

# Think Circular

**Sustainability Report  
2020/21**



## Reduce Reuse Recycle **Think Circular**

We focus on protecting resources, developing high-quality, durable products and extending their useful service life by repairing them. We close our cycles by reusing items for similar or new purposes.

# Dear reader,

The COVID-19 pandemic has had a significant impact on all of our lives, both at home and in the workplace. Health has become a priority in our society, and a completely new awareness of hygiene abounds. Services in this sector are thus more vital than ever before – from complete hygiene concepts for organisations to hygiene-certified textile supply. Here at CWS, we are proud to have been there for our customers with sustainable solutions even in such challenging times.

Coping with the pandemic has also highlighted the importance of sustainable strategies. Naturally, periods of crisis in particular demand rapid actions and quick decisions – however, the only means of staying successful is to pursue a long-term strategy. On the basis of the “enkelfähig” principle, our parent company Haniel accepts the ecological, economic and social responsibility for future generations, thereby bolstering our sustainability efforts at the same time.

At CWS, we have firmly anchored sustainability in our circular business model and we are convinced that only truly circular business activities can protect our planet’s resources. That’s why, shoulder to shoulder with our customers, we are already creating sustainable solutions for a healthier and safer future.

It is now my pleasure to invite you to find out more about our endeavours in this report. Together we can preserve this world for future generations. Let’s get started.

A handwritten signature in black ink, appearing to read 'Jürgen Höfling', with a stylized flourish at the end.

Best regards,  
Jürgen Höfling

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# Think Circular

**The decisions we take today shape the world of tomorrow. That's why, here at CWS, we are already contributing to a healthier and safer future for the generations to come. We want to enjoy sustainable success instead of just being successful and sustainable.**

Our planet's resources are by no means unlimited. Understanding this means accepting that continuing with the linear model of the throwaway economy is not an option. That is why we are taking a different approach here at CWS: our understanding of sustainability is based on cycles. We are constantly working to slow down, reduce and, ultimately, close material cycles.

As a service provider, we play an active role in the circular economy. We keep track of the complete life cycle of our products and services all along the value chain. Our business model helps us to focus on sustainability right from the beginning and to prioritise it all along the value chain. From product development to the procurement of the materials right up to laundry processes and service logistics, all departments work towards our main goal of offering completely sustainable products and services. In this way, we aim to become the most sustainable company in our industry by 2025.

As a service provider of sustainable solutions in the Hygiene, Workwear and Fire Safety sectors, everything here revolves around complete responsibility and protecting resources. "This approach is summed up in our guiding principle Think Circular," explained our CEO, Jürgen Höfling. "This reflects our commitment to sustainability as a core principle



**"This reflects our commitment to sustainability as a core principle of our business."**

Jürgen Höfling, CEO at CWS

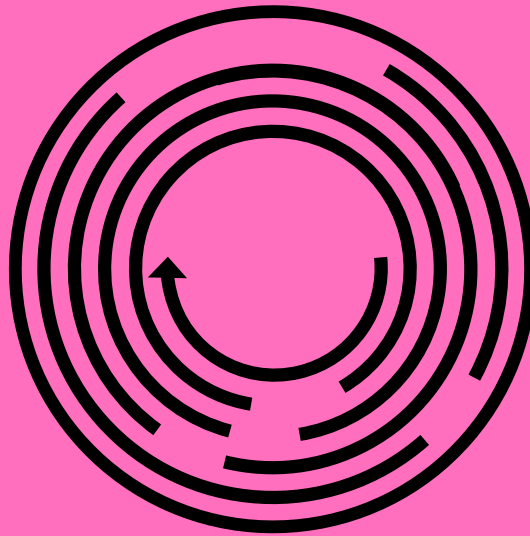
# Our sustainability strategy up to 2025

## Sustainable products

By 2025, sustainable products should account for more than 90 per cent of our new business.

## Responsibility for the supply chain

We do our utmost to ensure fair working conditions in our supplier companies and are continuously working to optimise our corporate carbon footprint. By 2025, we want to audit all the relevant suppliers in risk countries to ensure their compliance with working and social standards.



## Closing cycles

We offer our products in a service cycle and continue to use them sensibly even after their useful service life. We are pursuing the vision of zero product waste.

## Protecting resources

We are reducing the ecological footprint of all of our processes. We are currently working on a holistic climate strategy for the CWS Group.

## Best in class work environment

The health of our employees is our top priority along with the professional development and inclusion of all talents and perspectives. We want to reduce the number of accidents to 0 by 2025. The share of women in management positions should be increased to 50 per cent.

**For a healthier and safer tomorrow! Our understanding of sustainability is based on cycles. We create sustainable solutions in the fields of Hygiene, Workwear and Fire Safety. In this way, we are helping to tackle the global challenge of resource scarcity and climate change. We want to become the most sustainable company in our industry and actively involve employees, customers and our shareholder in this process.**

Sustainability is a core part of our **corporate strategy**. Together with our **partners**, we are creating a sustainable ecosystem. We are **transparent** about our progress. Sustainability is part of our **corporate culture**.



of our business. In the long term, we want to close our material cycles sustainably. We are working our way towards this goal step by step and looking forward to continuing this journey along with our customers.”

With our circular approach, we not only reduce our impacts throughout the complete life cycle of our products, but also help our customers to protect resources effectively. “The most sustainable product

is the one that is not bought at all. With our service model, we have already set the right course for this,” emphasised Maren Otte, Group Director of Corporate Communications & Corporate Responsibility. Promoting circularity also means thinking beyond our own value creation. With this in mind, we are working with partners to assume more responsibility for our supply chain. We are also getting involved in recycling initiatives and research projects into fully circular products.

Through our commitment, we hope to make an active contribution to solving current global challenges. In doing so, we understand our responsibility as being ecological, social and economic in equal measure. We have set ourselves the following priorities for this path:

### **1. Sustainable products**

We want more than 90 per cent of our new business to be based on more than 90 per cent sustainable products by 2025. Together with all the companies in the Haniel Group, we have developed a rating system for this purpose, which classifies all of our products on the basis of their sustainability and identifies areas requiring improvement. Both the materials employed and a responsible management system contribute considerably to durability and reparability in this respect.

### **2. Responsibility for the supply chain**

We do our utmost to ensure fair working conditions in our supplier companies. To achieve this, we rely on the most sophisticated auditing methods and long-term, trusting partnerships. We are currently extending this consideration to the entire supply chain and developing a detailed decarbonisation roadmap.

### **3. Protecting resources**

We are reducing the ecological footprint in all of our processes and along our value chain. For example, we already reprocess a whole 80 per cent of our laundry water for reuse. Optimised washing processes allow us to ensure hygienic cleanliness with minimal energy consumption.

### **4. Closing cycles**

We offer our products in a service cycle and focus on ensuring that they can continue to be used sensibly even after their useful service life. We are continuously testing scalable upcycling and recycling options in various pilot projects with the aim of giving products a second life.



**“The most sustainable product is the one that is not bought at all.”**

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



**For a future worth living, we need to find a new way of handling materials. The circular economy will play a key role in this.**

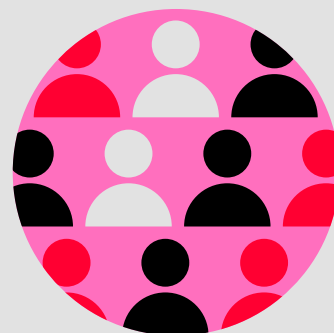
#### **5. Best in class work environment**

The health of our employees is our top priority. Occupational health and safety is therefore present for us every day and coordinated by an international QESH organisation. Career advancement and inclusion of all talents and perspectives is particularly important to CWS. We are certain that diversity in our workforce contributes significantly to our success, which is why we are proud to have signed the EU Diversity Charter.

When our customers choose our products and services, they are actively contributing to a sustainable future, as our solutions promote health and safety as well as helping to overcome global challenges such as resource shortages and the impact on the climate.

One thing is sure: for a future worth living, we need to find a new way of handling materials. The circular economy will play a key role in this. We are convinced that “use instead of own” should and will be the future mindset. This is the only way we can leave a healthy and safe world worth living in behind for future generations. Think Circular.

