

Tomorrow, Now.



Sustainability Report 2021/22
Think Circular

CWS in numbers

2021

Economic key figures

Turnover (€ m)	1,248
Operating result before one-off effects (€ m)	181
Equity held by Haniel (%)	100
Sites	in 15 countries

Key ecological figures

Direct energy consumption in laundries (GJ)	657,259
Number of dispensers repaired	26,547
CO ₂ e emissions (scopes 1–3; t; market-based)	218,000

Key social figures

Employees (reporting countries)	11,247
Further training (hrs)	36,102
Share of audited, relevant suppliers (%)	93.8

Dear readers,

We cannot escape responsibility. Everything we create today will be the reality for our children and grandchildren tomorrow. It is crucial to ask ourselves what kind of world we want to create for them. At CWS, we have a clear answer: we as a company want to contribute to a clean, sustainable tomorrow with an intact environment in which people live together safely and peacefully.

Our parent company Haniel expresses this idea in the initiative of *Enkelfähigkeit*. A concept about which renowned business philosopher Anders Indset said: “Being *enkelfähig* means living in a value-oriented manner and reconciling this with entrepreneurial thinking. The *enkelfähig* approach includes new technologies and business models that solve fundamental problems of humanity considering global and local factors.”

At CWS, we transfer *Enkelfähigkeit* into our guiding principle “Think Circular”, because, as a provider of rental solutions, the circular economy is an integral part of our sustainable business model. We live up to this self-imposed standard by systematically optimising the sustainability of our products. At the same time, we employ effective measures for climate protection. Ambitious targets and complete transparency ensure our vision and reality are always closely intertwined.

This report tells you more about our current efforts and progress. I cordially invite you to join us on the following pages in thinking about a future in which our grandchildren will want to live.



Best regards,
Jürgen Höfling



Reduce Reuse Recycle
Think Circular

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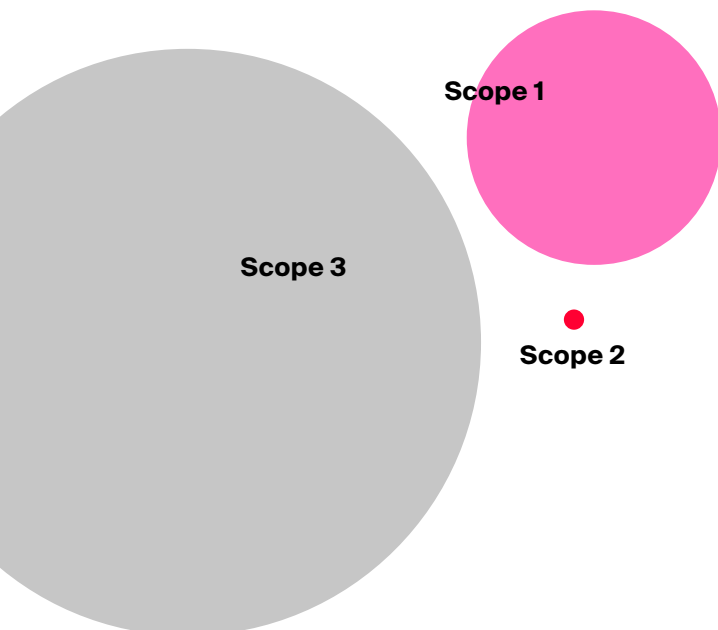


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For a healthier and safer tomorrow

CWS lives and breathes sustainability. With its circular business model, the company is already working towards a healthier and safer world for future generations today. In this strategy interview, CEO Jürgen Höfling and Dr. Maren Otte, Group Director Corporate Communications & Corporate Responsibility, talk about the importance of sustainable products, the challenges of decarbonisation and the *enkelfähig* transformation within the Haniel Group

Mr Höfling, for CWS, sustainability is an integral part of its DNA. What does that mean to you personally?

Jürgen Höfling: For me, entrepreneurship has always been the opportunity to create value from which future generations will benefit. I am happy to be able to embody this attitude at CWS. For me, CWS has the perfect prerequisites to make a valuable contribution to a better future. As a service provider of sustainable solutions in the fields of hygiene, workwear and fire safety, responsible business practices have always been key issues for us. We have summarised this holistic responsibility in our motto “Think Circular”. It commits us to a forward-looking circular economy and will help us become the most sustainable company in our industry by 2025.

“Products play a central role in the sustainability of our entire company. As a service provider, we keep them in circulation for a very long time. Long product life is at the core of our business model.”

Jürgen Höfling, CEO at CWS



Dr. Otte, why is the circular economy the model of choice for CWS?

Maren Otte: Our “product as a service” approach inherently means that we keep our products in service cycles as much as possible. Our entire understanding of sustainability is based on circularity. As a rental service provider, we are an active part of a modern circular economy. That is only possible because we design our products to be durable, repairable and easily recyclable. In the long run, this enables us to optimise our material cycles and close them wherever possible. In this way, we minimise the environmental effects and climate impact of our products throughout their entire life cycle.

Jürgen Höfling: One of the most sustainable aspects of the circular economy is that it offers no room for isolated solutions. Anyone who thinks in cycles must do so holistically and consider the complex relationships between all factors. Our basic entrepreneurial orientation guarantees that we focus on sustainability from the very beginning and prioritise it throughout the entire value chain. Whether it be in product development, material procurement, washing processes or service logistics, everyone at CWS works hand in hand for holistically sustainable products and services.

How do customers benefit from sustainability at CWS?

Jürgen Höfling: By choosing our products and services, customers can improve their environmental footprint and thus contribute to a better future – twice. Our solutions promote people’s safety and health, while simultaneously helping to fight resource scarcity and climate pollution. Supporting our customers with that motivates us every day.

In terms of sustainability measures, what is CWS focusing on?

Maren Otte: We have defined five pillars as strategic subareas which cover all our sustainability efforts. Our focus is on the topics “Sustainable products” and “Decarbonise our business”. These are the areas where we see the greatest operational leverage to make a difference and change things effectively for the better. We have therefore set ambitious goals in both sectors.

What are these goals?

Jürgen Höfling: Firstly, we want to realise more than 90 per cent of our new business with sustainable products by 2025. Products play a central role in the sustainability of our entire company. As a service provider, we keep them in circulation for a very long time. Long product life is at the core of our business model. For that reason, we need to check in advance how sustainable the products we include in our cycles are. If we choose the wrong products, they too will remain in the loop for a very long time. As far as decarbonisation is concerned, we want to reduce our greenhouse gas emissions by 50 per cent across all emission classes by 2030.

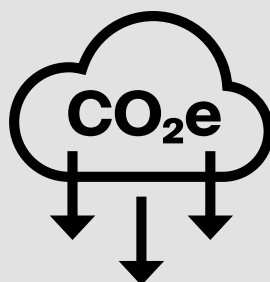
Our sustainable framework

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

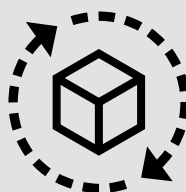
Health & safety, diversity

Offer sustainable products

Materials & lifetime

By 2025

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



90
per cent

By 2025

Generate 90% of new business from sustainable products

“How seriously we take climate protection can be seen in the fact that we are (...) the first company in our industry to disclose all our carbon emissions.”

Dr. Maren Otte, Group Director
Corporate Communications &
Corporate Responsibility at CWS

Are there any concrete measures in the pipeline to reach these goals?

