global Ratings:
  - In a press release issued on April 2, 2020, S&P Global Ratings downgraded the Company's rating from BB+ (stable outlook) to BB (negative outlook) to reflect the negative impacts of the Covid-19 pandemic on the Group's business and the resulting potential breach of its financial covenant on December 31, 2020;
  - In a press release dated July 16, 2020, after the Group had obtained a waiver for the level of the financial covenant applicable as at June 30, 2020, December 31, 2020 and June 30, 2021 from its banks and investors USPP, S&P Global Ratings revised the BB outlook rating to stable, which is proof of the Group's sound liquidity level. This rating also applies to the bond issues carried out under the EMTN program in April and October 2019;
- Moody's: In a press release issued on April 23, 2020, to reflect the negative impacts of the Covid-19 pandemic on the Group's business, Moody's downgraded the Company's outlook rating from stable to negative while maintaining the Company's current Ba2 rating; Moody's stable rating in 2020, despite the impacts of an unprecedented public health crisis, is a testament to the soundness and resilience of the Group's business model and the robustness of its financial structure. This rating also applies to the bond issues carried out under the EMTN program in February 2018;
- DBRS: In a press release issued on March 27, 2020, DBRS confirmed the investment grade rating assigned to the Company since April 2019 of BBB low, again demonstrating the Group's ability to withstand the effects of the Covid-19 pandemic.

Net debt and future cash flows

The Group's net debt balance is detailed in Note 8.5 "Net debt."

Loan agreements relating to this debt include the legal and financial commitments usually involved in such transactions and specify accelerated maturities if those commitments are not met. The financial commitments include the Group's obligation to meet a financial covenant: the ratio of net debt as defined in the agreement to the pro forma EBITDA of acquisitions finalized over the last 12 months, after synergies and excluding the impact of IFRS 16. Based on these consolidated financial statements as at December 31, 2020, the Group met this ratio:

- Leverage Ratio = 3.74x (must be less than 4.75).

The repayment dates for consolidated debt and related interest as at December 31, 2020 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 2021		Cash flow 2022		Cash flow 2023-2024-2025		Cash flow 2025 and beyond		Estimate of future cash flows as at 12/31/2020	
(In millions of euros)	Amortized cost	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest
EMTN (Euro Medium Term Notes)	2,383.8	-	41.7	-	41.7	1,650.0	71.2	700.0	14.6	2,350.0	169.1
Convertible bonds	373.7	-	-	-	-	400.0	-	-	-	400.0	-
USPP	334.3	-	9.1	-	9.1	-	27.2	332.6	26.0	332.6	71.3
Revolving/bilateral short term	0.8	-	0.8	-	-	-	-	-	-	-	0.8
Commercial paper	317.5	317.5	-	-	-	-	-	-	-	317.5	-
Unamortized debt issuance costs	(19.1)	-	-	-	-	-	-	-	-	-	-
Loan from employee profit-sharing fund	19.2	2.6	0.1	5.0	0.4	11.3	1.8	-	-	18.8	2.3
Other	8.3	2.0	0.1	2.3	0.2	3.6	0.3	0.5	0.1	8.3	0.7
Overdrafts	0.0	0.0	0.0	-	-	-	-	-	-	0.0	0.0
TOTAL BORROWINGS AND FINANCIAL DEBT	**3,418.6**	**322.1**	**51.7**	**7.3**	**51.4**	**2,064.8**	**100.5**	**1,033.0**	**40.6**	**3,427.3**	**244.2**

Market risks

The Elis Group is exposed to market risk, particularly concerning the cost of its debt and as a result of foreign currency transactions. The Finance Department manages the main financial risks centrally, mainly foreign exchange and interest rate risks, in accordance with specific management policies and detailed operating procedures. These policies, which focus on the unpredictability of financial markets, seek to minimize the potentially adverse effects on its financial performance. To hedge certain risk exposures, interest rate and currency hedging strategies are developed and implemented according to market opportunities through derivatives, while respecting the principles of prudence and risk limitation provided for in the corresponding management policies.

Interest rate risk

Interest rate risk mainly includes the risk of fluctuations in future cash flows relating to variable-rate debt, historically based in part on the EURIBOR. The Group's rate risk management policy is to maintain the vast majority of its total debt at fixed rates over a medium- to long-term horizon. Since the refinancing transactions carried out in 2019 and following the full repayment of the Schuldschein financing line on November 23, 2020, the Group has substantially increased the share of its direct fixed-rate debt. As a result, as at December 31, 2020, the Group's variable-rate debt outstanding is negligible (compared to €37 million as at December 31, 2019).

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 2020, these purchases totaled US$76.0 million, compared to US$97.0 million in 2019, down US$21 million, reflecting the decrease in linen purchases due to the contraction in business caused by the public health crisis. 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, 2020, the Group had made 2020 forward purchases of US$73 million (compared to US$90.0 million in 2019).

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, 2020, currency swaps against the euro mainly covered the Swedish krona (SEK), Norwegian krone (NOK), Danish krone (DKK), Czech koruna (CZK), pound sterling (GBP), Swiss franc (CHF), ruble (RUB) and Polish zloty (PLN).

USPP financing denominated in US dollars

As at December 31, 2020, the Group was only party to one cross-currency swap contract for a notional amount of US$40 million backed by USPP financing.

The Group's exposure to currency risk

The Group operates a significant share of its activities in countries within the euro area. For the financial year ended December 31, 2020, countries outside the euro area accounted for 39.0% of the Group's consolidated revenue, including 10.3% from the United Kingdom, 7.1% from Sweden, 6.5% from Brazil, 6.4% from Denmark, 2.8% from Switzerland, 2.1% from Norway and 1.8% from Poland.

When the Group prepares its consolidated financial statements, it must translate the financial statements of its non-euro area subsidiaries into euros at the applicable exchange rates. As a result, the Group is exposed to fluctuations in exchange rates, which have a direct accounting impact on the Group's consolidated financial statements. This creates a risk relating to the translation into euros of non-euro area subsidiaries' balance sheets and income statements.

The Group's external financing is generally denominated in euros.

With this in mind, the table below presents the risk of foreign currency translation losses, in terms of equity and income, on the Group's main currencies.

(In millions of euros)	Change in equity resulting from a 10% fall in exchange rate	Change in net income resulting from a 10% fall in exchange rate
GBP (United Kingdom)	(65.8)	1.6
BRL (Brazil)	(38.1)	(1.3)
SEK (Sweden)	(75.6)	(1.4)
DKK (Denmark)	(61.2)	(0.0)
NOK (Norway)	(15.4)	(0.5)
PLN (Poland)	(15.0)	(0.8)
CHF (Switzerland)	(12.4)	0.3

Equity risk

As at December 31, 2020, the Group's exposure to equity risk mainly concerns the 512,733 Elis shares held either as treasury stock, as part of the liquidity agreement, or through the Berendsen Employee Benefit Trust.

These shares were valued at €8.2 million based on the December 31, 2020 closing price (€13.63). Accordingly, the Group did not consider it necessary to introduce an equity risk management policy.

Commodities risk

While the Group does not purchase raw materials directly, it is indirectly exposed to raw material volatility through its purchases of linens and workwear, the manufacturing price of which is partially linked to the price of cotton or polyester, and through its consumption of petroleum products (mainly gas and fuel).

8.2 Net financial income (loss)

(In millions of euros)	12/31/2020	12/31/2019
Interest expense on borrowings and loans from employee profit-sharing fund measured at amortized cost	(76.7)	(120.3)
Interest expense on lease liabilities	(9.5)	(9.7)
TOTAL INTEREST EXPENSE	**(86.2)**	**(130.1)**
Gains (losses) on interest rate derivatives measured at fair value through profit or loss	-	(19.6)
Interest income using the effective interest rate method	1.0	1.2
Foreign currency translation gains (losses)	(3.0)	0.4
Gains (losses) on foreign exchange derivatives measured at fair value through profit or loss	(0.1)	(0.1)
Interest expense on provisions and retirement benefits	(0.5)	(2.2)
Other	0.3	0.4
NET FINANCIAL INCOME (EXPENSE)	**(88.4)**	**(150.0)**

The changes were mainly due to:

- A lower interest expense in 2020 compared to 2019 due to the refinancing in 2019 of bank debt and high-yield bonds at more favorable interest rates, resulting in a significant positive impact on a full-year basis of the interest expense. In addition, the repayment of the high-yield bonds on April 30, 2019 incurred early termination fees and an accelerated amortization of bond issuance costs in 2019;
- the negative impact in 2019 of the termination of interest rate swaps historically backed by bank debt, which were fully repaid in October 2019; this had no impact in 2020.

8.3 Gross debt

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, 2020, consolidated debt mainly comprised the following:

Capital markets

Commercial paper

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, 2020, outstandings under this program totaled €317.5 million, versus €382.4 million as at December 31, 2019. The decrease of €64.9 million is due to the Group's positive cash flow generation in 2020.

Convertible bonds (OCÉANEs)

On October 6, 2017, Elis issued bonds convertible into and/or exchangeable for new or existing Elis shares (*obligations à option de conversion et/ou d'échange en actions nouvelles or existantes*, or "OCÉANEs") with a maturity date of October 6, 2023. The nominal amount of the issue totals €400 million and is represented by 12,558,869 bonds with a par value of €31.85. The bonds are non-interest bearing (zero coupon). The funds raised from this issue were used to repay the bridge loan set up in connection with the Berendsen acquisition and extend the maturity of the Group's debt.

OCÉANE bonds qualify as a compound financial instrument and, as such, falls within the scope of IAS 32, which requires that the equity component (the call option held by the bondholder to convert the bond into shares) and the debt component (the contractual commitment to deliver cash) be recognized separately in the balance sheet. The fair value of the debt component is equivalent to €345.1 million at inception and €54.9 million for the options component (before deferred tax).

EMTN (Euro Medium Term Notes)

On the long-term capital markets, Elis has an EMTN program, renewed and approved by the AMF on April 29, 2020, in the amount of €4 billion, under which Elis has carried out the following bond issues:

- on February 15, 2018, a dual-tranche bond issue comprising a €650 million tranche with a maturity of 5 years and a coupon of 1.875%, and a €350 million tranche with a maturity of 8 years and a coupon of 2.875%. These funds, totaling €1 billion, were used to refinance the bridge loan set up for the acquisition of Berendsen;
- 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.

Bank loans and private placement

USPP private placement

In April 2019, the Group also took out a USPP loan with two tranches: one tranche in euros in the amount of €300 million maturing in 10 years with an interest rate of 2.70% and another tranche in US dollars in the amount of US$40 million maturing in 10 years with an interest rate of 4.99%. The tranche in dollars was converted to euros using a 10-year cross-currency swap with a synthetic coupon rate in euros of 2.69%. The proceeds of this issue were mainly used to redeem the €800 million High-Yield Bonds maturing in 2022.

Senior Credit Facilities Agreement – Term Loan

On January 17, 2017, Elis entered into a senior syndicated credit facilities agreement for an amount of €1,150 million maturing in five years, consisting of three tranches: a €450 million term loan, a €200 million CAPEX line and a €500 million revolving credit facility. During 2019, the €450 million term loan and the drawn-down €200 million CAPEX line tranche were fully repaid and canceled.

As at December 31, 2020, the revolving credit tranche was still active but undrawn. This tranche, with an initial maturity on January 17, 2022, was extended by one year in December 2020, extending the maturity to January 17, 2023. Elis also has an option for an additional six-month extension of this new maturity date. Subject to the approval of its lending banks, the Company may exercise this option in the fourth quarter of 2021.

Syndicated credit facility – Term loan

On November 7, 2017, Elis entered into a second syndicated credit facility agreement with two tranches: a €200 million term loan maturing in November 2022 and a €400 million revolving credit line initially maturing in November 2022. During 2019, the €200 million term loan was fully repaid and canceled.

As at December 31, 2020, the revolving credit tranche, with its maturity extended to November 2023, was still active but undrawn.

Schuldschein

Elis raised €75 million on November 23, 2017 through a multi-tranche private placement under German law, the so-called "Schuldschein" note. This transaction enabled the Group to diversify its funding sources. The funds were raised via several tranches at fixed and variable rates, respectively representing 46% and 54% of the total amount, maturing in three to seven years.

The *Schuldschein* financing line was repaid early and in full in 2020.

Through these two syndicated credit facilities agreements, the Group has, as at December 31, 2020, undrawn confirmed credit facilities totaling €900 million, thus ensuring the necessary liquidity for the Group for its commercial paper program in the event the commercial paper market closes.

Change in debt

(In millions of euros)	12/31/2019	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	12/31/2020
EURO MEDIUM TERM NOTES	**2,350.0**	**-**	**-**	**-**	**-**	**-**	**2,350.0**
CONVERTIBLE BONDS	**364.6**	**-**	**-**	**-**	**-**	**9.1**	**373.7**
USPP	**335.6**	**(0.0)**	**-**	**-**	**-**	**(3.0)**	**332.6**
Revolving/bilateral short term	-	-	-	-	-	-	-
Schuldschein	75.0	(75.0)	-	-	-	-	-
Commercial paper	382.4	(64.9)	-	-	-	-	317.5
Other loans	7.2	(3.2)	4.3	(0.1)	(0.0)	0.1	8.3
Overdrafts	1.5	-	-	(0.0)	(1.4)	(0.0)	0.0
Loan from employee profit-sharing fund	21.2	(2.0)	-	-			19.2
LOANS	**487.4**	**(145.1)**	**4.3**	**(0.1)**	**(1.4)**	**0.1**	**345.1**
ACCRUED INTEREST	**31.1**			**-**	**0.0**	**5.2**	**36.3**
UNAMORTIZED DEBT ISSUANCE COSTS	**(24.3)**	**(1.5)**	**-**	**-**	**-**	**6.7**	**(19.1)**
BORROWINGS AND FINANCIAL DEBT	**3,544.4**	**(146.6)**	**4.3**	**(0.1)**	**(1.4)**	**18.0**	**3,418.6**
Reconciliation to cash flow statement							
› proceeds from new borrowings		868.6					
› repayments of borrowings		(1,015.2)					
Change in borrowings		**(146.6)**					

Breakdown of financial debt by currency

	12/31/2020	12/31/2019
EUR	3,385.6	3,507.7
USD	32.6	35.6
GBP	0.0	0.1
BRL	0.0	0.1
CLP	0.4	0.9
BORROWINGS AND FINANCIAL DEBT	**3,418.6**	**3,544.4**

Maturity of financial liabilities

(In millions of euros)	12/31/2020	2021	2022	2023–2025	2026 and beyond
EMTN (Euro Medium Term Notes)	2,383.8	33.8	-	1,650.0	700.0
Convertible bonds	373.7	-	-	373.7	-
USPP	334.3	1.7	-	-	332.6
Revolving/bilateral short term	0.8	0.8	-	-	-
Commercial paper	317.5	317.5	-	-	-
Unamortized debt issuance costs	(19.1)	(6.5)	(5.7)	(5.4)	(1.5)
Loan from employee profit-sharing fund	19.2	2.6	6.6	10.0	-
Other	8.3	2.0	2.3	3.8	0.2
Overdrafts	0.0	0.0	-	-	-
TOTAL BORROWINGS AND FINANCIAL DEBT	**3,418.6**	**352.0**	**3.2**	**2,032.2**	**1,031.3**

As at December 31, 2020, short-term borrowings (maturing in less than one year) mainly comprise commercial paper. As at December 31, 2020, the average weighted maturity of Elis SA (parent company) debt was 4 years, compared to 4.75 years at December 31, 2019.

8.4 Cash and cash equivalents

"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)	12/31/2020	12/31/2019
Demand deposits	136.6	171.4
Term deposits and marketable securities	1.0	0.9
CASH AND CASH EQUIVALENTS (ASSETS)	**137.6**	**172.3**
Overdrafts	(0.0)	(1.5)
CASH AND CASH EQUIVALENTS, NET	**137.6**	**170.8**

In Latin America, where there can be exchange control restrictions, cash and cash equivalents totaled €26.5 million as at December 31, 2020, compared to €26.6 million at December 31, 2019.

In addition, cash allocated to the Elis liquidity agreement totaled €0.2 million as at December 31, 2020 (€1.5 million as at December 31, 2019).

8.5 Net debt

(In millions of euros)	12/31/2020	12/31/2019
EMTN	**2,350.0**	**2,350.0**
CONVERTIBLE BONDS	**373.7**	**364.6**
USPP	**332.6**	**335.6**
Revolving/bilateral short term	-	-
Schuldschein	-	75.0
Commercial paper	317.5	382.4
Other loans	8.3	7.2
Overdrafts	0.0	1.5
Loan from employee profit-sharing fund	19.2	21.2
LOANS	**345.1**	**487.4**
ACCRUED INTEREST	**36.3**	**31.1**
UNAMORTIZED DEBT ISSUANCE COSTS	**(19.1)**	**(24.3)**
BORROWINGS AND FINANCIAL DEBT	**3,418.6**	**3,544.4**
Of which maturing in less than one year	352.0	428.1
Of which maturing in more than one year	3,066.6	3,116.3
CASH AND CASH EQUIVALENTS (ASSETS)	**137.6**	**172.3**
NET DEBT	**3,281.0**	**3,372.1**

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8.6 Financial assets and liabilities

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.

	12/31/2020		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 by OCI	Financial assets at amortized cost	Debt at amortized cost
Other equity investments	0.2	0.2	0.2			
Other non-current assets	64.4	64.4	28.1	-	36.3	
Contract assets	27.6	27.6			27.6	
Trade and other receivables	519.1	519.1			519.1	
Other current assets	18.8	18.8	1.5	(0.0)	17.4	
Cash and cash equivalents	137.6	137.6			137.6	
FINANCIAL ASSETS	**767.8**	**767.8**	**29.7**	**(0.0)**	**738.1**	**-**
Borrowings and financial debt	3,066.6	3,117.2				3,066.6
Other non-current liabilities	23.5	23.5	18.2	1.5		3.8
Trade and other payables	221.3	221.3				221.3
Contract liabilities	62.7	62.7				62.7
Other current liabilities	345.1	345.1	5.3	3.0		336.9
Bank overdrafts and current borrowings	352.0	358.5				352.0
FINANCIAL LIABILITIES (EXCLUDING LEASE LIABILITIES)	**4,071.2**	**4,128.2**	**23.4**	**4.5**	**-**	**4,043.2**

(In millions of euros)	12/31/2019 Carrying amount	Fair value	Breakdown by category of financial instrument Mandatory at fair value through profit or loss	Fair value – hedging instruments by OCI	Financial assets at amortized cost	Debt at amortized cost
Other equity investments	0.2	0.2	0.2			
Other non-current assets	69.0	69.0	31.7	0.3	37.1	
Contract assets	36.2	36.2			36.2	
Trade and other receivables	632.4	632.4			632.4	
Other current assets	21.1	21.1	0.3	(0.0)	20.7	
Cash and cash equivalents	172.3	172.3			172.3	
FINANCIAL ASSETS	**931.2**	**931.2**	**32.2**	**0.3**	**898.7**	**-**
Borrowings and financial debt	3,116.3	3,205.4				3,116.3
Other non-current liabilities	8.4	8.4	7.4	0.1		0.9
Trade and other payables	288.5	288.5				288.5
Contract liabilities	71.5	71.5				71.5
Other current liabilities	359.0	359.0	6.2	1.9		350.9
Bank overdrafts and current borrowings	428.1	434.5				428.1
FINANCIAL LIABILITIES (EXCLUDING LEASE LIABILITIES)	**4,271.8**	**4,367.3**	**13.6**	**2.0**	**-**	**4,256.2**

The table below shows the level at which each fair value is ranked in the fair value hierarchy:

(In millions of euros)	12/31/2020 Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Other equity investments	0.2			0.2
Non-current derivatives – assets (cross-currency swaps)	-		-	
Current derivatives – assets (currency forwards)	1.5		1.5	
Offsetting assets	28.1			28.1
ASSETS MEASURED AT FAIR VALUE	**29.7**	**-**	**1.5**	**28.3**
Non-current derivatives – liabilities (cross-currency swaps)	1.5		1.5	
Current derivatives – liabilities (currency forwards)	4.7		4.7	
Debt related to acquisitions	21.7			21.7
LIABILITIES MEASURED AT FAIR VALUE	**27.9**	**-**	**6.2**	**21.7**
EMTN (Euro Medium Term Notes)	2,388.5	2,388.5		
USPP	358.3		358.3	
Convertible bonds – debt component	383.0		383.0	
LIABILITIES FOR WHICH FAIR VALUE IS DISCLOSED IN THE NOTES	**3,129.8**	**2,388.5**	**741.3**	**-**

(In millions of euros)	12/31/2019 Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Other equity investments	0.2			0.2
Non-current derivatives – assets (cross-currency swaps)	0.3		0.3	
Current derivatives – assets (currency forwards)	0.3		0.3	
Offsetting assets	31.7			31.7
ASSETS MEASURED AT FAIR VALUE	**32.5**	**-**	**0.6**	**31.9**
Non-current derivatives – liabilities (interest rate swaps)	0.1		0.1	
Current derivatives – liabilities (currency forwards)	2.4		2.4	
Debt related to acquisitions	13.1			13.1
LIABILITIES MEASURED AT FAIR VALUE	**15.6**	**-**	**2.5**	**13.1**
EMTN (Euro Medium Term Notes)	2,431.9	2,431.9		
USPP	347.6		347.6	
Convertible bonds – debt component	372.1		372.1	
LIABILITIES FOR WHICH FAIR VALUE IS DISCLOSED IN THE NOTES	**3,151.6**	**2,431.9**	**719.7**	**-**

8.7 Other non-current assets and liabilities

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 with maturity dates greater than 12 months after the reporting date, which are classified as non-current assets.