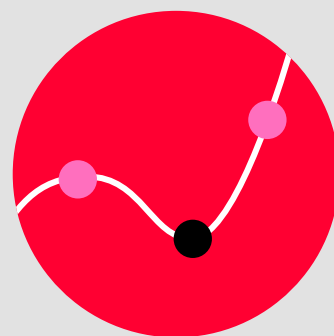
## **Our activities rest on three pillars**



**Putting People First**



**Optimise Cycles**



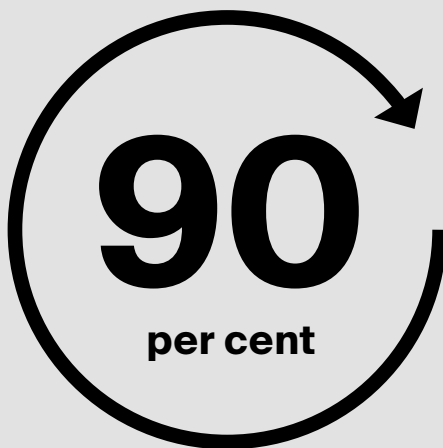
**Sustain Business**

# Goals for 2025

At CWS, our actions always centre on people and the environment. We want to further expand our pioneering position in sustainability and become the most sustainable company in our industry. For this reason, we have developed set goals that we pursue with our activities.

## Optimise Cycles!

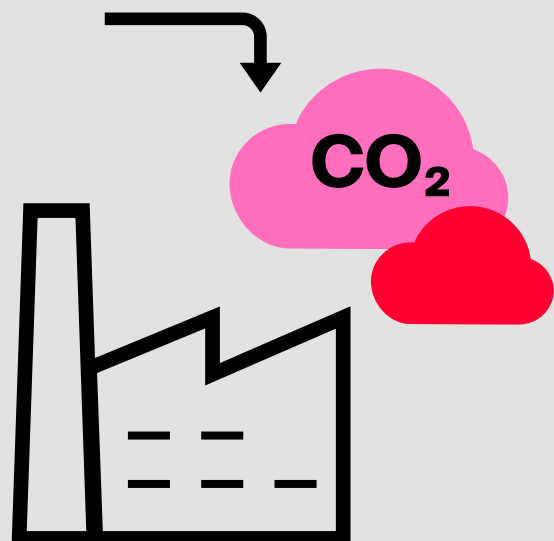
↗ Sustainable products



**By 2025, we want more than 90 per cent of our new business to be based on sustainable products.**

➔ Climate strategy

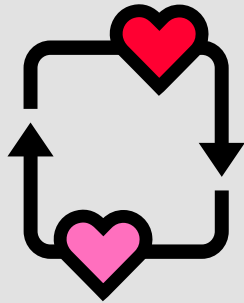
We are currently working on a holistic climate strategy for the CWS Group. We will provide an overview of our corporate carbon footprint by the end of 2021 (scope 1–3).



## Putting People First!

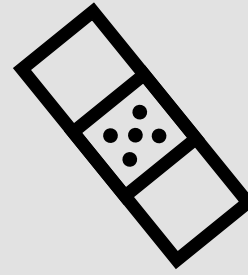
### ➔ Social standards along the supply chain

100% of the relevant suppliers in risk countries should be regularly audited for compliance with working and social standards.



## Verification of human rights due diligence obligations

### ➔ Occupational health and safety



# Accident quota

# 0\*

# Sickness quota

# 3.5%\*\*

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

\*\* Absence quota (in %): absence/scheduled working hours x 100

## Sustain Business!

### ➔ Compliance



# 100%

of the employees for whom the compliance subjects are relevant have completed corresponding training.

### ➔ Customer and employee satisfaction

# +70\*

\* NPS/eNPS = supporter in % - detractor in %, (promoter value = > 9; detractor value = < 6)



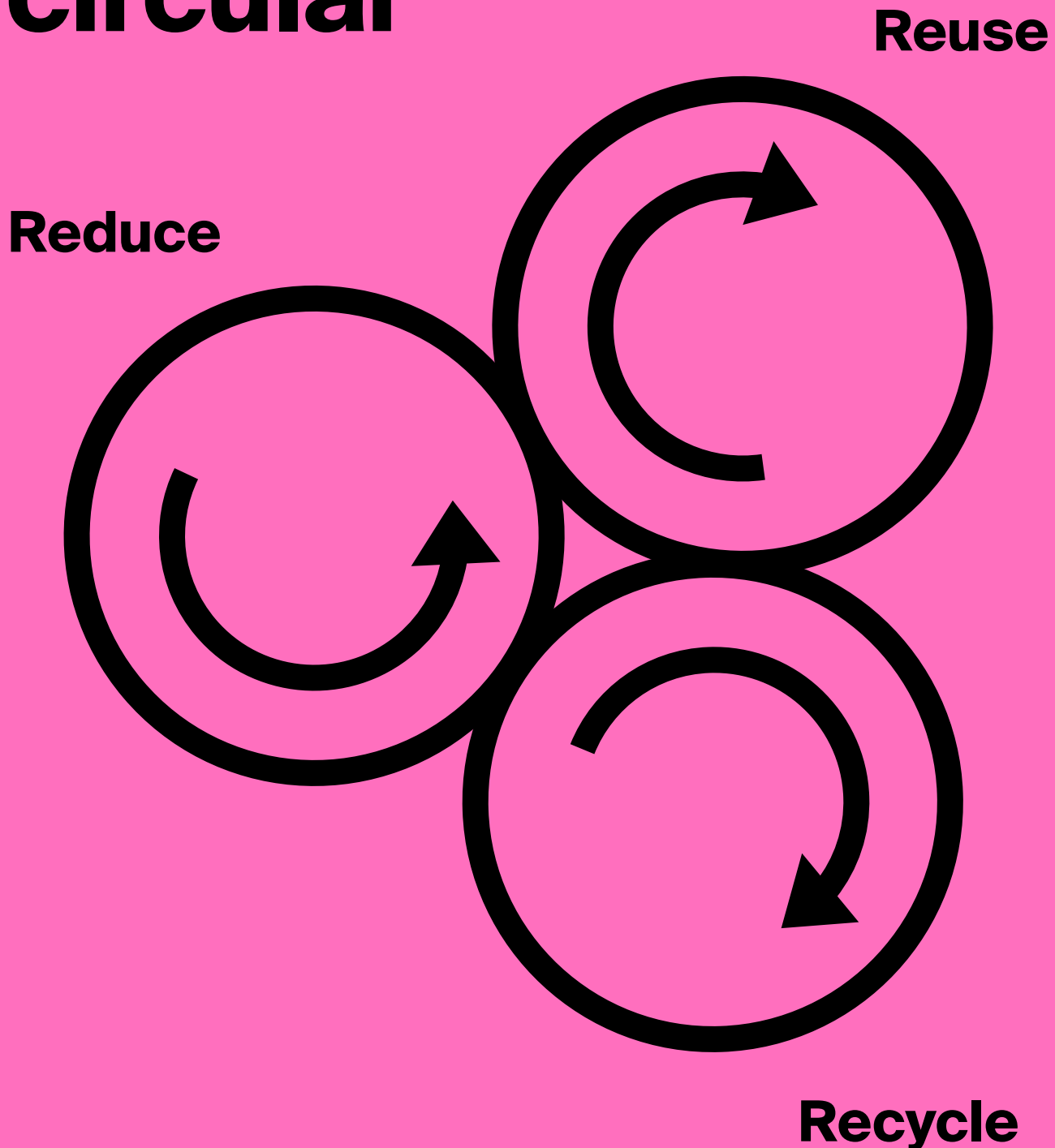
### ➔ Employee diversity

# 50%

of ELT positions should be occupied by women.

## Net Promoter Score for customers and employees

# Dare to be more circular



**Reduce** We focus on protecting resources in all of our processes and actively saving water, energy and materials.

**Reuse** We develop high-quality, durable products and extend their useful service life by repairing them.

**Recycle** We want to close cycles by reusing items for similar or new purposes.

A product is truly sustainable when it does not need to be repurchased. Our service model allows us to protect resources effectively and establish a sustainable service cycle for our customers.

# Calculated climate protection



CWS has been offering workwear as a rental service for many years already and, in doing so, is contributing to climate protection via the circular economy. But is there any way to prove that? Sustainability Manager Tobias Steffen put the figures under the microscope and developed a suitable calculation model in cooperation with his colleagues. His results are more than remarkable.



Tobias Steffen, Sustainability Manager at CWS

“Now we’ve got it in figures, too,” said Tobias Steffen gesturing enthusiastically at the Excel table teeming with numbers on his computer screen. Tobias Steffen is our Sustainability Manager at CWS and, as such, he has every reason to be in a good mood at the moment. After all, his evaluations prove something that was previously only a plausible suspicion: the fact that the circular supply of rental workwear – a core element of CWS’ sustainability strategy for many years now – avoids considerably more greenhouse gas emissions than previously thought.