Maren Otte: Fortunately, energy management has always been a priority at CWS, partly for economic reasons. After all, saving energy means saving costs. Nevertheless, there is still a lot of work ahead of us. That's why we have developed concrete concepts together with all departments to reduce our current CO₂e footprint by around 70 per cent. We are also introducing a climate management system which dynamically feeds the best measures into ongoing processes and responds to the latest regulatory changes. How seriously we take climate protection can be seen in the fact that we are publishing a complete Corporate Carbon Footprint with this report. That will make us the first company in our industry to disclose all our carbon emissions.

CWS is a member of the Haniel Group, which takes corporate sustainability very seriously. This is expressed in the group's guiding principle of *enkelfähig*. How does that affect CWS?

Jürgen Höfling: *Enkelfähig* describes the idea of leaving behind a better world for future generations. *Enkelfähig* is an attitude, an entrepreneurial and personal self-image. It defines the value-oriented and entrepreneurial thinking that ensures long-term success across generations. What particularly matters here is the balance between economy, ecology and social responsibility. *Enkelfähig* is a big idea, drives forward an overall transformation of businesses and therefore relates to all corporate activities. At CWS, we operationalise *enkelfähig* through our own guiding principle “Think Circular”. We see the circular economy of our rental and service model as an industry-specific implementation of *enkelfähig*. After all, *enkelfähig* is about building sustainable businesses for a future worth living. With our circular business model, we are right at the heart of this ambition and happy to support the *enkelfähig* transformation.

Mr Höfling, Dr. Otte, thank you very much for this interview.

These are very ambitious climate goals. Are you confident of being able to achieve them?

Maren Otte: Unlike the sustainability of our products, we still have a lot to do when it comes to decarbonisation. Nevertheless, we believe that our service model gives us a good starting position. Since we almost exclusively rent products and hardly ever buy or sell them, our so-called scope 3 emissions, which often account for the lion's share of emissions, are relatively low. Additionally, we have a lot of control over our upstream processes and can strongly influence their CO₂e reduction.

Sustainable products

In 2021, the number of repaired CWS mats reached

21,887

5 m

That's how many garments are repaired every year in CWS laundries.

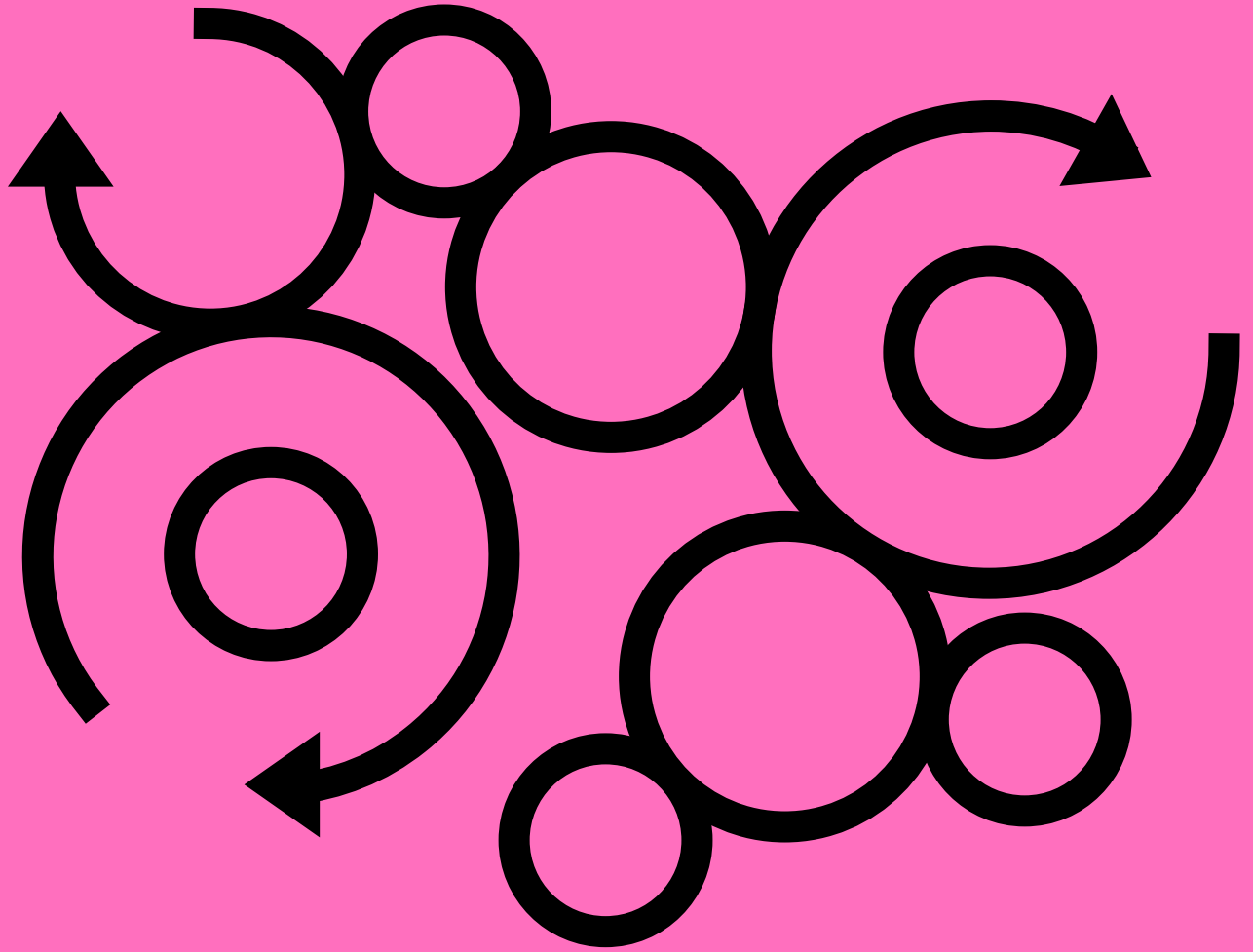
2.7 m

items of sustainable CWS workwear are currently in circulation.

In 2021, CWS increased the purchase of sustainable viscose for workwear by

+ 21t

“Think Circular” is not just a promise: We use sustainable and durable materials and work on increasing our share of repaired products. This is how we keep our products in circulation for as long as possible.



In 2021, the number of repaired and recycled towel dispensers at CWS was

37,701

Step by step



As a service provider, CWS keeps its products in circulation for a long time. That is why a sustainable design is even more important. With the *enkelfähig* rating, the company is applying a group-wide procedure to evaluate and quantify the sustainability of all products and continuously improve their environmental, climate and social impact.

✓ **Biodiversity**

✓ **Climate change**

✓ **Circularity**

✓ **Innovation**

✓ **Health & safety**

✓ **Profitability**

With the *enkelfähig* rating, CWS evaluates and quantifies the sustainability of all products based on six criteria.

Leonie Biesen, Sustainability Manager at CWS, has every reason to be enthusiastic about the current ratings. For a brief moment, she interrupted her explanation and smiled. “It’s the large majority,” she then said.

“The large majority” refers to the products of the two largest CWS business units, Hygiene and Workwear. Over the past year, these products have gone through an internal evaluation process, with most of them receiving the rating *enkelfähig*. This classification brings CWS’ commitment to a sustainable corporate orientation to a whole new level.

Under the idea of *Enkelfähigkeit* – a guiding sustainability principle of its parent company Haniel – CWS has developed a detailed scoring system. It classifies the entire CWS portfolio, from dust control mats to workwear to soap dispensers, according to the criteria of biodiversity, climate change, circularity, innovation, health & safety and profitability.

The *enkelfähig* rating quantifies what remains in the grey area of a statement of intent for other companies and industries: to steer the entire product and service portfolio, absolutely everything, towards a healthier, safer future.

A multistage process

“The *enkelfähig* score gives us a clear idea of how sustainable our products are,” explained Leonie Biesen. “As a service provider, we keep products in circulation for a long time. They must not cause any harm, not even indirectly. That’s why we check all product life phases very carefully and establish strict criteria.”

