

change, together.

Sustainability Report 2022/2023

Enkelfähig  Creating Value
for Generations

CWS in numbers

2022

Economic key figures

| | |
|---|-----------------|
| Turnover (€ m) | 1,369 |
| Operating result before one-off effects (€ m) | 175 |
| Equity held by Haniel (%) | 100 |
| Sites | in 15 countries |
| Active laundries | 58 |

Key ecological figures

| | |
|--|---------|
| Direct energy consumption in laundries (GJ) | 731,870 |
| Number of recycled and repaired dispensers | 41,908 |
| CO ₂ e emissions (scopes 1- 3; t; market-based) | 291,231 |

Key social figures

| | |
|---|--------|
| Employees (reporting countries, average amount full year) | 11,700 |
| Further training (hrs) | 23,896 |

Dear readers,

Climate protection, saving resources and social fairness have long ceased to be moral issues. Instead, they are increasingly becoming an economic factor that all companies must take into consideration in their business model. As long-time pioneers of a sustainable circular economy, we are delighted to see that these issues are becoming more professional across the board.

Regulations at both national and international level play a crucial role in this, and here at CWS we follow these developments closely and address policy requirements proactively. One current example is the German Supply Chain Act (LkSG), which came into force in 2023.

At CWS, we have been reporting on the management of our supply chains annually since 2012, as transparency is an integral component of holistic sustainability in our eyes. We see this as more than just our moral obligation – we recognise the opportunity to develop further as a company and to position ourselves for the future.

For the same reason, we also welcome political initiatives such as the EU target of climate neutrality by 2050 and the European energy efficiency target for 2030. Right now, we are already working on solutions with which we can make our entrepreneurial contribution to achieving these goals and help to shape a future worth living for future generations.

You can find out more about how our Hygiene, Workwear, Clean-rooms and Fire Safety divisions are bringing this vision to life in this report.

I hope you enjoy reading it!



Uta Bisson
CEO of CWS International GmbH



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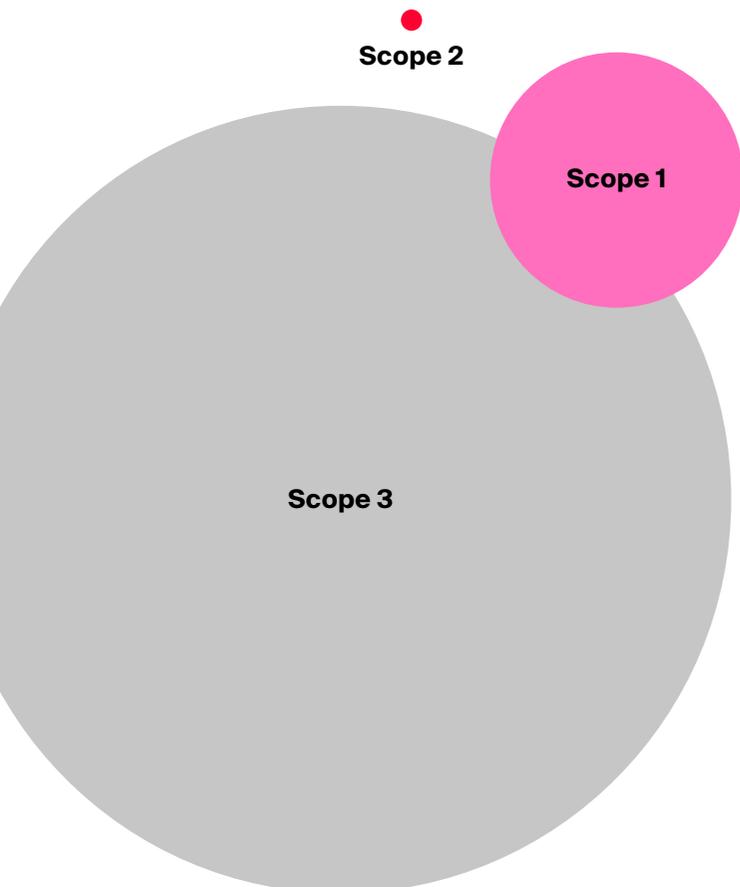
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Active today for the world of tomorrow

For CWS, sustainability is more than just one task among many: it is a vision for the future, a business model and a guiding framework for responsible action. With this in mind, the company focuses on sustainable products and decarbonisation. The heads of the Hygiene, Workwear, Cleanrooms and Fire Safety divisions show us how they go about doing so below.

Our actions today lay the foundations for everything that will be possible tomorrow. As a company, we have an obligation to leave behind a healthier and safer tomorrow for our children and our children's children. Our investment holding company, Haniel, expresses this vision with the principle of "enkelfähig" (creating value for generations).

The adjective "enkelfähig" describes a corporate approach guided by values and principles that unite economy, ecology and social responsibility thus securing long-term success for generations. With the Enkelfähig rating, we have developed a Group-wide scoring system in cooperation with other companies of the Haniel Group to evaluate and quantify the sustainability of all products.

At CWS, we transfer enkelfähig into our overarching sustainability strategy "Think Circular". Our rental and service model establishes the basis for a fu-

ture-oriented circular economy in which we keep our products in service cycles with the aim of protecting the environment and climate.

Our sustainability strategy focuses on two key areas: recyclable and environmentally friendly products as well as the decarbonisation of our business fields. We have set ourselves ambitious targets for this: by 2025, we want to generate more than 90 per cent of our new business with sustainable products. Moreover, in the interest of climate protection, we aim to reduce our greenhouse gas emissions by 50 per cent by 2030.

Our four Hygiene, Workwear, Cleanrooms and Fire Safety divisions are working independently on concepts and measures for reaching these targets. Below, the four division heads explain how their respective area brings sustainability to life.

Hygiene

At CWS, we believe doing business needs to be in line with a healthy environment. Hence, we are working towards a healthier and safer future in two senses: our complete hygiene concepts prevent the spread of germs and pathogens while actively saving resources at the same time. We focus on acting circular and sharing to reduce the use of precious resources. We also continue to introduce reusable and recyclable products as standard and close our material loops. Our products and services are evaluated according to their contribution to a sustainable and green world, using our Enkelfähig rating to continuously improve the sustainability of our offering.

Our CO₂ emissions are being reduced through route optimisation and the introduction of electric vehicles. We also use energy-saving water treatment processes in our laundries. A great example is our Olching laundry, where we wash dust control mats with minimal energy consumption and have replaced the existing boiler with a CHP plant. In addition, we are continuously installing solar power plants on our buildings and our facilities. Hence, we make sure that electricity produced by old gas and coal fueled power plants is replaced by green power.

And last but not least, the soap bottles delivered to our customers are made of more and more recycled material. This helps to save even more resources and CO₂, supporting our Enkelfähig journey.



Hans-Norbert Topp, CEO
CWS Hygiene

Workwear

We set great store by the high quality and durability of our workwear and protective clothing. In this way, we ensure that the textiles remain in circulation for as long as possible via our service model. That makes our business model sustainable from the ground up on its own. Our Quality department analyses all garments in order to select the ideal thread as well as the processing and recycling methods which save the most resources. In addition, we consciously employ environmentally friendly materials such as viscose and recycled polyester.

For us, sustainability also means full transparency, both where raw materials and where production conditions are concerned, which is why we establish cooperations with certified suppliers of fair-trade raw materials and work together closely with the organisation Fairtrade. The majority of our range has already been evaluated with the Enkelfähig rating and achieved good scores.



Hartmut Engler, CEO
CWS Workwear

In terms of climate protection, our service cycle has been proven to cause 50 per cent fewer emissions than the classic purchasing model. But we are not resting on our laurels. We are continuing to modernise our laundries and looking for ways to reduce emissions actively. Our service routes and loads have already been optimised and we are gradually changing our fleet over to electric vehicles. We shall continue to close product loops and promote the reuse of existing resources and materials.