**CWS saves an astonishing 76 per cent on average in CO<sub>2</sub> emissions per year through the repair and second-hand use of rental clothing.**

More specifically, Mr Steffen can show that CWS saves an astonishing 76 per cent on average in CO<sub>2</sub> emissions per year for each functional unit through the repair and second-hand use of rental clothing. “Normally, around 72 kilograms of carbon dioxide are generated for every worker that we supply with workwear in Germany for one year,” he explained. “By offering our workwear on a rental basis, repairing worn or broken items or replacing them with second-hand garments, we reduce this climate impact to just 17 kilograms. Even if you factor in transport using CWS vehicles, the CO<sub>2</sub> emissions per year and employee are still halved from 72 to 36 kilograms. That’s quite remarkable.”

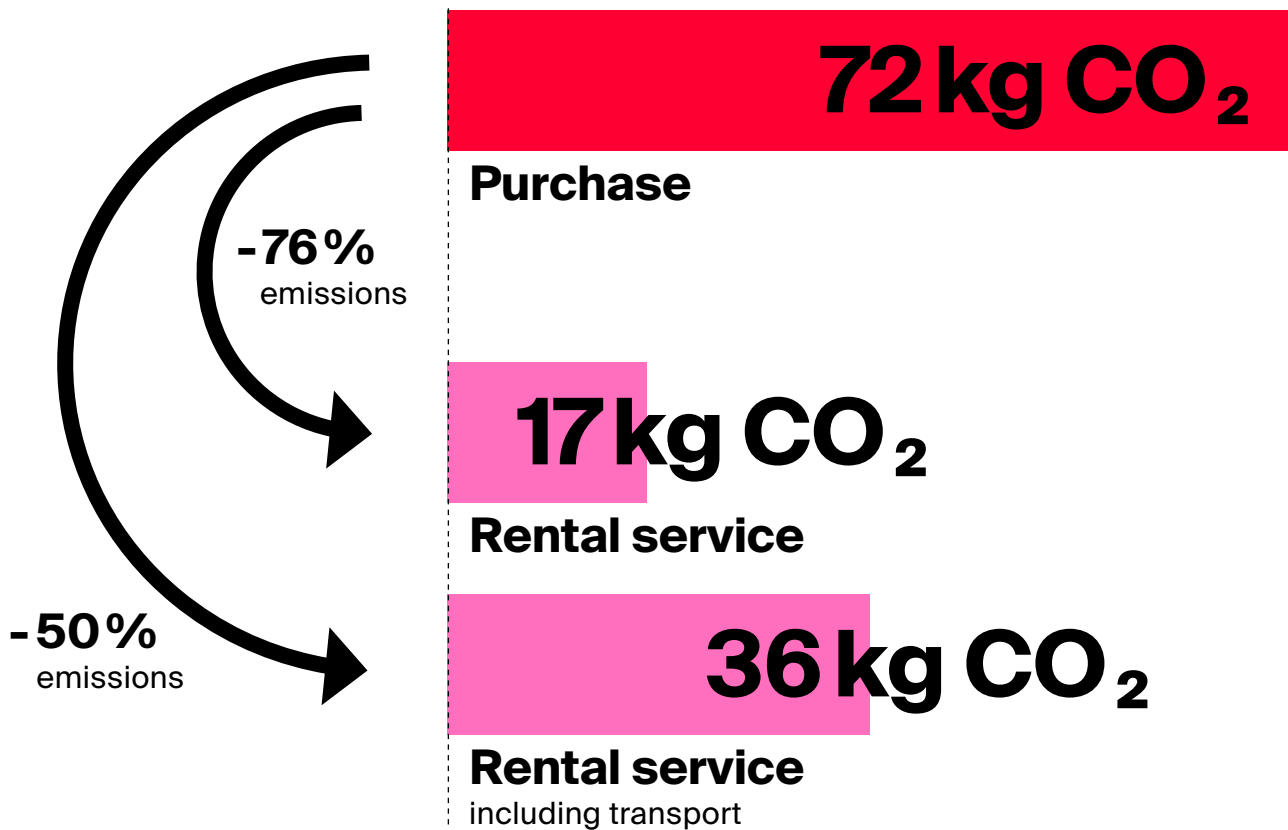
#### **Two scenarios**

Last year, Mr Steffen, working in close collaboration with a handful of CWS experts and a consulting firm, set out to develop a kind of internal climate calculator under the title “Circular Advantage Study”. The calculator makes it possible to compare the climate impact of different ways of handling workwear with great precision.



**Renting v. buying:**

Average CO<sub>2</sub> emissions (kg CO<sub>2</sub> generated when supplying one worker with workwear for one year)



For the study, the Circular Advantage team contrasted two concrete scenarios: a linear and a circular one. In the linear model, wearers take care of their own clothes, washing them at home, performing minor repairs and replacing worn-out items with new ones. In the circular model, they are supplied with their workwear via CWS' rental service. "It is completely possible to compare these two specific situations," Tobias Steffen explained. "According to a 'Gesellschaft für Konsumforschung' study, 63 per cent of wearers in Germany take care of their workwear themselves. As such, this case is actually the rule and not the exception."

To obtain results which are as meaningful as possible, Mr Steffen and his team defined a number of framework parameters. "We looked at the quantity of workwear a worker uses over the course of a year. We then calculated the whole thing for four clothing collections from different areas of use," he explained. "When doing so, we focused on the two aspects where the greatest potential savings were to be expected: the reuse of used goods and the repair of damaged garments."

According to Tobias Steffen, the fact that the biggest climate protection lever for CWS lies in the use phase of clothing is primarily linked to its manufacture. It's no secret that the vast majority of greenhouse gases in the textile industry are generated in the upstream value chain. The same also applies for cotton and polyester, which are used in the CWS collections studied.

**The fact that the biggest climate protection lever for CWS lies in the use phase of clothing is primarily linked to its manufacture.**

### Data from practice

Polyester in particular is a double-edged sword for the climate. On the one hand, its production requires large quantities of resources and energy. On the other hand, it is very resilient and makes clothing long-lasting – and therefore reusable. “Our hypothesis was that the climate benefit would be maximised by extending the period of use,” said Tobias Steffen. “This is one of the fundamental logical elements of the circular economy: the longer I use clothes, the less frequently I have to make new ones. And items that don’t need to be produced don’t create emissions. As such, you need fewer products and therefore cause less CO<sub>2</sub> whilst still offering the same service.

**“The longer I use clothes, the less frequently I have to make new ones.”**

The Circular Advantage Study primarily employed average values for wear, repair and reuse as the data basis for its calculations. To this end, data were evaluated for all four collections based on a total of 500,000 wash cycles in 2019. “We went through all the usual repairs with our experts,” explained Jan Ulrich, who, as Head of Operational Excellence, played a key role in obtaining the data. “During the process, we arrived at the conclusion that around 90 per cent of our repairs could also be performed by the workers themselves. However, we know from market analyses that only around 50 per cent actually repair their workwear or have it repaired. And with the general public, the rule is unfortunately: what doesn’t get repaired ends up in the bin.”

The study takes a similar approach when it comes to reuse: for a realistic picture, it used the averaged replacement rate for the last four years, calculated from millions of reused garments. “Via our Customer Fulfillment Centers, we replace about 26 per cent of the damaged or worn items with used goods. These are all garments that a private individual would simply throw away and purchase again,” said Tobias Steffen. “That gives us a very clear idea of how many kilograms of clothing don’t need to be produced at all thanks to our service. We back up these numbers with scientifically based emission values from the production department, allowing us to convert all the figures into CO<sub>2</sub>.”

### Identifying parameters

The Circular Advantage team sets great store by basing all calculations on figures that are as robust as possible. For this reason, it deliberately restrained from including factors in the calculation which are difficult to quantify, even if they promise a further improvement in CO<sub>2</sub> savings.

“We assumed the same quality of workwear in the compared scenarios. We also assumed that the washing process is equally energy efficient in both cases,” Mr Steffen explained. “That is not necessarily realistic, as CWS specifically optimises its garment quality and washing processes with sustainability in mind. However, it’s hard to quantify that for individuals realistically – and we certainly didn’t want to cheat there. It also allowed us to determine the enormous potential in operational recycling through repair and reuse alone even more clearly.”