But how do you objectively measure the sustainability of a product? Leonie Biesen: “It is a multistage process. Our sustainability team and product management work together and analyse which points in the life cycle are not sustainable enough.” In the first stage of the process, CWS discloses the sustainability issues, so-called hotspots, for all product groups. The focus here is on the impact categories of climate change, biodiversity and circularity.

In the next stage, the team derives suitable interventions from the hotspot analysis to address these problems. “For example, if we look at a cotton T-shirt under the impact dimension of climate change, the choice of fibres and the processing of the fabric through spinning and dyeing can be problematic,” Leonie Biesen explained. “We can fix this by switching to Fairtrade organic cotton. Moreover, we can ensure our fabric suppliers use green energy and have certified environmental and chemical management systems. We have different levers to influence each area.”

The scale

The score the assessed product ultimately achieves in the *enkelfähig* rating is decided by two factors:

- 1) How big are the impacts of the identified hotspots?
- 2) How well can they be reduced by CWS measures?

The better the problems are solved, the higher the score on a scale of 1 to 5. A product is *enkelfähig* if it achieves an overall score of 3 and has thus solved at least one fundamental sustainability problem in its value chain.

However, that is not enough for CWS: “For CWS and its circular business model, we have defined an even higher benchmark,” said Leonie Biesen. “According to CWS standards, a product must achieve at least a 3.5 to be classified as sustainable. Every year, the ratings are reviewed and updated if necessary.”

For the two largest CWS divisions, the rating results already read impressively: more than 90 per cent of all products have already been rated. The vast majority of them as *enkelfähig* or even sustainable.

Sustainable development

The *enkelfähig* rating is also important when it comes to developing new products. As CWS only wants to add sustainable products to its portfolio in the future, it is implementing what is known as a stage-gate process. It ensures that the right course is set in the early stages of product development. In this way, CWS wants to make sure that all criteria for a sustainable circular economy are met early on.



“As a service provider, we keep products in circulation for a long time. They must not cause any harm, not even indirectly. That’s why we check all product life phases very carefully and establish strict criteria.”

Leonie Biesen, Sustainability Manager at CWS

“By bringing products like this to market, we put our sustainable ideas into action. This is how we turn good intentions into facts.”

Leonie Biesen, Sustainability Manager at CWS



The INTERsens®D250R and 250 air cleaning units eliminate viruses and pathogens without using toxic chemicals or creating problematic waste.

“Whenever there are strategically important stages in the development process, we pause and ask ourselves: Is this going in the right direction? Are we using the optimal materials and processing methods? And if not, what levers exist to make the product more sustainable and achieve the highest possible *enkelfähig* score?” explained Leonie Biesen.

Specially designed calculation tools help determine the sustainability of a planned product in advance. “Our developers can see right from the beginning which materials and certifications they need to achieve the desired score.”

Fabrics and devices

Can Leonie Biesen spontaneously think of any products that did particularly well in the *enkelfähig* rating? “Sure,” she said. “In the Workwear division, there are the Alpha HighVis garments and in the Hygiene division the INTERsens® air cleaning unit.”

Alpha HighVis is a new high-visibility collection launched by CWS in 2021. It is highly sustainable because it is made entirely from the ecological fabric Tecawork® Ecogreen. The fibres are a mixture of the cellulose fabric Lyocell from sustainable timber cultivation and recycled polyester from used PET plastic bottles.

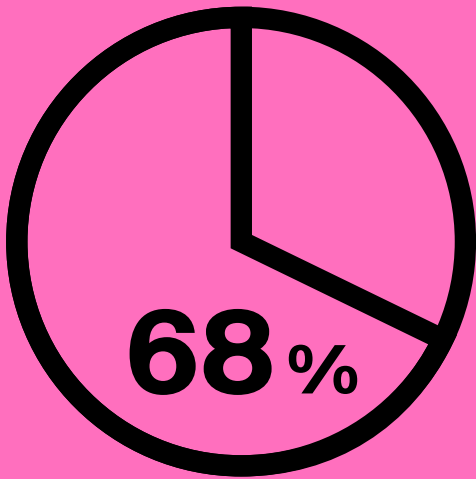
This innovative fabric significantly reduces the ecological footprint of Alpha HighVis compared with classic polycotton blends. In production, water consumption is reduced by 95 per cent and energy use by 45 per cent. Overall, it reduces greenhouse gas emissions by around 30 per cent. In addition, the cultivation requires considerably fewer chemicals and pesticides.

INTERsens® is a combined disinfection and air purification device that uses UV-C light to neutralise viruses and pathogens. It works without ozone or chemicals and does not use toxic HEPA filters that would end up as hazardous waste.

But there is more: “Due to our many decades of experience in the hygiene sector, we can offer professional and safe rental concepts for air filters and thus contribute to a more sustainable and healthy environment with another CWS product component,” explained Leonie Biesen. At the end of the life cycle, CWS disposes of the device and reuses components in other devices.

“By bringing products like this to market, we put our sustainable ideas into action,” said Leonie Biesen. “This is how we turn good intentions into facts.” And there it is again, that enthusiastic smile.

Decarboni- sation



only – that’s how low the share of scope 3 emissions in the CWS total footprint is. This is because our circular business model internalises emissions related to product use.

Scope 1 emissions include direct emissions such as laundries and vehicle fleets. For 2021, emissions amounted to

67,529 t CO₂e

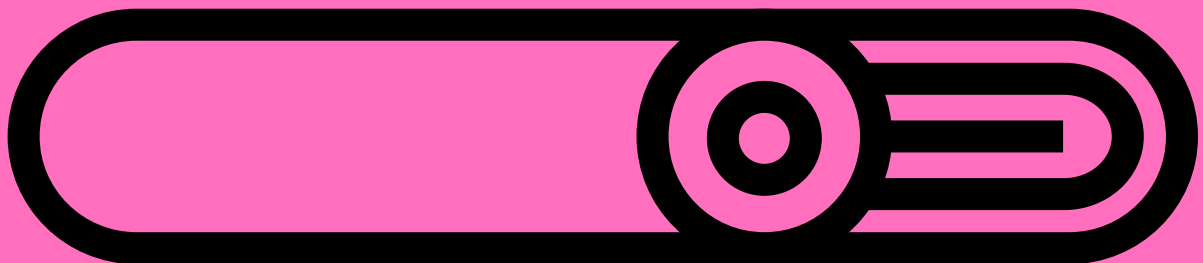
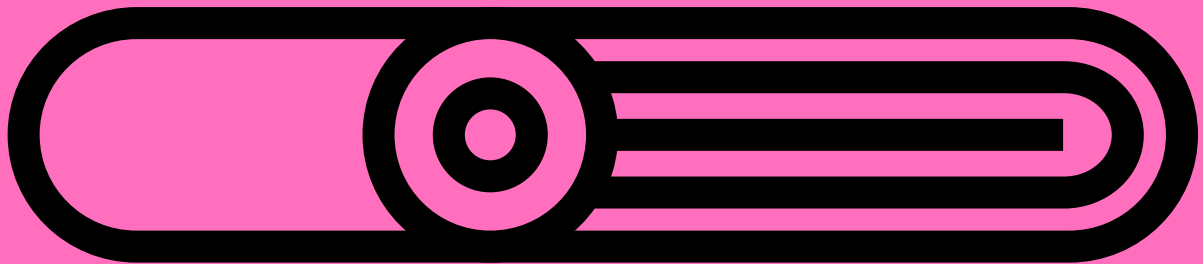
Scope 2 emissions arise from purchased energy. For 2021, they amounted to

3,421 t CO₂e

Scope 3 emissions include material deliveries, the use of products by customers and the disposal of products. The total amount in 2021 was

147,000 t CO₂e

In this report, CWS publishes a complete Corporate Carbon Footprint for the first time. This milestone enables us to better plan and implement measures to plan and implement measures more efficiently in order to reduce our carbon footprint even further.