Offsetting assets correspond to vendor warranties and are evaluated on the same basis as indemnified liabilities, subject to value corrections for unrecoverable amounts.

If the indemnification is related to a liability recognized at its fair value at acquisition, the offsetting asset is also recorded at fair value.

Repurchase commitments to non-controlling interests are recognized as liabilities. Subsequent changes in the value of the put option strike price are recorded in the income statement under "Other operating income and expense" in accordance with the provisions of IFRS 9.

(In millions of euros)	Notes	12/31/2020	12/31/2019
Non-current derivatives – assets	8.8	-	0.3
Long-term loans and receivables		5.1	3.8
Offsetting assets and other non-current assets		28.1	31.7
Marginal costs of obtaining contracts		31.3	33.3
OTHER NON-CURRENT ASSETS		**64.4**	**69.0**
Non-current derivatives – liabilities	8.8	1.5	0.1
Deferred consideration payable on acquisitions		18.2	7.4
Liability for repurchase commitments to non-controlling interests		-	-
Other non-current liabilities		3.8	0.9
OTHER NON-CURRENT LIABILITIES		**23.5**	**8.4**

8.8 Derivative financial instruments and hedges

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):

As at December 31, 2020	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)*	20.6	13.4		34.0
Average EUR/USD forward rate	1.17	1.19		-
Forward currency purchases (highly probable forecast purchases)				
Nominal *(in millions of euros)*	10.7	10.1		20.8
Average GBP/USD forward rate	1.29	1.32		-
Forward currency purchases (highly probable forecast purchases)				
Nominal *(in millions of euros)*	3.4	3.5		7.0
Average USD/SEK forward rate	8.74	8.82		-
Cross-currency swap – USPP				
Nominal *(in millions of euros)*			35.7	35.7
Fixed rate			2.69%	-
INTEREST RATE RISK				
Interest rate swap – Chile				
Nominal *(in millions of euros)*	0.1			0.1
Fixed rate	6.72%			-

As at December 31, 2019	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)*	25.8	18.4		44.2
Average EUR/USD forward rate	1.12	1.14		-
Forward currency purchases (highly probable forecast purchases)				
Nominal *(in millions of euros)*	14.1	13.2		27.3
Average GBP/USD forward rate	1.25	1.27		-
Forward currency purchases (highly probable forecast purchases)				
Nominal *(in millions of euros)*	4.3	3.7		8.0
Average USD/SEK forward rate	9.61	9.64		-
Cross-currency swap – USPP				
Nominal *(in millions of euros)*			35.7	35.7
Fixed rate			2.69%	-
INTEREST RATE RISK				
Interest rate swap – Chile				
Nominal *(in millions of euros)*			0.2	0.2
Fixed rate			6.72%	-

The amounts relating to the hedged items are as follows:

As at December 31, 2020	Change in the value of the hedged item used to recognize the ineffective portion of the hedge	Cash flow hedge reserve before tax	Cash flow hedge reserve (hedge accounting no longer applied)
Currency risk			
Highly probable forecast purchases	1.1	(3.1)	-
Interest rate risk			
Variable-rate instruments	-	(0.0)	-

As at December 31, 2019	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	3.1	(2.4)	-
Interest rate risk			
Variable-rate instruments	4.3	(0.0)	-

The table below details the impact of derivatives on the Elis Group's consolidated financial statements:

	As at 12/31/2020			12/31/2020					
		Carrying value							
(In millions of euros)	Nominal	Assets	Liabilities	Line item in the statement of financial position which includes the hedging instrument	Change in the fair value of the hedging instrument recognized in equity	Hedging costs recognized in equity	Amount reclassified from the hedging reserve to the income statement	Hedging costs are reclassified to the income statement	Income statement item
Currency risk									
Forward currency purchases	61.8	(0.0)	3.0	"Other current assets and liabilities," see Note 4.8	(1.1)	(0.3)	0.4	(0.1)	"Net financial income" Foreign currency translation gains (losses)
Cross-currency swap – USPP	35.7	-	1.5	"Other non-current assets and liabilities," see Note 8.7	-	1.2	-	(3.0)	"Net financial income" Foreign currency translation gains (losses)
Interest rate risk									
Interest rate swaps	0.1		0.0	"Other non-current assets and liabilities," see Note 8.7	-	-	-	-	-

	As at 12/31/2019			12/31/2019					
		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	79.5	(0.0)	1.9	"Other current assets and liabilities," see Note 4.8	(3.1)	(0.0)	-	-	-
Cross-currency swap – USPP	35.7	0.3	-	"Other non-current assets and liabilities," see Note 8.7	-	0.3	-	(0.1)	"Net financial income" Foreign currency translation gains (losses)
Interest rate risk									
Interest rate swaps	0.2	0.3	0.1	"Other non-current assets and liabilities," see Note 8.7	(4.3)	-	(13.4)	-	"Net financial income (loss)," see Note 8.2

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, 2019	**0.3**	**(5.6)**
Change in fair value resulting from foreign exchange rate risk hedging	0.3	(3.1)
Change in fair value resulting from interest rate risk hedging		(4.3)
Amounts reclassified to the income statement		13.4
Tax effect	(0.1)	(2.1)
BALANCE AS AT DECEMBER 31, 2019	**0.6**	**(1.6)**
Change in fair value resulting from foreign exchange rate risk hedging	0.9	(1.1)
Change in fair value resulting from interest rate risk hedging		-
Amounts reclassified to the income statement	(0.1)	0.4
Tax effect	(0.2)	0.2
BALANCE AS AT DECEMBER 31, 2020	**1.2**	**(2.1)**

8.9 Off-balance sheet commitments relating to Group financing and other commitments

(In millions of euros)	**12/31/2020**	12/31/2019
Commitments given		
Assignment and pledge of receivables as collateral		
Pledges, mortgages and sureties	5.6	5.7
Pledges, endorsements and guarantees given		
Commitments received		
Pledges, mortgages and sureties		
Pledges, endorsements and guarantees received	17.8	20.7

NOTE 9 INCOME TAX EXPENSE

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)	**12/31/2020**	12/31/2019
Consolidated net income (loss)	3.9	137.7
Current taxes	65.7	71.8
Deferred taxes	(38.6)	(24.3)
Income (loss) before tax	30.9	185.2
Theoretical tax rate	32.02%	34.43%
THEORETICAL TAX EXPENSE	**9.9**	**63.8**
ACTUAL TAX EXPENSE	**27.1**	**47.5**
Effect of tax not based on net income[a]	9.4	11.9
DIFFERENCE	**(7.8)**	**28.2**
Breakdown of difference		
Tax rate differences and transactions taxed at reduced rates	0.9	21.2
Permanent differences (including non-deductible IFRS 2 expenses)	(7.4)	(1.6)
Unrecognized tax loss carryforwards/Utilization of previously unrecognized tax losses	(3.5)	0.4
Goodwill impairment	0.2	-
Other differences (deductible CVAE, etc.)	2.1	8.1

(a) CVAE in France, IRAP in Italy.

The following table shows the sources of deferred tax assets and liabilities:

(In millions of euros)	**12/31/2019 net**	Increase related to business combinations	Income (loss)	Recognized directly in other comprehensive income	Translation differences & other	**12/31/2020 net**
Goodwill (tax-deductible amort.)	(4.8)	-	(3.3)	-	2.0	(6.1)
Intangible assets	(165.7)	0.1	18.9	-	(1.4)	(148.1)
Property, plant and equipment	(157.7)	(0.6)	15.8	-	0.3	(142.3)
Other assets	(19.9)	(0.0)	6.3	-	1.4	(12.2)
Derivative instruments – assets	(0.2)	-	(0.2)	-	-	(0.4)
Right-of-use assets / Lease liabilities	0.7	0.0	0.5	-	0.0	1.2
Provisions	21.5	0.0	3.0	-	(3.2)	21.3
Employee benefit liabilities	15.4	-	(0.5)	(2.2)	0.5	13.2
Borrowings and financial debt	(18.9)	-	5.9	0.3	(0.0)	(12.8)
Derivative instruments – liabilities	0.7	-	1.1	(0.0)	(0.0)	1.8
Other current liabilities	(9.2)	0.1	(4.0)	-	(0.3)	(13.4)
Other	(6.7)	(0.0)	(0.8)	0.2	(0.2)	(7.6)
Recognized tax losses	51.4	-	(3.9)	-	(4.8)	42.7
NET DEFERRED TAX ASSETS (LIABILITIES)	**(293.5)**	**(0.4)**	**38.6**	**(1.8)**	**(5.7)**	**(262.8)**
Deferred tax assets	**23.2**					**36.6**
Deferred tax liabilities	**(316.7)**					**(299.4)**

- deferred tax assets are recognized for tax loss carryforwards when it is probable that they can be offset against future taxable profit.
- as at December 31, 2020, the Group had tax losses of €61.2 million (base) for which no deferred tax assets had been recognized (€40.8 million at December 31, 2019). The majority of these tax losses, which are almost all related to foreign subsidiaries, have no expiration date.

NOTE 10 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

10.1 Share capital and reserves

Changes in share capital

Number of shares as at January 1, 2019	**219,927,545**
Number of shares as at December 31, 2019	**221,297,797**
NUMBER OF SHARES AS AT DECEMBER 31, 2020	**221,819,430**
Number of authorized shares	221,819,430
Number of shares issued and fully paid up	221,819,430
Number of shares issued and not fully paid up	-
Par value of shares	1.00
Treasury shares[a]	599,255
Shares reserved for issue under options and sales agreements	-

(a) Of which 393,532 shares held by the Berendsen Employee Benefit Trust.

In 2020:

- following the vesting of the free performance shares, the share capital was increased on March 24, 2020, April 6, 2020, August 31, 2020 and December 20, 2020 by an aggregate nominal amount of €0.5 million, respectively, through the capitalization of those same amounts in "Additional paid-in capital";
- furthermore, the general shareholders' meeting on June 30, 2020 decided to clear the accumulated deficit of the parent company by charging €70.2 million to "Additional paid-in capital."

In 2019:

- following the vesting of the free performance shares, the share capital was increased on March 24, 2019 and June 15, 2019 by a nominal amount of €0.3 million and €0.5 million, respectively, through the capitalization of those same amounts in "Additional paid-in capital";
- furthermore, the general shareholders' meeting of May 23, 2019 decided to clear the accumulated deficit of the parent company by charging €215.2 million to "Additional paid-in capital";
- finally, as part of the Group Savings Plan, on October 30, 2019:
  - the share capital was increased by €0.6 million and additional paid-in capital by €6.5 million,
  - in addition, the costs related to the capital increases, net of the corresponding tax savings, were then charged to additional paid-in capital,
  - finally, the balance of the additional paid-in capital, in the amount of €6.1 million, was transferred to the legal reserve.

In addition, the Group implemented a liquidity agreement in 2015, amended on December 10, 2018 to comply with current European regulations, Articles L. 225-209 et seq. of the French Commercial Code, and the decision of the French Financial Markets Authority (AMF) of July 2, 2018. Resources initially allocated to the implementation of the liquidity agreement and credited to the liquidity account amounted to €3.0 million. As at December 31, 2020, treasury stock accounted for 201,772 shares valued at €2.6 million based on the historic share price, deducted from equity (115,250 shares, or €2.1 million at December 31, 2019).

10.2 Dividends and distributions paid and proposed

The general shareholders' meeting of May 23, 2019 approved the payment of a dividend of €0.37 per share. The amount distributed to shareholders was therefore €81.4 million.

As announced on March 31, 2020, given the coronavirus situation, the Management Board decided, after approval by the Supervisory Board, to withdraw the proposed payment of €0.39 per share for 2019 from the resolutions to be adopted by the general shareholders' meeting on June 30, 2020.

No new dividend distribution will be put forward at the next annual general shareholders' meeting.

10.3 Earnings per share

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)	**12/31/2020**	12/31/2019 restated
Net income or loss attributable to owners of the parent		
› Continuing operations	3.9	137.9
› Discontinued operations	-	4.1
NET INCOME OR LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	**3.9**	**142.0**
Weighted average number of shares	221,226,343	220,238,574
Effect of conversion of convertible notes	13,124,018	13,124,018
Effect of contingently issuable shares	397,246	827,241
Weighted average number of shares used for diluted EPS	234,747,608	234,189,833

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NOTE 11 RELATED PARTY DISCLOSURES

Except for compensation paid to executives as shown in Note 5.5 "Executive compensation (related party transactions)," no other transactions were carried out with related parties in 2020 or 2019.

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 12/31/2020	% equity 12/31/2019
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
Maison de Blanc Berrogain SAS	Anglet	Textile & hygiene services	-	Merger
Pro Services Environnement SAS	Rochetoirin	Textile & hygiene services	100	100
AD3 SAS	Dardilly	Textile & hygiene services	100	100
SCI Les Gailletrous	La Chaussée-Saint-Victor	Other	100	100
SCI du Château de Janville	Saint-Cloud	Other	100	100
GIE Eurocall Partners	Villeurbanne	Other	100	100
Blanchisserie Moderne SA	Montlouis-sur-Loire	Textile & hygiene services	Merger	96
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
LSP SAS	Saint-Cloud	Textile & hygiene services	-	Merger
Elis Prévention Nuisibles SAS	Bobigny	Textile & hygiene services	100	100
Blanchisserie Professionnelle d'Aquitaine SARL	Mios	Textile & hygiene services	-	Merger
Blanchisserie Blésoise SAS	La Chaussée-Saint-Victor	Textile & hygiene services	100	100
Rathiboust SAS	Aulnay-sous-Bois	Textile & hygiene services	-	Merger
Blanchisserie Sud Aquitaine SAS	Bénesse-Maremne	Textile & hygiene services	-	Merger
Cap Services SAS	Bonneuil sur Marne	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
KlinTex GmbH	Rehburg-Loccum	Other	-	Merger
Elis Stralsund GmbH	Stralsund	Textile & hygiene services	100	100
Elis Mannheim GmbH	Mannheim	Textile & hygiene services	100	100
Elis Servicegesellschaft Rhein-Neckar mbH	Mannheim	Other	100	100
Elis Ost GmbH	Schönebeck (Elbe)	Textile & hygiene services	100	100
AKK-Service GmbH	Hamburg	Textile & hygiene services	10	10

Entity name	Registered office	Primary business	% equity 12/31/2020	% equity 12/31/2019
Askulta Nord Textilpflege GmbH & Co KG	Glückstadt	Dormant	-	Merger
Elis Beteiligungs GmbH	Hamburg	Other	100	100
Elis GmbH	Hamburg	Textile & hygiene services	100	100
Berendsen GmbH Füssen	Hamburg	Dormant	-	Merger
Elis Glückstadt GmbH	Hamburg	Other	100	100
Berendsen GmbH Messkirch	Hamburg	Dormant	-	Merger
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
Glückstadter Textilservice GmbH & Co OHG	Glückstadt	Dormant	-	Merger
Jentex GmbH	Jena	Textile & hygiene services	49	49
PTS Pinneberger Textil-Service GmbH	Glückstadt	Dormant	In liquidation	In liquidation
Saniwo Textil-Gesellschaft mbH	Hamburg	Other	100	100
TSL Textil-Service und Logistik GmbH	Fürstenwalde	Dormant	100	100
SMH - Sächsische Mietwäsche und Handels GmbH	Dürrröhrsdorf-Dittersbach	Dormant	-	Merger
Elis Sulz GmbH	Sulz am Neckar	Textile & hygiene services	100	100
Elis Eckental GmbH	Eckental	Textile & hygiene services	100	100
Curantex Verwaltungs GmbH	Erkelenz	Other	100	100
Elis Erkelenz GmbH & Co KG	Erkelenz	Textile & hygiene services	100	100
Gonser Textilpflege GmbH	Dußlingen	Textile & hygiene services	Merger	-
Haber Textile Dienste GmbH & Co KG	Landstuhl	Textile & hygiene services	100	-
Haber Geschäftsführungsgesellschaft mbH	Landstuhl	Other	100	-
Steamtech GmbH	Landstuhl	Textile & hygiene services	100	-
AUSTRIA				
Berendsen GmbH	Hard	Textile & hygiene services	100	100
ANDORRA				
Auxiliar Hotelera Arly	Andorra	Textile & hygiene services	100	100
Arly les Valls	Andorra	Dormant	In liquidation	In liquidation
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
BRAZIL				
Atmosfera Gestão e Higienização de Têxteis SA	Jundiaí	Textile & hygiene services	100	100
L'Acqua Lavanderias Ltda	Ponta Grossa	Textile & hygiene services	100	100
Teclav Tecnologia e Lavagem Industrial Ltda	Eusébio	Textile & hygiene services	100	100
Martins e Lococo Lavanderia Ltda	Caieiras	Textile & hygiene services	100	100
MPW Lavanderia, Comércio e Serviços Ltda	Piracicaba	Textile & hygiene services	100	100
Megalav Lavanderia Hospitalar Ltda	Serra	Textile & hygiene services	100	100
Uniforme Lavanderia e Locação Ltda	Camaçari	Textile & hygiene services	100	100
Prontlav Lavanderia Ltda	Fortaleza	Textile & hygiene services	100	100
Toalhão Locação e Higienização de Enxoval Ltda	Fortaleza	Textile & hygiene services	100	100
NJ Lavanderia Industrial e Hospitalar Ltda ME	Brasilia	Textile & hygiene services	100	100
Prolav Servicos Tecnicos Ltda	Rio Bonito, Rio de Janeiro	Textile & hygiene services	100	100
Global Service Lavanderia Ltda ME	Goiana	Textile & hygiene services	100	100
LVB Holding Ltda	Videira	Other	100	100
Lavebras Gestão de Têxteis SA	Videira	Textile & hygiene services	100	100
Atmosfera Gestão e Higienização de Uniformes Ltda	São José dos Pinhais	Textile & hygiene services	100	100
Totalqualy Higienização Textil Ltda	São Bernardo do Campo	Textile & hygiene services	100	100
BR Laundry Industria, Comercio e Serviços Ltda	Anápolis	Textile & hygiene services	100	100

Entity name	Registered office	Primary business	% equity 12/31/2020	% equity 12/31/2019
Clinilaves Lavanderia Industrial - Eirelli	Araquari	Textile & hygiene services	100	-
Lavanderia ASPH Ltda	Boa Esperança do Sul	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
CYPRUS				
Coliday Holdings 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	Cartagena	Textile & hygiene services	100	100
DENMARK				
Berendsen A/S	Søborg	Other	100	100
Berendsen Textil Service A/S	Søborg	Textile & hygiene services	100	100
A-vask A/S	Søborg	Textile & hygiene services	100	100
Jysk Linnedservice A/S	Varde	Textile & hygiene services	90	90
SPAIN				
Elis Manomatic SA	Sant Cugat del Vallès (Barcelona)	Textile & hygiene services	100	100
Lavalia cee	La Nucia (Alicante)	Dormant	100	100
Elis Indusal UTE	Parets del Vallès (Barcelona)	Textile & hygiene services	100	100
Indusal Centro SA	Guadalajara (Guadalajara)	Textile & hygiene services	100	100
Indusal Navarra SA	Marcilla (Navarra)	Textile & hygiene services	100	100
Servicios de Lavandería Industrial de Castilla la Mancha SA	Yeles (Toledo)	Textile & hygiene services	100	100
Indusal SA	Arrigorriaga (Vizcaya)	Textile & hygiene services	100	100
Lavandería Industrial La Condesa SL	Venta de Baños (Palencia)	Textile & hygiene services	-	Dissolved
Goiz Ikuztegia SL	Zumárraga (Guipúzcoa)	Textile & hygiene services	100	100
Energías Margua SA	Marcilla (Navarra)	Other	100	100
Indusal Sur SA	Escacena del Campo (Huelva)	Textile & hygiene services	-	Merger
Cogeneración Martiartu SL	Arrigorriaga (Vizcaya)	Other	100	100
Lesa Inmuebles Siglo XXI SL	Marcilla (Navarra)	Other	100	100
Casbu SL	Igualada (Barcelona)	Textile & hygiene services	50	50
Compañía Navarra Servicios Integrales SL	Marcilla (Navarra)	Other	100	100
Cantabria Lainpak UTE	Cabezón de la Sal (Cantabria)	Dormant	-	Dissolved
Goiz Ikuztegia SL-Gureak Oiartzun SL UTE	Zumarraga (Guipúzcoa)	Textile & hygiene services	75	75
Indusal Navarra SA-Ilunion Navarra SLU UTE 2020	Marcilla (Navarra)	Textile & hygiene services	83	-
Indusal Navarra SA-Ilunion Navarra SL UTE	Marcilla (Navarra)	Textile & hygiene services	68	68
Lavanderias Triton SL	Madrid	Textile & hygiene services	100	100
Lloguer Textil Maresme SL	Cabrera de Mar (Barcelona)	Textile & hygiene services	100	100
Base Lavandería Industrial SLU	Sant Cugat del Vallès (Barcelona)	Textile & hygiene services	Merger	100
Marina de Complementos SLU	Sant Cugat del Vallès (Barcelona)	Textile & hygiene services	Merger	100
2MB Servitec SLU	Villares de la Reina (Salamanca)	Textile & hygiene services	100	-