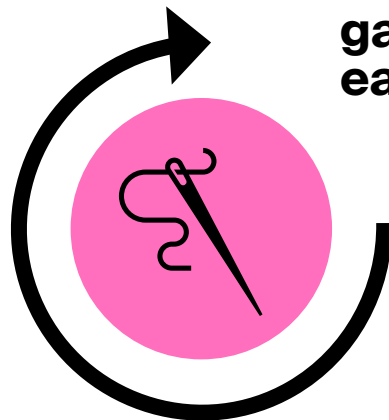
From Tobias Steffen’s perspective, the results of his calculations are only the beginning. They are the point of entry into a detailed understanding of the many options available to CWS in environmental and climate protection. “This type of calculation models will, step by step, give us a better idea of which parameters we can adjust to further improve our sustainability in all areas.”

# Certainly circular

Sustainable thinking means circular thinking. That's why CWS workwear goes through a continuous service cycle making garments available again and again and specifically protecting resources. To this end, we optimise our collections for top durability and extend their useful service life through repair and reuse. The most important stations in the clothing cycle in four figures:

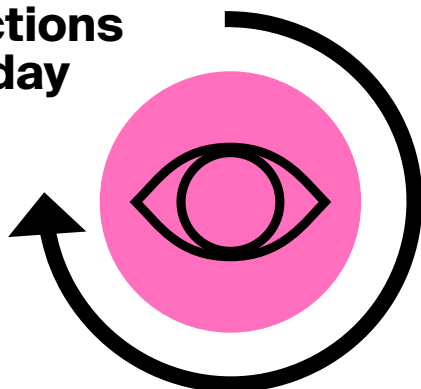
## No chance for damage

We supply our workwear to customers in our service model. It is worn, washed and, if necessary, repaired more than 100 million times a year, then delivered again. All our laundries are equipped with sewing shops in which damaged items are repaired. This happens with up to 5 million garments each year. If an item cannot be repaired, it is sent for recycling.



Up to  
**5 mil.**  
garments  
each year

Up to  
**7,000**  
inspections  
every day

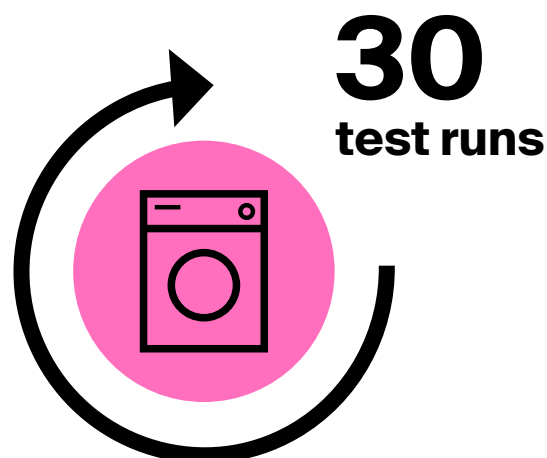


### The quality check

We do not merely dispose of textiles that are no longer required. Instead, we check to see whether they could be reused elsewhere. That happens among other places in Międzyrzecz, Poland, where up to 7,000 garments are thoroughly inspected for damage, stains and wear every day. Around half pass the quality control and can be reused by other customers. The remainder are repurposed, for example as cleaning cloths.

### The durability test

Durability plays a key role in the sustainability of our workwear, which is why the garments of every new collection have to pass a special durability test before being included in our range. This involves them being washed in test laundries with clothing from the same industry. They only make it onto the market if they still satisfy our quality requirements after 30 washing cycles.



**30**  
test runs

Around  
**26%**  
reuse



### Ready for new duties

Around 26 per cent of the garments that need to be exchanged either due to changes in clothing requirements or wear are replaced with used items. This is effected via our Customer Fulfillment Centers, which return deregistered garments to the cycle. They do so using our used clothing warehouse, where discarded garments are stored for reuse.

Long-lasting clothing

# Detective work

She gets to the bottom of every detail and is our guardian angel for clothing: as Product Quality Lead, Melanie Deppe is responsible for the durability of CWS workwear. Here she explains how that aids sustainability and why you sometimes have to think like Sherlock Holmes.



Quality controls at CWS pay close attention to every detail.



## Ms Deppe, what do product quality and the durability of workwear have to do with sustainability?

**Melanie Deppe** A great deal. As I see it, the durability of products is a fundamental requirement for the sustainable use of resources. Every garment which does not need to be produced again reduces our ecological footprint. Here at CWS, we purchase millions of new items of clothing every year. Extending the useful service life of these products by just 10 per cent translates to hundreds of thousands of garments which do not need to be produced. And there have already been cases where quality improvements have allowed us to almost double the useful service life of a product.

## How do you do that?

**Melanie Deppe** As far as possible, we design all of our collections to be durable from the outset and, at the same time, also ensure that they are easy to repair if they become damaged. To this end, every piece that we develop undergoes special testing in our test laundry in Bielefeld, allowing us to ensure their durability even before the garments are launched on the market. We also take our everyday product quality and repair experiences and incorporate them into the process.

## How do you tell if the quality of a garment needs to be optimised?

**Melanie Deppe** Through close cooperation with our laundries and customers. They let us know which items of clothing require frequent repairs. We then analyse the reasons for this and attempt to identify the fault. That often requires true detective work, as you really have to pay attention to the smallest of details. We recently had a case with a jacket where the edge was extremely frayed after not even a year. To begin with, we weren't really sure: Is the material the problem? Is it being used incorrectly? Is the processing to blame? In the end, we were able to solve the issue with simple means: by replacing the single stitched seam with a double stitched seam at the point in question.



Double seam instead of single seam: small adjustments optimise the durability.

## What factors influence the durability of a garment?

**Melanie Deppe** It varies greatly. Every collection is different. You could even say that each individual garment is different. Something as small as the quality of the cotton or the needles can affect the overall result. Even the person sewing the piece influences the final quality. The seemingly most insignificant details can be what tip the balance. The same applies for the washing processes: we employ different laundry concepts associated with different machine lines and detergent suppliers. As these factors can also affect durability, an analysis is often challenging. Our job is to identify the right levers among this myriad of variables to achieve maximum product durability.

## How do you track down a fault?

**Melanie Deppe** Due to the multitude of contributing factors, there's no standard formula. It is also often not just a single problem which causes a fault, but rather a number of them at the same time. It usually begins with us noticing from the data evaluation from our laundries that a certain item frequently requires repairs. Sometimes a customer complaint also alerts us to an issue. Then we check first of all: Is it a problem in all laundries or just one? For one customer or many? This information allows us to produce hypotheses about the reasons for the faults, which we then test in our test centre using comparative wash tests, for example.

## How could quality assurance be improved even further in the future?

### Does that sometimes result in you identifying faults that have yet to appear?

**Melanie Deppe** Predicting faults is difficult. Many only occur once the garment has already been in use for a considerable period of time and been worn and washed over and over again. That's why, in addition to the specific fault analyses, we also perform comparative wash tests as a general measure. This involves taking one and the same garment from the same production batch and sending it to different laundries to evaluate the textile-physical data. And it sometimes produces astonishing results that we would not have been able to predict. For example, a while ago, we test washed a polo shirt and discovered that the colour fastness was not as well maintained in one laundry as in the others.

### So what did you do next?

**Melanie Deppe** We analysed the individual textile fibres and discovered that they were significantly more roughened than in the other laundries. Taking a look at the laundry processes, we noticed that this special laundry uses very large washing machines and also washes the clothes for longer. As the individual garments rub against each other more intensely and for longer, they lose their colour faster. We then reduced the washing times per cycle a little and... what do you know – problem solved! A minor adjustment, but one that paid off twofold from a sustainability perspective: on the one hand, the shorter washing cycles save energy and, on the other hand, they improve the product quality, allowing the garments to remain in use for longer.



Melanie Deppe, Product Quality  
Lead – Workwear at CWS

### Are there possibilities for further optimising the repair processes too?

**Melanie Deppe** The sewing staff in our laundries possess by far the greatest repair expertise. We are currently working on a process to integrate this expertise right from the product development phase. The idea is to have a sewing specialist in the test centre in Bielefeld check the reparability of the new garment before it is even launched on the market. This also includes development of precise criteria for being able to assess good reparability in a standardised way.





A range of different factors determine the durability of a garment.

**Where will CWS be in terms of product quality and reparability five years from now?**

**Melanie Deppe** We aim to improve the durability and recyclability of our garments continuously. I think that we will be able to increase the durability of our products considerably within five years. In addition, all other aspects of cycle management will also have improved significantly by then. For example, we will be far more efficient at recycling individual components such as zips, buckles and buttons, so that at some point we will produce far less or perhaps even no waste at all. That is the point for me when the completely closed material cycle will actually be within reach.