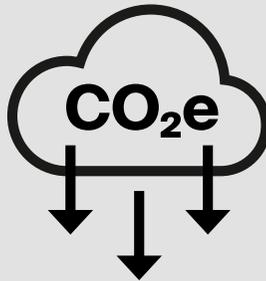
Our sustainable framework

Decarbonise our business

Logistics & laundries

By 2030

50% emissions reduction (across the 3 scopes)



Close the loop

Upcycling & recycling, waste

Create a best-in-class workplace

Health & safety, diversity

Responsible supply chain

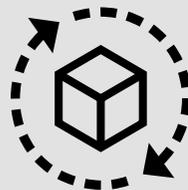
Social compliance & CO₂e

Offer sustainable products

Materials & lifetime

By 2025

Sustainable and transparent supply chains with 100 % auditing rates (for Workwear) for risk countries



90
per cent

By 2025

Generate 90% of new business from sustainable products

Cleanrooms

Sustainability also plays a key role for cleanrooms nowadays, which is why we are adding more and more products which satisfy these requirements to our portfolio. Our textile service segment is already very sustainable. Our reusable cleanroom clothing can be washed up to between 60 and 80 times before having to be disposed of. At the same time, we are improving the sustainable operation of our laundries. The resource-conscious use of detergents allows us to reduce the quantity of water required and ensure the advantageous reuse of process water at the same time.



Markus Schad, CEO
CWS Cleanrooms

We are also working intensively on decarbonisation. When it comes to our laundries, we focus on energy-positive new buildings and inspect existing buildings for ways in which we can save energy and generate climate-friendly energy. A new cleanroom laundry is under construction at the Burghausen site which corresponds to the latest sustainability standards in terms of thermal insulation, energy production and energy consumption. In addition, we are also developing a concept for a climate-neutral laundry allowing us to reduce resource consumption and CO₂ emissions to a minimum.

Fire Safety

At CWS Fire Safety, our actions are sustainable in a variety of ways. For one thing, we contribute to the protection of people and property. For another, one focus of our service is on the maintenance and care of our products, making them particularly long-lasting. In order to improve the sustainability of our portfolio, all products also undergo evaluation with the Enkelfähig rating.



Dr. Ulrich Schild, CEO
CWS Fire Safety

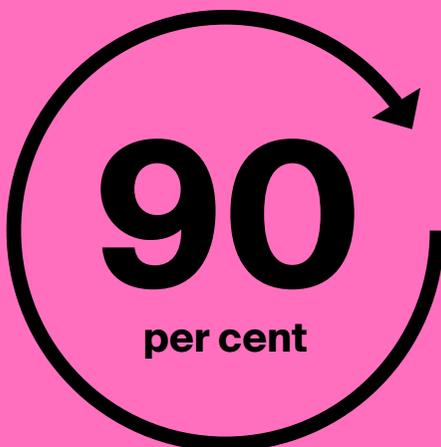
Our foam extinguishing agents contain no fluorine. With this measure, we are already complying with the upcoming EU standards and avoiding the release of difficult-to-degrade per- and polyfluoroalkyl substances (PFAS) into the environment. Together with our Danish partner VID, we are tapping the sustainable potential of water mist fire extinguishers, which require 60–80% less water than conventional sprinkler systems. We utilise all available means to reduce our CO₂ emissions in the interest of climate protection. Our logistics emissions are reduced through optimised route planning.

Sustainable products

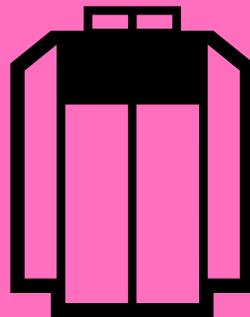
Enkelfähig rating

We are pursuing a holistic approach to assessing the sustainability of our products and services on the basis of social, economic and ecological criteria.

90% of the core portfolios of the Hygiene and Workwear divisions have already received an enkelfähig rating.



74%



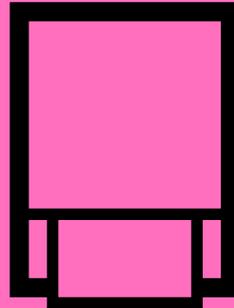
of the CWS workwear in circulation in 2022 was rated enkelfähig.

“Think Circular”

CWS employs sustainable and durable materials and increases repair rates in order to keep products in circulation for as long as possible.

2.5 mil. 

garments are checked by CWS each year in its central Customer Fulfilment Centre. Wherever possible, they are repaired and returned to the service cycle.



The number of repaired towel rolls reached 758,550 in 2022.

795,091

garments were returned to the CWS service cycle in 2022.

Sustainable materials

In the Workwear division, all newly developed products must contain sustainable fibres. In 2022, the following quantities of sustainable materials were procured:

39t sustainable viscous

117t of recycled polyester

64t of sustainable cotton

Enkelfähig products for more sustainability



CWS evaluates the sustainability of its own products with its enkelfähig rating. The company has rated the majority of its portfolio over the last two years – thanks to the close cooperation between Product Management and the Sustainability team.

For CWS, the principle of enkelfähig is shaped by an ambitious understanding of sustainability. It originates from our parent company, Franz Haniel & Cie.*, and expresses the vision that all products and services enable a future worth living for future generations.

CWS and other companies in the Haniel Group have developed a detailed rating system based on this principle, which allows classification of every product according to its environmental, climate and social compatibility. This is the goal that Product Management and the Sustainability team are pursuing together in close cooperation.

Own initiatives of the divisions

CWS is currently changing its entire portfolio over to enkelfähig products step by step. “The colleagues from Product Management and the Sustainability team identify potential for optimisation and bestselling enkelfähig products at monthly meetings.”

This exchange results in divisional projects such as the Push Cotton campaign, which makes customers more aware of the sustainability advantages of cotton towel rolls. “The divisions are clearly committed and it is obvious how important our meetings are for a sustainable transformation,” said Leonie Biesen, Sustainability Manager CWS Workwear.

Sustainable DNA

Workwear division began offering its Scandic Line, the first sustainable collection for customers in the hotel, restaurant and catering (HoReCa) and food retail sectors. The garments are produced exclusively from recycled materials and using green electricity in Europe. “Never has there been such a sustainable collection anywhere else,” explained Leonie.

In addition, CWS recently introduced the first fluorine-free foam fire extinguishers, which make fire safety considerably more sustainable. And progress is also evident in the Cleanrooms division. Leonie: “The regulations leave us little room for manoeuvre here. Despite that, we have still integrated a durable recycled product into our portfolio with the MicroSicuro CR/A R reusable mop cover.”

You can find out more about the enkelfähig principle [here](#).

*(referred to hereinafter as Haniel)



Workwear: Scandic Line

Stylishly sustainable

Comfortable, durable, modern. The Scandic Line is the first ecological workwear collection from CWS for the catering and food retail sector.

The fabrics of the Scandic Line are made from 65 per cent recycled PET bottles and 35 per cent reused cotton. But it is not only the material (certified according to OEKO®-Tex Standard Class 1 and the GRS Global recycled standard) that rates highly in terms of sustainability: the garments are produced in Europe with certified green electricity. This means that transport distances are short and labour standards are high.

“We have subjected a large share of our workwear products to the enkelfähig rating, which comprehensively determines the sustainability of products,” said Conny Pieters, International Product Manager at CWS.

The Scandic Line is the first sustainable collection from CWS for the catering and food retail sector. It impresses with its modern Scandinavian design and comfortable, breathable material. The CWS service cycle additionally contributes to the sustainability of the garments: the professional cleaning and repair of the garments increases their durability, plus the service model saves up to 50 per cent CO₂ emissions compared with purchasing.