Entity name	Registered office	Primary business	% equity 12/31/2020	% equity 12/31/2019
ESTONIA				
AS Svarmil	Kiviõli	Other	100	100
Berendsen Textile Service, AS	Tartu County	Textile & hygiene services	100	100
FINLAND				
Berendsen Textile Service Oy	Tuusula	Textile & hygiene services	100	100
HUNGARY				
Elis Hungary Kft	Miskolc	Textile & hygiene services	100	100
IRELAND				
Berendsen Finance Ireland (DKK) Ltd	Dublin	Other	100	100
Berendsen Finance Ireland (Euro) Ltd	Dublin	Other	100	100
Berendsen Finance Ireland (PLN) Ltd	Dublin	Other	100	100
Berendsen Ireland Holdings Ltd	Dublin	Dormant	100	100
Elis Textile Services Ltd	Dublin	Textile & hygiene services	100	100
Elis Textiles Ltd (formerly Kings Laundry Ltd)	Dublin	Textile & hygiene services	100	-
Nanoclean Ltd	Birr	Textile & hygiene services	Merger	100
Steri-tex Ltd	Dublin	Dormant	100	100
ITALY				
Elis Italia SpA	San Giuliano Milanese	Textile & hygiene services	100	100
Organizzazione Arrigoni Srl	Rho	Textile & hygiene services	-	Merger
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	-
NORWAY				
Berendsen Tekstil Service A/S	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
POLAND				
Elis Textile Service Sp zoo	Żukowo	Textile & hygiene services	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
Elis Textile Care CZ sro	Velké Pavlovice	Textile & hygiene services	-	Merger
Textile Washing Company ks	Kralovice	Textile & hygiene services	100	-
Gonser Textilwashing spol sro	Kralovice	Other	100	-
UNITED KINGDOM				
Kennedy Hygiene Products Ltd	Uckfield	Manufacturing entity	100	100
Kennedy Exports Ltd	Uckfield	Other	100	100
BDF Holdings Ltd	Renfrewshire, Scotland	Dormant	100	100
Berendsen Cleanroom Services Ltd	Basingstoke	Dormant	100	100
Berendsen Finance (DKK) Ltd	Basingstoke	Other	100	100
Berendsen Finance (Euro) Ltd	Basingstoke	Other	100	100
Berendsen Finance (Euro2) Ltd	Basingstoke	Other	100	100
Berendsen Finance Ltd	Basingstoke	Other	100	100
Berendsen Healthcare Ltd	Basingstoke	Dormant	100	100

Entity name	Registered office	Primary business	% equity 12/31/2020	% equity 12/31/2019
Berendsen Hospitality Ltd	Basingstoke	Dormant	100	100
Berendsen Ltd	Basingstoke	Other	100	100
Berendsen Nominees Ltd	Basingstoke	Other	100	100
Elis NI Limited	Belfast	Textile & hygiene services	100	100
Berendsen Supply Chain (Northern Ireland) Ltd	Belfast	Dormant	100	100
Elis UK Ltd	Basingstoke	Textile & hygiene services	100	100
Berendsen Workwear Ltd	Basingstoke	Dormant	100	100
Cavendish Laundry Ltd	Basingstoke	Dormant	-	Dissolved
Davis (BIM) Ltd	Basingstoke	Dormant	100	100
Davis (FH) Ltd	Basingstoke	Dormant	-	Dissolved
Fabricare Ltd	Basingstoke	Dormant	100	Dissolved
IHSS Ltd	Basingstoke	Textile & hygiene services	-	Sold
Lakeland Pennine Group Ltd	Basingstoke	Dormant	100	100
Lakeland Pennine Ltd	Basingstoke	Dormant	Dissolved	100
Laundrycraft Ltd	Basingstoke	Dormant	Dissolved	100
M Furnishing Group Ltd	Basingstoke	Dormant	Dissolved	100
Midland Laundry Group Ltd	Basingstoke	Dormant	100	100
Midland Laundry Group Holdings Ltd	Basingstoke	Dormant	100	100
National Sunlight Laundries Ltd	Basingstoke	Dormant	-	Dissolved
Rocialle Ltd	Basingstoke	Dormant	Dissolved	100
Rocialle Healthcare Ltd	Basingstoke	Textile & hygiene services	-	Sold
Spring Grove Services Ltd	Basingstoke	Dormant	Dissolved	100
Spring Grove Services Group Ltd	Basingstoke	Dormant	100	100
St. Helens Laundry Ltd	Basingstoke	Dormant	-	Dissolved
Sunlight (Lyndale) Ltd	Basingstoke	Dormant	-	Dissolved
Sunlight Clinical Solutions Ltd	Basingstoke	Other	100	100
Sunlight Services Ltd	Basingstoke	Dormant	Dissolved	100
Sunlight Textile Services Ltd	Basingstoke	Dormant	100	100
Sunlight Workwear Services Ltd	Basingstoke	Dormant	Dissolved	100
The Sunlight Group Ltd	Basingstoke	Dormant	-	Dissolved
The Sunlight Service Group Ltd	Basingstoke	Dormant	100	100
Central Laundry Ltd	Burton-On-Trent	Textile & hygiene services	100	-
JERSEY				
Berendsen Employee Benefit Trust	Jersey	Other	100	100
SLOVAKIA				
Elis Textile Care SK sro	Trenčín	Textile & hygiene services	100	100
RUSSIA				
OOO Berendsen	Moscow	Textile & hygiene services	100	100
OOO Комбинат бытового обслуживания "НОВОСТЬ" (Combine of Consumer Services Novost)	Moscow	Textile & hygiene services	100	100
OOO Маки-сервис (Maki-Service)	Moscow	Textile & hygiene services	100	100
OOO МатСервис (MatService)	Moscow	Textile & hygiene services	100	100
OOO Ковер-Сервис (Kover-Service)	Novossibirsk	Textile & hygiene services	100	100
OOO Холл-Сервис (Holl-Service)	Moscow	Textile & hygiene services	100	100
OOO ГЕО групп (GEO Group)	Moscow	Textile & hygiene services	100	100
SWEDEN				
Elis Design & Supply Chain Centre AB	Gothenburg	Other	100	100
Berendsen Textil Service AB	Malmö	Textile & hygiene services	100	100
Carpeting Entrémattor i Stockholm AB	Skogås	Textile & hygiene services	-	Merger
Skräddarens Tvätt & Hyrservice AB	Umeå	Textile & hygiene services	-	Merger
F5 Umeå AB	Umeå	Other	-	Merger
Vialla Fastigheter AB	Skogås	Other	-	Merger
S. Berendsen AB	Malmö	Other	100	100

Entity name	Registered office	Primary business	% equity 12/31/2020	% equity 12/31/2019
SWITZERLAND				
Elis (Suisse) AG	Bern	Textile & hygiene services	100	100
Hygienis SA	Carouge	Textile & hygiene services	100	100
InoTex Bern AG	Bern	Textile & hygiene services	-	Merger
On My Way	Lausanne	Textile & hygiene services	-	Sold
Picsou Management AG	Bern	Other	100	100
SiRo Holding AG	Bern	Other	-	Merger
Elis Cleanroom (Suisse) SA	Brügg	Textile & hygiene services	100	100
Wäscherei Kunz AG	Rüdtligen-Alchenflüh	Textile & hygiene services	-	Merger
Wäscherei Mariano AG	Schlieren	Textile & hygiene services	100	100
Wäscheria Textil Service AG	Ilanz	Textile & hygiene services	Merger	100
AS Désinfection SA	Lonay	Textile & hygiene services	100	100

NOTE 12 EVENTS AFTER THE REPORTING PERIOD

Adaptation of the 2018 and 2019 performance share plans

In view of the exceptional impact of the health crisis, the Supervisory Board, at its meeting on March 8, 2021, on the advice of the Appointments, Compensation and Governance Committee, decided, in accordance with the applicable compensation policy approved by shareholders at the general shareholders' meeting of May 18, 2018 (for the 2018 plan) and the general shareholders' meeting of May 23, 2019 (for the 2019 plan), to adjust the performance criteria applicable to the 2018 and 2019 plans for the Executive Committee (including members of the Management Board) as follows:

- For the class A shares allocated under the 2018 plan and the shares allocated under the 2019 plan, adjustment of the performance criteria on the basis of new projections established by the Board, taking into account the impact of the health crisis (in terms of the volume of customer activity and fluctuations in the main exchange rates) on the Group's theoretical trajectory and
- For the class B shares allocated under the 2018 plan, adjustment of the second performance criterion (EBIT margin Germany), considering that the target would have been achieved without the health crisis. The third criterion (operational synergies) had already been approved and disclosed; conversely, the first criterion (EBIT margin UK) is not deemed to have been met.

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

The fulfilment of the performance criteria attached to the 2019 performance share plan will be assessed in 2022, in view of the Group's performance during the year ending December 31, 2021.

It should be noted that these adjustments were made for all 500 managers concerned.

NOTE 13 STATUTORY AUDITORS' FEES

	Mazars				PricewaterhouseCoopers Audit			
	Amount (excl tax)		%		Amount (excl tax)		%	
(In millions of euros)	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Independent audit	0.5	0.5	92%	81%	0.3	0.3	81%	71%
Services other than an independent audit	0.1	0.1	8%	19%	0.1	0.1	19%	29%
› required by law			0%	0%			0%	0%
› other(a)(b)	0.1	0.1	8%	19%	0.1	0.1	19%	29%
TOTAL	**0.6**	**0.7**	**100%**	**100%**	**0.4**	**0.4**	**100%**	**100%**

(a) In 2020, the services performed by Mazars and PricewaterhouseCoopers Audit involved issuing comfort letters and reports as part of financing transactions during the financial year and PricewaterhouseCoopers Audit verified the consolidated non-financial performance statement.

(b) In 2019, the services performed by Mazars and PricewaterhouseCoopers Audit involved issuing comfort letters and reports as part of financing transactions during the financial year and a report related to the capital increase reserved for employees. PricewaterhouseCoopers Audit also verified the consolidated non-financial performance statement.

In accordance with the ANC (the French Accounting Standards Authority) Regulation 2016-09, these tables only include the fees paid to the Statutory Auditors and do not include fees paid by Elis S.A. 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, 2020 AFR

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, 2020.

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, 2020 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, 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the section "Effects of the Covid-19 event on the income statement" of Note 2.8 and to Note 4.6 "Other operating income and expenses" to the consolidated financial statements, which describe the impact of the crisis related to the Covid-19 pandemic on the consolidated income statement.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill

Notes 6.1 "Goodwill", 6.5 "Impairment losses on non-current assets" to the consolidated financial statements and section "Accounting estimates and judgments" of Note 2.8 "Impact of the Covid-19 pandemic"

Description of risk

At December 31, 2020, goodwill totaled a net amount of €3,765.9 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 by geographic area to the cash-generating units (CGUs) of the activities into which the various entities acquired have been incorporated.

An impairment charge for this goodwill is recognized on the statement of financial position when the recoverable amount of the CGUs, determined as part of compulsory annual impairment testing, is less than their carrying amount, in accordance with IAS 36.

The recoverable amount is determined using an approach based on discounted future cash flows and requires a significant degree of judgment from management, particularly in relation to business plans, future cash flows based on perpetual growth rate assumptions, and the discounting of these flows based on the weighted average cost of capital. The methods used to measure goodwill are described in Note 6.5 to the consolidated financial statements.

Accordingly, we deemed the measurement of the recoverable amount of goodwill to be a key audit matter.

How our audit addressed this risk

We assessed the consistency of the methodology applied by the Finance Department.

We also conducted a critical assessment of the procedure for implementing this methodology, and assessed the following:

- that all of the components of the carrying amount of the CGUs tested were taken into account and are consistent with the EBITDA and EBIT projections integrated in the business plans to determine the recoverable amount;
- the reasonableness of the EBITDA and EBIT projections for the CGUs in light of the CGUs' economic and financial environments, especially in the context of the Covid-19 pandemic, and by assessing the reasons for the differences between projected and actual historical performances, the reliability of the process by which the estimates were calculated;
- the consistency of these EBITDA and EBIT projections with management's most recent estimates as validated by the Management Board and approved by the Supervisory Board regarding the years 2021 to 2023;
- the reasonableness of the discount rates and the long-term growth rates used to calculate discounted future cash flows, with the support of our asset valuation experts;
- the sensitivity analyses of the impairment tests conducted by management to a change in the perpetual growth rate and the discount rates, as well as a one-year deferral in the expected return to normal economic conditions.

Lastly, we obtained assurance that Notes 6.1 and 6.5 to the consolidated financial statements provide appropriate disclosures.

Litigation and contingent liabilities

Note 7.2 "Contingent liabilities" to the consolidated financial statements

Description of risk

Note 7.2 to the consolidated financial statements summarizes the legal or arbitration proceedings arising in the normal course of business of the Group.

They notably include ongoing proceedings in Brazil and France, where contingent liabilities include in particular an ongoing anti-trust investigation.

Provisions are recorded with respect to these if the Group believes that it has a contractual, legal or constructive obligation, and that the future outflows of resources to cover the risk can be estimated accurately.

Given the uncertain outcome of these proceedings and ongoing investigations, and their potential negative and material effect on the Group owing to the financial penalties that may be incurred, as well as any impact they could have on its businesses and their commercial prospects, we deemed litigation and contingent liabilities to be a key audit matter.

How our audit addressed this risk

To assess whether or not the risks associated with these proceedings and ongoing investigations have been properly assessed, and to verify their non-quantifiable nature, where appropriate, we:

- performed a critical review of the positions adopted by the Company's lawyers and legal advisers involved in these matters;
- examined the analyses of the proceedings/investigations prepared by the Group's Finance and Legal Departments.

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 verified 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 information 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

Pursuant to paragraph III of Article 222-3 of the AMF's General Regulations, the Company's management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, to reporting periods beginning on or after January 1, 2021. Accordingly, this report does not contain a conclusion on the compliance of 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*) with this format.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Elis by the 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, 2020, Mazars and PricewaterhouseCoopers Audit were in the tenth and fourteenth consecutive year of their engagement, respectively, and the sixth year since the Company's securities were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Management Board.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee, which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Courbevoie, March 8, 2021

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Edouard SATTLER	Isabelle MASSA

6.3 ELIS PARENT COMPANY FINANCIAL STATEMENTS AFR

6.3.1 Balance sheet for the year ended December 31, 2020

Assets

(In thousands of euros)	Gross amount	Amort. Depr.	Net 12/31/2020	Net 12/31/2019
Subscribed capital uncalled				
Intangible assets				
Start-up costs				
Development costs				
Concessions, patents and other rights				
Business goodwill				
Other intangible assets				
Advances and prepayments on intangible assets				
Property, plant and equipment				
Land				
Buildings				
Fittings, machinery and equipment				
Other property, plant and equipment				
Assets in progress				
Advances and prepayments				
Financial assets				
Equity-accounted companies				
Other equity investments	3,912,073	1,156	3,910,917	3,910,983
Loans and advances to equity investees	772,689		772,689	795,425
Other investments	111		111	111
Loans				
Other financial assets	1,368,225		1,368,225	1,368,857
TOTAL NON-CURRENT ASSETS	**6,053,098**	**1,156**	**6,051,942**	**6,075,376**
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				
Receivables				
Trade receivables	89		89	1,280
Other receivables	417,606		417,606	446,165
Subscribed capital called but not paid				
Other				
Marketable securities				
(Of which treasury shares):				
Cash and cash equivalents	55,289		55,289	78,949
Other accruals				
Prepaid expenses	751		751	742
TOTAL CURRENT ASSETS	**473,735**		**473,735**	**527,136**
Deferred debt issuance costs				
Bond discounts				
Unrealized foreign currency translation losses	855		855	4,103
GRAND TOTAL	**6,527,688**	**1,156**	**6,526,532**	**6,606,615**

Equity and liabilities

(In thousands of euros)	**Financial year 2020**	Financial year 2019
Issued capital (o/w paid-up: 221,819)	221,819	221,298
Additional paid-in capital	2,575,640	2,646,411
Remeasurement adjustments (o/w for equity-accounted companies)		
Legal reserve	6,780	6,780
Regulatory or contractual reserves		
Regulated reserves (including translation reserve)		
Other reserves (including reserve for purchases of original works by living artists)		
Retained earnings (accumulated deficit)		74
Net income (profit or loss) for the period	**(42,796)**	**(70,324)**
Investment grants		
Regulated provisions	18,098	12,703
TOTAL EQUITY	**2,779,541**	**2,816,942**
Proceeds from issuance of equity securities		
Conditional advances		
OTHER EQUITY		
Provisions for risks	295	2,539
Provisions for expenses	186	146
PROVISIONS	**481**	**2,685**
Financial liabilities		
Convertible bonds	400,000	400,000
Other bonds	334,283	337,292
Bank loans		75,124
Sundry borrowings and financial debt (o/w equity loans)	2,990,441	2,962,596
Advances and deposits on orders in progress		
Operating liabilities		
Trade payables	4,236	3,866
Tax- and employee-related liabilities	1,747	2,846
Sundry liabilities		
Amounts due to suppliers of non-current assets		
Other liabilities	15,222	3,756
Other accruals		
Deferred income		
TOTAL LIABILITIES	**3,745,929**	**3,785,480**
Unrealized foreign currency translation gains	581	1,508
GRAND TOTAL	**6,526,532**	**6,606,615**

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6.3.2 Income statement for the year ended December 31, 2020

(In thousands of euros)	Financial year 2020 France	Financial year 2020 Exports	Financial year 2020 Total	Financial year 2019
Sales of goods held for resale				
Sales of goods				
Sales of services	1,005		1,005	1,005
Net revenue	**1,005**		**1,005**	**1,005**
Increase in finished goods and work in process inventories				
Capitalized production costs				
Operating grants				
Reversal of impairment losses, provisions and depreciation/ amortization, reinvoiced expenses				
Other income				
Recurring operating income			**1,005**	**1,005**
Purchases of goods held for resale (including customs duties)				
Change in inventories (goods held for resale)				
Purchases of raw materials and supplies			3	5
Change in inventories (raw materials and supplies)				
Other purchases and external expenses			17,923	26,768
Taxes and duties			489	456
Wages and salaries			2,395	3,578
Payroll taxes			894	1,890
Depreciation, amortization, impairment and provisions:				
Non-current assets: depreciation and amortization expense				
Non-current assets: impairment losses				
Current assets: impairment losses				
Increase in provisions			19	15
Other expenses			374	523
Operating expenses			**22,097**	**33,235**
OPERATING INCOME (LOSS)			**(21,092)**	**(32,230)**
Joint operations				
Profit transferred in or loss transferred out				
Loss transferred in or profit transferred out				
Financial income			**53,471**	**46,939**
Financial income from equity investments				
Income from other securities and long-term loans and receivables				
Other interest income			22,194	24,292
Reinvoiced expenses and reversals of provisions			2,546	5,160
Foreign currency translation gains			28,731	17,487
Net gain on disposals of marketable securities				
Financial expenses			**88,505**	**114,828**
Amortization and provisions on financial assets			294	2,537
Interest expense			57,141	98,584
Foreign currency translation losses			31,054	13,707
Net expense on disposals of marketable securities			16	
NET FINANCIAL INCOME (LOSS)			**(35,034)**	**(67,889)**
NET RECURRING INCOME (LOSS) BEFORE TAX			**(56,126)**	**(100,119)**
Non-recurring income			**149**	**245**
Non-recurring income from operations				32
Non-recurring income from capital transactions			149	213
Reinvoiced expenses and reversals of provisions				
Non-recurring expenses			**7,527**	**6,576**
Non-recurring expenses on operations			1,332	349
Non-recurring expenses on capital transactions			781	549
Non-recurring depreciation, amortization and provisions			5,414	5,678
NET NON-RECURRING INCOME (LOSS)			**(7,378)**	**(6,331)**
Employee profit-sharing				
Income tax expense			(20,708)	(36,128)
Total income			**54,625**	**48,187**
Total expenses			**97,421**	**118,511**
PROFIT OR LOSS			**(42,796)**	**(70,324)**

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 period from January 1, 2020 to December 31, 2020 and show a loss of €42,796,000.