**“I think that we will be able to increase the durability of our products considerably within five years.”**



# Green mats

**Product manager Alexander Glatzer reports on the innovative CWS dust control mats “GreenMats” and explains how the drying characteristics of polyester fibres can further climate protection efforts.**

**Mr Glatzer, how are you currently trying to improve the sustainability of our dust control mats?**

**Alexander Glatzer** With a variety of different measures in our laundries. For example, we have been cleaning the mats using water which has been re-processed from cotton towel roll washing for a number of years now already. This allows us to reuse around 80 per cent of the process water. In addition, we are continuing to work on optimising our innovative Flat Mat Washer, which we shall soon be employing even more extensively. It reduces water consumption by at least 50 per cent, requires minimal energy and extends the mats' useful service life via reduced mechanical loads.

### **The key term there is useful service life: How do you ensure that the mats stay in use for as long as possible?**

**Alexander Glatzer** We extend the lifespan of our mats with repairs and dyeing processes to keep them in the cycle for longer and protect resources. Damaged mats are inspected individually to see if and how they can be repaired. We resolve any issues and vulcanise the rubber a second time to extend durability. At present, mats can remain in use for another three years on average after having been repaired. We are also getting better at repairs with each year: in 2020, it proved possible to repair almost 35 per cent more nylon mats than in 2019.

### **Is there still room to improve the CWS mats' ecological footprint?**

**Alexander Glatzer** Definitely. We are set to launch a new type of mat on the market this September which is completely optimised for sustainability and will gradually replace our current standard mats. The floor material of these GreenMats is made from recycled PET – around ten used drinking bottles are recycled for each square metre. In this way, in excess of 1 million PET plastic bottles will find a new lease of life as CWS dust control mats in the future.

### **Do the new mats have other advantages?**

**Alexander Glatzer** The polyester used in the GreenMats dries considerably faster than the nylon previously used as the water cannot penetrate as far into the fibres. This allows the mats to absorb new moisture again considerably quicker. This is not only advantageous for the customer, but also a big bonus for climate protection. The mats also dry 25 per cent faster after cleaning, thereby reducing the associated energy consumption.

### **Does the new material affect the useful service life?**

**Alexander Glatzer** Yes. In the past, we used printed fibres for our mats. The result was that the colours eventually faded either as a result of use or repeated washing and the mat needed to be replaced. The fibres used in GreenMats are completely dyed. The colours remain bright and consistent for a very long time, increasing the lifespan of each individual mat. Yet another advantage is that the fibres no longer need to be printed, which streamlines the production process and additionally protects resources.

### **What happens with the mats once they have reached the end of their useful service life?**

**Alexander Glatzer** Our aim is to return the mats completely to the cycle, which is why we are currently engaged in the European Circular Sustainable Flooring research project – or CISUFLO for short. The participants are hard at work on high-quality processes for recycling old dust control mats directly into new ones. In addition, we are also running a donation project, where the mats taken out of circulation by us are donated to charitable organisations such as animal shelters, meaning they are given a practical new purpose instead of ending up in the rubbish.



Alexander Glatzer, Senior Product Manager HY Floor Care at CWS

# 5 mil.

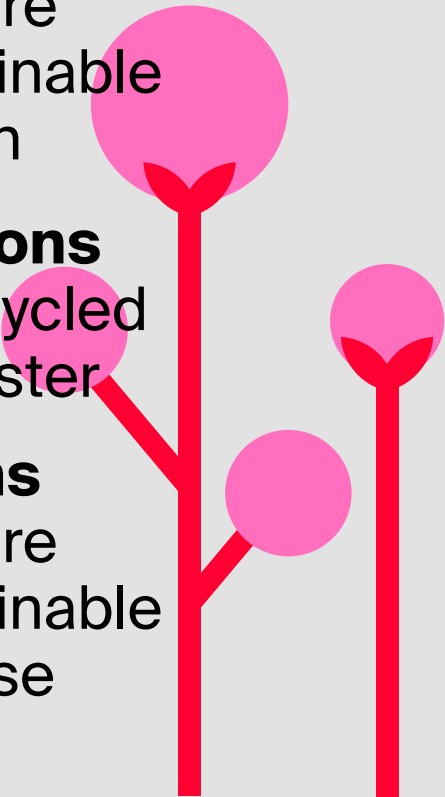
The sewing shops in our laundries repair up to 5 million garments each year.

In 2020, we purchased the following quantities of more sustainable materials for workwear:

**168 tons**  
of more  
sustainable  
cotton

**207 tons**  
of recycled  
polyester

**11 tons**  
of more  
sustainable  
viscose

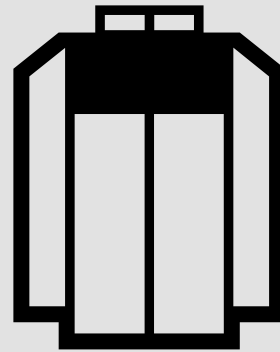


# 2 mil.

items of sustainable workwear  
are currently in circulation.

Study confirmed:

## The climate impact of the wear2wear™ jacket is up to 32% lower.



The wear2wear™ initiative, of which CWS is a part, has developed a circular waterproof jacket. An eco-balance study was conducted to investigate the environmental advantage of this jacket over a linear jacket, with a particular focus on closing the textile cycle. The study confirmed that the circular jacket offers an environmental advantage. Further information can be found here: <https://www.mdpi.com/2076-3417/11/7/2964/htm>

In 2020, we repaired

# 18,860

dust control mats.

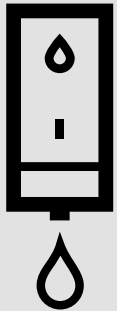


## STeP by OEKO-TEX

Our largest textile suppliers are certified in accordance with STeP by OEKO-TEX – that corresponds to more than 50% of our fabric purchases in terms of purchasing volume.



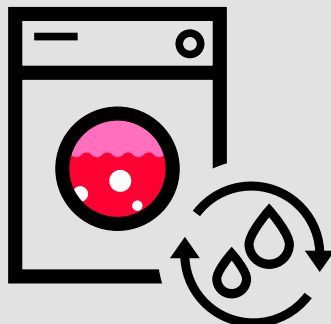
# 2.2 mil. litres



Our foam soap systems made it possible to save up to 2.2 million litres of soap.

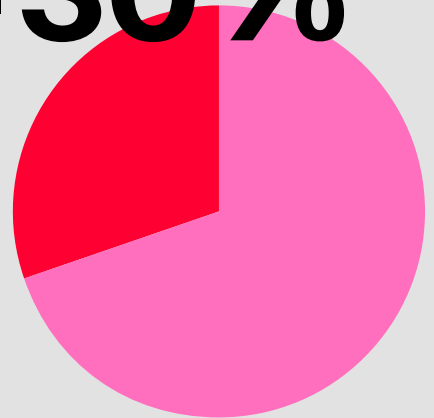
## Reduction from 5.4 to 4.7 litres

We reduced the water consumption when washing towels from 5.4 to 4.7 litres per kilo. This allowed us to save 25,455.25 cubic metres of water.

