



PURCHASING AND PROCUREMENT  
DEPARTMENT

## IN53a : Sustainable and Ethical Purchasing Charter

*Version 4 of*  
**17.11.2015**

*All Activities*

**Recipient: Supplier.**

# Sustainable and Ethical Purchasing Charter



## Introduction

Respect for the environment and for people is a core value for our company and, moreover, Elis' rental business (part of the "economy of functionality" model) naturally means it is fully committed to sustainable development.

We must do our utmost to provide customers who have placed their trust in us with assurances that the products we rent to them are produced in a manner that respects the people involved in their production and present no health risks for users, while also respecting our common assets: the planet and its resources.

The Purchasing Department plays a crucial role by selecting around the world suppliers, products and services that respect people and the environment. Through our purchases we communicate, foster and share with Elis suppliers our commitment to sustainable and ethical purchasing.



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Reviewed by Quality Manager:

Approved by PPD:

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### **Acceptance and Commitment Procedure for Selected Suppliers**

Elis asks all its suppliers to sign this Charter when they sign their contract (as an appendix thereto), or in advance when requested by the buyer.

For the purpose hereof, "supplier" means any suppliers selected by Elis to supply textile items, personal hygiene and healthcare products, drinks, etc., which it then rents to its customers.

Elis suppliers must undertake to:

- Have read and understood the Charter
- Take all necessary measures to comply with the content and spirit of the Charter
- Encourage subcontractors notified to Elis to also comply with it
- Authorise Elis or any external service providers used by Elis to carry out audits and, if necessary, implement action plans.

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

A supplier's failure to comply with any of these principles, and in particular with those issues flagged as **"Zero Tolerance"**, can constitute a legitimate reason to suspend the business relationship. In that case, Elis may temporarily suspend or cancel its orders, without payment of compensation.



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### **Undertakings by Elis**

**The company's relations with its suppliers are not limited to simply purchasing goods and services. They are key to the long-term success of our company and customer satisfaction.**

**Every Elis employee who has any contact with suppliers must:**

- Help our suppliers to meet our expectations
- Respect each supplier's independence and identity
- Pay our suppliers on the contractually agreed due dates (provided they have performed their obligations)
- Protect our suppliers' confidential information
- Not allow any personal interest to influence his or her actions and decisions, and act at all times in the interest of Elis and the business relationship.

**The Purchasing and Procurement Department's managers and unit heads must also:**

- Select suppliers through open invitations to tender, on the basis of criteria such as cost, quality and delivery times and in accordance with the content and spirit of this Charter.
- Respect any employees of suppliers with whom they have contact.
- Whenever they visit a supplier, explain our company's business and values to the employees (at least to the heads of departments), and stress the importance of the employees' role.
- Do everything possible to build long-term relationships with suppliers.
- Build a partnership with the supplier that is a source of savings synergies. Proposals to save costs by supplier are shared equally between supplier and Elis.
- Nevertheless, not hesitate to terminate a relationship with a supplier who has consistently failed to satisfy our expectations in terms of quality, economy, logistics or compliance with this Charter.
- Ensure that none of our suppliers are overly economically dependent on our company (more than 30% of consolidated group turnover generated with Elis) and, if this is the case, point this out to them and discuss action to be taken.
- Whenever possible, provide suppliers with a maximum amount of estimative information during the term of the contract and do their utmost to place regular monthly orders for similar volumes whenever possible, in order to facilitate the supplier's stock management.
- Warrant that stocks of textiles and other products built up by the supplier at Elis' request will be acquired, when this has been contractually agreed.
- Elis monitors financial transactions in order to detect money laundering, in compliance with the applicable national legislation; it does this by implementing measures such as checking the country of origin of funds, the location of the bank used and presence on any black-lists.

**We aim to be a company that negotiates with suppliers in a transparent manner and builds long-term relationships.**

**Our business relationships are based on the principles of freedom, transparency, impartiality, fairness, loyalty and mutual respect between the supplier and Elis. ( comment: lack of forecasting transparency)**

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## Elis' Requirements and Recommendations for its suppliers and subcontractors

### **Subcontracting**

Suppliers cannot subcontract a part of their contract unless they first obtain written authorisation from Elis (an e-mail is sufficient).