In Europe, the Covid-19 pandemic, which began in the first quarter of 2020 and has continued into 2021, and the various lockdown measures or restrictions imposed on individuals and companies, are having a significant impact on the Company's subsidiaries and direct investments. Depending on which business sector they operate in, some customers of subsidiaries and direct investments have seen their activities temporarily suspended or otherwise severely affected, while other customers have received a significant boost from the pandemic. The Hospitality segment, for example, has recorded a sharp downturn in business. Conversely, the Industry segment is proving more resilient, particularly in the pharmaceutical and food sectors. For customers in the Healthcare segment, business has also remained buoyant. The Company has been putting measures in place since March 2020 to protect its cash position and that of the Elis Group.

It remains uncertain how much future changes in the pandemic will affect demand from businesses and customers. The appropriateness of the going concern principle of accounting depends on the continued availability of borrowings. The Company also has very good liquidity and has no major debt maturity before 2023. Elis has liquidity available to it in the form of (i) two revolving lines of credit with an undrawn amount of €900 million and (ii) €55.3 million in cash as at December 31, 2020. To better absorb the fallout from the crisis, the Company requested and obtained a waiver for its bank covenant tests on December 31, 2020 and June 30, 2021. Therefore, according to the Group's forecasts, the Company reasonably expects to have adequate resources to continue trading for at least the next 12 months. It has concluded that the preparation of the financial statements on a going concern basis is still appropriate.

The Company also reviewed the impacts the Covid-19 on the recognition and measurement of assets, liabilities, income and expenses in the financial statements for the year just ended. The main impact has been to the impairment tests on financial assets as described in Note 3.1.

Additional costs directly related to the event itself and which would not have been incurred or recorded if the event had not taken place, are the fees linked the waiver of its banking covenant as mentioned in net non-recurring income detailed in Note 6.6.

Lastly, Elis also arranged the early repayment of some borrowings outside the Group (see Note 5.5) during the financial year.

NOTE 2 EVENTS AFTER THE REPORTING PERIOD

Adaptation of the 2018 and 2019 performance share plans

In view of the exceptional impact of the health crisis, the Supervisory Board, at its meeting on March 8, 2021, on the advice of the Appointments, Compensation and Governance Committee, decided, in accordance with the applicable compensation policy approved by shareholders at the general shareholders' meeting of May 18, 2018 (for the 2018 plan) and the general shareholders' meeting of May 23, 2019 (for the 2019 plan), to adjust the performance criteria applicable to the 2018 and 2019 plans for the Executive Committee (including members of the Management Board) as follows:

- For the class A shares allocated under the 2018 plan and the shares allocated under the 2019 plan, adjustment of the performance criteria on the basis of new projections established by the Board, taking into account the impact of the health crisis (in terms of the volume of customer activity and fluctuations in the main exchange rates) on the Group's theoretical trajectory and
- For the class B shares allocated under the 2018 plan, adjustment of the second performance criterion (EBIT margin Germany), considering that the target would have been achieved without the health crisis. The third criterion (operational synergies) had already been approved and disclosed; conversely, the first criterion (EBIT margin UK) is not deemed to have been met.

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

The fulfilment of the performance criteria attached to the 2019 performance share plan will be assessed in 2022, in view of the Group's performance during the year ending December 31, 2021.

It should be noted that these adjustments were made for all 500 managers concerned.

NOTE 3 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

Impairment of equity investments: see paragraph 3.1 on the measurement of equity investments in times of economic uncertainty.

The main accounting policies applied are as follows:

3.1 Non-current assets

Financial assets

Equity investments and related receivables

The gross amount of equity investments consists of the purchase cost, including incidental expenses, since the first application of Opinion 2007-C issued on June 15, 2007 by the Urgent Issues Committee of the French National Accounting Board (CNC). Prior to that Opinion, transfer taxes, fees and commissions, and legal costs were recognized in expenses for the financial year. These costs are then amortized over an accelerated period of five years.

At the end of the financial year, an impairment loss is recorded when the value in use is less than the carrying amount. The value in use of a given investment is determined according to its contribution to consolidated net assets, its profitability, and its future outlook. When the carrying amount of an investment is greater than its contribution to consolidated net assets, the carrying amount of the investment is compared to the recoverable amount, usually based on multiples of economic indicators (EBITDA and EBIT) less the net debt for the investment concerned.

As the multiple valuation technique has been difficult to implement due to the Covid-19 crisis, as at 12/31/2020, the Company opted for the discounted cash flow method of valuation, as calculated under IFRS for the Elis Group's consolidated financial statements. The main assumption used in the latest business plan for future cash flows is a return to the Group's 2019 business and earnings levels by end-2022/early 2023 following a cautious recovery with no further general lockdown, but taking into account the upcoming economic crisis.

Receivables from investments are recognized at face value. An impairment loss is recorded when the recoverable amount is less than the carrying amount.

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 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."

3.2 Receivables and liabilities

Receivables are recognized at face value.

An impairment loss is recorded when the recoverable amount is less than the carrying amount.

3.3 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.

3.4 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."

3.5 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.

3.6 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.

3.7 Financial instruments and hedges

Hedging instruments

Hedge accounting principles must be applied whenever a hedging relationship is identified and documented by management. The impacts of the financial instruments used by Elis SA to hedge and manage its interest rate risks are recognized in the income statement symmetrically with those of the hedged item: thus, in 2019, the expense of interest rate swaps was recognized at the same time as the interest on the hedged loans and classified under the item "Interest expense."

Isolated open positions

Isolated open positions are all the transactions that do not qualify as hedges. Gains and losses on terminated contracts are recognized in the income statement. Unrealized losses are recorded in the balance sheet and a provision is recorded.

NOTE 4 NOTES TO THE BALANCE SHEET – ASSETS

4.1 Property, plant and equipment and intangible assets

The Company does not hold any property, plant and equipment or intangible assets.

4.2 Financial assets

Movements for the year

(In thousands of euros)	Gross amount at 12/31/2019	Acquisitions and reclassifications/ contributions	Disposals and reclassifications	Gross amount at 12/31/2020	Impairment loss	**Net amount at 12/31/2020**
Equity-accounted companies						
Other equity investments	4,707,573	16,355	39,166	4,684,762	1,156	4,683,606
Other investments	111			111		111
Loans and other financial assets	1,368,857	11,603	12,235	1,368,225		1,368,225
TOTAL	**6,076,541**	**27,958**	**51,401**	**6,053,098**	**1,156**	**6,051,942**

As at December 31, 2020, treasury shares amounted to 205,723 shares representing €2,934,000.

4.3 Impairment of non-current assets

(In thousands of euros)	As at 12/31/2019	Additions/ contributions	Reversals	As at 12/31/2020
Impairment loss – intangible assets				
Impairment loss – PP&E				
Impairment loss – equity-accounted companies				
Impairment loss – equity investments	1,165		9	1,156
Impairment loss – financial assets				
TOTAL	**1,165**		**9**	**1,156**

4.4 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	2020 revenue	Net income (loss) for the financial year ended 12/31/2020	Dividends received by the Company during the financial year ended 12/31/2020
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	461,458	100.0	1,091,055	1,091,055	835,809	0	554,189	56,561	0
Société de Participations Commerciales et Industrielles SARL – Saint-Cloud (92) – 409 900 149	28,685	117	100.0	28,682	28,682	0	0	0	533	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	£392,127,000	100.0	2,790,876	2,790,876	317,547	5,730	0	(£1,743,000)	0
2. Equity investment – ownership of between 10% and 50%										
B. General information about other subsidiaries and investments										
1. Subsidiaries (not included in section A above)										
a. French subsidiaries (total)										
b. Foreign subsidiaries (total)										
2. Investments (not included in section A above)										
a. In French companies (total)										
b. In foreign companies (total)				1,460	304					
TOTAL EQUITY INVESTMENTS ON BALANCE SHEET				**3,912,073**	**3,910,917**					

4.5 Transactions with related parties

The major 2020 transactions with related parties not made under arm's length conditions are as follows:

Name of related party	Description of transaction	Amount in thousands of euros (receivable or income)	Amount in thousands of euros (liability or expense)
M.A.J. SA	Loan agreement – ex-Novalis		
	› Principal amount	87,753	
	› Interest	2,767	
	Loan agreement – USPP		
	› Principal amount	335,670	
	› Interest	9,214	
	Loan agreement – OCEANE		
	› Principal amount	50,000	
	› Interest	600	
M.A.J. SA	Current account agreement		
	› Advance granted to M.A.J.	362,387	
	› Interest paid by M.A.J.	4,645	
Elis Services SAS	Service agreement		
	› Services invoiced by Elis Services to Elis		6,786
	› Services invoiced by Elis to Elis Services	1,005	
Berendsen Ltd	Loan agreement		
	› Principal amount	297,702	
	› Interest	3,775	

4.6 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	**2,140,914**	**4,529**	**2,136,385**
Loans and advances to equity investees	772,689	1,565	771,124
Loans			
Other financial assets	1,368,225	2,964	1,365,261
TOTAL CURRENT ASSETS	**418,445**	**418,445**	
Customers	89	89	
Impaired trade			
Employee			
Social security			
Prepaid taxes and misc. duties	1,287	1,287	
Group and associates	411,792	411,792	
Sundry receivables	4,526	4,526	
Prepaid expenses	751	751	
TOTAL	**2,559,359**	**422,974**	**2,136,385**
Loans granted during the year			
Repayments received during the year	22,825		
Loans and advances granted to associates (individuals)			

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4.7 Trade receivables

(In thousands of euros)	Gross amount	Impairment loss	Net 12/31/2020	Net 12/31/2019
Trade receivables	89		89	1,280
Other receivables	417,597		417,597	446,165
Subscribed capital called but not paid				
TOTAL	**417,686**		**417,686**	**447,445**

4.8 Impairment loss on receivables

None.

4.9 Receivables represented by commercial paper

None.

4.10 Accrued income

The accrued income included in the following balance sheet items amounted to €1,565,000.

(In thousands of euros)	As at 12/31/2020	As at 12/31/2019
Interest accrued on loans and receivables due from equity investees	1,565	1,476
Accrued trade receivables		281
TOTAL	**1,565**	**1,757**

4.11 Other accruals

Prepaid expenses

Prepaid expenses totaled €751,000.

(In thousands of euros)	As at 12/31/2020	As at 12/31/2019
Operating expenses	205	181
Financial expenses	546	561
Non-recurring expenses	0	0
TOTAL	**751**	**742**

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NOTE 5 NOTES TO THE BALANCE SHEET – EQUITY AND LIABILITIES

5.1 Total equity

Share capital was divided into 221,819,430 fully paid-up common shares with a par value of €1.00 each.

The following transactions were carried out on the Company's share capital:

- on March 24, 2020, a capital increase through the capitalization of €249,000 from additional paid-in capital generated by issuing 249,300 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 March 24, 2020;
- on April 6, 2020, a capital increase through the capitalization of €247,000 from additional paid-in capital generated by issuing 246,884 new shares with a par value of €1.00 each as part of the final allocation of performance shares to the Group's corporate officers and employees in accordance with the terms of the combined general shareholders' meeting on May 27, 2016, as decided by the Management Board on April 6, 2020;
- on August 31, 2020, a capital increase through the capitalization of €13,000 from additional paid-in capital generated by issuing 13,245 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 August 31, 2020;
- on December 20, 2020, a capital increase through the capitalization of €12,000 from additional paid-in capital generated by issuing 12,204 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 18, 2020.

Changes in equity during the financial year are as follows:

(In thousands of euros)	
AS AT 12/31/2019	**2,816,943**
Dividends	
Net income (loss) for the financial year	(42,796)
Capital increase	522
Allocation of additional paid-in capital	(522)
Increase in legal reserve	
Increase in retained earnings	
Change in investment grants	
Change in regulated provisions (accelerated depr./amort., etc.)	5,394
AS AT 12/31/2020	**2,779,541**

5.2 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. 6 – 2017	Plan no. 7 – 2018	Plan no. 8 – 2018	Plan no. 9 – 2018	Plan no. 10 – 2019	Plan no. 11 – 2019	Plan no. 12 – 2020	Plan no. 13 – 2020
Date of shareholders' meeting	05/27/2016	05/27/2016	05/27/2016	05/27/2016	05/27/2016	05/27/2016	06/30/2020	06/30/2020
Date of Supervisory Board meeting	03/14/2017	03/06/2018	03/06/2018	03/06/2018	03/06/2019	03/06/2019	03/03/2020 06/30/2020	03/03/2020 06/30/2020
Date of decision of the Management Board	03/24/2017	03/29/2018	08/31/2018	12/20/2018	05/02/2019	07/25/2019	07/09/2020	12/28/2020
Number of rights originally granted	577,050	1,071,374	29,750	28,604	1,476,558	10,018	2,101,762	19,350
› of which members of the Executive Committee	249,300	494,100	-	-	417,746	-	581,029	-
› of which corporate officers	146,700	206,490	-	-	194,300	-	276,244	-
– Xavier Martiré	100,000	117,995	–	–	116,580	-	165,746	-
– Louis Guyot	23,350	49,164	–	–	45,337	-	64,457	-
– Matthieu Lecharny	23,350	39,331	–	–	32,383	-	46,041	-
Number of beneficiaries	230	472	36	25	521	4	536	23
› of which members of the Executive Committee	9	11	–	–	11	-	11	-
› of which corporate officers	3[(a)]	3[(a)]	–	–	3[(a)]	-	3[(a)]	-
Grant date	03/24/2017	04/06/2018	08/31/2018	12/20/2018	05/02/2019	08/01/2019	07/09/2020	12/28/2020
Vesting date								
› members of the Management Board and the Executive Committee	03/24/2020[(c)]	04/06/2021[(c)]	–	–	05/02/2022[(c)]	-	07/09/2023[(c)]	
› other beneficiaries	03/24/2019[(c)]	04/06/2020[(c)]	08/31/2020[(c)]	12/20/2020[(c)]	05/02/2021[(c)]	08/01/2021[(c)]	07/09/2022[(c)]	12/28/2022[(c)]
End of share lock-up period								
› members of the Management Committee and the Executive Committee	03/24/2020[(d)]	04/06/2021[(d)]	–	–	05/02/2022[(d)]	-	07/09/2023[(d)]	
› other beneficiaries	03/24/2019[(d)]	04/06/2020[(d)]	08/31/2020[(d)]	12/20/2020[(d)]	05/02/2021[(d)]	08/01/2021[(d)]	07/09/2022[(d)]	12/28/2022[(d)]
Rights vested in 2020	**249,300[(e)]**	**245,777[(f)]**	**13,359[(f)]**	**13,197[(f)]**	**0[(g)]**	**0[(g)]**	**0[(g)]**	**0[(g)]**
Number of rights lapsed or forfeited as at 12/31/2020	-	365,912	16,391	15,407	139,251	2,732	34,532	-
Number of rights outstanding as at 12/31/2020	-	459,685	-	-	1,337,307	7,286	2,067,230	19,350
› of which members of the Executive Committee	-	459,685[(h)]	-	-	391,839	-	581,029	
› of which corporate officers	-	206,490	-	-	194,300	-	276,244	
– Xavier Martiré	-	117,995	-	-	116,580	-	165,746	
– Louis Guyot	-	49,164	-	-	45,337	-	64,457	
– Matthieu Lecharny	-	39,331	-	-	32,383	-	46,041	
Number of working beneficiaries as at 12/31/2020	175	378	31	23	459	2	520	23
› of which members of the Executive Committee	8	10	0	0	10	-	11	0
› of which corporate officers	3[(b)]	3[(b)]	0	0	3[(b)]	-	3[(b)]	0

(a) *Xavier Martiré, Louis Guyot and Matthieu Lecharny.*
(b) *Xavier Martiré, Louis Guyot and Matthieu Lecharny*
(c) *Shares vest at the end of a vesting period set at two years from the date of the grant for all beneficiaries, except for the members of the Executive Committee (including members of the Management Board), for whom the vesting period is set at three years from the date of the grant.*
(d) *There is no lock-up period under this plan so the shares will be available and may be freely transferred by the beneficiaries at the end of the vesting period, subject to statutory blackout periods and the provisions of the French Code of Conduct for Trading and Market Activities. 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 2020 universal registration document.*
(e) *At its meeting on March 3, 2020, the Supervisory Board reviewed the performance associated with the vesting of the performance shares granted to the members of the Executive Committee in 2017 and for which the vesting period expired in 2020. The Supervisory Board noted that all performance conditions had been met, such that 100% of the shares granted in 2017 were vested. These performance targets were linked to internal absolute criteria relating to revenue and EBIT set on the basis of the business plan, itself in line with market expectations, and to an external criterion linked to the Elis share price relative to a benchmark index. The shares vested on March 24, 2020.*
(f) *At its meeting on March 3, 2020, the Supervisory Board reviewed the performance associated with the vesting of the performance shares granted to employees (excluding the Executive Committee) in 2018 and for which the vesting period expired in 2020. The Supervisory Board noted that two performance conditions had been met, such that 50% of the shares granted in 2018 to employees (excluding the Executive Committee) were vested. These performance targets were linked to internal absolute criteria relating to revenue and EBIT and to a criterion linked to the Elis share price relative to a benchmark index.*
(g) *The vesting of shares is contingent on the achievement of performance targets measured over a two-year period for all beneficiaries, except for the members of the Executive Committee, whose performance is measured over a three-year period. Unless waived by the Management Board, the vesting of shares is also contingent on uninterrupted, continuous service with the Group for the duration of the vesting period. The performance targets associated with the vesting of the shares were defined in reference to internal absolute criteria linked to consolidated revenue and consolidated EBIT set on the basis of the business plan, itself in line with market expectations, and to the performance of the Elis share price relative to a benchmark index. The number of vested shares will depend on the number of targets achieved, with the understanding that the achievement of performance targets is binary, so that if a target is not met, the number of rights linked to that target is not due and the corresponding shares do not vest. For plans implemented in 2019 and 2020, 34% of the shares will vest if just one of those performance conditions is met, 67% if two of the conditions are met, and 100% if all three conditions are met. No shares will vest if none of the performance conditions is met.*
(h) *For the 2018 plan for members of the Executive Committee, the performance conditions attaching to performance shares are also subject to the successful integration of Berendsen: synergies achieved and EBIT margin in the UK and Germany. 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.*

5.3 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

5.4 Provisions

Breakdown by type:

Provisions for risks

(In thousands of euros)	As at 12/31/2019	Additions	Reversals	As at 12/31/2020
Provisions for litigation				
Provisions for warranties given to customers				
Provisions for losses on futures markets	2,537	294	2,537	294
Provisions for fines and penalties	0			0
Provisions for unrealized foreign currency translation losses	0			0
Provisions for post-employment benefits	146	39		185
TOTAL	**2,683**	**333**	**2,537**	**479**

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5.5 Summary of maturities of liabilities

(In thousands of euros)	Gross amount at 12/31/2020	Less than 1 year	1 to 5 years	More than 5 years
Convertible bonds	400,000		400,000	
Other bonds	334,283	1,686		332,597
Bank loans:				
› initially within one year				
› initially more than one year				
Sundry borrowings and financial debt	2,701,309	351,309	1,650,000	700,000
Trade payables	4,235	4,235		
Employee	1,098	1,098		
Social security and similar	475	475		
Government and other public authorities:				
Income tax expense				
Value added tax				
Guaranteed bonds				
Other taxes	174	174		
Amounts due to suppliers of non-current assets				
Group and associates	296,144	296,144		
Other liabilities				
Securities borrowed or received as collateral				
Deferred income				
TOTAL	**3,737,718**	**655,121**	**2,050,000**	**1,032,597**
Loans taken during the year	864,500			
Loans repaid during the year	1,004,400			

As at December 31, 2020, liabilities mainly include:

Capital markets

Commercial paper

On the short-term capital market, Elis has an unrated commercial paper program (NEU CP), approved by Banque de France, in the amount of €600 million (maximum). 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, 2020, outstandings under this program totaled €317.5 million, versus €382.4 million as at December 31, 2019, a decrease of €64.9 million, due to the positive cash flow generated by the Group in 2020.