The total of all CWS' CO₂e emissions in 2021 amounted to approximately

**218,000t
CO₂e**

Mission Save the Climate

Climate protection requires one thing above all: to making the CO₂e emissions of the entire value chain fully transparent. Therefore, CWS has determined all the relevant figures in a complete Corporate Carbon Footprint. With strategic decisions and targeted investments, the company intends to take bold action to tackle its emissions and get closer to its ambitious climate goals.

A drastic rise in sea levels, the loss of the Arctic ice sheets: these and even bigger problems threaten the planet if greenhouse gas emissions continue to drive up the global temperature.

“That is why we are working hard to decarbonise our processes across divisions and drastically reduce CO₂e emissions,” said CWS sustainability manager Luca Costa. “Moreover, we want to back up all potential decarbonisation measures with a solid business case so that we can evaluate investments, payback periods and the impact on our revenues.”

Smart decarbonisation, Luca said, also has economic benefits. It can improve efficiency, increase competitiveness and optimise finances. “We estimate that a 30 per cent reduction in our emissions is more likely to save us money than to cost us money.” All these factors are feeding into a comprehensive climate strategy that CWS plans to present by next autumn.

Just how serious CWS is about contributing to saving the global climate is demonstrated by its ambitious savings targets for the near future. The company wants to reduce its total greenhouse gas emissions by 50 per cent by the year 2030. To achieve this, CWS has already taken several important strategic steps.

“The crucial step for decarbonisation is to establish complete transparency in our emissions,” Luca explained. “Now we have a detailed understanding of our emission hotspots and can address them.”

The Corporate Carbon Footprint

In 2021, CWS undertook a comprehensive analysis of all emissions (scopes 1, 2 and 3). According to this, the company causes CO₂e emissions of 218,000 tonnes per year. Around 33 per cent come from scopes 1 and 2, which include the company’s own CO₂e sources such as production facilities and vehicle fleets as well as emissions from purchased energy such as electricity and steam.

In the case of laundries, offices and depots, the Workwear division of CWS accounts for a larger share of CO₂e emissions (63 per cent) than the Hygiene division, which accounts for a share of only 37 per cent. The opposite is true for the fuel consumption of the service fleet. There, Hygiene has a larger share with 61 per cent compared to 39 per cent for Workwear.

However, by far the largest share of total emissions, around 67 per cent, is not generated within the company, but rather in upstream and downstream value creation (scope 3). This includes emissions associated with both the goods and services that

Scope 1

67,529 t

Scope 2

3,421 t

Scope 1 includes direct emissions from sources the company owns or controls such as manufacturing plants, laundries and vehicle fleets.

Scope 2 emissions originate from the generation of purchased energy.

Scope 3 emissions are all indirect emissions that are not included in scope 2. They occur in the value chain, both upstream and downstream. These include material deliveries to the plants, the use of products by customers and the disposal of products.

Scope 3

147,000 t

Overview of total CO₂e emissions

CWS purchases as well as the use of its products by customers.

In large companies, scope 3 figures typically account for 80 to 95 per cent of total emissions. At 67 per cent, they are significantly lower at CWS. Luca explained: “We owe this to our circular service model: we have to buy less material because we wash and repair our rental products, therefore extending their life cycle. Our service model also means that we internalise almost all scope 3 downstream emissions that relate to the use of our products and allocate them to scopes 1 and 2. This implies that we have a greater level of control over them.”

Real climate protection can’t happen behind closed doors. For this reason, CWS is publishing key findings from its company-wide CO₂e assessment in this report (see graphics). “It is very important for us to share our Corporate Carbon Footprint with the public,” said Luca. “By disclosing our figures, we are taking maximum responsibility.”

Lighthouse projects

As part of its major decarbonisation offensive, CWS has already launched numerous pilot projects for efficient energy management, which should help to reduce the company’s CO₂e emissions drastically in the coming years. Luca finds one of them particularly worth mentioning: in the mat laundries in Solingen and Olching, CWS has implemented an innovative laundry concept that saves up to 30 per cent of primary energy.

The previous steam boilers have been replaced by much more efficient combined heat and power (CHP) units. The gas-powered plants heat hot water, which is used for the washing processes and building heating. The cooling water from the CHP unit is used to heat the hot water tank for the washing processes to over 70 degrees Celsius. The units also generate electricity, which is used directly to operate the washing machines. According to current estimates, the reduced gas and electricity consumption in the laundry in Olching could lead up to 280 tonnes of CO₂e savings per year.

“With lighthouse projects like these, we are laying the foundation for climate protection worthy of its name,” Luca evaluated. “We shall continue to test and implement new measures to improve the energy efficiency of our processes and minimise our CO₂e emissions.”

Overview of scope 1 and 2 CO₂e emissions

Carbon emissions in tonnes of CO₂e for CWS operations (scopes 1 and 2)

35,137 t
service
logistics

125 t
biomass

585 t
steam

1,131 t
oil

2,857 t
(market-
based)
electricity

31,260 t
natural gas

98,357 t
purchased goods & services

1,811 t
waste generated

5,150 t
capital goods

11,162 t
upstream transportation

817 t
business travel**

11,507 t
employee commuting***

* For electricity: location-based approach

** Taking COVID-19 into consideration

*** "Normal" year – Not taking COVID-19 into consideration

Overview of scope 3 CO₂e emissions

Calculation methods

Scopes 1 and 2

Data gathering and analysis has been conducted following the Greenhouse Gas (GHG) Protocol guidelines and methodologies. Data consistency has also been externally validated. For scope 2, both location- and market-based calculations are provided.

Scope 3

Scope 3 emissions were calculated with the support of external partners. The basis for this calculation was formed by the company's procurement data and statistical models. Two methods were used:

The average-data method

This approach estimates emissions by collecting data on purchased goods and services (quantity, weight, etc.) and multiplying them with cradle-to-gate emission factors from the industry average.

Spend-based method

Here, emissions are estimated by multiplying the economic value of the purchased goods and services (e.g., in euros) with the corresponding cradle-to-gate emission factors from so-called "Environmental Extended Input-Output models" (EIO).