You save trees

It avoids waste and saves trees: the cotton towel roll from CWS ensures your hands are clean – and your washrooms too. From its reusability to its end-of-life use, it is packed full of sustainable CWS DNA.

CWS sets standards for sustainable washrooms with the cotton towel roll, which is made from 100 per cent cotton. “The material is particularly skin-friendly and, thanks to its surface, removes dirt and bacteria optimally after handwashing,” explained Enzo Lagrasta, Head of Divisional Product Management at CWS Hygiene.

Unlike paper towels, cotton towel rolls are washed after use instead of being thrown away. Each roll can be washed up to 100 times, allowing around 100 people to dry their hands each time. In this way, over its useful lifetime, one roll saves approximately 22,000 paper towels* – and up to 40 per cent energy**, 95 per cent waste*, plus no trees need to be cut down. “Our cotton towel roll brings sustainability to washrooms. Not only that – once it is done drying hands, it can be recycled into cleaning cloths for machines or similar items.”

(*) Assuming approximately 100 washing cycles for a “CWS Slim roll”, offering around 110 portions per clean roll, and the use of two single average-sized and average-quality paper towels for hand-drying each time.

(**) Source: LCA of mechanical hand-drying systems: A comparison of cotton and paper towels, thinkstep 2016, conducted by: WIRTEX (Wirtschaftsverband Textil Service e.V.) and ETSA (European Textile Services Association).



Know your contribution: everyone can help protect the environment by using the CWS cotton towel roll. The sticker will soon be on all CWS towel dispensers and show users that they are saving trees and thus making an active contribution to environmental and climate protection.

Infobox

Less waste thanks to smartMate

CWS' Internet of Things (IoT) solution smart-Mate reports the fill levels of towel and soap dispensers, for example. The technology is the further development of the recently introduced PureLine dispenser range. “This helps ensure products are replaced at the optimal time and not prematurely, which translates to less waste,” explained Enzo Lagrasta.

Fire safety and the environment in harmony

Many foam extinguishing agents contain fluorine compounds. These chemicals are highly problematic and are therefore becoming ever more strictly regulated. CWS Fire Safety is already offering fluorine-free foam extinguishers.



Fluorine compounds (per- and polyfluoroalkyl substances – PFAS for short) have been proven to have harmful effects on both humans and the environment. However, for a lack of alternatives, the chemicals are still found in many foam extinguishing agents. The European Chemicals Agency (ECHA) is currently working on a statement regarding a ban.

“We expect a complete ban as of 2024 with short deadlines for replacing the fire extinguishers,” explained Simone Kruse, Lead Product Management & Sales Projects at CWS Fire Safety. “As such, we re-

commend that our customers switch over as soon as possible, and the next service appointment would be the perfect opportunity.” That should avoid investment backlogs and supply bottlenecks.

“Once the ban comes into effect, the disposal costs will also increase,” added Simone Kruse. 90 per cent of the foam extinguishers available from CWS are already fluorine-free. “Switching now will save costs in the medium term and protect the environment at the same time.”



More sustainability in the cleanroom

CWS Cleanrooms is now offering a sustainable alternative to the cleanroom classic with its innovative reusable mop cover.

The topic of sustainability is becoming ever more important in the cleanroom sector too.

With this in mind, CWS Cleanrooms is increasingly adopting environmentally friendly and resource-saving products into its range. The company's goal is to offer a sustainable alternative to every standard product.

The new MicroSicuro CR/A R reusable mop cover is a prime example: it is made with 76% recycled polyester fibres and is thus a sustainable version of the popular MicroSicuro CR/A. The new recycled

cover was developed by CWS partner Pfennig Reinigungstechnik GmbH.

The innovative mop cover (with recycled fibre content) is the result of ongoing efforts to integrate sustainable products into highly specialised cleanroom ranges. The result is something to be proud of: "the material and performance characteristics of the more sustainable version with the green stripes are identical to those of the tried-and-tested classic", explained Catrin Dünne, Regional Product Management at CWS Cleanrooms.

Decarboni- sation

Scope 1 emissions arise from direct energy consumption, for example by laundries or vehicles. In 2022, those at CWS amounted to

71,669 t CO₂e

Scope 3 emissions cover material deliveries as well as the use and disposal of the products. The total amount for CWS in 2022 was

216,353 t CO₂e

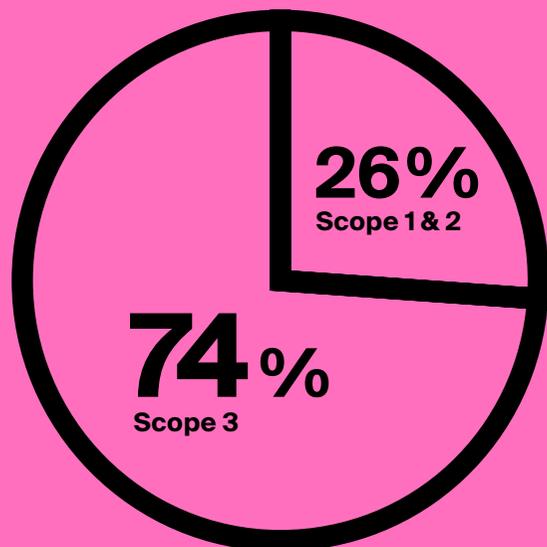
**291,231 t
CO₂e**

were emitted by CWS
in total in 2022.

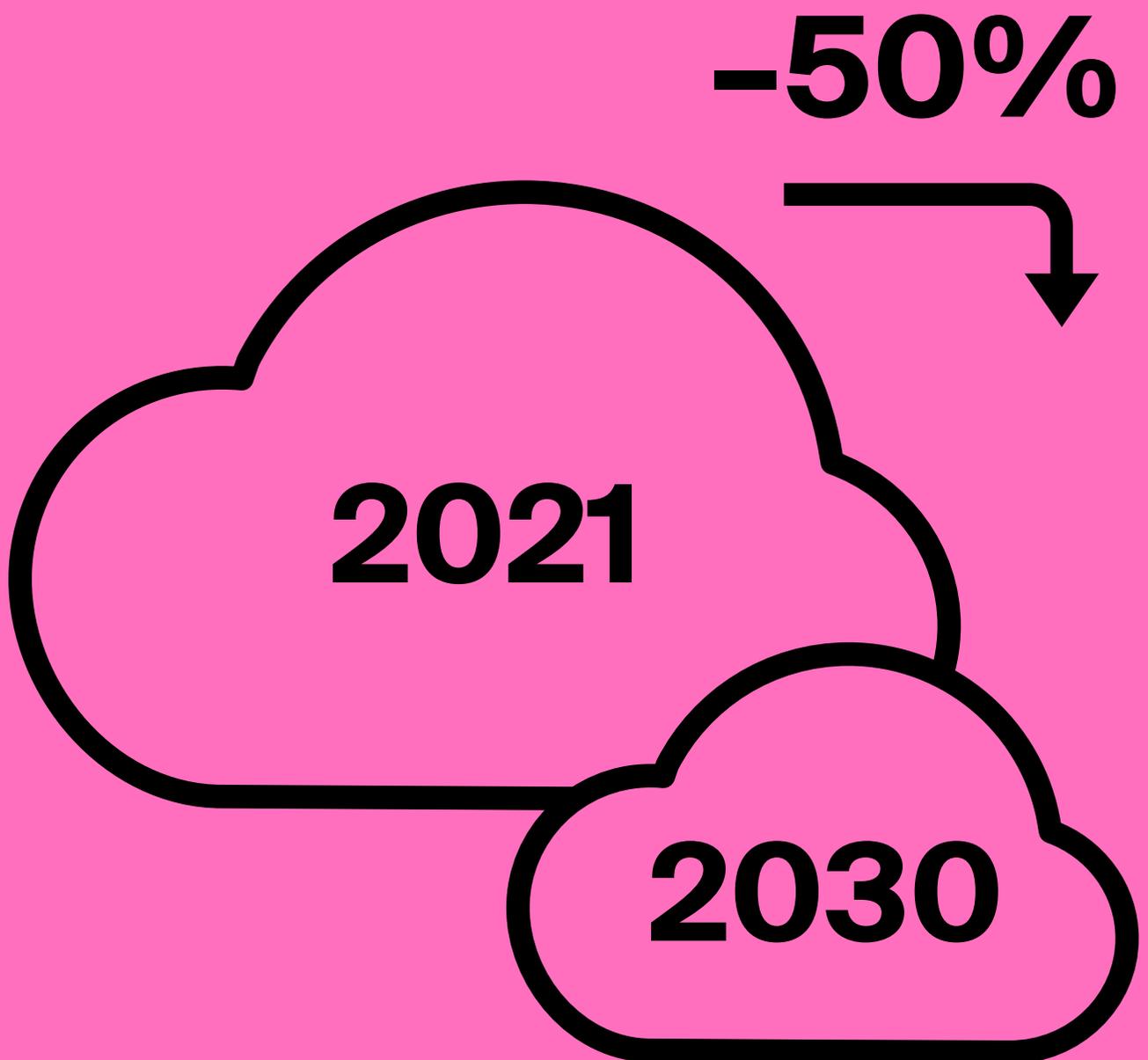
Scope 2 emissions arise from purchased energy. In 2022, they amounted to