Convertible bonds (OCÉANEs)

On October 6, 2017, Elis issued bonds convertible into and/or exchangeable for new or existing Elis shares (*obligations à option de conversion et/ou d'échange en actions nouvelles or existantes*, or "OCÉANEs") with a maturity date of October 6, 2023. The nominal amount of the issue totals €400 million and is represented by 12,558,869 bonds with a par value of €31.85. The bonds are non-interest bearing (zero coupon). The funds raised from this issue were used to repay the bridge loan set up in connection with the Berendsen acquisition and extend the maturity of the Group's debt.

EMTN (Euro Medium Term Notes)

On the long-term capital markets, Elis has an EMTN program, renewed and approved by the AMF on April 29, 2020, in the amount of €4 billion, under which Elis has carried out the following bond issues:

- on February 15, 2018, a dual-tranche bond issue comprising a €650 million tranche with a maturity of 5 years and a coupon of 1.875%, and a €350 million tranche with a maturity of 8 years and a coupon of 2.875%. These funds, totaling €1 billion, were used to refinance the bridge loan set up for the acquisition of Berendsen.
- On April 11, 2019, a bond issue in the amount of €500 million with a maturity of five years 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.

Bank loans and private placement

USPP private placement

In April 2019, the Group also took out a USPP loan with two tranches: one tranche in euros in the amount of €300 million maturing in 10 years with an interest rate of 2.70% and another tranche in US dollars in the amount of US$40 million maturing in 10 years with an interest rate of 4.99%. The tranche in dollars was converted to euros using a 10-year cross-currency swap with a synthetic coupon rate in euros of 2.69%. The proceeds of this issue were mainly used to redeem the €800 million high-yield bonds maturing in 2022.

Senior Credit Facilities Agreement – Term Loan

On January 17, 2017, Elis entered into a senior syndicated credit facilities agreement for an amount of €1,150 million maturing in five years, consisting of three tranches: a €450 million term loan, a €200 million CAPEX line and a €500 million revolving credit facility. During 2019, the €450 million term loan and the drawn-down €200 million CAPEX line tranche were fully repaid and canceled.

As at December 31, 2020, the revolving credit tranche was still active but undrawn. This tranche, with an initial maturity on January 17, 2022, was extended by one year in December 2020, extending the maturity to January 17, 2023. Elis also has an option for an additional six-month extension of this new maturity date. Subject to the approval of its lending banks, the Company may exercise this option in the fourth quarter of 2021.

Syndicated credit facility – Term loan

On November 7, 2017, Elis entered into a second syndicated credit facilities agreement with two tranches: a €200 million term loan maturing in November 2022 and a €400 million revolving credit line initially maturing in November 2022. During 2019, the €200 million term loan was fully repaid and canceled.

As at December 31, 2020, the revolving credit tranche, with its maturity extended to November 2023, was still active but undrawn.

Schuldschein

Elis raised €75 million on November 23, 2017 through a multi-tranche private placement under German law, the so-called "Schuldschein" note. This transaction enabled the Group to diversify its funding sources. The funds were raised via several tranches at fixed and variable rates, respectively representing 46% and 54% of the total amount, maturing in three to seven years.

The *Schuldschein* financing line was repaid early and in full in 2020.

Through these two syndicated credit facilities agreements, the Group has, as at December 31, 2020, undrawn confirmed credit facilities totaling €900 million, thus ensuring the necessary liquidity for the Group for its commercial paper program in the event the commercial paper market closes.

5.6 Forward financial instruments and hedges

Interest rate risk management

As at December 31, 2020, 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, 2020, the fair value recorded in the balance sheet under "Cash and cash equivalents" totaled €620,000.

Currency risk linked to USPP financing denominated in US dollars

In 2019, Elis contracted a cross-currency swap to exchange the currency and fixed interest rate paid on its US$40 million USPP debt over the term of the loan for a fixed rate. The fair value as at December 31, 2020 was negative €1,518,000.

This instrument, designated as a hedge, is not recorded in the balance sheet as prescribed by ANC Regulation 2015-05 (except for accrued interest).

5.7 Trade payables

(In thousands of euros)	**As at 12/31/2020**	As at 12/31/2019
Group suppliers	296	1,762
Suppliers	(9)	231
Suppliers of non-current assets		
Invoices not received	3,114	737
Invoices not received – Group		278
Bank fees	826	857
CARRYING AMOUNT	**4,227**	**3,865**

5.8 Accrued expenses

The amounts of accrued expenses included in the following balance sheet items were as follows:

(In thousands of euros)	As at 12/31/2020	As at 12/31/2019
Operating liabilities		
Trade payables	3,940	1,872
Tax- and employee-related liabilities	1,476	2,682
Financial liabilities		
Interest accrued on sundry borrowings and financial debt	35,495	30,254
TOTAL	**40,911**	**34,808**

5.9 Other accruals

Deferred income

None.

5.10 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
Trade receivables	0	0	0	0	88
Financial current accounts	854,651	560,518	294,133	0	580,906
Suppliers	0	0	0	0	334
TOTAL	**854,651**	**560,518**	**294,133**	**0**	**581,328**

NOTE 6 NOTES TO THE INCOME STATEMENT

6.1 Breakdown of revenue

2020 revenue by business segment and region breaks down as follows:

	Financial year 2020			Financial year 2019
(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	1,005		1,005	1,005
REVENUE	**1,005**		**1,005**	**1,005**
PERCENTAGE	**100%**	**0%**	**100%**	

6.2 Reinvoiced expenses

(In thousands of euros)	As at 12/31/2020	As at 12/31/2019
Employee expenses		
Other expenses		
TOTAL	**0**	**0**

6.3 Average number of employees

The average number of employees during 2020 breaks down as follows:

	Financial year 2020	
	Headcount	**Number of secondees**
Managers	2	
Other employees		
TOTAL	**2**	**0**

6.4 Compensation of management bodies

Total compensation paid to members of the Supervisory Board in 2019: €338,000 compared to €393,000 last year

Management Board - compensation paid during the financial year €3,362,000 compared to €3,264,000 last year

6.5 Net financial income (loss)

The net financial expense for the year amounted to €35,034,000 and breaks down as follows:

(In thousands of euros)	Financial year 2020	Financial year 2019
FINANCIAL INCOME	**53,471**	**46,939**
Financial income from equity investments		
Income from other securities and long-term loans and receivables		
Other interest income	22,194	24,292
Reinvoiced expenses and reversals of provisions	2,546	5,160
Foreign currency translation gains	28,731	17,487
Net gain on disposals of marketable securities		
FINANCIAL EXPENSES	**88,505**	**114,828**
Amortization and provisions on financial assets	294	2,537
Interest expense	57,141	98,584
Foreign currency translation losses	31,054	13,707
Net expense on disposals of marketable securities	16	
NET FINANCIAL INCOME (LOSS)	**(35,034)**	**(67,889)**

6.6 Net non-recurring income (loss)

(In thousands of euros)	Financial year 2020	Financial year 2019
NON-RECURRING INCOME	**149**	**245**
Non-recurring income from operations		32
Non-recurring income from capital transactions	149	213
Reinvoiced expenses and reversals of provisions		
NON-RECURRING EXPENSES	**7,527**	**6,576**
Non-recurring expenses on operations	1,332	349
Non-recurring expenses on capital transactions	781	549
Non-recurring depreciation, amortization and provisions	5,414	5,678
NET NON-RECURRING INCOME (LOSS)	**(7,378)**	**(6,331)**

The net non-recurring loss for the year amounted to €7,378,000 and breaks down as follows:

- non-recurring expenses on management transactions corresponds to expenses related to the waiver of its bank covenant;
- 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.

6.7 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, 2020 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, 2020, Elis recorded in its financial statements a tax benefit amount of €20,708,000 (€36,336,000 as at December 31, 2019) 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	2,941	26.5%	779
Le Jacquard Français	7,086	26.5%	1,878
Thimeau	2,277	26.5%	603
Blanchisserie Blésoise	1,169	26.5%	310
TOTAL	**13,473**	**26.5%**	**3,570**

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	12,703	5,394	18,097
Differences between accounting and tax bases of certain income and expense items			
Provision for retirement benefits	146	39	185
Corporate social solidarity contribution	11	(4)	7
Other provisions for risks			
TAX LOSS CARRYFORWARDS	**851,849**	**27,542**	**879,391**
TOTAL	**864,709**	**32,971**	**897,680**

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	(4,068)	(1,074)	(5,142)
Differences between accounting and tax bases of certain income and expense items			
Provision for retirement benefits	47	6	53
Corporate social solidarity contribution	4	(2)	2
Other provisions for risks			
TAX LOSS CARRYFORWARDS	**272,762**	**(22,927)**	**249,835**
TOTAL	**268,745**	**(23,997)**	**244,748**

NOTE 7 FINANCIAL AND OFF-BALANCE SHEET COMMITMENTS

7.1 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	10,760			10,760
Related to leases				
Related to services rendered				
Other				
	10,760	**0**	**0**	**10,760**

7.2 Commitments received

(In thousands of euros)	Total	Less than 1 year	1 to 5 years	More than 5 years
Related to operations/property/international expansion				
Related to financing	385,670			385,670
Guaranteed receivables				
	385,670			**385,670**

7.3 Derivative-related commitments

See Note 5.6.

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6.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS AFR

(For the year ended December 31, 2020)

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, 2020.

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, 2020 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, 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the 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, related receivables and merger losses on financial assets

Notes 3.1 "Financial assets", 4.2 "Financial assets", 4.3 "Impairment on non-current assets" and 4.4 "List of subsidiaries and other equity investments" to the financial statements.

Description of risk

Equity investments at December 31, 2020 represented €3,911 million, the largest balance sheet item. They are carried at cost and may be impaired based on their value in use. Related receivables stood at €773 million.

The Company's balance sheet at December 31, 2020 also included merger losses on financial assets for a net amount of €1,365 million, recorded within other financial assets.

As described in Note 3.1 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.

The economic climate within which the Group operates is changing, especially in light of the Covid-19 pandemic. Its subsidiaries may experience changes in their level of activity, which may in turn lead to a deterioration in their levels of operating income. Accordingly, and given their amounts in the Company's balance sheet, we deemed the measurement of equity investments, related receivables and merger losses on financial assets to be a key audit matter.

How our audit addressed this risk

To assess the reasonableness of the estimated value in use of the equity investments and merger losses on financial assets, our work consisted mainly in verifying that the estimated values determined by management were based on appropriate justification of the measurement method and calculation assumptions used. In particular:

- for valuations based on historical data: verifying that the equity and net debt amounts used were consistent with the financial statements of entities that have been audited or subject to analytical procedures, and that any adjustments to equity were based on documentary evidence;

- for valuations based on forecast data, we obtained the forecast future cash flows for the investments concerned and:
  - assessed their consistency with the business plans drawn up by management,
  - assessed their reasonableness in light of the economic and financial environments in which the investees operate, especially in light of the Covid-19 pandemic,
  - assessed the reasonableness of the discount rates and long-term growth rates used, with the support of our asset valuation experts.

Lastly, we obtained assurance that Notes 3.1, 4.2, 4.3 and 4.4 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

CPursuant to paragraph III of Article 222-3 of the AMF's General Regulations, the Company's management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, to reporting periods beginning on or after January 1, 2021. Accordingly, this report does not contain a conclusion on the compliance of 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*) with this format.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Elis by the 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, 2020, Mazars and PricewaterhouseCoopers Audit were in the tenth and fourteenth consecutive year of their engagement, respectively, and the sixth year since the Company's securities were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Management Board.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee, which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Courbevoie, March 8, 2021

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Edouard SATTLER	Isabelle MASSA

6.5 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

This is a free translation into English of the Statutory Auditors' special report on regulated agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Elis, we hereby report to you on regulated agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R. 225-58 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R. 225-58 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements.

Agreements to be submitted for the approval of the Annual General Meeting

We were not informed of any agreement authorized and entered into during the year to be submitted for the approval of the Annual General Meeting pursuant to the provisions of article L. 225-86 of the French Commercial Code.

Agreements already approved by the Annual General Meeting

We were not informed of any agreement already approved by the Annual General Meeting which remained in force during the year.

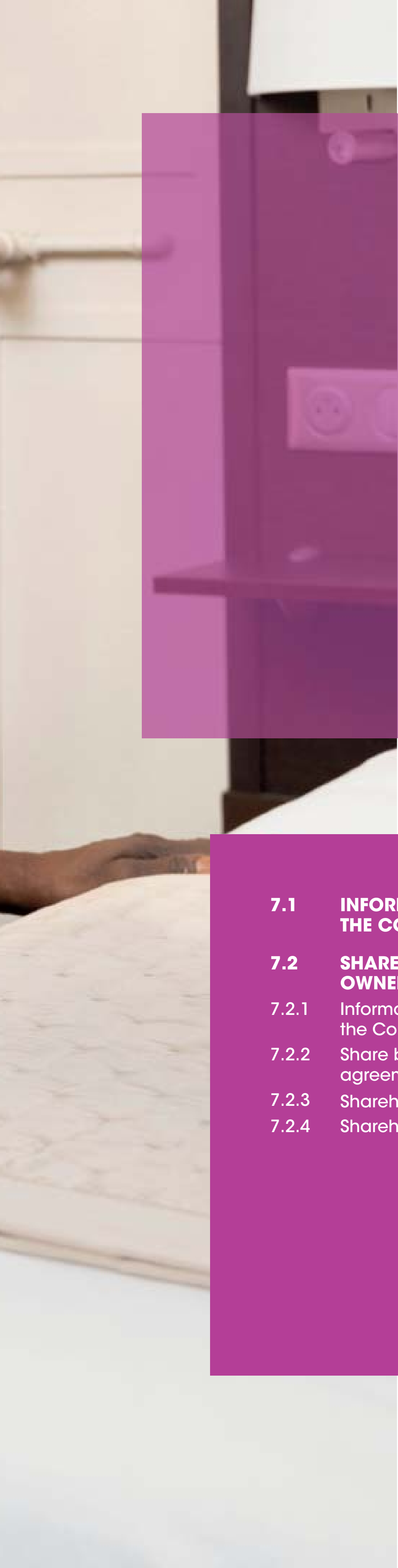
Courbevoie and Neuilly-sur-Seine, March 8, 2021
The Statutory Auditors

MAZARS

Isabelle MASSA

PRICEWATERHOUSECOOPERS AUDIT

Edouard SATTLER



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

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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 "Investor Relations/Regulated information" of the Company's website. The About Us – Governance section of the Elis website provide information about the composition of the Management Board and the Supervisory Board. The Company's bylaws, the Supervisory Board's rules of procedure and the Code of Conduct for Trading and Market Activities are also available in this section of the website. Details regarding the commitments made by the Company to the Chairman and members of the Management Board may be found in this section as well.
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, 2020, the Company's share capital was €221,819,430, divided into 221,819,430 shares with a par value of one euro each, fully subscribed, fully paid-up and all of the same class. In 2020, the share capital increased by 521,633 new shares issued as part of capital increases through the capitalization of sums deducted from the "Additional paid-in capital" account, to cover the performance share plans implemented on March 24, 2017, April 6, 2018, August 31, 2018 and December 20, 2018.

In 2021, three performance share plans will expire (see Chapter 6, Note 5.4 to the 2020 consolidated financial statements and Note 5.2 to the 2020 parent company financial statements in this 2020 universal registration document).

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)*
At December 31, 2017						**219,370,207**	**1**	**219,370,207**
06/15/2018	Capital increase through capitalization of reserves[(a)]	502,735	-	219,370,207	219,370,207	219,872,942	1	219,872,942
12/20/2018	Capital increase through capitalization of reserves[(b)]	54,603	-	219,872,942	219,872,942	219,927,545	1	219,927,545
At December 31, 2018						**219,927,545**	**1**	**219,927,545**
03/24/2019	Capital increase through capitalization of reserves[(c)]	299,820	-	219,927,545	219,927,545	220,227,365	1	220,227,365
06/15/2019	Capital increase through capitalization of reserves[(d)]	498,434	-	220,227,365	220,227,365	220,725,799	1	220,725,799
10/30/2019	Capital increase reserved for employees[(e)]	571,998[(e)]	6,484,678.16	220,725,799	220,725,799	221,297,797	1	221,297,797
At December 31, 2019						**221,297,797**	**1**	**221,297,797**
03/24/2020	Capital increase through capitalization of reserves[(f)]	249,300	-	221,297,797	221,297,797	221,547,097	1	221,547,097
04/06/2020	Capital increase through capitalization of reserves[(g)]	246,884	-	221,547,097	221,547,097	221,793,981	1	221,793,981
08/31/2020	Capital increase through capitalization of reserves[(h)]	13,245	-	221,793,981	221,793,981	221,807,226	1	221,807,226
12/20/2020	Capital increase through capitalization of reserves[(i)]	12,204	-	221,807,226	221,807,226	221,819,430	1	221,819,430
At December 31, 2020						**221,819,430**	**1**	**221,819,430**

(a) Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on June 15, 2016 and whose vesting period expired on June 15, 2018.

(b) Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on December 21, 2016 and whose vesting period expired on December 20, 2018.

(c) Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on March 24, 2017 and whose vesting period expired on March 24, 2019.

(d) Capital increase through the capitalization of reserves for the beneficiaries of the performance share plan introduced on June 15, 2016 and whose vesting period expired on June 15, 2019.

(e) Capital increase reserved for employees under the "Elis for All" plan. This number of shares includes the 30,706 new shares issued through the capitalization of €30,706 deducted from "Additional paid-in capital" to cover the matching employer contribution to the Group savings plan in France.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

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, 2020 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, 2020, a total of 43,274,043 shares had double voting rights.

	December 31, 2018						December 31, 2019					
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]	26,721,644	26,721,644	26,721,644	12.15	11.14	11.15	27,328,509	45,944,746	45,944,746	12.35	18.06	18.07
Crédit Agricole SA o/w	14,562,193	25,962,810	25,962,810	6.62	10.83	10.83	15,670,701	29,662,363	29,662,363	7.08	11.66	11.66
› Predica	13,991,662	25,392,279	25,392,279	6.36	10.58	10.59	13,991,662	27,983,324	27,983,324	6.32	11.00	11.01
› CACEIS	570,531	570,531	570,531	0.26	0.24	0.24	-	-	-	-	-	-
Legendre Holding 27 SAS	12,525,382	20,880,009	20,880,009	5.69	8.70	8.71	-	-	-	-	-	-
Free float, o/w	166,118,326	166,275,508	166,076,511	75.53	69.33	69.30	178,179,386	178,615,096	178,615,096	80.51	70.22	70.22
› Franklin Resources, Inc.	2,742,368	2,742,368	2,742,368	1.24	1.14	1.14	2,742,368	2,742,368	2,742,368	1.24	1.08	1.08
› Ameriprise Financial, Inc[b]	17,607,396	17,607,396	17,607,396	8.00	7.34	7.34	12,258,659	12,258,659	12,258,659	5.54	4.82	4.82
› FMR LLC[c]	13,733,960	13,733,960	13,733,960	6.24	5.72	5.73	10,743,419	10,743,419	10,743,419	4.85	4.22	4.23
› Executives and employees[d]	1,282,646[g]	1,325,709[g]	1,325,709[g]	0.58	0.55	0.55	2,359,763	2,628,566	2,628,566	1.07	1.03	1.03
Treasury stock[e]	198,997	198,997	-	0.08	0.08	0.00	119,201	119,201	-	0.05	0.05	0.00
TOTAL	**219,927,545**	**239,839,971**	**239,640,974**	**100**	**100**	**100**	**221,297,797**	**254,341,406**	**254,222,205**	**100**	**100**	**100**

(a) *Based on the breach of shareholding threshold disclosure dated December 3, 2019.*

(b) *Based on the breach of shareholding threshold disclosure dated July 3, 2019.*

(c) *Based on the breach of shareholding threshold disclosure dated January 24, 2019.*

(d) *O/w 594,792 shares held by employees through the "Elis for All" investment fund (FCPE), 1,306,750 shares held in respect of settlements of performance share plans implemented by the Company for which the vesting period has expired, and 393,532 shares held by the Berendsen Employee Benefit Trust.*

(e) *O/w 115,250 held under the liquidity agreement (see section 7.2.2 "Share buyback and liquidity agreement" of the 2019 universal registration document). These shares have no voting rights.*

Shareholders	December 31, 2020 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
Crédit Agricole SA o/w	13,991,745	27,983,407	27,983,407	6.31	10.56	10.56
› Predica	13,991,662	27,933,324	27,933,324	6.31	10.54	10.55
Free float, o/w	180,293,453	182,251,325	182,251,325	81.28	68.75	68.80
› Ameriprise Financial, Inc[(b)]	12,671,657	12,671,657	12,671,657	5.71	4.78	4.78
› FMR LLC[(c)]	11,185,103	11,185,103	11,185,103	5.04	4.22	4.22
› Executives and employees[(d)]	2,788,761	3,358,723	3,358,723	1.26	1.27	1.27
Treasury stock[(e)]	205,723	205,723	-	0.09	0.08	0.00
TOTAL	**221,819,430**	**265,093,473**	**264,887,750**	**100**	**100**	**100**

(a) Based on the breach of shareholding threshold disclosure dated December 15, 2020 (see section 7.2.3 of this 2020 universal registration document).
(b) Based on the breach of shareholding threshold disclosure dated January 28, 2020 (see section 7.2.3 of this 2020 universal registration document).
(c) Based on the breach of shareholding threshold disclosure dated June 11, 2020 (see section 7.2.3 of this 2020 universal registration document).
(d) 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 Employee Benefit Trust.
(e) 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.