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

Use of subcontracting without prior, written authorisation from the Elis Buyer is prohibited. **“Zero Tolerance”**

### **Certification**

All non-European Elis suppliers must have obtained SA 8000 certification or must undertake to work towards compliance with this standard, unless its national legislation is stricter than the SA 8000 standard.

Pending certification, for all major suppliers (suppliers selected by Elis for regular direct business with Elis), Elis may conduct an audit or commission an independent audit by an external auditor. If the findings of the first audit are unsatisfactory and a second audit is necessary, the supplier will be charged for the additional audits or visits.

Suppliers must warrant that access will be given to their production sites for that purpose; this shall be understood to mean access to all facilities, documents and employees and access to all notified subcontractors.

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

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

### **Business Ethics**

Elis suppliers must undertake never to attempt to corrupt any Elis employee in any way whatsoever.

Elis suppliers should be aware that:

- Elis pays all of its employees' travel and accommodation expenses.
- Elis authorises its employees visiting suppliers to accept invitations to midday or evening meals, and in return the supplier's employees will be invited to lunch by Elis when they visit an Elis site.
- Elis Buyers are not allowed to attend events such as cocktail parties, exhibitions, opening receptions, sporting or cultural events, etc., that are paid by suppliers, unless the Purchasing Director has given special authorisation.
- Any gifts received by Elis employees may be shared out between Elis employees, and will not necessarily be kept by the individual to whom they are given. In any event, all gifts should be of little financial value.

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## **Respecting Employees**

Respect for employees is a core value for our company, which we encourage our suppliers to embrace.

Suppliers must do their utmost to prevent any humiliating practices within their company, such as physical punishment, mental harassment, sexual harassment and work under force or threat. **“Zero Tolerance”**

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

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

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

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

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

## **Child Labour “Zero Tolerance”**

Elis condemns all forms of "child labour", as described in the conventions and recommendations of the International Labour Organisation: <http://www.ilo.org/ipec/facts/lang--en/index.htm>

Elis suppliers cannot employ any person under the statutory minimum age provided in their national legislation, or who has not completed his or her mandatory schooling, and, in any event, must not employ any person under the age of 15.

Suppliers are prohibited from employing any person under the age of 18 to carry out any dangerous work or to work at night.

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

### **EXCEPTIONS:**

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

*Exceptional authorisation will only be granted:*

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

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

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

## **Discrimination**

Suppliers must combat all types of discrimination, in particular any discrimination based on gender, origin, religion or political affiliation.

Elis will ensure, in particular that:

- suppliers operating in countries that do not separate the state from religion do not discriminate against any religious minorities
- the emancipation of women through work is encouraged in all countries.

Elis also encourages suppliers to hire disabled employees.

## **Working hours**

Suppliers must ensure that employees do not work more than 48 hours a week, and have at least one free day per week, subject to any national legislation that is stricter.

Employees may work a maximum of 12 hours' overtime per week, on a voluntary basis and in compliance with the national laws.

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

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

## **Pay Levels**

Suppliers must comply with the laws of their country.

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

Elis is mindful of the fact that pay levels should comply with the laws of the country and that suppliers should regularly pay all employer contributions and taxes.

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

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

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### **Forced Labour** "Zero Tolerance"

Suppliers must undertake not to use forced labour.

Any use of prisoners and any subcontracts with prison institutions are prohibited, subject to special authorisation from Elis' Purchasing Director.

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

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

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

### **Migrant workers**

The use of organised migrant workforces instead of the local population creates problems for the migrant workers, who are required to leave their family and their country - often for very long periods of time.

Elis does not encourage the practice in certain countries of bringing cheap labour from extremely poor countries (such as Bangladesh or Sri Lanka) to work on a site while also providing them with on-site accommodation, restricting their movements (and even confiscating their passports) and cutting them off from other family members who remain in the home country.

Confiscating passports or other identity papers in order to restrict an employee's freedom of movement outside of working hours is strictly prohibited. "Zero Tolerance"

As a general rule, Elis encourages its suppliers to employ local people, who do not live on-site.