**3,209 t
CO₂e**

The share of emissions
in the total CWS footprint are



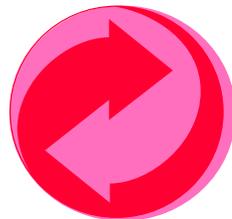
CWS has set itself the goal of reducing its CO₂e emissions by 50 per cent by 2030 (baseline 2021). To do so, the company has developed an ambitious climate strategy involving a wide range of decarbonisation measures.



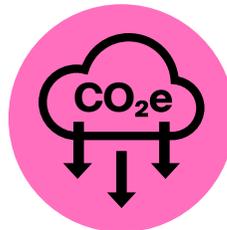
Our decarboni- sation journey

CWS aims to cut its CO₂ emissions in half by 2030. To achieve this, the company has developed an ambitious climate strategy with a comprehensive range of measures. These include the decarbonisation of suppliers, switching to zero- or low-emission energy sources, switching over to electric vehicles, recovering water and used heat and improving product circularity by increasing their durability and recycling rates.

**How we
will meet
our target:**



**Recycled
Materials**



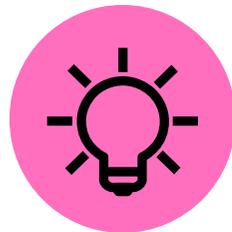
**Supplier
Decarbonisation**



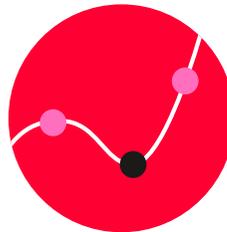
**Green Laundry
Operations**



EV Transition



**Energy
Efficiency**



**Product Life
Extension**

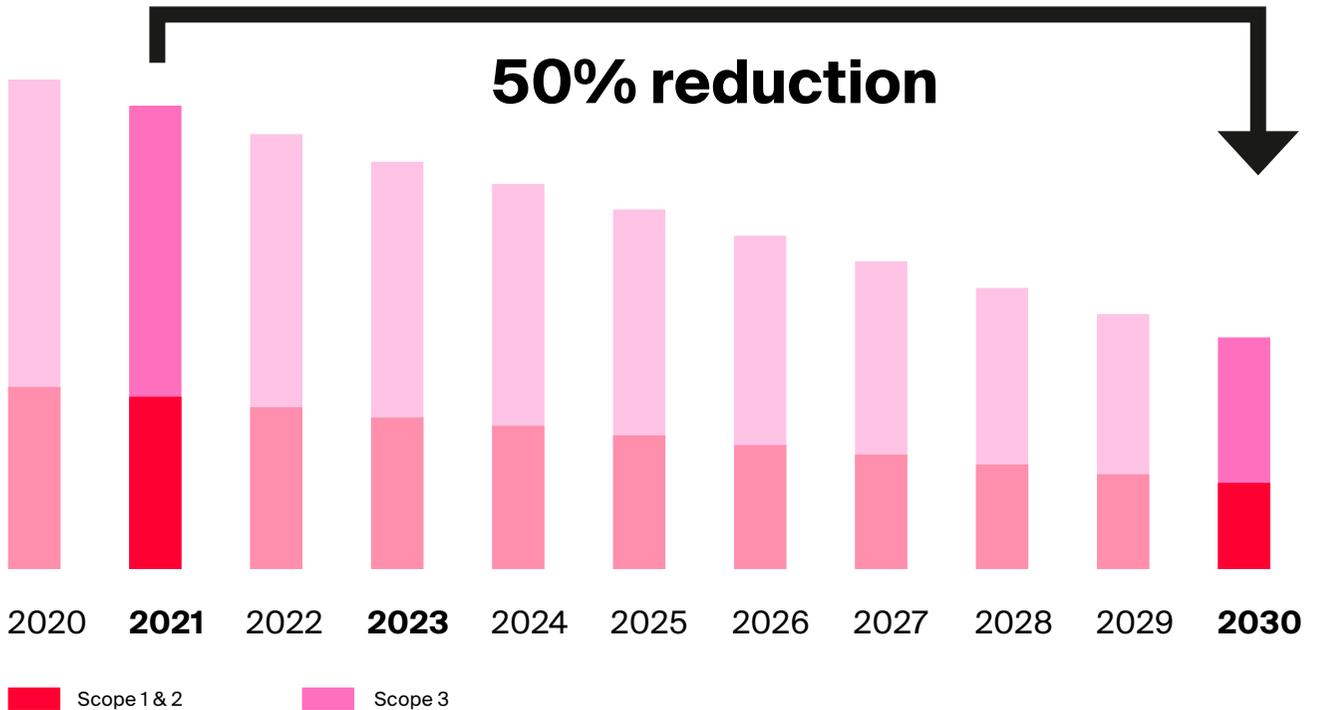


**On-site Renew-
able Energy
Generation**

Focus
Strategy with the most cost-effective measures

Adapt
“Learning by doing” for a dynamic environment

Upgrade
Aim for climate neutrality



2021

(base year: 218,000 CO₂e)

Corporate carbon footprint published:

Scope 1 & 2 (37%)

- Energy consumption
- Logistics

Scope 3 (63%)

- Purchased goods and services
- Utilities, fleet, CAPEX, logistics

2023

- **2030 climate target in line with IPCC recommendations 50% reduction in emissions across all scopes**

- Announcement of the “CWS Decarbonisation Plan 2030”
- Beginning of roadmap implementation (e.g. efficiency measures, large-scale photovoltaic initiative launched, mapping of suppliers)