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 2020, can be found in the Supervisory Board's report on corporate governance (see chapter 2, section 2.1 of this 2020 universal registration document).

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, as well as on 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 2020 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, 2020" of this 2020 universal registration document, Note 5.4 to the 2020 consolidated financial statements, and Note 5.2 to the Company's 2020 parent company financial statements), i.e., 3,890,858 rights likely to result in the issue of 3,890,858 new shares; and
- bonds convertible into and/or exchangeable for new or existing shares (OCÉANEs) issued by the Company representing 13,124,018 underlying shares. This number takes into account the last adjustment of the conversion ratio in May 2019 following the payment of a sum from the reserves, no pay-out having been made in 2020 (see chapter 6, Note 8.3 to the 2020 consolidated financial statements).

No other securities give access to the Company's share capital.

Information about the potential dilution of the Company's share capital

The overall potentially dilutive effect of the financial instruments described above was approximately 7.7% of the Company's share capital as at December 31, 2020.

Pledges

As at December 31, 2020, existing pledges of Company shares included 2,455 registered shares held by a single shareholder. The Company is not aware of any other pledges of Company shares. No shares held by the Company in its subsidiaries had been pledged.

7.2.2 Share buyback and liquidity agreement AFR

On June 30, 2020, the ordinary general shareholders' meeting renewed the 18-month authority granted to the Company to trade in its own shares. A description of the buyback program, as well as all press releases related to the share buyback program, can be viewed on the Group's website at: www.elis.com.

Subject to any necessary amendments under Regulation (EU) No. 596/2014 of April 16, 2014 on market abuse, related European Commission regulations, and market practices allowed by the French Financial Markets Authority (AMF), the goals of the buyback program are as follows:

- to increase share liquidity in connection with a liquidity agreement consistent with the standard contract issued by the AMAFI as amended and published on January 15, 2019, using an investment services provider as intermediary;
- 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 a capital reduction;
- 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 €350 million.

Share buybacks may be staggered over an 18-month period from June 30, 2020 until December 31, 2021 inclusive. A description of the renewal of the share buyback program for 2020 has been drawn up in accordance with Articles 241-1 et seq. of the General Regulation of the AMF.

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.

On April 13, 2015, Elis entered into a liquidity agreement with Kepler Cheuvreux, amended on December 10, 2018 to comply with the European regulations in force, Articles L. 225-209 et seq. of the French Commercial Code. and the French Financial Markets Authority (AMF) decision of July 2, 2018. A total of €3 million was credited to the liquidity account to fund these market-making transactions. The half-year statement of the liquidity agreement and all press releases relating to the share buyback program are available on the Group's website (www.elis.com).

In 2020, the Company used its share buyback program as part of the liquidity agreement with Kepler Chevreux.

Transactions conducted by the Company under the share buyback program in 2020

Treasury shares held directly or indirectly as at January 1, 2020 (beginning of the period)	119,201[(a)]
Number of shares purchased during financial year 2020	422,774[(b)]
Number of shares sold during financial year 2020	336,252[(c)]
Number of shares canceled in the last 24 months	0
Treasury shares held directly or indirectly as at December 31, 2020[(b)]	205,723[(d)]
Market value of the portfolio as at December 31, 2020[(e)] *(in euros)*	2,804,004.49

(a) O/w 115,250 for the liquidity agreement.
(b) O/w 422,774 for the liquidity agreement.
(c) O/w 336,252 for the liquidity agreement.
(d) As at December 31, 2020, a total of 201,772 of the Company's 205,723 treasury shares were allocated for liquidity purposes.
(e) Price on December 31, 2020: €13.63.

On February 26, 2021, the Company terminated the liquidity contract with Kepler Cheuvreux in order use the services of another service provider. As at the date of termination of this contract, the following resources appeared in the liquidity account:

- 185,022 securities;
- €497,338.62 in cash.

AS at March 1, 2021, for an initial period ending on December 31, 2021 and then renewable by tacit agreement for each annual period, the Company entered into a liquidity agreement with Exane BNP Paribas relating to ordinary Elis shares (ISIN code FR0012435121), in accordance with AMF Decision No. 2018-01 of July 2, 2018 governing the establishment of liquidity agreements on equity securities under accepted market practices (the "AMF Decision"). The trading platform on which transactions under this liquidity agreement will be carried out is Euronext Paris.

For the implementation of this agreement, the following resources are allocated to the liquidity account:

- 185,022 securities;
- €497,338.62 in cash.

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 Issuer's general shareholders' meeting is held, in particular taking into account the securities already held by the Issuer 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 Issuer;
- in the event of expiry or suspension of the authorization to buy back shares by the general shareholders' meeting of the Issuer or when the limits set by the general shareholders' meeting of the Issuer have been reached, including the impossibility of executing the contract during the periods of a public offering on the capital Issuers' securities (except with the prior authorization of the said general shareholders' meeting).

The liquidity agreement may be terminated:

- by Elis, 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, the liquidity account is closed under the conditions provided for under the terms of Article 13.

At the general shareholders' meeting called to approve the financial statements for the financial year 2020, the shareholders will be asked to terminate the 16th resolution approved by the combined general shareholders' meeting on June 30, 2020 and to authorize the implementation of a new share buyback program, in accordance with Articles L. 225-209 et seq. of the French Commercial Code, Articles L. 241-1 et seq. of the General Regulation of the AMF, Regulation (EU) No. 596/2014 of April 16, 2014 on market abuse (MAR), and the related European Commission regulations (delegated regulations).

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, 2020.

Date of transaction	Disclosed by	Type of transaction	Number	Unit price *(in euros)*	Transaction amount *(in euros)*
March 10, 2020	Louis Guyot	Share purchase	5,000	13.98	69,901.82
March 11, 2020	Louis Guyot	Share purchase	3,000	13.22	39,669.64
March 12, 2020	Louis Guyot	Share purchase	2,000	12.24	24,476.51
March 17, 2020	Louis Guyot	Share purchase	3,000	6.82	20,460.00
March 18, 2020	Louis Guyot	Share purchase	2,000	6.43	12,860.00
March 24, 2020	Xavier Martiré	Vesting of shares from the free performance share grant(a)	100,000	0	0
March 24, 2020	Louis Guyot	Vesting of shares from the free performance share grant(a)	23,350	0	0
March 24, 2020	Matthieu Lecharny	Vesting of shares from the free performance share grant(a)	23,350	0	0
April 9, 2020	Louis Guyot	Share purchase	2,000	9.08	18,160.00
June 17, 2020	Louis Guyot	Subscription for units of the "Elise for All" investment fund(b)	363	11.67	4,230.96
June 19, 2020	Louis Guyot	Share purchase	2,000	10.98	21,960.00
July 31, 2020	Louis Guyot	Share purchase	2,500	10.95	27,375.00
September 18, 2020	Louis Guyot	Share purchase	2,000	10.67	21,340.00
September 22, 2020	Louis Guyot	Share purchase	2,000	10.20	20,400.00
September 23, 2020	Louis Guyot	Share purchase	2,000	9.90	19,800.00
December 14, 2020	Fabrice Barthélemy	Share purchase	500	13.10	6,550.00

(a) See chapter 2, summary table 7, and chapter 6 (Note 5.4 to the 2020 consolidated financial statements and Note 5.2 to the 2020 parent company financial statements) of this 2020 universal registration document.

(b) Subscription for units via the "Elis for All" investment fund as part of the employee share ownership program.

As at the date of this 2020 universal registration document, no other executive or corporate officer had disclosed transactions in the Company's shares in 2020.

Transfer or disposal of shares undertaken to regularize cross shareholdings

None.

Breach of shareholding threshold disclosures made to the AMF in 2020

Shareholder	Date of disclosure	AMF declaration no.	Breach of threshold
Ameriprise Financial, Inc.	January 28, 2020	220C0379	Dropped below the threshold of 5% of the voting rights.
FMR LLC	June 11, 2020	220C1874	Threshold of 5% of the share capital breached.
Canada Pension Plan Investment Board	December 15, 2020	220C5419	Threshold of 20% of the voting rights breached.

Equity interests of members of the Company's Management Board and Supervisory Board

As at December 31, 2020, 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 2020 universal registration document).

Bank responsible for registered shareholders' accounts

BNP Paribas Securities Services
Elis shareholder relations
CTS – Corporate Trust Services
Grands Moulins de Pantin – 9, rue du Débarcadère – 93500 Pantin – France
Telephone: +33 (0)1 40 14 00 90

Elis shares may be registered with this bank as described in the "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 2020 universal registration document, the financing agreements entered into by the Company (especially the Senior Syndicated Credit Facilities Agreement, the OCÉANEs, the bond issues under the EMTN program, and the USPP private placement), described in Note 8.3 "Gross debt" to the 2020 consolidated financial statements that can be found in chapter 6 of the 2020 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, 2020, CPP Investments has two representatives on the Supervisory Board.

  CPP Investments may freely transfer all or part of the Elis shares it holds. In the event CPP Investments and/or its affiliates want such transfer to occur through a block trade or private placement, CPP Investments may notify Elis, up to three times every five years, and Elis will undertake to cooperate with CPP Investments, its affiliates and its/their advisers in order to ensure the liquidity of the investment of CPP Investments in Elis, by using commercially reasonable efforts to carry out these transactions and provide CPP Investments with the assistance it is reasonably able to give in order to facilitate the sale of the securities that CPP Investments wishes to transfer. The cooperation commitment of the Company with CPP Investments is only applicable if the block trade covers at least 10% of the share capital of the Company and/or if the private placement covers at least 5% of the share capital of the Company.

  The commitments to which the Company and the CPP Investments fund were bound under the Investment Agreement, which has expired since this Agreement was entered into, are not included in this 2020 universal registration document.

  The Investment Agreement was signed for a 10-year period from its execution date and is renewable for subsequent three-year periods unless terminated by written non-renewal notice sent by either party to the other party at least 12 months prior to the expiration of the initial 10-year period or of any renewal period. CPP Investments may terminate the Investment Agreement at any time by giving at least four (4) months' prior notice.

  To the Company's knowledge, there are no other agreements likely to have a material impact on the Company's capital in the event of a public offering on the Company's shares.

Agreements providing for compensation payments for Management Board members in the event of departure

Management Board members are eligible for compensation payments in the event of departure. The terms and conditions of such payments are presented in the Supervisory Board's report on corporate governance (see chapter 2 of this 2020 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 2020 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 2020 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 2020 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 prohibition on the sale of shares granted under the mechanism provided for in Article L. 225-197-1 (new 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. Since the acquisition of Berendsen, the Company is now included in the SBF 120 index at approximately 74th place and in the Euro Stoxx 600 index.

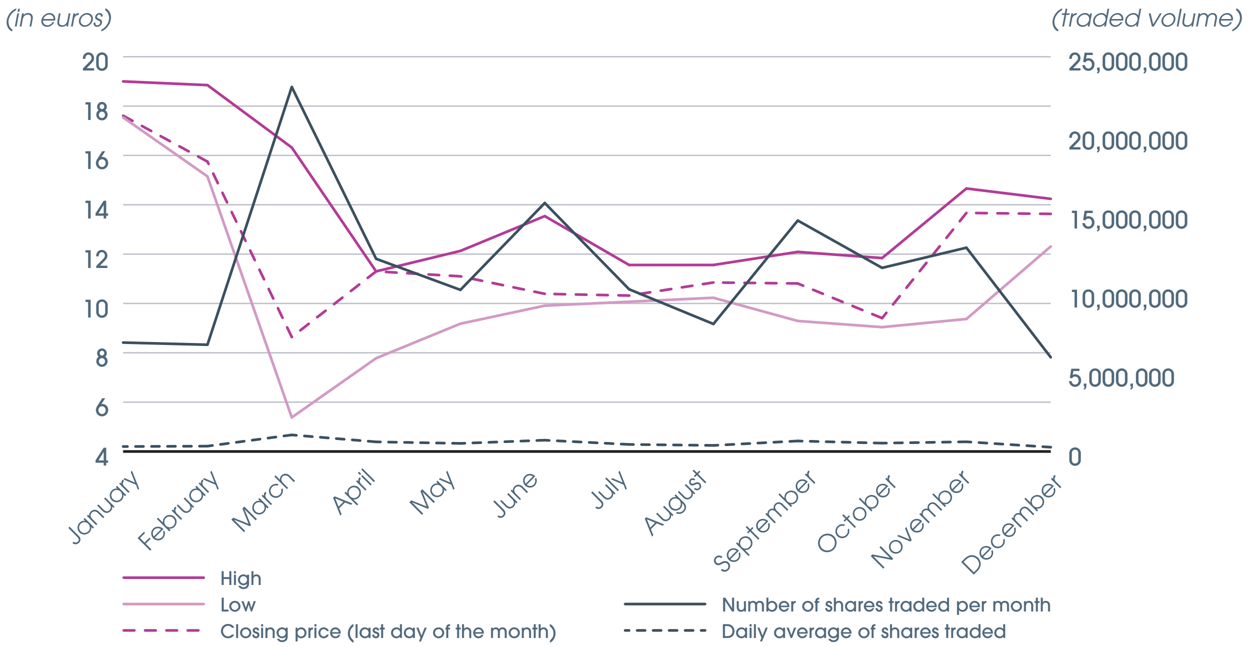
Elis share data as at 12/31/2020

ISIN code	Exchange	Other exchanges where the shares are traded	Par value of shares *(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	221,810,430	13.63	3,023.4

7.3.2 Volumes traded and share price trend in 2020

	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 2020	19.00	17.54	17.61	6,898,140	313,552	3,897.0
February 2020	18.85	15.15	15.75	6,761,011	338,051	3,485.4
March 2020	16.32	5.38	8.64	23,082,031	1,049,183	1,912.0
April 2020	11.30	7.78	11.30	12,203,276	610,164	2,500.7
May 2020	12.13	9.18	11.1	10,234,461	511,723	2,461.9
June 2020	13.54	9.91	10.39	15,736,895	715,313	2,304.4
July 2020	11.56	10.07	10.32	10,273,443	446,671	2,288.9
August 2020	11.56	10.23	10.85	8,075,227	384,535	2,406.5
September 2020	12.09	9.29	10.81	14,627,261	664,876	2,397.6
October 2020	11.84	9.04	9.41	11,629,801	528,627	2,086.1
November 2020	14.66	9.37	13.67	12,906,837	614,611	3,032.1
December 2020	14.24	12.31	13.63	5,963,128	271,051	3,023.4

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 "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 2021, the provisional calendar for key communication events is as follows.

Date (Tentative)	Contents
05/05/2021	Q1 2021 revenue
07/28/2021	Q2 2021 revenue and H1 2020 results
10/26/2021	Q3 2021 revenue

7.6 MATERIAL AGREEMENTS

Financing agreements

The bank financing and private placement agreements described in Note 8.3 "Gross debt" to the 2020 consolidated financial statements, which can be found in chapter 6 "Financial statements for the year ended December 31, 2020" of this 2020 universal registration document, contain clauses requiring Elis to (i) comply with a financial covenant each half-year according to which the ratio of pro forma net debt as defined in the agreement to EBITDA after synergies (total net leverage ratio) is less than 3.75x, 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).

Given the adverse impact of the Covid-19 crisis on the Groups' EBITDA, a waiver request was submitted to the lenders of bank financing and private placement agreements (USPP and Schuldschein) to increase the ratio of the financial covenant applicable at June 30, 2020, December 31, 2020 and June 30, 2021 from 3.75x to, respectively, 5.00x, 4.75x and 4.50x. However, thanks to the Group's ability to both maintain positive cash flow generation since the start of the Covid-19 crisis and limit its impact on EBITDA, the total net leverage ratio reported on June 30, 2020 (3.5x) and on December 31, 2020 (3,7x) remained lower than the initial ratio of the financial covenant (3.75x).

The two Syndicated Senior Credit Facilities Agreements also provide a schedule of applicable margins indexed to the pro forma net debt/EBITDA ratio.

In contrast, none of these financing agreements contains any specific acceleration clauses linked to minimum credit ratings.

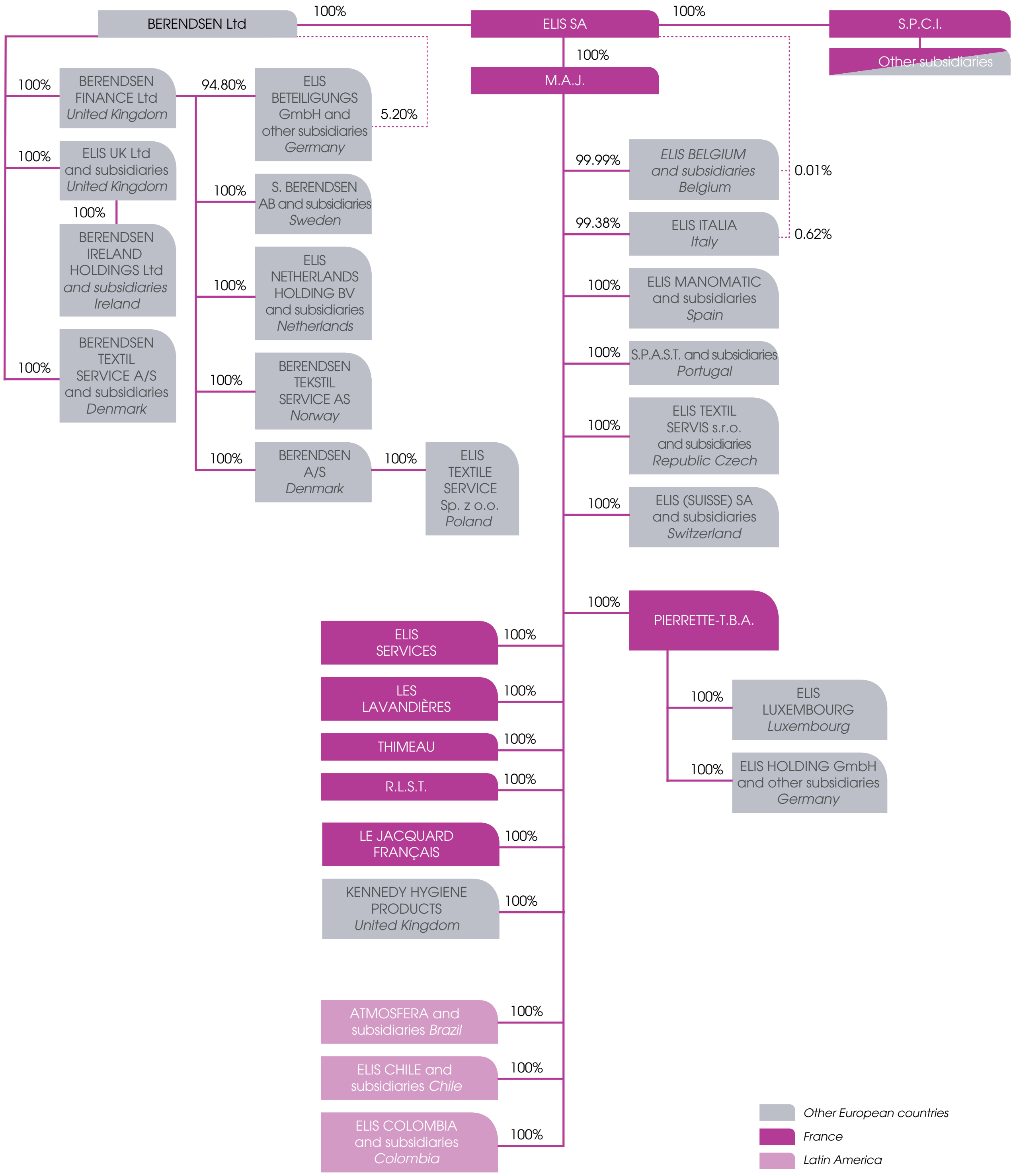
Other agreements

None.