18,196 t
fuel & energy-related activities*

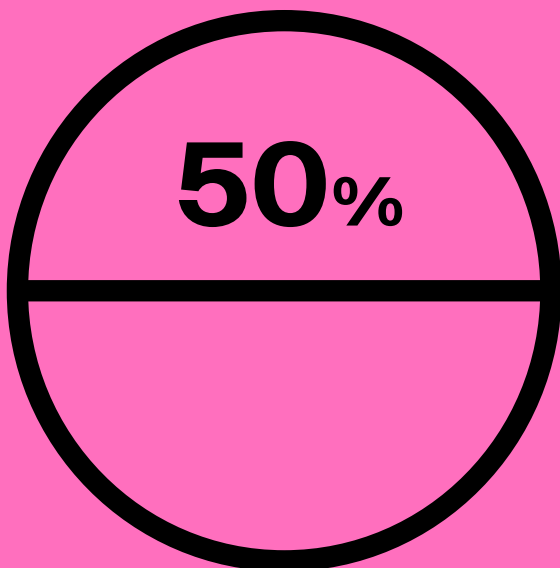
Sustainable ecosystem

Our accident rate* in 2021 was

2.05

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

**The share of
women in ELT in
2021 was**



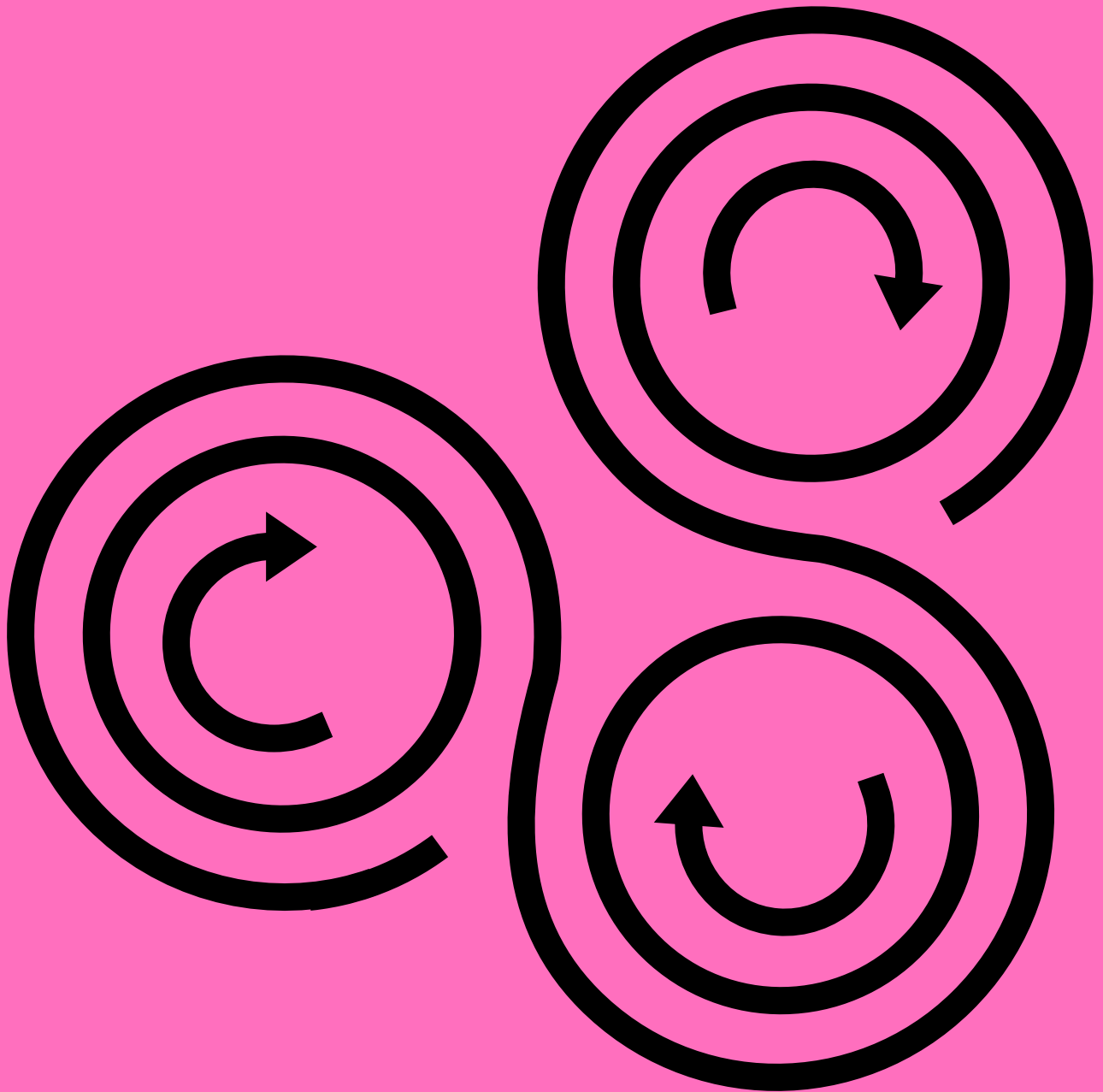
25%

That's how much faster the recycled polyester mats we produced in co-operation with the CISUFLO project dry.

120

volunteers formed a network to improve diversity at CWS.

With the *enkelfähig* key concept, we are not only reducing our carbon footprint but also promoting the idea of a company in which present and future generations work together safely and harmoniously.



Sustainable ecosystem

Responsible supply chain

Convincingly sustainable

If a company wants to produce truly sustainable textile products, the social and ecological standards of its suppliers must also be considered. That is why CWS pays very conscious attention to sustainability when selecting its partners. The cooperation with the Italian fabric supplier Klopman is proof of that.

Sustainability begins in one's own company. However, when it is considered holistically, supply chains also play an important role. The source of the raw materials and what ecological and social standards apply in production are primarily the responsibility of the suppliers.

For its sustainable clothing collections, CWS is therefore cooperating very closely with the Italian textile manufacturer Klopman. "Their fabric meets all our requirements for quality and sustainability," said Claus Bamm, Director Strategic Sourcing Workwear. CWS sources polycotton blends from Klopman. "The company was among the first fabric manufacturers to take the issue seriously and publish a real sustainability report," explained Claus Bamm.



Oeko-Tex® and climate protection

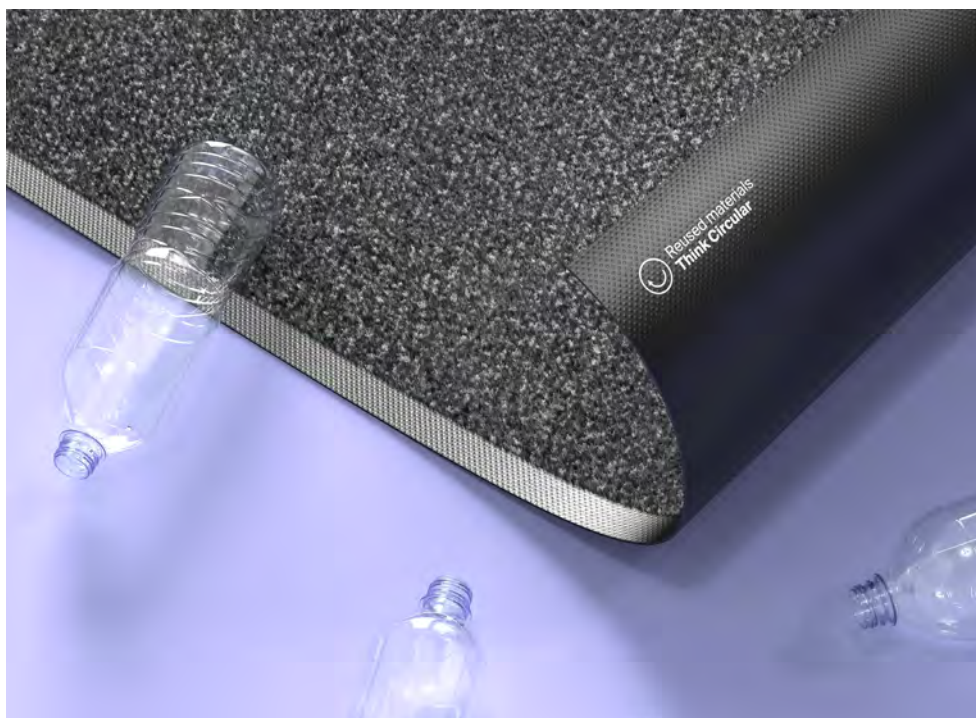
Today, all textile products from the Italian fabric specialists are certified with the Oeko-Tex® "Standard 100" label. The company also works in accordance with the globally recognised ISO 14001 standard for environmental management systems. Finally, there is the Oeko-Tex® SteP certificate, which is awarded to production sites. In addition to environmental compatibility and compliance with socially acceptable working conditions, it also considers the efficient use of resources.