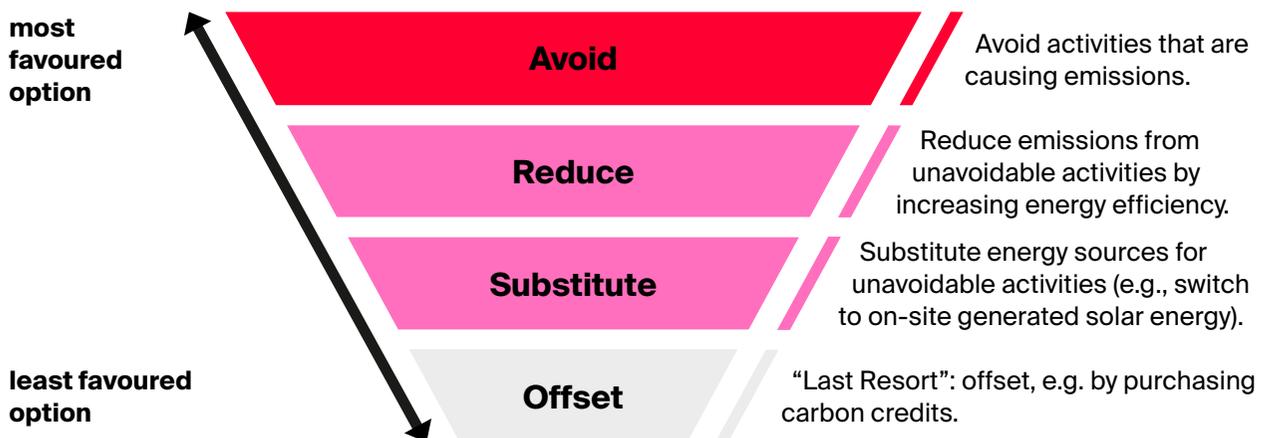
2030

- **50% reduction across all scopes achieved**
- Strategy for science-based climate neutrality targets underway

In the starting blocks

CWS aims to cut its greenhouse gas emissions by 50 per cent by 2030. To achieve this, the company has developed an ambitious strategy with 19 initiatives that are to be implemented from 2023. Decarbonisation of the supply chain is a key aspect.

CO₂e mitigation pyramid



Pyramid of measures for minimising emissions by 2030: avoidance, reduction and switching over to green electricity form the basis of the 50 per cent goal. Emissions should only be compensated for if they absolutely cannot be prevented.

Luca Costa can breathe a sigh of relief. He has been preparing the big climate transition at CWS in minute detail for a year and a half. Now, at the beginning of 2023, the starting shot has finally been fired for its implementation. By 2030, the company wants to reduce its current emissions by half compared with 2021. As Sustainability Manager, Luca knows very well what an ambitious goal that is. Above all, he knows what is urgently needed to achieve it: a plan! And one based on reliable facts.

“Rough estimates won’t get us any further with decarbonisation,” said Luca. “That’s why we calculated our total emissions for the first time in 2021, and we now compile this corporate carbon footprint

every year. It takes into consideration all emission classes and makes our CO₂e emissions along the entire value chain transparent.”

Clear priorities

On the basis of these data, Luca developed a detailed climate strategy for the 50 per cent goal. At its core are 19 initiatives, which are to be implemented across all divisions: in laundries, in logistics and all along the supply chain. These include switching to renewable energies, electric vehicle fleets, increasing energy efficiency and improving the circularity of products by means of higher durability and more recycling.

The plan establishes clear priorities where these reduction mechanisms are concerned: first and foremost, unnecessary emissions should be avoided. Where that is not possible, the emissions should be kept to a minimum. In both cases, the respective initiatives focus on optimising the use of energy. The third major element in the CWS climate change is the targeted switching to a greener energy supply, primarily via a comprehensive move to our own solar power.

If there are still emissions, they are to be offset through compensation projects. However, that only as a last resort. Luca: “By avoiding and reducing emissions plus switching over to green electricity, we are focusing on preventing greenhouse gases from being produced in the first place. We only want to resort to compensation for what absolutely cannot be prevented.”

Supply chain in focus

Luca's plan focuses especially on the decarbonisation of suppliers. A look at the figures reveals why this is so important: CWS produced around 291,231 tonnes of greenhouse gases in 2022. Approximately 26 per cent of those are in the Scope 1 and Scope 2 emission classes. These originate either from internal sources at CWS such as machines and vehicles or from purchased energy.

However, the lion's share, a whole 74 per cent, comes not from the company itself but from the upstream and downstream value chains (Scope 3). The downstream part does not represent too great an issue for CWS. The company washes its rental products itself and repairs them to extend their life cycle. This circular service model makes it possible to internalise almost all downstream emissions such as those from the use and disposal of products. They then fall under Scope 1 and Scope 2 instead of Scope 3 – in other words, in the area that CWS controls itself.

The upstream emissions that arise in the company's own supply chain are considerably more complicated. More than half of CWS' total Scope 3 emissions originate from the direct purchasing of materials and services. “Scope 3, especially the decarbonisation of the supply chain, is the most important, but also the most challenging step towards becoming a climate-neutral company,” explained Luca. “We have been implementing reductions for Scope 1 and Scope 2 since the beginning of 2023. Now it is time to turn our attention to the supply chain.”

Scope 1



Scope 2

A leap in quality

Reducing suppliers' contribution to a company's own CO₂e footprint is considered a particular challenge in almost every industry. Accurate data collection is often difficult. In many cases, the companies do not have a precise overview of where and what quantity of emissions arise in their supply chain. This knowledge gap makes it problematic to influence the behaviour of partner companies.

To change that, CWS is constantly working to improve the transparency and reliability of its Scope 3 emission accounting process. The company employed the carbon accounting engine Normative* for the first time for the 2022 emission analysis. Its method is considerably more detailed and takes all important subcategories into consideration. This makes data available to Luca and his team which were not taken into account in previous evaluations. These extra available data yield Scope 3 values for 2022 higher than those of the previous year.

However, that does not mean that greenhouse gas emissions have actually increased here; the evaluation's higher degree of detail means that emissions now also appear on the balance sheet that were not previously recognised. This is a good sign for Luca.

“This new method has enabled us to make a real leap in the quality of our Scope 3 data collection,” said Luca. “We now have a clear idea of where emission hotspots are in our supply chain and exactly how they affect our own CO₂e footprint. We will now approach our suppliers with these findings and work together with them on specific reduction measures.”

*For more details on Normative carbon accounting methodologies, please click [here](#).

Scope 3

Sustainable ecosystem



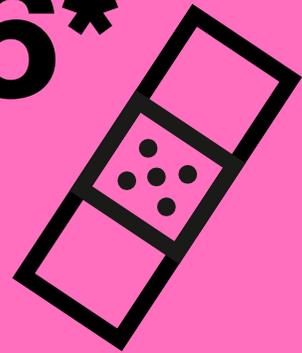
11,841

employees participated in the annual compulsory online training on the topic of compliance.

Our accident rate in 2022 was

1.26*

* Number of reported accidents × 200,000 / number of effectively worked hours



16

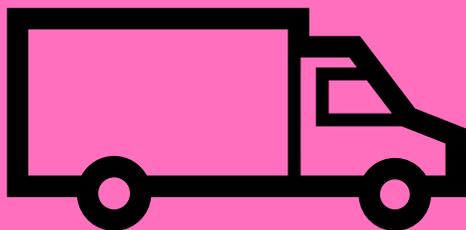
more work-related accidents were prevented here in 2022 compared with 2021.

For us, enkelfähig means the harmonious coexistence of humankind and nature. We are minimising our annual work-related incidents, ensuring the well-being of the employees in our supplier companies and promoting the circular economy with innovative products and projects.

Around

880

employees completed training on the topic of sustainability.



11 additional e-vehicles were ordered for our Dutch service fleet in 2022, which are set to replace the standard service vans as of 2023.

The CWS Group was awarded the coveted gold rating by EcoVadis for the first time, ranking it among the top 5% of companies in the industry.

