

# SUSTAINABLE and ETHICAL PURCHASING CHARTER

## “SUPPLIER CODE of CONDUCT”

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## 1 Preamble

Elis has been building its success and growth based on key values: respect for others, exemplary behaviour, integrity and responsibility. These key values have always been the DNA of Elis and are a frame of reference guiding actions and inspiring choices of Elis.

Those key values are part of a larger framework which is also recognized and applied by Elis; consisting in the United Nations (UN) Universal Declaration on Human Rights, the United Nations Convention on the Rights of the Child, the European Convention on Human Rights, the United Nation Global Compact, which Elis has joined in 2006 and the International Labour Organization (ILO) fundamental conventions.

In that respect, Elis is committed to be an ethical and responsible company, to limit environmental impacts and to promote the highest standards of integrity. This approach is fully reflected by Elis in its Code of Ethics.

Elis intends to fully associate its suppliers, manufacturers, subcontractors, licensees and distributors, regardless of the product or service provided (hereinafter referred to as “Business Partner” or “Business Partners”), with this approach and these values. The hereinafter Sustainable and Ethical Purchasing Charter (also referred to as the “Charter” or as the “CoC” or as the “Code” or as the “Code of Conduct”) formalizes the requirements and the expectations from Elis towards all of its Business Partners.

Elis requires from its Business Partners that they will conform to requirements and adhere to expectations that are formally set through this Code of Conduct. Should Business Partners identify any gap between the hereinafter Code and their current practices, they are invited to contact their contact in Supplier quality organization in order to define and agree on a mitigation plan. In case a Business Partner would deliberately not respect the current Code, Elis would consider this as a breach to Business Partner’s obligations, which could lead to a stop of contractual relationship between Business Partner and Elis, regardless of any further penalties that might be applied to Business Partner.

## 2 Framework of Elis’ ethical approach

### 2.1 UN Global Compact

As a member of UN Global Compact (UNGC) initiative since 2006, Elis endorses the UNGC ten principles aimed at ensuring responsibility for Human Rights, Labour, protection of Environment and fight against Corruption.

UNGC ten principles: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

#### 2.1.1 Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

#### 2.1.2 Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

#### 2.1.3 Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

## 2.1.4 Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

## 2.2 ILO fundamental conventions

Elis also adheres to the ILO eight fundamentals conventions (available at following link: <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm> )

Prohibition of forced labour (conventions 29 and 105)

Prohibition of child labour (conventions 138 and 182)

Elimination of employment and professional discrimination (conventions 100 and 111)

Freedom of association and Protection of the right to organize Conventions (convention 87)

Right to organize and collective bargaining (convention 98)

## 3 **Elis commitments towards its Business Partners**

Elis considers its relationship with its Business Partners is not limited to the purchase of goods and services but is also a key to success over the long-term and customer satisfaction.

As a consequence, each Elis employee who has any contact with Business Partners must:

- help Business Partners of Elis to meet Elis's expectations;
- respect the Business Partner's independence and identity;
- protect confidential information of Business Partners of Elis and undertake to protect the personal data of these Business Partners in accordance with applicable regulations;
- prevent personal interest from influencing his actions and decisions
- act in the interests of Elis and the respect of the business relationship.

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

- Ensure Elis objectively chooses its Business Partners (on the basis of criteria such as cost, quality and delivery times, and in accordance with the content and spirit of this Charter), treats them fairly and in compliance with tendering procedures for each significant purchase;
- ensure that the Business Partners are paid in accordance with the term of payment as contractually agreed (provided that they have fulfilled their obligations) and in compliance with the regulations in force
- whenever they visit a business partner, explain Elis's business and values to the employees (at least to the heads of departments), value the work provided by the said employees and respect any Business Partners' employees with whom they are in contact;
- strive as much as possible to build a long-term relationships with Business Partners;
- find, in the relationship with each Business Partner, a synergetic partnership profitable to both parties by seeking cost saving understanding that such a seeking cost saving shall be shared equally between Business Partner and Elis;
- ensure that none of the Business Partners of Elis are in a situation of excessive economic dependence with Elis (more than 30% of consolidated group turnover generated with Elis). In such a case, alert such a business partner to this situation and consider together the actions to be implemented accordingly;
- provide Business Partners with a maximum amount of estimative information during the term of the contract and do their best efforts to place regular monthly orders for similar volumes whenever possible, in order to facilitate the business partner's stock management;
- warrant that stocks of textiles and other products built up by the business partner at Elis request will be acquired, when this has been contractually agreed;
- be attentive to financial transactions carried out to detect any money laundering, in accordance with the applicable national laws, through measures such as checking the country of origin of the funds, the location of the concerned bank, or the possible inscription on a "blacklist".

## 4 Commitments of the Business Partners

Elis asks each of its Business Partners to commit to responsible trading and ethical practices, particularly through this Code of Conduct, either as an attachment to the purchasing agreement entered into between Elis and its Business Partner or as a standalone document where requested by Elis.

Elis' Business Partners must undertake to:

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

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

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

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

## 5 Subcontracting of contract

Elis prohibits its Business Partners from subcontracting all or part of any contract that is assigned to them without prior written consent from Elis. Should subcontracting be consented, the initial Business Partner will retain full responsibility and liability to ensure that its subcontractors comply with the Charter.