Furthermore, climate protection is a key issue for Klopman. "Klopman does a lot to reduce its own greenhouse gas emissions," said Claus Bamm. With its modern combined heat and power plant, the company uses the waste heat from the production processes to generate energy – and thus cover 60 per cent of its energy needs. As early as 2015, the textile professionals already undercut the legal annual maximum for CO₂e emissions by around 9,000 tonnes.

"Klopman is a true pioneer in sustainable fabric production and therefore a valuable partner for our service offerings. We choose our suppliers with the utmost care and want to make sure that we optimise the sustainability performance within and beyond our own business operations," summed up Claus Bamm.

The end is just the beginning

Not only sustainably produced and durable, but also ideally recyclable. As part of the EU-funded CISUFLO research project, CWS is working on optimising the end-of-life sustainability of its mats.



When it comes to the sustainability of mats, CWS is a true pioneer. The best example are the GreenMats the company launched in 2021. They are made from recycled polyester, are extremely durable and dry up to 25 per cent faster, which reduces energy consumption and thus protects the climate. However, for the CWS sustainability approach, that is still not enough.

“We are very interested in making our mats as recyclable as possible. This way we can keep the basic materials in the cycle even after the mats are disposed,” explained Daniel Oberle, Product Manager Floorcare. Currently, when CWS mats cannot be used anymore, they are incinerated. There is one main reason for that: “The different materials of a mat, for instance rubber, nylon and polyester, cannot be separated from each other – which makes recycling impossible,” said Daniel Oberle.

Promoted mat recycling

To change this, CWS is participating in the European research project Circular Sustainable Flooring (CISUFLO), which was selected by the EU in 2021 to be funded within the scope of the well financed Horizon 2020 funding programme. “At the moment, no flooring can be recycled properly, neither laminate nor PVC nor carpet. That’s why the project is so important,” explained Daniel Oberle.

In addition to the European Floor Coverings Association (EuFCA), various research institutes, universities and companies are members of the project. As a service provider for mats, CWS plays a special role. Daniel Oberle: “We use our practical experience to evaluate the feasibility of the ideas as early as in the development phase. We are also the ones who actually end up testing the practicality of the new recycling mats on the market.”



Berlin-based designer Daniel Kroh upcycles old CWS workwear for customers who love sustainable clothing.

Upcycling on the catwalk

From workwear to sustainable fashion statement: the designers Daniel Kroh and Oxana Jameljanow create upcycled fashion from discarded CWS workwear.

CWS keeps the garments in its workwear collections in circulation for a long time. They are washed, repaired and reused as often as possible. Nevertheless, every year around 900 tonnes of used textiles do not make it back into the cycle. However, this does not have to be their end.

To give discarded workwear a new lease of life as sustainable upcycled fashion, CWS works with ambitious designers. One of them is Daniel Kroh, who completed an internship in product management at CWS in 2004 and opened his own studio in Berlin shortly after.

For several years now, CWS has provided the fashion designer with around two and a half tonnes of discarded clothes every year. Kroh uses them to design mainly men's fashion for customers who value sustainable outfits. In 2022, he created customised jackets and blazers from old workwear exclusively for CWS managers and a cooperation with CWS Workwear is in the works as well.

At Frankfurt Fashion Week

Another upcycling artist is Oxana Jameljanow, a production manager at CWS. In 2020, she took part in the internal CWS Workwear Challenge and presented a streetwear collection made from discarded workwear. The pieces wowed with clever cuts, bright neon colours and prominently placed reflective stripes.

Jameljanow's designs are now also enjoying success outside of CWS. With her upcycled outfits, she took part in a Frankfurt Fashion Lounge competition at the beginning of 2022, in which young designers present ideas for sustainable everyday fashion. She made it to the finals and was thus able to present two spring outfits on the catwalk at Frankfurt Fashion Week.

Oxana Jameljanow also appeared at the presentation of the 2022 autumn/winter collections at the Fashion Week, this time with five designs. The outfits presented will be for sale from autumn 2022 in the renowned fashion house August Pfüller in Frankfurt's Goethestrasse.



Oxana Jameljanow designs new clothes from discarded CWS workwear. She even had the chance to present two outfits at Frankfurt Fashion Week in 2022.



Best-in-class workplace

Improving together

The Japanese expression “Kaizen” means “to improve continuously”. CWS uses this method from lean management to identify problems and optimise its processes, most recently at the Swiss branch in Glattbrugg.

Steady improvement is essential for a company’s progress and success. That is why CWS has been employing the Japanese management philosophy Kaizen for several years. The core of the method is to identify problems and establish new improved processes to eliminate them.

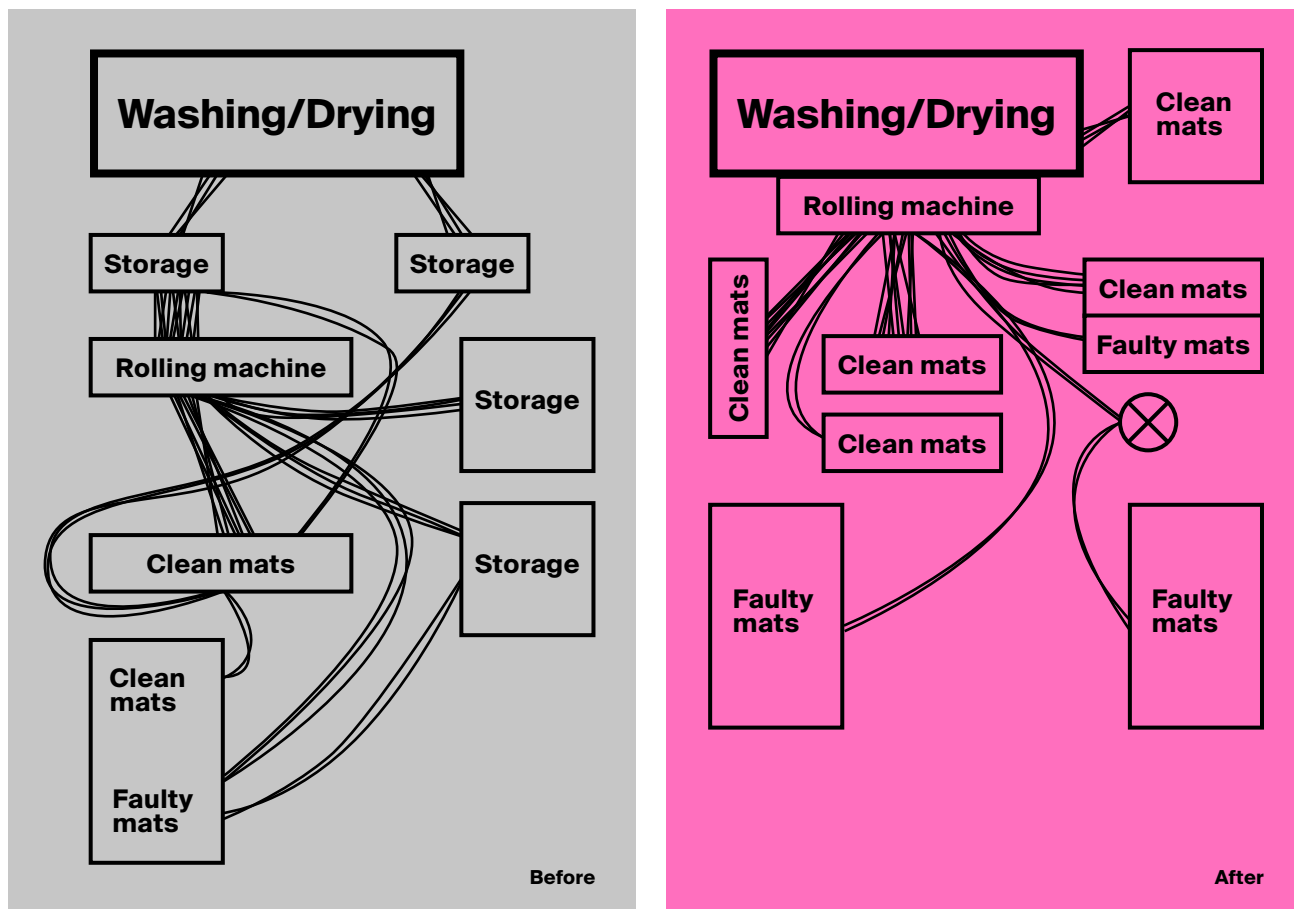
In November 2021, CWS organised a four-day Kaizen event at the headquarters of the Swiss branch in Glattbrugg. An interdisciplinary group of employees came together – including operational staff, colleagues from Continuous Improvement and management. Together, they discussed daily challenges from the areas of logistics, mat laundry, customer care and telesales. “The event was a complete success,” said Steffen Langner, Head of Continuous Improvement at CWS. “Together, we were able to optimise many processes and incorporate longer-term changes in addition to quick wins.”