Sustainable ecosystem



Responsible supply chain

Transparent supply chain

The German Supply Chain Act (LkSG) obliges companies to prevent human rights violations and environmental damage in the upstream value chain. With the help of EcoVadis, CWS is assessing its suppliers and rendering risk management even more professional.

Sustainability and responsible action do not end at our own gates. Companies are connected and procure raw materials and services from all over the world. Against this backdrop, the German government recently passed the Supply Chain Act, which

came into force at the beginning of 2023. The law obliges companies to manage risks actively and ensure that their supply chains are free from human rights violations and environmental damage.

To satisfy the law's requirements, companies must audit their suppliers for factors such as sustainable procurement and compliance with labour laws. If risks of breaches are identified, the causes should be minimised or ideally eliminated.

CWS has been publishing reports on its sustainability efforts since 2012 and also makes information on its supply chain available. "Transparency along our entire value chain as well as close and long-term cooperations with our suppliers have always been an indispensable part of holistic sustainability for us," explained Carolin Wiegand, Corporate Responsibility Manager at CWS.

All risks in view

In order to professionalise its supply chain even further and comply with the Supply Chain Act, the Haniel Group and accordingly also CWS put their faith in the expertise of the internationally renowned assessment platform EcoVadis. The company offers a globally available platform for sustainability assessments and certifications, which makes it possible to monitor the sustainable operation of supplier companies. EcoVadis analyses the business partners on the basis of 21 sustainability criteria, which are grouped into four themes: environment, labour and human rights, ethics and sustainable procurement.

"For some time now, we have been active on the EcoVadis platform no longer merely as a rated company, but also as a rating company," explained Lars Erik Timm, E-Procurement Manager Strategic Sourcing. "Since last year, EcoVadis has been helping us to create complete risk maps of our suppliers. That puts us in a position to identify any risks in good time and take corrective action actively in case of doubt. For example, by approaching the companies and offering them our support."

CWS currently has 1,248 suppliers registered on the platform, of which EcoVadis has already assessed 14 per cent. "Our goal is to reduce the number of our high-risk suppliers as far as possible."



Insight: Certification

CWS achieves gold rating

The commitment to sustainability – not just where the supply chain is concerned – is paying off: in October 2022, the CWS Group itself was awarded the coveted gold rating by EcoVadis. This puts the company far above the industry average and among the five per cent of those companies for which the rating specialist was able to confirm a leading position in the field of sustainability.

The rating highlights both strengths and potential for improvement in the assessed company. The CWS Group's strengths are especially in the areas of environment protection and labour and human rights – the most important criteria in the rating. The rating is valid for one year and must then be repeated.

"We have managed to improve from silver to gold in just one year. We are delighted by this acknowledgement and external assessment of our efforts," said Carolin Wiegand. "We aim to further develop our sustainability continuously and tap our full potential in this area, which is why we undergo the EcoVadis rating regularly. In doing so, we make it transparent both for us and for our customers where we are already very good and where we can still improve."

Clothing donations for the circular economy

Accelerating Circularity is a non-profit organisation which promotes recycling in the textile industry for greater environmental protection. The CWS Group will be offering its support in the future by donating materials.



Leonie Biesen, Sustainability Manager, CWS Workwear

Greater resource efficiency = greater environmental protection: Accelerating Circularity wants to transform the textile industry towards sustainability and a circular economy. It facilitates the collection of used materials and the development of products from recyclable design concepts for clothing. By doing so, it hopes to create independence from raw materials and reduce environmental impact at the same time. The CWS Group will be supporting its efforts in the future by donating materials.

“We deliver discarded textiles, which then serve as the basis for various pilot projects launched by the initiative,” explained Leonie Biesen, Sustainability Manager at CWS. Accelerating Circularly works in close cooperation with companies, governments, NGOs and other stakeholders to introduce and scale circular models. “We are happy that CWS can lend its support to this important task.”





Close the loop: circular T-shirt

Out of the cycle, into the cycle

CWS' sustainability vision is based on cycles. Developing a T-shirt from old CWS Workwear clothing is thus the logical consequence. Bearing the fitting name PROcircular, the T-shirt is made from 60 per cent recycled cotton and 40 per cent recycled polyester.

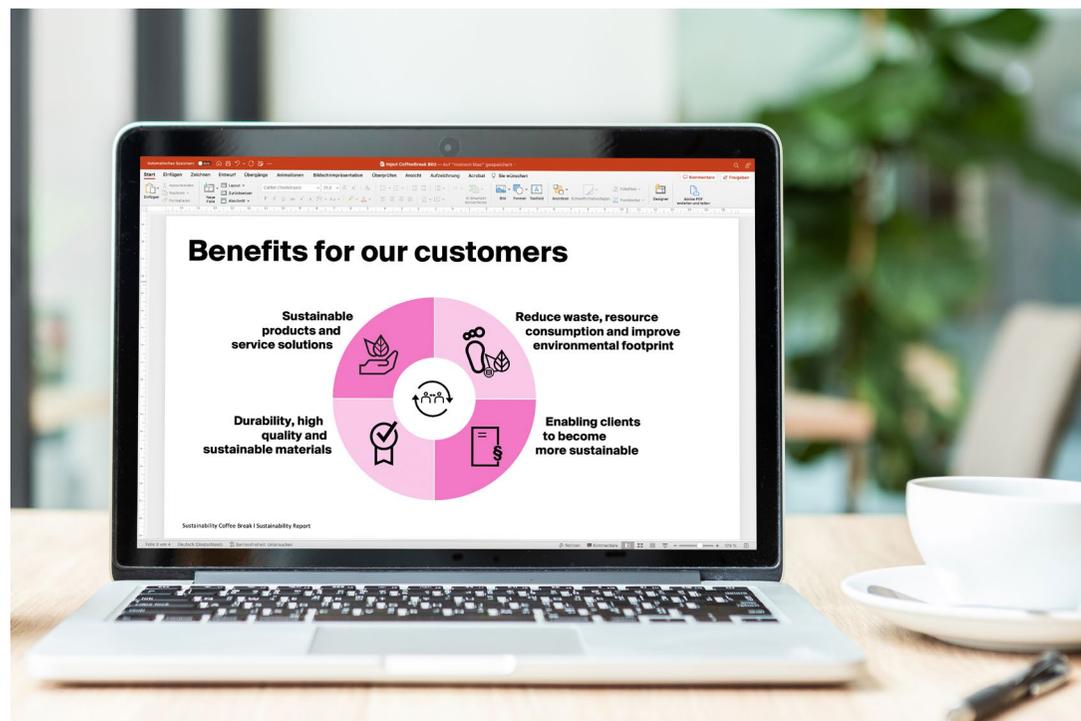
That is a real bonus for the environment, as each shirt translates to savings of 170 grams of cotton, 2,943 litres of water, 170 millilitres of crude oil, 1.51 kilos of CO₂ and 430 grams of pesticides for CWS. Alongside these environmental benefits, the circular T-shirt offers the same characteristics as CWS clothing made from new materials, making it yet another key product innovation for our enkelfähig transformation.

Sustainability updates during coffee breaks

What's new on the topic of sustainability at CWS? Our sustainability team regularly informs all interested colleagues about the company's sustainability activities in what we call coffee break webinars – brief, concise and up to date.

Interest has been great: around 900 colleagues participated in the training in 2022, with more than 72 per cent of the self-study elements being completed. As a result, in addition to continuing the format, the team is also planning a wiki and a knowledge exchange platform, where colleagues will soon be able to

find out more about the latest activities at CWS on their own. "We are delighted by the great interest in the topic of sustainability and just how many colleagues are eager to participate," said Carolin Wiegand of the CWS sustainability team. "This allows us to share our knowledge and pass on our enthusiasm."



