

renewable

We are still CWS – and we are CWS for the first time. After all, CWS has been getting younger. More fast-paced and efficient. Even more customer-oriented. With our best ever service offering, we make your work easier for you. With services that offer hygiene and safety. Because at CWS, we believe in a tomorrow that is even healthier and safer than today. This is what we strive for day to day with our solutions and products. And this is true both for our customers and our employees. Thank you for putting your trust in us. In the new CWS.

10,800

employees in total

16

European countries with a successful CWS market presence

121,000 GJ

green electricity procured for laundries

272,441

items of workwear produced with sustainable cotton

1,909,734 m³

water consumption in laundries

88%

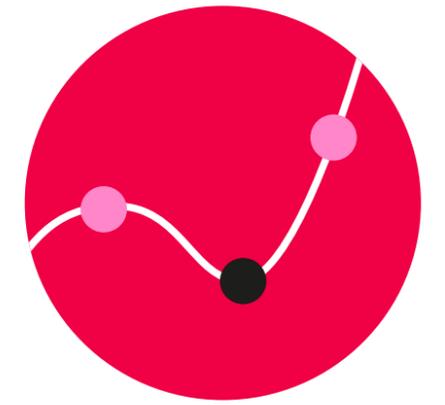
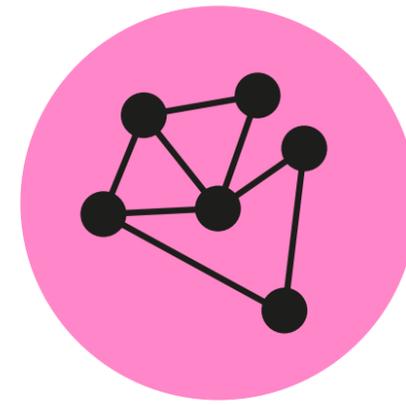
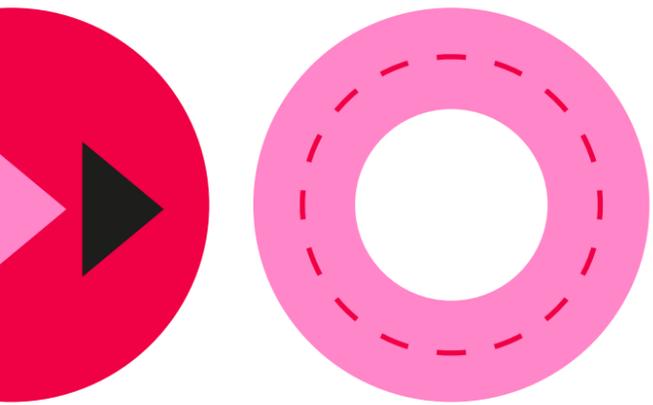
compliance training of relevant employee groups in GER and NL

47,057 h

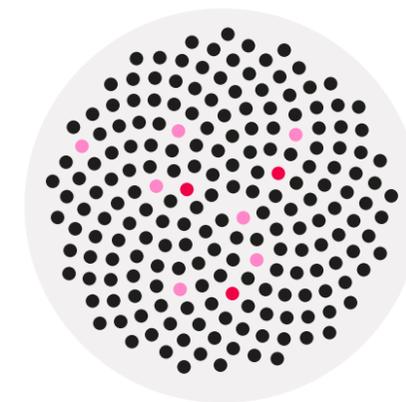
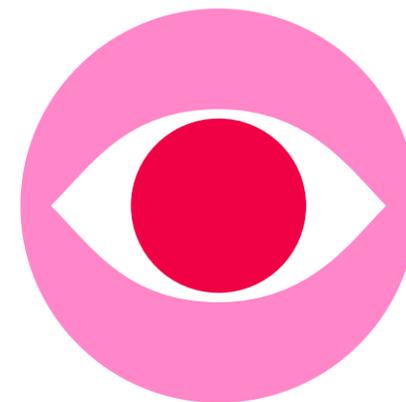
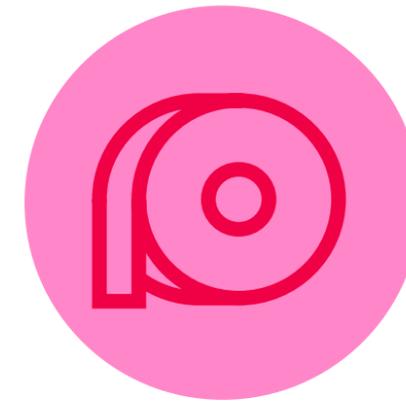
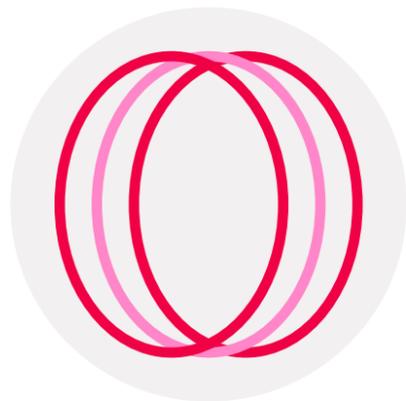
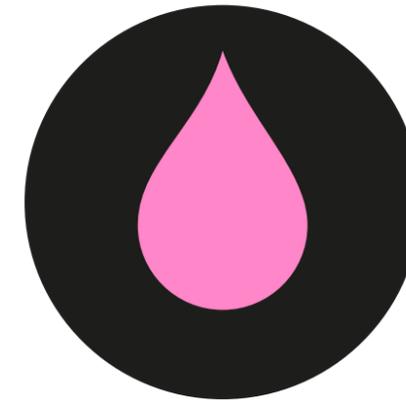
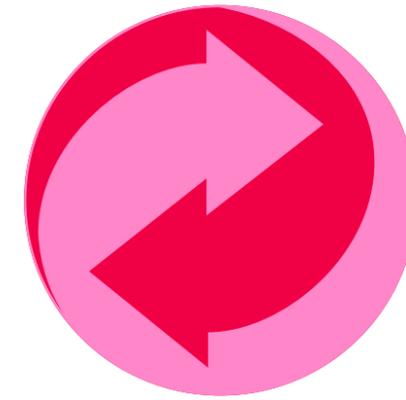
of further training