Dive deep

As Kaizen events last several days, they enable participants to delve deeply into the topics, try out different process improvements and thus find a good solution together, right on the spot.

“The important thing about a Kaizen event is to share the responsibility within the team. It’s about discussing the different points of view openly. One person alone can never bring about as big an improvement as a whole group,” Steffen Langner explained. “That’s why there are no hierarchies in Kaizen. Each person has equal voting rights and the team’s ideas and suggestions complement each other. The practical test then shows what is possible. At the end, a new process is jointly adopted and implemented by those responsible on site. In this way, many small improvements add up to one big leap.”

Room for improvement



The Kaizen mission was to identify possibilities for more efficient work processes in this laundry in Glattbrugg, Switzerland. After sketching employees’ usual walkways, the Kaizen team rearranged the layout of the room, allowing for shorter and more targeted routes. The most important learning: There is no interim storage required. The improved process now means the washed, dried and rolled mats are loaded onto trolleys and taken straight to the service area, allowing for 15 per cent more mats to be handled by each laundry employee per hour.

Working on diversity

CWS is a diverse company in every respect. Living and promoting this diversity can contribute enormously to the success of a company. That is why colleagues volunteered to form working groups and developed central diversity projects. But not only that.



Nationality

The world is changing faster than ever. Those who want to play a leading role in this process are in need of one thing above all: innovative strength. A company's employees have tremendous potential for that. The rule is: more diversity means more innovative spirit.

At CWS, diversity is omnipresent. With subsidiaries in 15 countries, the company works with a wide variety of customer groups and offers a large range of solutions. At the same time, CWS employees work in numerous areas, from logistics to laundry right up to administration. They all have to work hand in hand to inspire customers and ensure the company's success.

"At CWS, we believe that diverse perspectives lead to smarter decisions, more innovation and better collaboration," said Dr. Maren Otte, Group Director of Corporate Communications & Corporate Responsibility.

To promote and utilise diversity systematically, CWS has established a Diversity Council. Under its leadership, four working groups of around 120 voluntary employees have developed projects on the topics of age, gender, nationality and people with disabilities. Other volunteers supported the development of an e-learning programme on how to deal with unconscious prejudice.

Four core projects for diversity

At the end of 2021, the four working groups presented a selection of their numerous project ideas to the D&I Council and the CWS Board. Step by step, four of these ideas will now be integrated into everyday working life at CWS in the coming years:

Job sharing: Two employees share a full-time job. This gives both of them more freedom for personal and professional development. They have more time to develop innovative ideas and implement them in the company. Job sharing increases the motivation of employees, boosts their productivity and enables shorter paths for processes, solutions and decisions.

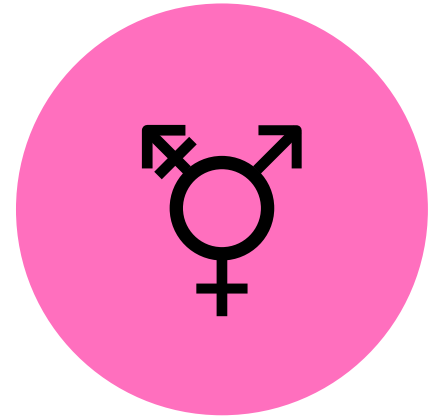
Job rotation: CWS encourages its employees to continue their careers in another country or region. An international workforce strengthens awareness of diversity and the value of different perspectives. For employees, it opens up interesting job opportunities and the possibility to work for international management.

Buddy programme: This mentoring project brings experienced and less experienced employees together. The aim is not to provide professional training, but to teach the “unwritten rules” of the company. At the same time, the mentees bring external perspectives and new skills to the collaboration. The buddy programme facilitates onboarding and strengthens the network within the company.

Health programme: The focus here is on the mental and physical health of the employees. Suitable measures promote mental flexibility and resilience. At the same time, more flexible working time models provide physical relief. This strengthens employee loyalty and leads to an optimal use of resources and experience.

In their project work, the four working groups also identified some key factors that form the basis for the successful implementation of all projects. These include transparent communication, special training for all participants and well organised mentoring.

In addition to the major projects, other positive impulses emerged from the work of the project groups as well. For example, CWS employees have already successfully participated in a “Working Out Loud” event organised by the parent company Haniel to share their knowledge with others. In addition, a monthly LGBTQ+ event was established in March 2021.



Gender



People with disabilities



Age

Facts and figures

Based on the GRI reporting standard

Key figures from sustainability management

Due to the extraordinary economic circumstances during the COVID-19 pandemic, the baseline for the figures presented in this report differs from those of pre-pandemic years.

Central employee data	2020	2021
Employee data at business levels		
Total number of employees	10,838	11,120
... in Management	753	766
... in Administration	1,117	1,149
... in Laundry	3,840	4,194
... in Service	3,299	3,222
... in Sales	1,829	1,789
Employee data according to gender and management level (management level 1-3)		
Percentage male employees	53	53
Percentage female employees	47	47
Percentage males in management	72	73
Percentage females in management	28	27
Percentage employees in management under 30 years	2	2
Percentage employees in management 30-50 years	64	63
Percentage employees in management over 50 years	34	35
Percentage male employees who left the company in the reporting year	53	56
Percentage female employees who left the company in the reporting year	47	44
Employee data at year end according to contract and employment type		
Percentage employees with fixed term contract	13	12
Percentage employees with permanent contract	87	88
Full-time (%)	83	81
Part-time (%)	16	17
Full-time by gender		
Male quota (%)	50	48
Female quota (%)	33	33
Part-time by gender		
Male quota (%)	3	4
Female quota (%)	13	12
Employee data according to hours of training received		
Hours of training in Management	3,568	8,306
Hours of training in Administration	3,131	10,044
Hours of training in Laundry & Service	6,701	17,710
Hours of training in Sales	7,376	25,279
Key figures on compliance and anti-corruption measures		
Percentage compliance sensitive employees receiving training in antitrust law & anti-corruption	88	100