The employment of any person who is an illegal worker under the laws of the country is not tolerated. "Zero Tolerance"

### **Freedom of association and collective bargaining**

Suppliers must comply with the laws of their country.

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

### **Health, safety and well-being in the workplace**

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

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

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

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

Fire protection and fire fighting equipment (compliant with local standards) and emergency exits must exist and be clearly identified. **"Zero Tolerance"**

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

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

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

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

All Elis suppliers must provide their employees access to drinking water. **"Zero Tolerance"**

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

## **Combatting corruption and money laundering**

Elis suppliers must remain vigilant with regard to corruption in any form, in each country in which they operate. They must not directly or indirectly offer, promise, grant or demand unlawful payments or any other prohibited benefits to or from public authorities in order to win or retain a contract or any other unlawful benefit. More specifically, they must not participate in extortion, fraud or bribery.

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

## **Combating anti-competitive practices**

Elis suppliers shall take all action to prevent anti-competitive practices. More specifically, they undertake not to participate in any anti-competitive agreement and/or abuse of a dominant position.

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

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### **Protecting the Environment**

#### ***Compliance with regulations***

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

***Use of chemical products*** ("chemical products" means all chemical products and substances, such as oil, fuel, glues, lacquers, solvents, paint, dyes, hardeners, stains, waxes, acids, additives, etc.).

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

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

#### ***Innovation and reduction of environmental impact***

Suppliers may offer Elis products and services that will enable it to reduce its direct environmental impact (such as its energy consumption) either through the product design, its production or its packaging and transportation.

Elis prefers suppliers located in distant countries to ship goods by sea rather than air; air freight must remain an exception.

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

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

#### ***Recycling products***

In order to promote sustainable development, suppliers must use their best efforts to offer Elis products that are recyclable and reusable at the end of their lives.

#### ***Environmental reporting***

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

### **Consumer Health and Safety Requirements**

Elis does its utmost to be able to warrant to its customers that the products it supplies do not present any risk for their health or the environment and comply with REACH regulations, which will contribute in the long term to the elimination of all chemical substances that are deemed to be dangerous for human health and/or harmful to the environment.

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

Elis also asks suppliers of textile items to have Oeko-Tex® certification for all textile items delivered. The Oeko-Tex® Standard 100 label is a globally uniform testing and certification system for textile raw materials, intermediate and end products at all stages of production: tests for harmful substances comprise substances that are regulated and prohibited by law, chemicals that are known to be harmful to health, and parameters that are included as a precautionary measure to safeguard health.

The Oeko-Tex® label is an additional guarantee for Elis customers.

## **Fair trade and organic products**

Elis is aware of the North/South divide, but is also convinced that trade can be used to promote economic and social development. It accordingly supports the international Fairtrade / Max Havelaar label which promotes and develops fair trade.

In 2008, Elis launched a Fairtrade / Max Havelaar organic brand of coffee, and began in 2009 to offer textile items made with fair trade cotton certified Fairtrade / Max Havelaar. Elis intends to expand its range of fair trade cotton products every year.

Elis has chosen to offer textile items containing fair trade cotton that has also been produced organically. Elis accordingly requires its suppliers to use cotton that is both fair trade and organic.

Elis encourages suppliers of textile items to obtain Fairtrade certification from FLO-Cert ([www.flo-cert.net](http://www.flo-cert.net)) so that they can process or produce items containing fair trade cotton.

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

Given that fair trade aims to promote the development of communities of agricultural producers in the developing world, Elis will also check that a reasonable and non-prohibitive price policy is applied throughout the procurement chain in order to ensure products remain economically viable and, therefore, to provide wider access to fair trade and organic ranges for our customers.

More generally, Elis encourages suppliers to use fair trade and organic products whenever possible in their own operations.

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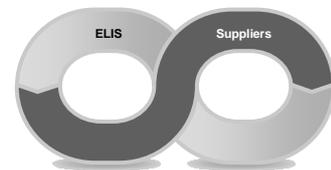
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