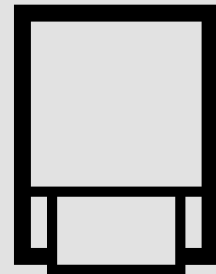


## Energy consumption:

# -30%

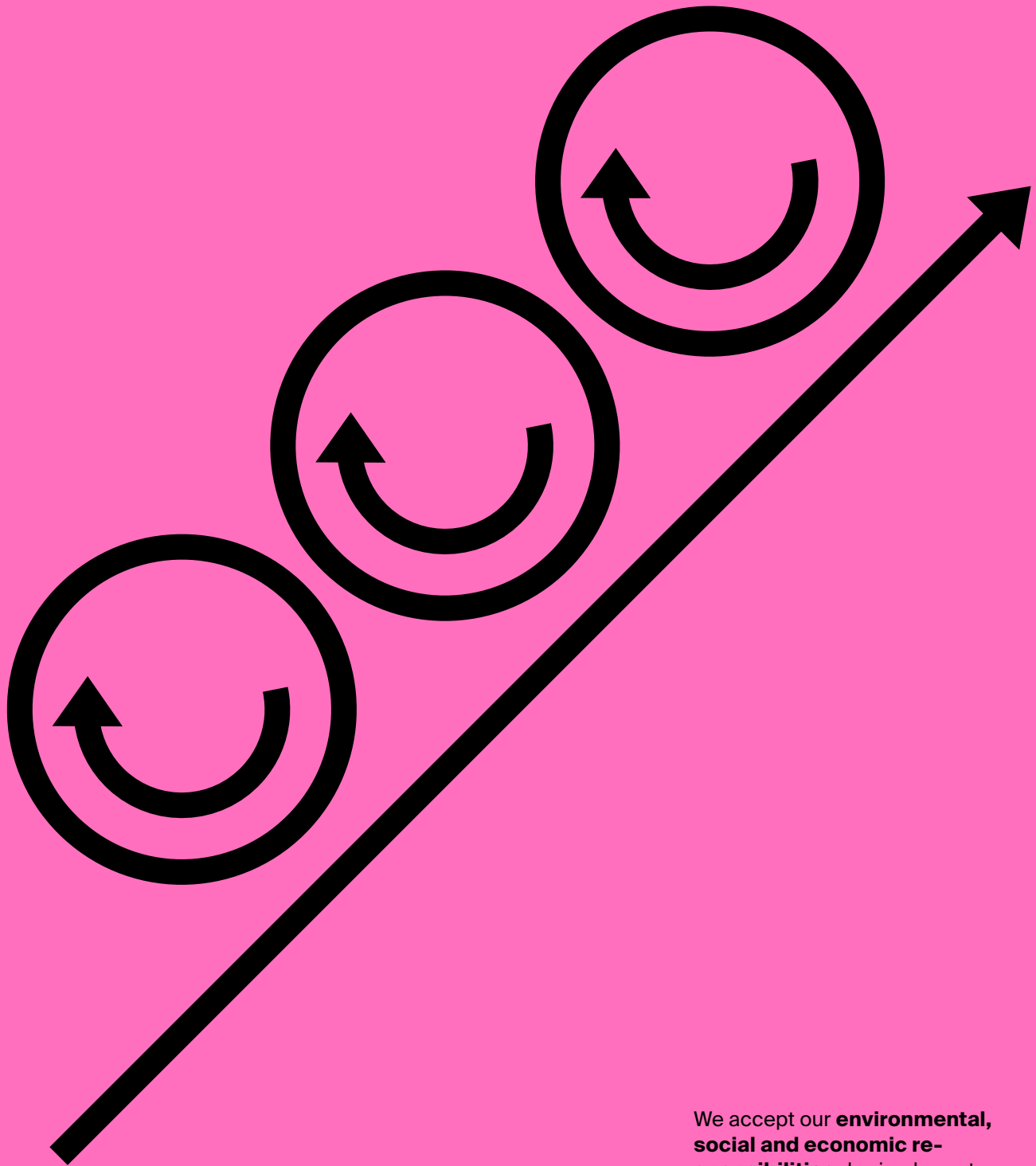


Our new laundry concept employs no steam and has allowed us to reduce our energy consumption by up to 30%.



## In 2020, we repaired or recycled more than 47,000 towel dispensers.

# We live our values



We accept our **environmental, social and economic responsibilities** day in, day out. This triad of sustainability is at the heart of everything we do.

Sustainability must be holistic, which is why we focus on transparency, fair dealings and trusting partnerships that benefit all our stakeholders in the long term along our entire value chain.





# **Diverse teams are successful teams**



**Different perspectives make companies more successful and result in a better customer service. That's why we at CWS ensure via a variety of measures that all vantage points are considered and appreciated in our day-to-day work.**

Jürgen Höfling, the CEO of CWS, is very enthusiastic about the importance of diversity and inclusion. His goal is to make diversity an integral component of day-to-day work. And Mr Höfling isn't just concerned with gender equality: "We want to integrate different perspectives and create a working environment where all individuals with their different experiences are appreciated." A person's nationality, sexual orientation or belief system is of no relevance where equality is concerned according to Mr Höfling. "I am convinced that diversity serves as a medium for innovation, performance and corporate success."

Mr Höfling is not the only one convinced of this at CWS either: a group of managers founded the Diversity & Inclusion Council in 2020, with the aim of systematically nurturing and promoting diversity within the company. Since then, the team has been driving forward the integration of different perspectives, starting with collecting their colleagues' opinions about the topic of diversity.

A corresponding survey of a total of 1,700 individuals from 15 countries and across all departments paints a positive picture: the majority of respondents stated that the processes for the transfer of responsibility, appointment to positions and hiring of new employees at CWS are fair. At the same time, those surveyed indicated additional areas where CWS should focus its diversity endeavours in the future. This concerns four areas in particular: employees in different age groups (approx. 50 per cent), people with disabilities (approx. 44 per cent), individuals of different nationalities (approx. 32 per cent) and genders (approx. 31 per cent).

These four areas form the starting point for the Diversity & Inclusion Council's further work. To this end, the team will be drawing up a road map with specific measures in 2021. A work group of interested employees has already started work on each field of action. Online training sessions are being introduced to break stereotypical thinking patterns in day-to-day work. In addition, the Council is also planning on launching a diversity policy to contribute to a common understanding of diversity in the company. Jürgen Höfling explained how this will benefit CWS in the long term: "Diversity and inclusion concern each and every one of us. After all, diverse teams are the only way to improve the way we cooperate."

# Ethics in everyday life



Aligning our actions with ethical principles at all times is part of our basic corporate understanding at CWS. Alongside a wide range of measures and compliance training programmes, we are also increasingly striving to minimise potential labour and social law violations in our supplier companies. We have good control over our own supply chain in this respect thanks to our Supply Chain Management organisation.

We have set out all of our social compliance principles in CWS Supply Chain Management GmbH's Code of Conduct (CoC). The BSCI (Business Social Compliance Initiative) principles defined therein are based on the United Nations' human rights and the standards of the International Labour Organization (ILO). Around 72 per cent of our relevant suppliers already committed to comply with the CoC in 2020. In addition, our direct production partners have also successfully passed a BSCI audit.

We procure the majority of our materials, currently around 86.5 per cent, from countries with a low risk of labour and social law violations. Furthermore, we set great store by solid, long-term partnerships to ensure permanently good working conditions in the supply chains. Accordingly, we have already been working with 38 per cent of our suppliers for more than ten years and with 70 per cent of our trade partners for at least five years.

## Compliance

# For integrity and fairness

**When it comes to compliance, we at CWS focus on honesty, integrity, fair business practices and compliance with all legal obligations – and that all along the supply chain.**

# Protecting our values together

**Our new Compliance HelpLine allows compliance violations and misconduct to be reported anonymously. This measure enables us to ensure that our employees can report issues without hesitation if they suspect that something contravenes the rules.**

Complying with all the applicable rules and regulations is one thing above all for a company: a shared task. Relevant tips from employees are a practical means of identifying non-compliant, unethical or even illegal practices early on and initiating appropriate action. That is why our Compliance HelpLine allows all CWS colleagues to communicate possible compliance violations to the responsible body confidentially. We provide answers to the most important questions here.



## **What possibilities are available for reporting compliance violations?**

If our employees suspect they have come across something worth reporting or a compliance violation, they can alert their direct supervisor or local compliance manager. In addition, we have also introduced a new alternative, which is particularly low-threshold to boot – such reports can also be submitted by telephone or via e-mail by means of a platform which is operated by an external service provider in order to ensure that the individuals reporting issues remain anonymous at all times.

## **What happens with a report made via the HelpLine system?**

There is no direct contact between either the person reporting and the employer or the person reporting and the platform provider when a report is made. The reports are recorded online as a text message or over the telephone as a voice message. CWS does not receive any original audio recordings, merely a transcription. The information received is checked within the company. The platform provider then receives a response, which is subsequently uploaded into the system. A case number allows the employee to view the status of their report anonymously at any time.

## **How and when will the system be available to the whole CWS Group?**

Local compliance managers have already been appointed for all regions and begun work. The technical platform, in other words the website and the telephone numbers, was launched in April 2021 and the services are now available to all the countries and companies within the CWS Group.