Central employee data	2020	2021
Employee data according to lost days due to accidents or illness		
Total lost working days due to accidents	5,847	6,841
... in Management & Administration	421	225
... in Laundry	1,139	2,210*
... in Service	3,971	3,773
... in Sales	314	333
Total injury rate (number of accidents registered × 200,000 / number of hrs actually worked)	2.1	2.05
... in Management & Administration	0.1	0
... in Laundry	1.9	2.7
... in Service	4.9	3.7
... in Sales	0.2	0
Absenteeism (illness) in %	9.5	10
Central environmental data		
Energy data		
Natural gas consumption (laundry operations; GJ)	596,320.8	613,245.3**
Energy consumption from oil (laundry operations; GJ)	16,007.7	15,260.6
Energy consumption from wood pellets (laundry operations; GJ)	20,968.8	28,753.2
Total direct energy consumption (laundry operations; GJ)	633,297.2	657,259.1
Total indirect energy consumption (laundry operations; GJ)	141,407.4	142,708.9
Purchased green electricity (for laundry operations; GJ)	112,792.9	115,892.2
Purchased grey electricity (for laundry operations; GJ)	16,536.6	15,176.7
Amount of steam imported (laundry operations; GJ)	12,007.9	11,640.0
Emissions data		
Total CO ₂ e emissions (t) (market-based)	69,390	217,950
Scope 1 (natural gas, oil, internal owned and leased fleet, company cars; t)	65,631	67,529
Scope 2 (grey and green electricity, steam; market-based; t)	3,734	3,421
Scope 2 (grey electricity, steam; location-based; t)	18,528	19,163
Scope 3 (value chain; t)	25	147,000
Biomass	91	125
CO ₂ e (thermal & electricity) per kg of towel rolls washed (kg)	0.174	0.182
CO ₂ e (thermal & electricity) per kg of mats washed (kg)	0.089	0.080
CO ₂ e (thermal & electricity) per kg of workwear washed (kg)	0.315	0.321
CO ₂ e (thermal & electricity) per kg of cleanroom textiles washed (kg)	0.387	0.355
Water consumption data		
Litres of water consumed per kg of towel rolls washed	4.6	4.8
Litres of water consumed per kg of mats washed	3.4	3.0
Litres of water consumed per kg of workwear washed	12.9	13.1
Litres of water consumed per kg of mops washed	9.3	7.9
Litres of water consumed per kg of cleanroom textiles washed	28.6	27.7
Total of water consumed at laundries (m ³)	1,491,033	1,322,076
Washed volumes (kg)	190,672,803	186,287,499

* The significant increase is also due to better data quality and the inclusion of new countries (the Netherlands) in the scope of reporting

** Slight increase in natural gas consumption is explainable with the acquisition of a new laundry in Marlbergweich (GE) and a new Cleanroom laundry in Lauterbach (GE).

Key figures on logistics and transport	2020	2021
Logistics		
CO ₂ e emissions per customer stop – WW (kg CO ₂ e / stop) ***	n/a	2.6
CO ₂ e emissions per customer stop – HY (kg CO ₂ e / stop) ***	n/a	2.4
Number of stops (WW)	n/a	3,020,817
Number of stops (HY)	n/a	5,355,500
Fleet emissions data		
CO ₂ e emissions of owned or leased service fleet (trucks and vans; t)	29,794	28,538
CO ₂ e emissions of owned or leased company cars	5,279	6,599
CO ₂ e emissions of service fleet per kg of washed laundry (kg)	0.193	0.153
Key figures on sustainable product range	2020	2021
Upcycling/recycling of hand towel dispensers		
Number of dispensers repaired in upcycling centre (total per year)	33,924	26,547
Number of dispensers recycled in upcycling centre (total per year)	13,145	11,154
Dispensers processed per month	3,922	3,142
Key figures on supplier and supply chain management	2020	2021
Classification according to supplier type		
Total number of suppliers (finished, trading goods and raw materials)	295	286
Of which “Contractors” (finished goods)	7	6
Of which “Business partner” suppliers (trading goods and raw materials)	288	280
Audits		
Number of full time audits at suppliers	7	9
Number of re-audits at suppliers	2	0
Risk assessment according to region and supplier type		
“Contractors”: number of suppliers producing in low-risk countries	1	1
“Contractors”: percentage of volume spend of suppliers producing in low-risk countries	9.5	8.6
“Contractors”: number of suppliers producing in risk countries	6	5
“Contractors”: percentage of volume spend of suppliers producing in risk countries	90.5	91.4
“Business partners”: number of suppliers producing in low-risk countries	274	266
“Business partners”: percentage of volume spend of suppliers producing in low-risk countries	97.3	96.4
“Business partners”: number of suppliers producing in risk countries	14	13
“Business partners”: percentage of volume spend of suppliers producing in risk countries	2.7	3.5
Further information on suppliers		
Number of “CMT partner” suppliers with a cooperation duration...		
... of < 2 years	0	0
... of 2–5 years	2	1
... of 5–10 years	2	2
... of > 10 years	3	3
Further information on suppliers		
Number of “Business partner” suppliers with a cooperation duration...		
... of < 2 years	22	17
... of 2–5 years	64	57
... of 5–10 years	92	75
... of > 10 years	110	131

Sustainable sourcing	2020	2021
Sustainable products & services		
Certified paper purchased (FSC, Ecolabel) (t)	18.10	13.58
Organic cotton purchased & Fairtrade white label (hand towel roll) (t)	23.89	56.72
Fairtrade (black label) cotton purchased (workwear) (t)	168.54	305
Recycled polyester purchased (workwear) (t)	207.02	83.2
Sustainable viscose purchased (workwear) (t)	11.34	32.6

*** New KPI: this intensity KPI has been introduced to better capture and monitor the relation between CWS' growing business and the emissions from our logistic operations

Outlook



Creating the future together

A safer and healthier future can only be created together. That is why CWS works hard to drive forward sustainable solutions and construct a sustainable business ecosystem. Cooperation with suppliers, customers and stakeholders is the key to improving our sustainability efforts continuously.

The CWS business model is based on the idea of “Product as a Service” and therefore features a highly integrated value chain. This forms a solid basis for putting a sustainable circular economy into practice and bringing the CWS guiding principle “Think Circular” to life. In this context, CWS is pursuing ambitious sustainability goals for the near future.

By 2025, we want to base more than 90 per cent of our new business on sustainable products. To achieve this, the continuous development and management of our product portfolio is our priority. We check and rate every single product, constantly striving to improve in terms of climate protection,

biodiversity and circularity. The *enkelfähig* rating of the Haniel Group provides an overarching framework for this task and establishes a future-oriented basis for portfolio management at CWS.

At the same time, we aim to reduce our overall greenhouse gas emissions by 50 per cent by 2030. For this purpose, we have measured our complete Corporate Carbon Footprint across scopes 1–3. By doing so, we create the essential transparency to make a difference. This data will be used as the basis to derive a comprehensive climate strategy and concrete projects.

CWS is committed to ambitious goals in sustainable solutions and decarbonisation. The company welcomes and supports the increasing public discussion and political regulation in this field, such as The Supply Chain Act and the CSR Reporting Directive. CWS is preparing for these requirements. Moreover, it strives to use the required transparency to drive sustainable change within and beyond its value chain.

It takes a mind shift towards sustainable consumption among companies, suppliers and customers. That’s why CWS continues to seek a systematic dialogue with its stakeholders in all business areas to intensify cooperation and to be able to put its sustainability efforts into practice optimally. We are taking this journey together. Let’s head towards a safer and healthier future.

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This report reflects the CWS Group's data for the year 2021.

Due to the extraordinary economic circumstances during the COVID-19 pandemic, the figures presented in this report may not be comparable with values from other business years.

Where relevant, reference is made to the Global Reporting Initiative (GRI) standards. As the intermediate report does not go into the same depth as the complete report, it has not been additionally audited externally.

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*. Being a part of the *enkelfähig* initiative of our parent 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*.

Enkelfähig
Creating Value
for Generations



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