## 6 Certifications and audits

Elis encourages its Business Partners to comply with certifications to demonstrate their conformity towards international standards. Following norms are recommended and valued by Elis:

- ISO9001 certification for Quality Management Systems
- ISO14001 for Environmental Management
- ISO50001 for Energy Management
- ISO26000 or SA8000 for Corporate and Social Responsibility (CSR)

## 7 Human rights and labour

### 7.1 Child labour

Elis condemns all forms of child labour and watches over compliance with all social standards applicable under labour laws in each country where it is present, as well as with major international texts.

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

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

Beyond full compliancy with UNGC principle 4 and 5, some Business Partners may face situations where apprentices might be part of Business Partners workforce. Such a situation might be validated only provided that apprentices work does not have a detrimental effect on their health, safety or education, provided that the national laws authorise this, and provided that apprentices are assigned a tutor within

the Business Partner or its subcontractor (subject subcontracting was priority consent from Elis by virtue of section 5 above).

### **7.2 Working time and salary**

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

Business Partners must ensure that their employees have adequate working time, overtime, rest periods throughout the day and number of days' paid leave according to the national regulation.

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

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

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

Pay levels should comply with the laws of the country and Business Partners should regularly pay social contributions and taxes.

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

Compliance with laws on working time and salaries must be traceable and evidence must be shared upon request.

### **7.3 Migrant workers**

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

### **7.4 Health, safety and well-being of workers at the workplace**

Business Partners must ensure that their workplace is compliant with their national health and safety regulation. Business Partner is also responsible to ensure that its business activity will 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 or activity that may be dangerous must be properly supervised and any measure to eliminate or reduce the risk must be implemented, including but not limited to, availability of proper personal protective equipment for employees, securing of machines or other equipment used for production purposes with the proper safety features to avoid injury.

Fire protection, firefighting equipment and presence of emergency exits, all of them compliant with national regulation, must exist and be clearly identified. Business Partners must provide employees with training on evacuation procedures in the event of a fire according to the national regulation and at least once a year, through fire drills.

Business Partners must ensure that premises are equipped with an adequate number of clean toilet/washroom facilities, separated by gender.

Business Partners must provide their employees with access to drinking water, the quality of which being validated by an official authority.

### **7.5 Discrimination**

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

Elis will ensure, in particular, that:

- There is no discrimination against religious minorities;
- The emancipation of women through work is encouraged.

Elis also encourages Business Partners to hire disabled employees.

## **7.6 Trade union freedoms and collective bargaining**

Business Partners must comply with the laws in force in their country in relation to these fields.

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

## **8 Environment**

### **8.1 Compliance with regulations**

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

Elis Business Partners shall undertake to provide products complying with the European REACH regulation 1907/2006 dated 18 December 2006, and to provide Elis whenever requested with all information relating to substances listed in the REACH convention that may be contained in the products supplied. This requirement applies to each product delivered in countries in which the European REACH regulation applies.

Elis Business Partners of electrical and electronical equipment must obtain RoHS (Restriction of hazardous substances) certification for all electrical and electronical equipment delivered, and provide Elis whenever requested with all information related to this certification.

Upon request, Elis may ask its Business Partners to provide assessment of their products against SIN List (<https://chemsec.org/sin-list/>) or any other generally admitted list of chemical products.

### **8.2 Use of chemical products**

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

### **8.3 Product recycling , innovation and environmental impact**

In order to promote sustainable development, Business Partners shall be able to provide Elis with products that are recyclable and recoverable at the end of their lifespan. Upon request, Business Partners must provide Elis with information about environmental impact on of their business.

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

### **8.4 Environmental labels and certifications**

Elis encourages its Business Partners to comply with international standards or norms related to environmental assessment and certification for the product they process or produce.

Elis Business Partners of textile products shall obtain Oeko-Tex® standard-100 certification for all textile products delivered. Elis furthermore encourages Business Partners to use following labels or standards whenever possible in their own operations.

- EU Ecolabel (<http://ec.europa.eu/environment/ecolabel/>) and Nordic Swan (<https://www.nordic-ecolabel.org/>) for environmental friendly design and/or use of products;
- Fairtrade (<https://www.fairtrade.net/>) certification through Flo-CERT (<https://www.flocert.net/>) and BCI (<https://bettercotton.org/>) label for products containing cotton or Business Partners involved in the cotton processing;
- GOTS (<https://www.global-standard.org/>) certification for products containing organic fibers.



## **9 Fight against corruption, economic responsibility and whistle-blower procedure**

### **9.1 The fight against corruption and influence peddling:**

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

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

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

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

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

Furthermore, Elis' Business Partners should be aware that:

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

### **9.2 Money-laundering**

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

### **9.3 Combating anti-competitive practices**

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

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

### **9.4 Whistle-blower procedure**

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

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

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

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

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

### 10 Auditing

Elis supports the implementation of this Code of Conduct with its Business Partners through audits of the latter that may be carried out either directly by Elis or with the help of any independent audit company duly mandated by Elis, with or without prior notice.

Upon audit completion and as far as practicable, the Business Partner will be given the opportunity, whether needed and in event of non-compliance with the Charter, to define and implement corrective actions.

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

It is understood that such an audit do not exempt the Business Partner from carrying out any audits of its own business partners.

### 11 Evolution of the Charter

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

Date: ...../...../.....

For Elis

Christophe RAYNAUD  
ELIS Purchasing Director

For the Business Partner

Company name:

Mr /Ms:

Position:

Date:

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

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