7.7 SIMPLIFIED ORGANIZATIONAL CHART OF THE GROUP AND ITS MAIN SUBSIDIARIES

7.7.1 Simplified organizational chart

The simplified Group organizational chart presented below shows the Group's legal structure as at December 31, 2020 (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

7.7.2 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.** is a joint-stock company incorporated under French law whose registered office is located in Pantin, France. Its main activity is rental, laundry and maintenance services for flat linen, workwear and hygiene and well-being appliances in France. M.A.J. also owns the Elis brand and acts as Elis's historical cash pool leader.
- **Berendsen Textile Service AB** is a company incorporated under Swedish law and a wholly-owned subsidiary of S. Berendsen AB. Its registered office is located in Malmö, Sweden. Its main activity is rental, laundry and maintenance services for flat linen, workwear and hygiene and well-being appliances in Sweden.
- **Berendsen Textil Service A/S** is a company incorporated under Danish law whose registered office is located in Søborg, Denmark. Its main activity is rental, laundry and maintenance services for flat linen, workwear and hygiene and well-being appliances in Denmark.
- **Elis Nederland BV** is a company incorporated under Dutch law and a direct, wholly-owned subsidiary of Elis Netherlands Holding BV. Its registered office is in Arnhem in the Netherlands. Its main activity is rental, laundry and maintenance services for workwear and hygiene and well-being appliances in the Netherlands.
- **Elis UK Ltd** is a company incorporated under UK law whose registered office is located in Basingstoke, United Kingdom. Its main activity is rental, laundry and maintenance services for flat linen and workwear in the UK.
- **Elis Beteiligungs GmbH** is a company incorporated under German law whose registered office is located in Hamburg, Germany. It is the holding company of the sub-group resulting from the acquisition of Berendsen Germany.
- **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, laundry and maintenance services for flat linen and workwear in Brazil. It is the holding company for the Brazilian subsidiaries.
- **Elis Holding GmbH** is a company incorporated under German law whose registered office is located in Rehburg-Loccum, Germany. It is the holding company of the historical Elis sub-group in Germany.
- **Berendsen Tekstil Service AS** is a company incorporated under Norwegian law whose registered office is located in Oslo, Norway. The main activity of Berendsen Tekstil Service AS is rental, laundry and maintenance services for workwear and hygiene and well-being appliances in Norway.
- **Elis Textile Service Sp. z o.o.** is a company incorporated under Polish law whose registered office is located in Żukowo, Poland. Its main activity is rental, laundry and 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. The main activity of Elis Textile Services Ltd is rental, laundry and 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, laundry and maintenance services for flat linen and workwear in Switzerland. It is the holding company for the Swiss subsidiaries.
- **Les Lavandières** is a simplified joint-stock corporation incorporated under French law whose registered office is located in Avrillé, France. Its main activity is rental, laundry and maintenance services for flat linen, workwear and hygiene and well-being appliances in France.
- **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, laundry and 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.

The position of Elis's subsidiaries and direct shareholdings is shown in the table in Note 4.4 to the 2020 parent company financial statements included in chapter 6 "Financial statements for the year ended December 31, 2020" of this 2020 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 2020 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. (France)	1,939.7	10.2	5.1	176.3	-
Berendsen Textil Service AB (Sweden)	847.4	-	8.7	69.6	-
Berendsen Textil Service A/S (Denmark) (sub-group)	640.6	-	1.2	66.3	-
Elis Netherlands Holding BV (Netherlands) (sub-group)	507.9	-	0.3	54.5	-
Elis UK Ltd (United Kingdom) (sub-group)	345.5	-	3.4	64.2	-
Elis Beteiligungs GmbH (Germany) (sub-group)	285.6	2.3	3.2	93.9	-
Atmosfera Gestão e Higienização de Têxteis SA (Brazil)	273.6	-	7.7	20.5	-
Elis Holding GmbH (Germany) (sub-group)	175.3	3.0	0.7	9.5	-
Berendsen Tekstil Service AS (Norway)	160.2	-	3.9	19.9	-
Elis Textile Service Sp. z.o.o. (Poland)	156.4	-	2.6	26.3	-
Berendsen Ireland Holdings (Ireland) (sub-group)	126.6	-	3.6	12.5	-
Elis (Suisse) SA	117.3	-	4.8	12.7	-
Les Lavandières (France)	98.3	3.6	0.3	46.9	-
Elis Manomatic SA (Spain)	90.8	-	0.6	17.0	-

8 Additional information

8.1 PERSONS RESPONSIBLE

8.1.1 Identity of the person responsible for the universal registration document

Xavier Martiré, Chairman of the Management Board.

8.1.2 Declaration of the person responsible for the 2020 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 2020 universal registration document relating to the management report listed in the cross-reference table on pages 287 to 291 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 30, 2021

Xavier Martiré,

Chairman of the Management Board

8.2 STATUTORY AUDITORS

PricewaterhouseCoopers Audit

Represented by Edouard Sattler, member of the Association of Statutory Auditors of Versailles (Compagnie régionale des commissaires aux comptes de Versailles)

63, rue de Villiers

92200 Neuilly-sur-Seine, France

First appointed on: 2007 (incorporation of the Company)

Expiry of term: 2025 (general shareholders' meeting called to approve the financial statements for the year ending December 31, 2024).

Mazars

Represented by Isabelle Massa, member of the Association of Statutory Auditors of Versailles (Compagnie régionale des commissaires aux comptes de Versailles)

61, rue Henri Regnault

92400 Courbevoie, France

First appointed on: June 29, 2011

Expiry of term: 2025 (general shareholders' meeting called to approve the financial statements for the year ending December 31, 2024).

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	161
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	161
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	42 to 68
12.2.	Conflicts of interest	2.1.7	67
13.	**Remuneration and benefits**		
13.1.	Remuneration paid and benefits in kind granted by the issuer and its subsidiaries	2.2 6.1 – Note 5.5	68 204
13.2.	Amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	2.2 6.1 – Note 5.5	68 204
14.	**Board practices**		
14.1.	Terms of office of the members of the Supervisory Board and the Management Board	2.1.2 2.1.3	42 to 47 48 to 62
14.2.	Service contracts binding members of the administrative and management bodies	2.1.8	67
14.3.	Information about the specialized committees of the Supervisory Board	2.1.4	64
14.4.	Statement on corporate governance applicable to the issuer	2.1	42
14.5.	Material impacts on corporate governance (future changes in the composition of boards and committees)	2.1.3	48
15.	**Employees**		
15.1.	Number of employees	1, 3.2.1	03, 105
15.2.	Shareholdings and stock options	7.2.1	268
15.3.	Arrangements for involving the employees in the capital of the issuer	1, 3.2.1	03, 105
16.	**Major shareholders**		
16.1.	Identification of the major shareholders	7.2.1	268
16.2.	Voting rights	7.2.1, 7.2.4	268, 275
16.3.	Control of the issuer	8.2	284
16.4.	Arrangements that may result in a change of control	7.2.3	273
17.	**Related party transactions**	**6.3.1 – Note 4.5** **2.1.8**	**251** **67, 68**
18.	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
18.1.	Historical financial information	5.9, 6.1, 6.3	162, 168, 243
18.2.	Interim and other financial information	N/A	
18.3.	Auditing of historical annual financial information	6.2	240
18.4.	Pro forma financial information	N/A	
18.5.	Dividend policy and amount	5.10.5 6.1 – Note 10.2	163 232
18.6.	Legal and arbitration proceedings	4.1.4 6.1 – Note 7.2	139 213
18.7.	Significant change in the financial or commercial position		
19.	**Additional information**		
19.1.	Share capital	7.2	268
19.2.	Memorandum and Articles of Association	7.1, 7.2.4	268, 275
20.	**Material agreements**	**7.6**	**278**
21.	**Documents available**	**7.1**	**268**

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 (versions applicable until December 31, 2020); › Articles L. 225-100-1 I para. 1, L. 232-1 II, L. 233-6 and L. 233-26 of the French Commercial Code (versions applicable from January 1, 2021)	1.1, 1.3 5.1, 5.2 5.8	4 to 16, 25 to 35 152-160 162
1.2	Key financial performance indicators	› Article L. 225-100-1 I para. 2 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 225-100-1 I para. 2 (version applicable from January 1, 2021)	1.1 5.2.1	14-15 152
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 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 225-100-1 I para. 2 (version applicable from January 1, 2021)	1, 3.1, 3.2 3.3, 3.4 3.5	14-16, 102-110 112-119 121-122
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	161
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	268
1.6	Existing branches	› Article L. 232-1 II of the French Commercial Code	5.10.6	164
1.7	Significant equity investments in companies headquartered in France	› Article L. 233-6, paragraph 1 of the French Commercial Code	5.10.1	163
1.8	Disposals of cross-holdings	› Articles L. 233-29, L. 233-30, R. 233-19 of the French Commercial Code	7.2.3	273
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	161
1.10	Research and development activities	› Articles L. 232-1 II and L. 233-26 of the French Commercial Code	1.2, 5.7	17-23,161
1.11	Five-year financial summary	› Article R. 225-102 of the French Commercial Code	5.9	162
1.12	Information on payment terms for customers and suppliers	› Article D. 441-4 of the French Commercial Code	5.10.4	163
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	164
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 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 225-100-1 I para. 3 (version applicable from January 1, 2021)	4.1	130-140
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. 225-100-1 I para. 4 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-35 para. 1 (version applicable from January 1, 2021)	3.3.3	114-115

No.	Required items	Reference texts	Chapter/ section	Page(s)
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. 225-100-1 I para. 5 and II, last paragraph of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-35 para. 2 (version applicable from January 1, 2021)	4.2	142-146
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 I para. 6 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 225-100-1 para. 4 of the French Commercial Code (version applicable from January 1, 2021)	4.1.3 4.2	137-138 142-146
2.5	Anti-corruption policy	› Law no. 2016-1691 of December 9, 2016 (the "Sapin II" law)	4.2	142
2.6	Vigilance plan and effective implementation report	› Article L. 225-102-4 of the French Commercial Code	4.4	147-149
3.	**Report on corporate governance**			
	Information on compensation			
3.1	Compensation policy for corporate officers	› Article L. 225-37-2 I para. 2 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-8 I para. 2 of the French Commercial Code (version applicable from January 1, 2021)	2.2.1	68-76
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. 225-37-3 I para. 1 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-9 I para. 1 of the French Commercial Code (version applicable from January 1, 2021)	2.2.2	76-93
3.3	Relative proportion of fixed and variable compensation	› Article L. 225-37-3 I para. 2 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-9 I para. 2 of the French Commercial Code (version applicable from January 1, 2021)	2.2.1 2.2.2	68-76 76-93
3.4	Use of the option to request repayment of variable compensation	› Article L. 225-37-3 I para. 3 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-9 I para. 3 of the French Commercial Code (version applicable from January 1, 2021)	2.2.1	68-76
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. 225-37-3 I para. 4 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-9 I para. 4 of the French Commercial Code (version applicable from January 1, 2021)	2.2.1	68-76
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. 225-37-3 I para. 5 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-9 I para. 5 of the French Commercial Code (version applicable from January 1, 2021)	2.2.1	74
3.7	Ratios between the compensation of each corporate officer and the mean and median compensation of the company's employees	› Article L. 225-37-3 I para. 6 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-9 I para. 6 of the French Commercial Code (version applicable from January 1, 2021)	2.2.2	86-87
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. 225-37-3 I para. 7 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-9 I para. 7 of the French Commercial Code (version applicable from January 1, 2021)	2.2.2	87
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. 225-37-3 I para. 8 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-9 I para. 8 of the French Commercial Code (version applicable from January 1, 2021)	2.2	68-93

No.	Required items	Reference texts	Chapter/ section	Page(s)
3.10	Process for taking into account the vote of the last ordinary general shareholders' meeting provided for in section II of Article L. 225-100 (version applicable until December 31, 2020) and now section I of Article L. 22-10-34 (version applicable from January 1, 2021) of the French Commercial Code	› Article L. 225-37-3 I para. 9 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-9 I para. 9 of the French Commercial Code (version applicable from January 1, 2021)	2.2	68-93
3.11	Deviation from the procedure for implementing the compensation policy and any exceptions	› Article L. 225-37-3 I para. 10 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-9 I para. 10 of the French Commercial Code (version applicable from January 1, 2021)	2.2	68-93
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. 225-37-3 I para. 11 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-9 I para. 11 of the French Commercial Code (version applicable from January 1, 2021)	2.2	68-93
3.13	Allocation and retention of options by corporate officers	› Article L. 225-185 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 225-185 of the French Commercial Code (version applicable from January 1, 2021)	N/A	
3.14	Allocation and retention of bonus shares by corporate officers	› Article L. 225-197-1 of the French Commercial Code (version applicable until December 31, 2020); › Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code (version applicable from January 1, 2021)	2.2	68-93
	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 (version applicable until December 31, 2020); › Article L. 225-37-4 para. 1 of the French Commercial Code (version applicable from January 1, 2021)	2.1.2 2.1.3	43-45 51-59
3.16	Agreements between a director or major shareholder and a subsidiary	› Article L. 225-37-4 para. 2 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 225-37-4 para. 2 of the French Commercial Code (version applicable from January 1, 2021)	2.1.8	67-68
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 (version applicable until December 31, 2020); › Article L. 225-37-4 para. 3 of the French Commercial Code (version applicable from January 1, 2021)	2.5	97-98
3.18	General management procedures	› Article L. 225-37-4 para. 4 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 225-37-4 para. 4 of the French Commercial Code (version applicable from January 1, 2021)	2.1	42
3.19	Composition of the board and how it plans and organizes its work		2.1	61-63
3.20	Application of the principle of equal gender representation on the board	› Articles L. 225-37-4 para. 6 and R. 225-104 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-10 para. 2 of the French Commercial Code (version applicable from January 1, 2021)	2.1	48
3.21	Any limits imposed by the board on the powers of the chief executive officer	› Article L. 225-37-4 para. 7 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-10 para. 3 of the French Commercial Code (version applicable from January 1, 2021)	2.1	46
3.22	Reference to a Code of Corporate Governance and application of the "comply or explain" principle	› Article L. 225-37-4 para. 8 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-10 para. 4 of the French Commercial Code (version applicable from January 1, 2021)	2.1	42
3.23	Specific arrangements for shareholder participation at general shareholders' meetings	› Article L. 225-37-4 para. 9 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-10 para. 5 of the French Commercial Code (version applicable from January 1, 2021)	2.3	96

No.	Required items	Reference texts	Chapter/ section	Page(s)
3.24	Assessment procedure for conventional agreements – Implementation	› Article L. 225-37-4 para. 10 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-10 para. 6 of the French Commercial Code (version applicable from January 1, 2021)	2.1.8	67-68
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 they resign or are unfairly dismissed or if their employment contract is terminated as a result of a takeover	› Article L. 225-37-5 of the French Commercial Code (version applicable until December 31, 2020); › Article L. 22-10-11 of the French Commercial Code (version applicable from January 1, 2021)	2.4 7.2.3	96 273-274
3.26	For public limited companies with a Supervisory Board: Supervisory Board observations on the Management Board's report and annual financial statements.	› Article L. 225-68, last paragraph of the French Commercial Code (version applicable until December 31, 2020); › Article L. 225-68, last paragraph of the French Commercial Code (version applicable from January 1, 2021)	2.6	98
4.	**Share ownership and share capital**			
4.1	Company's shareholding structure, changes in share capital and thresholds exceeded	› Article L. 233-13 of the French Commercial Code	7.2.1 7.2.3	268 273
4.2	Purchase and sale by the Company of its own shares	› Article L. 225-211 of the French Commercial Code	7.2.2	272
4.3	Employee share ownership at year-end (proportion of the capital represented)	› Article L. 225-102 para. 1 of the French Commercial Code	7.2.1	268
4.4	Adjustments, if any, for securities convertible to equity in the event of share buybacks or financial transactions	› Articles R. 228-90 and R. 228-91 of the French Commercial Code	7.2.1	268
4.5	Disclosures regarding corporate officers and related parties trading in the Company's shares		7.2.3	273
4.6	Dividends paid during the last three financial years	› Article 243 bis of the French General Tax Code	5.10.5	163

No.	Required items	Reference texts	Chapter/ section	Page(s)
5.	**Disclosure of non-financial performance**			
5.1	Business model	› Articles L. 225-102-1 and R. 225-105 I of the French Commercial Code	1.2 3.1.1	18-19 102
5.2	Description of the main risks associated with the business of the Company or Group, including, where relevant and proportionate, the risks created by business arrangements, products or services	› Articles L. 225-102-1 and R. 225-105 I para. 1 of the French Commercial Code	3.1.5 4.1	103 130
5.3	Information on how the Company or Group accounts for the social and environmental consequences of its business and its effects on human rights and the fight against corruption (description of the policies applied and the due diligence procedures implemented to prevent, identify and mitigate the main risks associated with the Company or Group's business)	› Articles L. 225-102-1 III, R. 225-104 and R. 225-105 I para. 2 of the French Commercial Code	3.1 4.2, 4.4	102-103 142-144, 147
5.4	Results of the policies applied by the Company or Group, including key performance indicators	› Articles L. 225-102-1 and R. 225-105 I para. 3 of the French Commercial Code	3.1.3 3.2, 3.3, 3.4	103 105-119
5.5	Employee information (headcount, organization of work, health and safety, labor relations, training, equal opportunities)		3.2	105-110
5.6	Environmental information (general environmental policy, pollution, circular economy, climate change)	› Articles L. 225-102-1 and R. 225-105 II. A. para. 2 of the French Commercial Code	3.3	112-117
5.7	Social information (sustainability commitments, subcontracting and suppliers, fair business practices)	› Articles L. 225-102-1 and R. 225-105 II. A. para. 3 of the French Commercial Code	3.3.4 3.4	117 119
5.8	Disclosures related to the fight against corruption	› Articles L. 225-102-1 and R. 225-105 II. B. para. 1 of the French Commercial Code	4.2	142
5.9	Disclosures related to human rights actions	› Articles L. 225-102-1 and R. 225-105 II. B. para. 2 of the French Commercial Code	3.6	124
5.10	Collective agreements signed by the Company and their impact on financial performance and employee working conditions	› Articles L. 225-102-1 III and R. 225-105 of the French Commercial Code	3.1.5	103
5.11	Certification by an independent third party of the information contained in the Disclosure of Non-Financial Performance	› Articles L. 225-102-1 III and R. 225-105-2 of the French Commercial Code	3.7	125-126
6.	**Other information**			
6.1	Additional tax information	› Articles 223 quater and 223 *quinquies* of the French General Tax Code	5.10.3	163
6.2	Injunctions or fines for anticompetitive practices	› Article L. 464-2 of the French Commercial Code	5.10.2	163

8.3.3 Global Reporting Initiative (GRI) Standards

Materiality and stakeholder analysis

In 2019, while incorporating the GRI Standards into the Group's annual reporting, an internal assessment was conducted to select and highlight the economic, environmental and social topics that are important to the Group's key stakeholder categories and on which the Group can make an impact. The initial list of topics was compiled by reviewing the results of Elis's non-financial risk assessment, the GRI Standards, insights from a similar internal exercise conducted previously at Elis in Denmark and Sweden, and an external benchmark of the wider priorities for sustainability and reporting in the industry. The twenty-three topics assessed during the materiality analysis correspond to the Group's three CSR commitments as listed below.

Commitment 1: "Manage our impact on society through responsible products and services"

- Circular economy
- Environmental compliance
- Socioeconomic compliance
- Responsible suppliers
- Consumer health and safety
- Fight against corruption
- Tax policy
- Human rights (within own operations)
- Local communities

Commitment 2: "Continuously reducing the environmental footprint of our business"

- Materials
- Water consumption
- Energy consumption
- Emissions and climate change
- Use of laundry products
- Wastewater
- Waste
- Biodiversity

Commitment 3: "Promoting the well-being and fulfillment of our employees"

- Recruitment and retention of key personnel
- Diversity and equality
- Labor relations
- Absenteeism
- Occupational health and safety
- Employee personal development

Mapping and prioritization of stakeholder categories

Stakeholders are entities that can be affected by an organization's activities, or whose actions can affect the ability of an organization to conduct its activities. In 2019, stakeholder mapping identified the following stakeholder categories: investors, employees, direct suppliers, players in the supply chain, innovation partners, customers, end users, textile waste handlers, government authorities, standardization organizations, interprofessional associations, trade unions, competitors, local communities, non-governmental organizations, media, banks, and insurance companies. The Group identified its potential areas of mutual influence with each stakeholder category. Based on these areas, the stakeholder categories were ranked by importance and five categories were found to be very important: investors, employees, government authorities, direct suppliers and customers. These key stakeholder categories were included in the materiality analysis performed in 2019.