Best in class workplace: DFL Award

Women shape the future



Adriana Nuneva,
Chief Digital Officer
(l.) and winner
Katharina Unger

Diversity is a key topic at CWS, which is why the company lent its support to the Digital Female Leader Award (DLFA), presented by Global Digital Women, once again in 2022. And not just as a sponsor, but also on the jury.

The Digital Female Leader Award 2022, organised by the Berlin-based diversity company Global Digital Women, included 18 categories and 750 nominations from all over the world. The award is one of the most important industry events for all digital topics related to female leadership. As CWS is very active in the field of sustainability, it sponsored the corresponding award category.

“We see ourselves as part of the circular economy. As such, supporting the Sustainability category was only logical,” said Adriana Nuneva, Chief Digital Marketing & Sales Officer at CWS. She was equally delighted when she was appointed to the jury. “I was completely overwhelmed by the quality and diversity of the nominations. Women all over the world have put together impressive projects,” said Adriana Nuneva.

As a sponsor, CWS was not permitted to judge in the Sustainability category – but was given the honour of presenting the winner with her award: Katharina Unger from Austria won over the jury with her project Livin Farms, in which she transforms organic waste into insect proteins, which, in turn, are processed into sustainable products for pet food, fish feed and fertilisers. Congratulations!

Facts and figures

Key figures on sustainability performance

Figures in this report reflect to a large extent the recovery of business to normal levels after the exceptional economic circumstances of the COVID 19 pandemic. In 2022, CWS experienced a cyber-attack, as a result of which we had temporary limited visibility into our data and figures. However systems and data availability were restored during the year, some of the figures on this report might still be affected.

| Employee data | 2021 | 2022 |
|--|--------|--------|
| Employee data at business levels | | |
| Total number of employees | 11,120 | 11,553 |
| ... in Management | 766 | 798 |
| ... in Administration | 1,149 | 1,260 |
| ... in Laundry | 4,194 | 4,238 |
| ... in Service | 3,222 | 3,399 |
| ... in Sales | 1,789 | 1,858 |
| Employee data according to gender and management level 1-3 (all %) | | |
| Percentage of male employees | 53 | 53 |
| Percentage of female employees | 47 | 47 |
| Percentage of males in management | 73 | 70 |
| Percentage of females in management | 27 | 30 |
| Percentage of males in ELT* | 50 | 56 |
| Percentage of females in ELT* | 50 | 44 |
| Percentage of employees in management (< 30 years) | 2 | 3 |
| Percentage of employees in management (30-50 years) | 63 | 60 |
| Percentage employees in management (> 50 years) | 35 | 37 |
| Percentage of male employees who left the company in the reporting year | 56 | 57 |
| Percentage of female employees who left the company in the reporting year | 44 | 43 |
| Employee data at year end according to contract and employment type (all %) | | |
| Percentage of employees with fixed-term contract | 12 | 12 |
| Percentage of employees with permanent contract | 88 | 88 |
| Full-time | 81 | 83 |
| Part-time | 17 | 16 |
| (rest to 100% are inactive employees) | | |
| Full-time by gender | | |
| Male quota | 59 | 58 |
| Female quota | 41 | 42 |
| (refinded calculation method compared to the last report) | | |
| Part-time by gender | | |
| Male quota | 26 | 25 |
| Female quota | 74 | 75 |
| (refinded calculation method compared to the last report) | | |

| Employee data | 2021 | 2022 |
|--|-------------|-------------|
| Average hours of training per employee | | |
| ... in Management | 4.4 | 2.0 |
| ... in Administration | 25.7 | 25.2 |
| ... Laundry & Service | 1.2 | 1.7 |
| ... in Sales | 7.0 | 6.2 |
| Key figures on compliance and anti-corruption measures | | |
| Number of employees who received compliance training (e-training)** | 3,412 | 11,841 |
| Employee data according to lost days due to accidents or illness | | |
| Total lost working days due to accidents | 6,841 | 6,658 |
| ... in Management & Administration | 225 | 219 |
| ... in Laundry | 2,210 | 1,982 |
| ... in Service | 3,773 | 3,958 |
| ... in Sales*** | 333 | 499 |
| Total injury rate (number of accidents registered × 200,000/number of hrs actually worked) | | |
| ... in Management & Administration | 0.00 | 0.06 |
| ... in Laundry | 2.66 | 1.68 |
| ... in Service | 3.75 | 1.95 |
| ... in Sales | 0.00 | 0.00 |
| Absenteeism (illness; %) | 10 | 7 |
| Environmental data | | |
| Energy consumption data | | |
| Total direct energy consumption (laundry operations; GJ) | 657,259 | 731,870 |
| Natural gas consumption (laundry operations; GJ) | 613,245 | 676,772 |
| Energy consumption from oil (laundry operations; GJ) | 15,261 | 15,574 |
| Energy consumption from wood pellets (laundry operations; GJ) | 28,753 | 39,524 |
| Total indirect energy consumption (laundry operations; GJ) | 142,709 | 147,766 |
| Purchased green electricity (for laundry operations; GJ) | 115,892 | 122,325 |
| Purchased grey electricity (for laundry operations; GJ) | 15,177 | 14,850 |
| Amount of steam imported (laundry operations; GJ) | 11,640 | 10,590 |

* ELT = Executive Leadership Team (highest management board at CWS)

** The significant increase is related to mandatory e-training

*** The significant increase is related to increased service activities after reduction of all Corona restrictions.

| Environmental data | 2021 | 2022 |
|--|-------------|-------------|
| Emissions data | | |
| Total CO ₂ e emissions (market based; t) | 217,950 | 291,231 |
| Scope 1 (natural gas, oil, owned and leased fleet, company cars; t) | 67,529 | 71,669 |
| Scope 2 (grey and green electricity, steam; market based; t) | 3,421 | 3,209 |
| Scope 2 (grey electricity, steam; location based; t) | 19,163 | 11,476 |
| Scope 3 (value chain emissions; t)* | 147,000 | 216,353 |
| Biomass | 125 | 169 |
| CO ₂ e (thermal & electricity) per kg towel rolls washed (kg) | 0.18 | 0.18 |
| CO ₂ e (thermal & electricity) per kg mats washed (kg) | 0.08 | 0.07 |
| CO ₂ e (thermal & electricity) per kg workwear washed (kg) | 0.32 | 0.33 |
| CO ₂ e (thermal & electricity) per kg cleanroom textiles washed (kg) | 0.36 | 0.37 |
| Water consumption data | | |
| Litres of water consumed per kg towel rolls washed | 4.8 | 4.8 |
| Litres of water consumed per kg mats washed | 3.0 | 3.2 |
| Litres of water consumed per kg workwear washed | 13.1 | 13.3 |
| Litres of water consumed per kg cleanroom textiles washed | 27.7 | 27.6 |
| Total of water consumed at laundries (m ³) | 1,322,076 | 1,708,009 |
| Washed volumes (kg) | 186,287,499 | 203,243,284 |
| Logistics and transport data | | |
| Logistics data | | |
| Number of stops (WW) | 2,520,817** | 1,979,673 |
| Number of stops (HY) | 5,355,500 | 5,287,293 |
| CO ₂ emissions per customer stop - WW (kg CO ₂ / stop) | 2.60 | 3.70 |
| CO ₂ emissions per customer stop - HY (kg CO ₂ / stop) | 2.40 | 2.30 |
| CO ₂ emissions of service fleet per kg washed laundry (kg) | 0.15 | 0.16 |
| Fleet emissions data | | |
| CO ₂ emissions of owned or leased service fleet (trucks, vans, and cars; t) | 35,173 | 32,011 |
| Upcycling and recycling data | | |
| Upcycling/recycling of hand towel dispensers | | |
| Number of dispensers repaired in upcycling centre (total per year) | 26,547 | 31,968 |
| Number of dispensers recycled in upcycling centre (total per year) | 11,154 | 9,940 |
| Dispensers processed per month | 3,142 | 3,492 |
| Supplier and supply chain management data*** | | |
| Classification according to supplier type | | |
| Total number of suppliers (finished, trading goods and raw materials) | 286 | 343 |
| Of which "Contractors" (finished goods) | 6 | 7 |
| Of which "Business partner" suppliers (trading goods) | 280 | 211 |
| Of which "Business partner" suppliers (raw materials) | - | 125 |