# Sustainable expertise

## CleanroomAcademy

### Optimal cleanliness

**Hygiene is an absolute must in cleanrooms! That's why we teach the requisite expertise regarding correct conduct in cleanrooms and the requirements on a cleanroom in our CleanroomAcademy.**



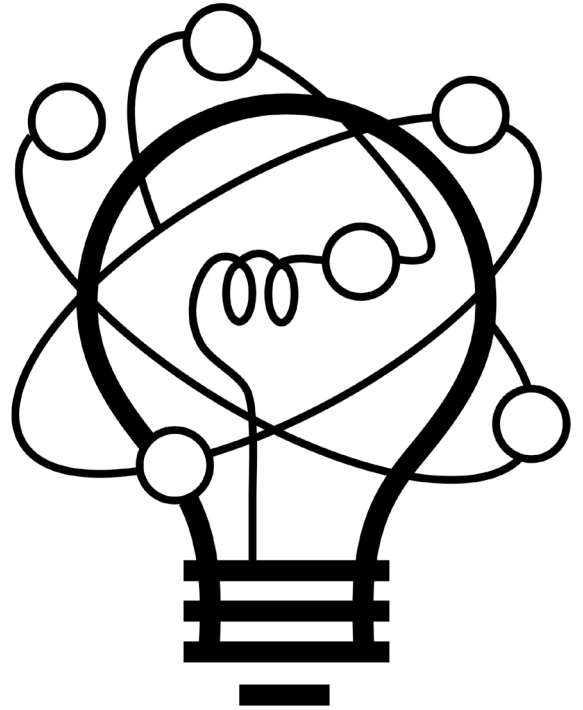
Cleanrooms are playing an increasingly fundamental role in modern production processes, be it in the life sciences and food, pharmaceutical, medical technology, microelectronics or plastics technology industry. Perfect hygiene and expertise are vital in these critical fields.

In early 2020, CWS expanded its cleanroom business by acquiring profi-con GmbH with the associated CleanroomAcademy. The comprehensive portfolio of education and training services includes a wide range of one-day training courses, in-house training sessions, coaching and online seminars.

The practice-oriented training courses offered by the CleanroomAcademy help our customers' staff to ensure the best possible hygiene in cleanrooms. The training content employs visualisations to raise participants' awareness of their work under low-particle and sterile conditions.

This includes, among other things, the correct way to put on cleanroom clothing, avoidance of contamination and correct conduct in cleanrooms. It is complemented by comprehensive information on zone and hygiene concepts, material properties and high-tech equipment that our cleanroom experts communicate in an easy-to-understand way.

With the aim of expanding the range of training courses and offering the greatest possible flexibility, the CleanroomAcademy has now also complemented its online offering with a "learning on demand" platform offering participants a mix of professional videos and clear presentations as well as interactive modular elements. Participants earn points by completing short interim tests and subsequently receive a confirmation of participation.



### Workwear Challenge

# A new lease of life for old clothes

Although we reuse our rental clothing whenever and wherever possible here at CWS, we still accumulate more than 600 tons of old textiles each year. In order to use our resources even more sustainably in the future, we invited our employees to take part in a Workwear Challenge under the motto “Immer wieder Stoff” (Fabrics that never retire) in 2020. The challenge: How can we recover even more textiles or reduce the amount of waste? This campaign allows us to tap one of our most important resources – the expertise of our employees.

“Above all, we also wanted to reach our laundry and service colleagues,” explained Tobias Steffen, Sustainability Manager at CWS. “We were sure that they especially would have lots of great ideas for how to use old textiles.” And the suspicion was correct: in the end, around 60 per cent of the submissions came from employees working at industrial and commercial sites. “Some employees even formed teams directly to discuss and consider possible solutions,” said Mr Steffen.

**“Above all, we also wanted to reach our laundry and service colleagues.”**

Of the around 100 suggestions received, the five ideas with the greatest potential in terms of added value, feasibility and scalability were selected. Alongside upcycled giveaways and fashionable everyday clothing, the employees also suggested innovative repair strategies, optimisation of the used goods warehouses and data-driven wear reduction for protective clothing.

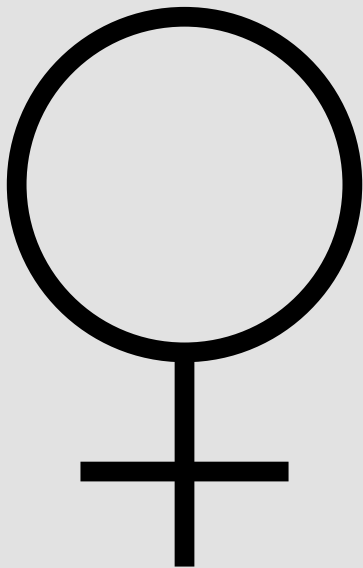
The finalists ironed out the details of their ideas in a prototyping workshop and presented their results to a panel comprising representatives from management and external experts last December. The panel was very impressed by the ideas and decided to implement them all. As a result, preparations are already under way to turn them into reality in the near future.

# 1,700 employees from 15 countries

participated in our Diversity survey.



We signed the Diversity Charter in September 2020.



# 42 per cent

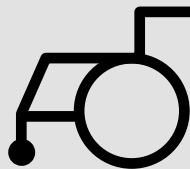
= current share of women in ELT\*

\* Executive Leadership Team

We founded the **Diversity & Inclusion Council** in 2020. Its main fields of activity are:



Employees in different age groups



People with disabilities



Individuals of different nationalities



Genders

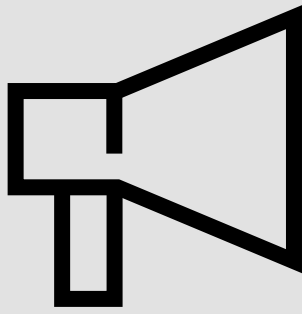
# 200 volunteers



An international network of more than 200 volunteers combine their efforts for more diversity at CWS.



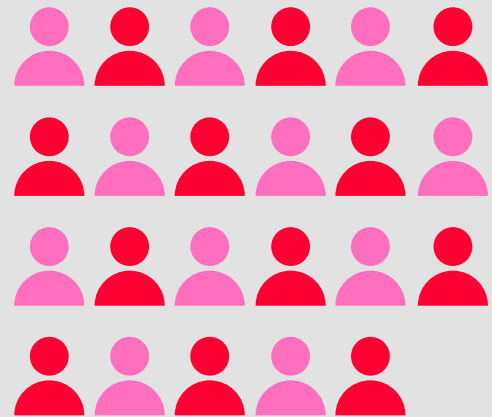
## Compliance



# 19

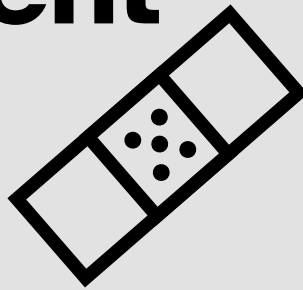
**The new Compliance HelpLine is available in 19 languages.**

We trained **23 compliance managers** in 2020.



## QESH

# Accident rate 2.15\*



**The accident rate in 2020 was 2.15.**

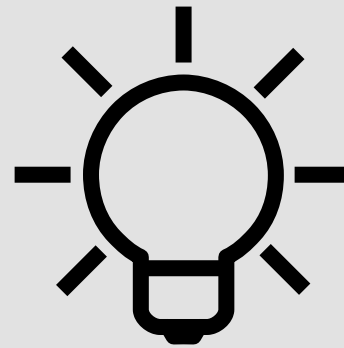
\*Number of reported accidents x 200,000 / number of effectively worked hours

# 83 sites



**have already started holding safety training sessions.**

## Sustainable innovation



**5 ideas from the Workwear Challenge were developed, presented to the management and are already being implemented.**

60% of the submitted ideas came from employees working in the laundries and service organisations.