Ranking of topics identified and ranking matrix

The 2019 analysis also sought to rank the topics identified. We assessed their materiality based on Elis's level of influence over each topic and how important they are to stakeholders.

For Elis's level of influence, internal experts on the respective topics were involved in scoring. Elis's level of influence over a given topic was based on two factors: Elis's impact on it (negative or positive, direct or indirect, short-term or long-term), measured on a scale from 1 to 4, and Elis's maneuverability on the topic (the extent to which it could mitigate or manage its impact), also measured on a scale from 1 to 4. For each topic, Elis's level of influence was calculated as the average of its impact and maneuverability. When measured this way, level of influence is an indicator that shows, from the Group's perspective, the priority topics that it should focus the majority of its efforts and resources on.

For importance to stakeholders, the internal departments that work closely with the key stakeholder categories participated in the evaluation as representatives. For example, the Investor Relations Department was chosen to represent the investor stakeholder category. Representatives were asked to score each topic on a scale from 1 to 4 from the perspective of the stakeholder category they were representing. Their scores were based on insights obtained through various channels, as shown in the table below. For each topic, importance to stakeholders was calculated by averaging the scores given by the different stakeholder categories, with each stakeholder category providing one score. In 2019, leveraging existing information channels was the preferred approach for scoring importance to stakeholders.

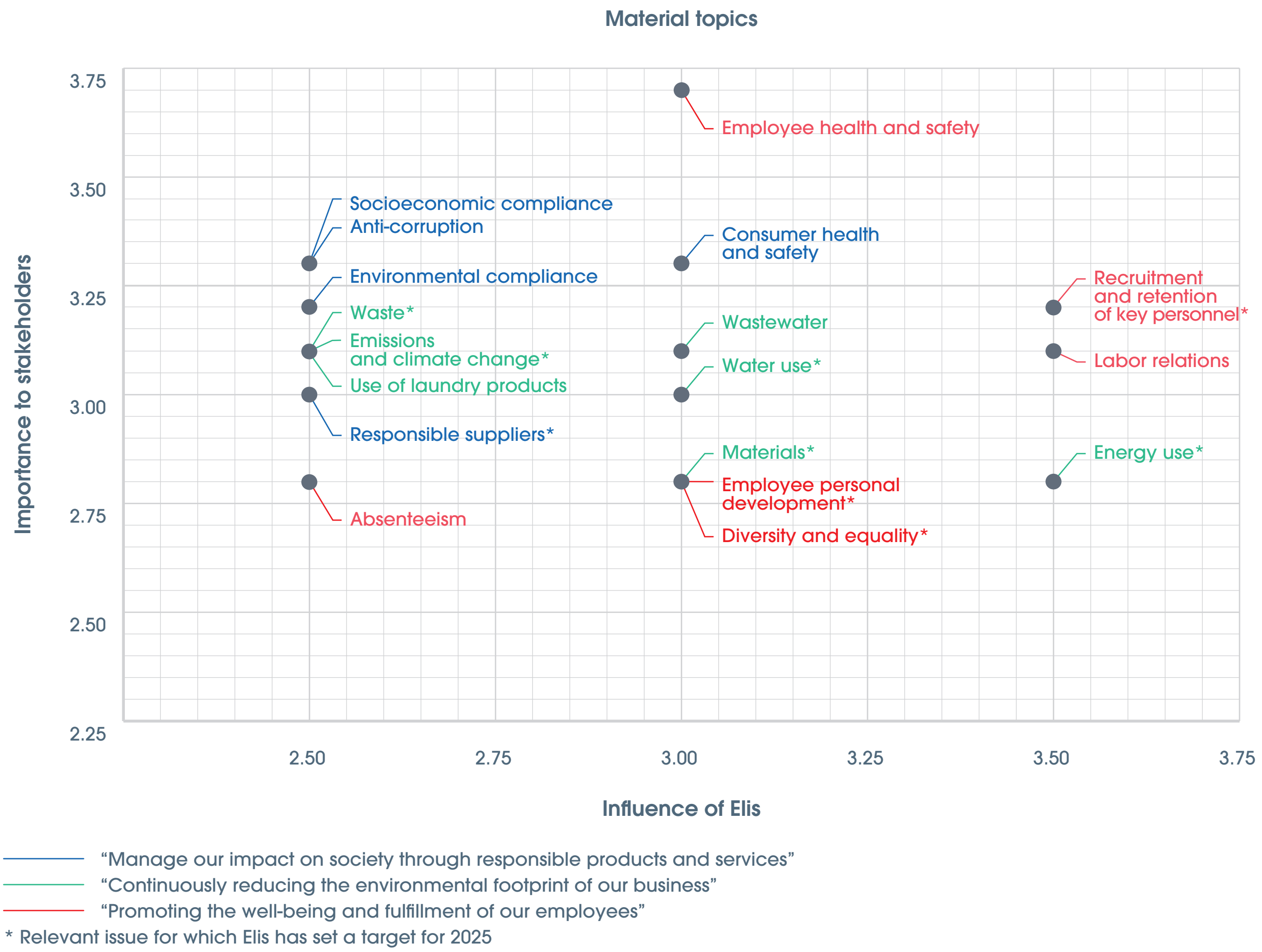
Examples of information channels used with stakeholders

	Employees	Investors	Direct suppliers	Authorities	Customers
Email/phone call/other feedback	X	X	X	X	X
Questionnaire	X			X	
Collaborative initiative	X		X	X	X
Dialogue/conversation	X	X	X	X	X
Inspection/audit	X	X	X	X	X
Network/conference/forum	X	X	X	X	X
Monitoring (business, legal, social media, etc.)	X	X	X	X	X
Suggestion box	X			X	

In this report, the focus was once again on the topics identified in the analysis conducted in 2019, as these topics are relatively important to very important to the Group's key stakeholder categories and the Group has a relatively large to large influence over them. As a reminder, these topics are those that received above-average scores in terms of both Elis's level of influence and importance to stakeholders. They are presented in the matrix below.

The material topics for which the Group has set targets to be met by 2025 are indicated with an asterisk in the diagram below. Detailed targets can be found in the GRI content index (section 8.3.4). This year, waste and materials, both identified as material for the Group, have also been covered in greater detail in the new section 3.3.4 on the circular economy and protecting natural resources.

EXCERPT FROM THE RANKING MATRIX



8.3.4 GRI content index

The 2020 universal registration document was prepared in accordance with the Core option of the GRI Standards (2018: core option). In accordance with the standards, the universal registration document contains the general disclosures required for the Core option (GRI 102), and the specific disclosures (GRI 200, 300, and 400) for topics identified as material for the Group (see section 8.3.3 for more information). GRI 303 (2018) and GRI 403 (2018) were used this year to prepare disclosures on water consumption and occupational health and safety.

The GRI content index serves as a navigational tool for the GRI Standards in this document and provides the relevant cross-references. Where relevant, the GRI content index provides concise information to provide a clearer understanding of how the Group applied the GRI Standards.

The reporting principles (GRI 101 – Foundation) were carefully considered for the preparation of this document. The principle of timeliness is supported by the annual reporting cycle the Group follows. The principles of sustainability context, stakeholder inclusiveness, materiality and completeness underpinned the topic materiality analysis, which guided the selection of topics to be included in the report (see section 8.3.3 for more information). Chapter 3 provides an easily understandable and nuanced picture (principles of clarity and balance) of the Group's non-financial efforts and performance, while accounting for both risks and opportunities. A high level of accuracy, comparability and reliability is ensured for the disclosures thanks to adequate methodological clarifications and robust data collection processes. The departments for the areas concerned (CSR; Human Resources; Quality, Safety and Environment; Legal and Purchasing) oversee the non-financial reporting process. They collect the non-financial data on an annual basis from facilities, countries and regional organizations, as well as provide assistance when requested and consolidate the data for the Group.

If you would like to know more or have questions or comments on how GRI Standards are applied at Elis, please contact the QSE Department by email (contact.gri@elis.com).

GRI is an independent international organization that has pioneered sustainability reporting since 1997. GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. This enables real action to create social, environmental and economic benefits for everyone. The GRI reporting standards are developed with true multi-stakeholder contributions and are rooted in the public interest. Visit www.globalreporting.org.

GRI Standard	GRI disclosures	Chapter/ section	Comments or omissions
GRI 102 – General disclosures			
About the organization			
102-1	Name of the organization	7.1	
102-2	Activities, brands, products, and services	1.1, 1.3	
102-3	Location of headquarters	7.1	
102-4	Location of operations	1.1	
102-5	Ownership and legal form	1.1, 7.1, 7.2.1	
102-6	Markets served	1.1, 1.3	
102-7	Scale of the organization	1.1, 6.1, 7.2.1	
102-8	Information on employees and other workers	3.2.1, 3.5.2	There are seasonal variations in the workforce driven by the seasonality of the Group's customers' business. The share of temp agency workers fluctuates slightly on a seasonal basis but stayed below 4% of total headcount in 2020.
102-9	Supply chain	4.1.3	
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 or approach	3.1, 3.3, 3.4	
102-12	External initiatives	3.1.2, 3.3.4, 3.6	
102-13	Membership of associations		Association Française des Entreprises Privées (AFEP), Association pour la Prévention et l'Étude de la Contamination Biologique et Particulaire (ASPEC), Association Française de l'Industrie des Fontaines à Eau (AFIFAE), Syndicat National des Acteurs du Marché de la Prévention et de la Protection (SYNAMAP), Groupement des Entreprises Industrielles de Textiles (GEIST), European Textile Services Association (ETSA) and Orée. The Executive Committee has an overview of membership.
Strategy			
102-14	Statement from senior decision-maker	Chapter 3	Introduction to Chapter 3 by Xavier Martiré
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	1.1, 3.1.1, 3.1.2, 3.2.1	
Governance			
102-18	Governance structure	1.4, 3.1.4	

GRI Standard	GRI disclosures	Chapter/ section	Comments or omissions
Stakeholder engagement			
102-40	List of stakeholder groups	8.3.3	
102-41	Collective bargaining agreements	3.2.1	
102-42	Identifying and selecting stakeholders	8.3.3	
102-43	Approach to stakeholder engagement	8.3.3	
102-44	Key topics and concerns raised	8.3.3	
Reporting practices			
102-45	Entities included in the consolidated financial statements	3.1.5, 6.1.7 (Notes 2 and 11)	The non-financial reporting scope differs slightly from the financial reporting scope and is defined in chapter 3
102-46	Defining report content and topic boundaries	8.3.3	
102-47	List of material topics	8.3.3	
102-48	Restatements of information	3.5	The CSR indicators include details of any restatements.
102-49	Changes in reporting		The 2020 GRI reporting is based on the stakeholder and topic materiality analysis carried out to prepare the 2019 GRI reporting. There has been no change in the list or scope of material topics.
102-50	Reporting period		January 1, 2020 – December 31, 2020
102-51	Date of most recent report		2019
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report	8.3.4	
102-54	Claims of reporting in accordance with the GRI Standards	8.3.4	
102-55	GRI content index	8.3.4	
102-56	External assurance	3.7	
MATERIAL TOPICS (GRI 200/300/400)			
Commitment 1: "Manage our impact on society through responsible products and services"			
Environmental compliance (GRI 307)			
103	Management approach	3.3.1	
307-1	Non-compliance with environmental laws and regulations		The Groups tracks litigation related to environmental laws and regulations internally. The Group reports any fines paid related to environmental laws and regulations (over USD 10,000). Any operations-related fines before acquisition by the Group are disregarded for this indicator.
Socioeconomic compliance (GRI 419)			
103	Management approach	4.1.5, 4.2	
419-1	Non-compliance with laws and regulations in the social and economic area		In 2020, the Group incurred no material fines related to social or economic laws and regulations. A fine is considered material if it is likely to have an impact on the Company's financial position.
Responsible suppliers (GRI 308 and 414)			
103	Management approach	1.2, 3.4	Elis has set a target to assess the CSR commitments of 95% of suppliers by 2025
308-1 and 414-1	New suppliers that were screened using environmental/social criteria	3.4	The Group reports its share of direct purchases covered by a supplier's CSR assessment, which is a relevant indicator of the Group's efforts towards sustainable sourcing for its products and services. In 2020, the change in organization and the public health situation made it impossible to complete the review on using a new indicator to screen new suppliers on the basis of environmental/social criteria. This item will therefore be discussed again in 2021.

GRI Standard	GRI disclosures	Chapter/ section	Comments or omissions
Customer health and safety (GRI 416)			
103	Management approach		The Group supports its customers in consumer health and safety by providing product adjustment services to ensure safe use, conducting information campaigns on how to use products safely, and maintaining an ongoing dialogue with end users (e.g., in the Hospitality segment). In the personal protective equipment segment, a committee composed of production managers, quality managers, and legal department employees meets on a regular basis to address any health and safety issues.
416-1	Assessment of the health and safety impacts of product and service categories		Compliance with REACH regulation for all product categories (also a requirement for suppliers). Systematic testing programs for consumer health and safety risks in the case of sensitive product groups, including: healthcare products, hand-drying products, air fresheners, personal protective equipment, and beverage products. As part of the development process, the Group conducts extensive testing in its laboratory (excluding tests requiring specific certifications or equipment). As the owner of its products, the Group performs regular testing and maintenance throughout the product's life, either in-house (e.g., flat linen) or directly at the customer's premises (e.g., water coolers).
Anti-corruption (GRI 205)			
103	Management approach	1.2, 4.2	
205-2	Communication and training about anti-corruption policies and procedures		The Group's senior management and national entities confirm that they are complying with the rules about anti-corruption reflected in the Code of Ethics. The company's main suppliers have been informed about the Group's anti-corruption strategy and agree to comply with it.
Commitment 2: "Continuously reduce the environmental footprint of our business"			
Materials (GRI 301)			
103	Management approach	1.2, 3.3.4	At the beginning of 2020, Elis set a target of offering at least one sustainable collection for each product family by 2025. For each product group or product family in the Group's marketing classification (e.g., product line [flat linen], product family [bath linens] and product sub-family [bath mats]), Elis will offer a collection composed of sustainable materials by 2025 (e.g., Bio's Fair collection made from organic and fair trade cotton for bath linens). To determine the durability of its materials, Elis takes into account the "Preferred Fiber & Materials" report published by the organization Textile Exchange. Combined with other essential criteria, this ensures that the materials can fully withstand industrial maintenance processes, ensuring optimal product life and allowing end-of-life products to be repurposed. As part of its eco-design approach, Elis uses life cycle analysis (LCA) to identify the most relevant actions it can take to protect the environment when choosing materials.
301-3	Reclaimed products and packaging materials	3.3.4	Elis reuses all its reusable products and reusable packaging materials, except when specifically requested otherwise by customers and/or for (food) hygiene reasons. The Group aims to make use of reusable packaging. The Group internally tracks, monitors and works towards increasing the average useful life of its products. For example, it has been estimated that in France, the Bistrot napkin is used between 31 and 45 times before disposal, depending on the site where it is processed. Elis also reports on the proportion of recycled used textiles (see GRI Standard 306)

GRI Standard	GRI disclosures	Chapter/ section	Comments or omissions
Water use (GRI 303)			
103	Management approach	1.2, 3.3.2	Elis has set a target to reduce water consumption in Europe by 50% (relative to 2010 per kilogram of linen delivered) by 2025. To be able to use water resources, the Group has to obtain permits from the competent authorities (connections to public networks or pumping permits). The authorities take into account the availability of water, restricting its use in the agreements or permits where necessary. In addition, as part of the Group's environmental management, Elis accounts for the risk of drought in each country and at each site.
303-1	Water withdrawal	3.3.2, 3.5.1	Elis uses the term "water consumption," which is equivalent to the term "water withdrawal" used in the GRI Standards. Elis uses only fresh water from either municipal networks or from ground or surface water sources.
Energy use (GRI 302)			
103	Management approach	1.2, 3.3.3	Elis has set a target to reduce energy consumption in Europe by 35% (relative to 2010 per kilo of linen delivered) by 2025, excluding fuel consumption. Elis has also set a target to reduce greenhouse gas emissions Group-wide by 20% (relative to 2010 per kilo of linen delivered) by 2025, including direct emissions related to fuel consumption.
302-1	Energy consumption within the organization	3.3.3, 3.5.1	
Emissions and climate change (GRI 305)			
103	Management approach	1.2, 3.3.3	Elis has set a target to reduce CO_2 emissions Group-wide by 20% (relative to 2010 per kilo of linen delivered) by 2025.
305-1	Direct (Scope 1) GHG emissions	3.3.3, 3.5.1	The calculation of Scope 1 greenhouse gas emissions includes CO_2, other GHG emissions being negligible by comparison. Emissions are calculated for the entire Group using the ADEME carbon database.
305-2	Indirect (Scope 2) GHG emissions	3.3.3, 3.5.1	The calculation of Scope 2 greenhouse gas emissions includes CO_2, other GHG emissions being negligible by comparison. Emissions are calculated for the entire Group using a location-based approach with the IEA database for 2020.
Use of laundry products			
103	Management approach	1.1, 3.3.2	The use of chemicals is directly associated with Elis's laundering activities but is also an important topic for the textile supply chain. The Group encourages Oeko-Tex certification for the textiles it purchases. Elis has continued to standardize monitoring at the Group level of the laundry products it uses. The approach is based on optimizing dosing and using the best technology available to reduce dosing and overall use without increasing toxicity.
	Reduction in laundry product expenses		The Group monitors this indicator internally.
Effluents (GRI 303)			
103	Management approach	3.3.2	Elis does not operate in locations where there is no defined minimum standard for the quality of effluent discharge for the facilities operating there.
306-1	Water discharge	3.3.2, 3.5.1	The wastewater discharge quality requirements are determined by local regulations, which depend on local conditions. 90% of wastewater is discharged to municipal treatment plants and 10% to the natural environment following special treatment.

GRI Standard	GRI disclosures	Chapter/ section	Comments or omissions
Waste (GRI 306)			
103	Management approach	1.2, 3.3.4	Elis has set a target to recycle 80% of its end-of-life textiles by 2025. This is based on the identification of new recycling possibilities (acoustic insulation, recycling of textiles for the carbon fiber industry)
306-2	Waste by type and disposal method	3.5.1	The breakdown of waste disposal methods is based on information provided by waste management contractors. The Group monitors recovery methods for waste disposed by its facilities.
Commitment 3: "Promoting the well-being and fulfillment of our employees"			
Recruitment and retention of key personnel (GRI 401)			
103	Management approach	1.2, 3.2.4	In 2020, Elis set a goal of improving the retention of key personnel through talent development.
401-1	New employee hires and employee turnover	3.2.4, 3.5.2	Information on new hires and departures by age group has been aligned with the ranges recommended by GRI.
Diversity and equal opportunity (GRI 405)			
103	Management approach	1.2, 2.1.2, 3.2.4	Elis has set a goal to continue its commitment to gender equality by achieving a rate of women in permanent management positions of 40% by 2025.
405-1	Diversity of governance bodies and employees	1.4, 2.1.2, 3.5.2	
Labor/management relations (GRI 402)			
103	Management approach	3.2.1	The management approach has been updated to include pandemic risk.
402-1	Minimum notice periods regarding operational changes		Minimum notice periods regarding operational changes are determined based on local regulations and collective bargaining agreements when applicable. For this important topic, the Group also tracks and reports indicators related to its employee survey.
Absenteeism (GRI 403)			
103	Management approach	3.2.2	
403-2	Absenteeism	3.2.2, 3.5.2	The Group also reports the number of absences lasting less than seven days (paid or unpaid), as it reflects absenteeism rates and gives a relevant picture of the issue for the Group.
Occupational health and safety (GRI 403)			
103	Management approach	1.2, 3.2.3	Elis has set a target to reduce workplace accidents by 50% by 2025 (relative to 2019)
403-2	Workplace accidents	3.2.3, 3.5.2	The scope includes all salaried workers (permanent and non-permanent contracts). The Group reports the frequency rate (of workplace accidents), which is similar to the workplace accident rate defined by GRI. It includes lost time accidents and fatalities and excludes commuting accidents. The lost day count begins after 24 hours and uses calendar days. The Group reports the severity rate (of workplace accidents), which is similar to the lost day rate defined by GRI. The Group monitors workplace accidents internally by category of activity, type of accident and nature of the risks involved (human or technical). Information on occupational diseases is not collected across the Group as such data is sensitive due to the GDPR regulations. The Elis Group does not have information on workplace accidents at its subcontractors.
Employee personal development (GRI 404)			
103	Management approach	1.2, 3.2.4	In 2020, Elis set the goal of establishing Chevrons Clubs in all host countries by 2025.
404-1	Average hours of training per employee per year	3.5.2	Elis collects the total number of training hours provided to permanent and non-permanent workers from country organizations (no split by gender or employee category).

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