| Supplier and supply chain management data*** | 2021 | 2022 |
|---|--------|--------|
| Risk assessment according to region and supplier type**** | | |
| Contractors: number of suppliers producing in low-risk countries | 1 | 2 |
| Contractors: percentage of volume spend of suppliers producing in low-risk countries (%) | 8.6 | 10.1 |
| Contractors: number of suppliers producing in risk countries | 5 | 5 |
| Contractors: percentage of volume spend of suppliers producing in risk countries (%) | 91.4 | 89.9 |
| <hr/> | | |
| Business partners: number of suppliers producing in low-risk countries | 266 | 195 |
| Business partners: percentage of volume spend of suppliers producing in low risk countries (%) | 96.4 | 90.4 |
| Business partners: number of suppliers producing in risk countries | 13 | 16 |
| Business partners: percentage of volume spend of suppliers producing in risk countries (%) | 3.5 | 9.6 |
| <hr/> | | |
| Number of suppliers that signed the CoC (Workwear division) | 163 | 290 |
| Percentage of total spend with suppliers that signed the CoC | 98.8 | 99.4 |
| Number of re-audits of "Contractors"... | 0 | 1 |
| <hr/> | | |
| Further information on suppliers | | |
| Number of "Contractor" suppliers with a cooperation duration... | | |
| ... of <2 years | 0 | 1 |
| ... of 2-5 years | 1 | 1 |
| ... of 5-10 years | 2 | 2 |
| ... of >10 years | 3 | 3 |
| <hr/> | | |
| Number of "Business partner" suppliers with a cooperation duration... | | |
| ... of <2 years | 17 | 8 |
| ... of 2-5 years | 57 | 25 |
| ... of 5-10 years | 75 | 88 |
| ... of >10 years | 131 | 90 |
| <hr/> | | |
| Sustainable materials and sourcing data | | |
| Certified paper purchased for HY products (e.g. FSC, Ecolabel; t) | 13,575 | 15,801 |
| Certified paper as a percentage of total paper purchased (%) | 95,8 | 95,8 |
| Organic cotton + fairtrade white label purchased (for hand towel rolls; t) | 57 | 30 |
| <hr/> | | |
| Sustainable cotton fabrics purchased (workwear, own production e.g. Fairtrade, Cotton made in Africa; t)***** | 305 | 64 |
| Recycling polyester fibres purchased (workwear, own production; t) | 83 | 117 |
| Sustainable viscose purchases (workwear, own production; t) | 33 | 39 |
| Sustainable fibres as a percentage of total fibres purchased (workwear, own production; %) | - | 19.2 |

- * CWS is constantly working to improve the transparency and reliability of its Scope 3 emission accounting – as a key prerequisite for effective reduction strategies. For the 2022 assessment, we partnered with Normative – an established carbon accounting engine that builds on the Greenhouse Gas (GHG) Protocol methodologies and relies on the latest emission factors databases. Improving the visibility of Scope 3 emissions typically leads to an "increase" of the same, and this is the reason behind the higher Scope 3 emissions that CWS is reporting for 2022, compared to 2021. There are no reasons to assume an "organic growth" of Scope 3 emissions (e.g., suppliers spend data are to a very large extent comparable). At the same time, we greatly improved the visibility of our hotspots, and these inputs will feed into our reduction strategy. For more details on Normative carbon accounting methodologies, please click [here](#).
- ** This deviates from what was published last year. An incorrect value was reported for 2021.
- *** Re-definition of KPI set due to new internal structures and requirements; comparison with 2021 figures not possible; displayed 2021 figures follow the old KPI scope and definitions)
- **** Country classification applied according to official Amfori Country Risk Classification 2022
- ***** Decrease due to more precise measuring method from 2022 onwards (not measured as raw-cotton)

Outlook



How do we ensure that we make the right decisions today for a more sustainable future? The answer is by reminding ourselves every day that sustainability is not a one-off objective that can be shelved with a few measures. Sustainability is a continuous process which constantly challenges us to question and improve products and business practices.

At CWS, we internalised this way of thinking a long time ago. We strive tirelessly to render our products even more durable and recyclable, while reducing our carbon footprint to a minimum. By 2025, we want to achieve more than 90 per cent of our new business with sustainable products; by 2030, we want to lower CO₂ emissions across the whole company by 50 per cent. However, we have also been thinking beyond these medium-term goals for a long time now already.

Soap dispensers for the climate

We are already working on technologies and process optimisations which will pave the way to the next level of sustainability. For example, our colleagues in the Hygiene division are currently developing the first prototypes for a climate-negative soap dispenser together with a partner company.

This will involve the use of an innovative material based on technical biocarbons. During their production, biocarbons absorb CO₂ which would otherwise likely have been released. Throughout their life cycle, these CO₂-negative materials absorb more carbon than they release. That's a win-win situation for climate protection!

More sustainable products

In addition, we are in the process of fundamentally revising and restructuring our entire product portfolio. As a direct result, many products not in line with the *enkelfähig* standard will be phased out of the range. In this way, we can ensure that the share of sustainable products in CWS' overall portfolio continues to grow in the years to come.

However, no matter how great our own efforts are, we can only achieve a better tomorrow if we work together with others. That's why we at CWS continue to communicate actively with customers, suppliers and partners. Together with them, we want to contribute to a world in which the economy and ecology are in harmony and enable a healthier and safer future for us all.

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Responsible for content

Florian Müller
Head of Corporate Controlling
Franz-Haniel-Platz 1b
47119 Duisburg
Germany

Contact details

Should you have any questions concerning our report or its content, please do not hesitate to contact Luca Costa, Corporate Responsibility Manager, CWS International GmbH, luca.costa@cws.com

Coordination

International:
Luca Costa,
Carolin Wiegand,
Katharina Stein

Reporting companies

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Reutte, Austria
www.synonymtranslations.com

This report reflects the CWS Group's data for the year 2022. Where relevant, reference is made to the Global Reporting Initiative (GRI, without certification) standards.

The figures in this report largely reflect the recovery of the business to a normal level following the exceptional economic circumstances of the COVID 19 pandemic. In 2022, the CWS was hit by a cyber-attack. As a result of this we temporarily had only limited insight into our data and figures. Although the systems and data availability were restored during the year, some of the figures in this report may still be affected.

This sustainability report contains forward-looking statements. These statements are made on the basis of assumptions and expectations, which, in turn, are based on the information available at the time of the publication of the report. They are therefore associated with risks and are not to be deemed to constitute guarantees of projected developments and results.

Many of these risks and uncertainties are determined by factors which are beyond CWS' control and which cannot be reliably assessed at the present time. These risk factors include future market conditions and general economic data, the achievement of anticipated synergies as well as legal and political decisions. CWS does not assume any obligation to update the forward-looking statements contained in this report.

CWS acts enkelfähig. As part of the enkelfähig initiative of our investment holding company Haniel, we contribute to a healthier and safer tomorrow with our circular business model. We create value for generations by linking economic success to value-oriented action. For us, sustainability and profitability are closely related. We do business in a way that is generation-friendly and thus enkelfähig.