# 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 previous years.

Central employee data	2019	2020
<b>Employee data at business levels</b>		
Total number of employees	10,745	10,838
... in management	692	753
... in administration	1,099	1,117
... in laundry	3,912	3,840
... in service	3,143	3,299
... in sales	1,899	1,829
<b>Employee data according to gender and management level (management level 1-3)</b>		
Percentage male employees	52	53
Percentage female employees	48	47
Percentage males in management	72	72
Percentage females in management	28	28
Percentage employees in management under 30 years	1	2
Percentage employees in management 30-50 years	63	64
Percentage employees in management over 50 years	36	34
Percentage male employees who left the company in the reporting year	56	53
Percentage female employees who left the company in the reporting year	44	47
<b>Employee data at year end according to contract and employment type</b>		
Percentage employees with fixed term contract	15	13
Percentage employees with permanent contract	85	87
Full-time (%)	82	83
Part-time (%)	17	16
Inactive (%)	1	1
Full-time by gender		
Male quota (%)	48	50
Female quota (%)	34	33
Part-time by gender		
Male quota (%)	4	3
Female quota (%)	13	13
<b>Employee data according to hours of training received</b>		
Hours of training in management	4,818	3,568
Hours of training in administration	5,995	3,131
Hours of training in laundry & service	12,437	6,702
Hours of training in sales	12,853	7,376

Central employee data	2019	2020
<b>Key figures on compliance and anti-corruption measures</b>		
Percentage compliance sensitive employees receiving training in antitrust law & anti-corruption	71	88
Number of calls to Compliance helpline	4	6
<b>Employee data according to lost days due to accidents or illness</b>		
Total lost working days due to accidents	5,077	5,847
... in management & administration	164	422
... in laundry	1,444	1,140
... in service	3,010	3,971
... in sales	459	314
Total injury rate (number of accidents registered × 200,000 / number of hrs actually worked)	2.4	2.1
... in management & administration	0.1	0.1
... in laundry	2.8	1.9
... in service	4.1	4.9
... in sales	0.5	0.2
Absenteeism (illness) in %	8.0	9.5
<b>Central environmental data</b>	<b>2019</b>	<b>2020</b>
<b>Energy data</b>		
Natural gas consumption (laundry operations; GJ)	730,176.9	596,320.8
Energy consumption from oil (laundry operations; GJ)	17,721.7	16,007.7
Energy consumption from wood pellets (laundry operations; GJ)	31,564.8	20,968.8
Total direct energy consumption (laundry operations; GJ)	779,463.5	633,297.2
Total indirect energy consumption (laundry operations; GJ)	165,976.9	141,407.4
Purchased green electricity (for laundry operations; GJ)	130,992.5	112,792.9
Purchased grey electricity (for laundry operations; GJ)	22,839	16,536.6
Amount of steam procured (laundry operations; GJ)	12,146	12,077.9
<b>Emissions data</b>		
Total CO <sub>2</sub> emissions (tons) (market based)	76,624	69,481
Scope 1 (natural gas, oil, internal owned and leased fleet, company cars; tons)	71,687	65,631
Scope 2 (grey and green electricity, steam; market based; tons)	4,676	3,734
Scope 2 (grey electricity, steam; location based; tons)	30,159	18,528
Scope 3 (business travel, external service fleet; tons)	124	25
Biomass	137	91
CO <sub>2</sub> (thermal & electricity) per kg of towel rolls washed (kg)	0.170	0.174
CO <sub>2</sub> (thermal & electricity) per kg of mats washed (kg)	0.088	0.089
CO <sub>2</sub> (thermal & electricity) per kg of workwear washed (kg)	0.309	0.315
CO <sub>2</sub> (thermal & electricity) per kg of mop covers washed (kg)	0.087	0.035
CO <sub>2</sub> (thermal & electricity) per kg of cleanroom textiles washed (kg)	0.366	0.387
<b>Water consumption data</b>		
Water per kg of towel rolls washed (litres)	5.4	4.6
Water per kg of mats washed (litres)	3.9	3.4
Water per kg of workwear washed (litres)	13	12.9
Water per kg of mop covers washed (litres)	7.5	9.3
Water per kg of cleanroom textiles washed (litres)	29.6	28.6
Total water consumption in laundries (m <sup>3</sup> )	1,860,042	1,521,025

Key figures on logistics and transport	2019	2020
<b>Logistics</b>		
Total number of km driven by service fleet (in thousand km)	63,892	64,909
Total number of service drivers	2,294	1,893
<b>Fleet consumption and emissions data</b>		
CO <sub>2</sub> emissions of owned or leased service fleet (trucks and vans; tons)	34,019	29,794
CO <sub>2</sub> emissions of service fleet per kg of washed laundry	0.179	0.193
<b>Key figures on sustainable product range</b>	<b>2019</b>	<b>2020</b>
<b>Upcycling/recycling of hand towel dispensers</b>		
Number of dispensers repaired in upcycling centre	42,059	33,924
Number of dispensers recycled in upcycling centre	16,841	13,145
Dispensers processed per month	4,908	3,922
<b>Key figures on supplier and supply chain management</b>	<b>2019</b>	<b>2020</b>
<b>Classification according to supplier type</b>		
Total number of suppliers (finished, trading goods and raw materials)	383	295
Of which "Contractors" (finished goods)	8	7
Of which "Business partner" suppliers (trading goods and raw materials)	375	288
<b>Audits</b>		
Number of full time audits at suppliers	12	7
Number of re-audits at suppliers	2	2
<b>Risk assessment according to region and supplier type</b>		
"Contractors": number of suppliers producing in low-risk countries	3	1
"Contractors": percentage of volume spend of suppliers producing in low-risk countries	8.8	9.5
"Contractors": number of suppliers producing in risk countries	5	6
"Contractors": percentage of volume spend of suppliers producing in risk countries	92.2	90.5
"Business partners": number of suppliers producing in low-risk countries	366	274
"Business partners": percentage of volume spend of suppliers producing in low-risk countries	95.7	97.3
"Business partners": number of suppliers producing in risk countries	9	14
"Business partners": percentage of volume spend of suppliers producing in risk countries	4.3	2.7
<b>Further information on suppliers</b>		
Number of "CMT partner" suppliers with a cooperation duration...		
... of < 2 years	0	0
... of 2–5 years	3	2
... of 5–10 years	1	2
... of > 10 years	4	3

Key figures on supplier and supply chain management	2019	2020
<b>Further information on suppliers</b>		
Number of "Business partner" suppliers with a cooperation duration...		
... of < 2 years	54	22
... of 2–5 years	48	64
... of 5–10 years	143	92
... of > 10 years	130	110
<b>Sustainable sourcing</b>		
<b>Sustainable products &amp; services</b>		
Certified paper purchased (FSC, Ecolabel) (tons)	26,941	18,100
Organic cotton purchased (hand towel roll) (tons)	77.5	23.89
Fairtrade cotton purchased (workwear) (tons)	102.81	168.54
Recycled polyester purchased (workwear) (tons)	0	207.02
More sustainable viscose purchased (workwear) (tons)	0	11.34

# Outlook



## Milestone 2025 Think Circular

True sustainability knows no home stretch. It is a continuous path towards a better future that we walk shoulder to shoulder with our customers. One milestone for us on this journey is to become the most sustainable company in our industry by 2025.

We have set our sights high in the hope of achieving this. At present, for example, we are working on optimising our corporate carbon footprint. To do so, we are systematically expanding our emission monitoring and hope to have mapped the complete CO<sub>2</sub> footprint of our upstream supply chains by autumn 2021. This will then be used as the basis for the timely implementation of a comprehensive decarbonisation strategy.

In addition, together with our shareholder Haniel and all the associated subsidiaries, we have developed a comprehensive rating system with the aim of testing all of our products to see how “enkelfähig” they are and classifying them on the basis of their sustainability. With the help of this system, we hope to categorise our entire portfolio across all divisions by the end of 2021. We are also analysing how we can improve our current offering or complement it with new products and services. The aim here is for around 90 per cent of our new business to be based on sustainable products by 2025.

Similarly, we are continuing to work on optimising our material cycles and closing them wherever possible. We will continue to drive forward our numerous recycling and reuse pilot projects with this in mind. By the end of 2021, we will already have collected a great deal of new information that we can utilise to initiate the next development steps in a targeted manner.

Furthermore, we are getting involved in various initiatives and research projects concerning fully circular products. Such partnerships are of decisive importance for us. After all, a truly sustainable economy can only work if everyone plays their part and taps potential synergies. This is the only way for us to shape a sustainable future that future generations will thank us for.



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## General classification

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

## Reporting companies

This report refers to all the national subsidiaries of the CWS Group under the holding company CWS International GmbH. A number of companies in Germany changed their names or were founded in the 2020 reporting year; for more information on what is new, please click on the respective company:  
CWS Hygiene International GmbH  
CWS Workwear International GmbH  
CWS Business Services GmbH  
CWS Hygiene Deutschland GmbH & Co. KG  
CWS Workwear Deutschland GmbH & Co. KG  
CWS Cleanrooms Deutschland GmbH & Co. KG  
CWS Healthcare Deutschland GmbH & Co. KG

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p. 29: [stocksy.com/nito](https://stocksy.com/nito)

## Online version

<https://www.cws.com/en/about-us/sustainability-business-model>

## Translation and editing

Synonym GbR Language Services, Bremen  
[www.synonymtranslations.com](http://www.synonymtranslations.com)

This report reflects the CWS Group's data for the year 2020.

Where relevant, reference is made to the Global Reporting Initiative (GRI) standards.

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.