48:52

ratio of female to male employees



At CWS, everything is geared to the respective markets and customer needs - across national borders. To achieve this, one essential component of our business model is the concept of a circular economy. After all, the idea of rental service products is at the core of our activities. Hygienic reprocessing plays just as important a role as the maximum possible service life of our products, which is sustained by our resource-saving service cycle. When developing new products with a shorter service life, such as hygienic paper, we also look for solutions that allow products to be returned to biological cycles as nutrients at the end of their life cycle.



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CWS in numbers

	2018
Key economic figures	
Turnover (€ million)	1,141
Operating result before one-off effects (€ million)	140
Equity held by Haniel (%)	82.19*
Equity held by Rentokil Initial (%)	17.81
Sites	in 16 countries
Key ecological figures	
Direct energy consumption in laundries (GJ)	861,487
Water consumption in laundries (m³)	1,909,734
CO ₂ emissions (scope 1-3; t; market-based)	81,612
Key social figures	
Employees (reporting countries)	10,800
Further training (hrs)	47,057

*Valid for reporting year 2018. Franz Haniel & Cie. GmbH acquired all minority shares of CWS previously held by Rentokil Initial plc on 31st July 2019.

Dear reader,



Jürgen Höfling,
CEO at CWS since June 2019

I have been given the opportunity to become part of a dynamically evolving company during such an exciting time. CWS has experienced an array of changes in recent years, emerging from them as a new and, at the same time, established player on the market.

As always, we naturally want to be economically successful, and we are definitely on the right track in that respect. However, with our goal of being an agile company, there is no doubt at all in our minds that we need to remain active and continue to develop ourselves further if we aim to maintain and nurture this positive trend. In this respect, in the scope of our strategic reorientation, for example, we have developed a divisional organisational structure, which makes it possible for all employees to contribute to the company's success at precisely the point where they can make the biggest difference. A shared corporate vision unites our employees in their diversity in this goal – creating a healthier and safer future.

In addition, we are also convinced that a market leader needs to be more than just a champion. It must also be a game changer. A role model and an inspiration – for competitors and stakeholders alike. This primarily concerns the corporate aspect, where we want to strengthen and boost customer loyalty to CWS by offering new, digital solutions and innovative ideas. But we are also aware of and accept our social responsibility. As a leading player on the European market, it is our task to set a course for the future that will serve as a guide for everyone.

We take our inspiration when further developing our business model from our history. What is nowadays referred to as the “sharing economy” has been our business model since time immemorial: our rental customers don't pay for the product, but rather for the service they receive. The essence of our business activities is performing these services in a way that additionally saves resources and is sustainable overall. That is also becoming ever more important to our customers. We are in no doubt that it is our responsibility to develop our concept, our technology and our service further continuously.

The new impulses are also reflected in the way we present ourselves to the outside world. In future, the CWS Group will be operating under the shared brand CWS. CWS is a supplier of system solutions with a portfolio comprising six solution areas: Hygiene, Floor Care, Workwear, Cleanrooms, Healthcare and Fire Safety.

We are all proud to be working for a large, successfully operating country with 10,800 employees in 16 countries. In this aspect, the safety and well-being of the individual employees is of the utmost importance to us. After all, health and safety is our core competence – and the reason that our customers also appreciate and put their trust in us.

The process of continuous improvement in this area received a strong and sustainable boost when our QESH – Quality, Environment, Safety & Health – organisation was set up. Now, the important thing for all of us is to hit the ground running with new energy, new structures and new passion for our work.

The comprehensive relaunch of our strategic processes is also reflected in our sustainability report of course. The earlier reporting structures have been replaced by three new reporting fields in this report. They are preceded by a detailed description of our strategic ideas and measures. And it is always important to remember: corporate responsibility is a learning curve. That's what makes CR so powerful and so important.

Please see this report as an invitation to join us and embark on our journey with us!

**Best regards,
Jürgen Höfling**

A handwritten signature in black ink, appearing to read 'Jürgen Höfling'.

The new CWS: Fully committed to a better life

We have reinvented ourselves with a new brand which reflects our corporate vision – we want to create a healthier and safer future. We aim to do this by offering our customers health, safety and protection with our innovative, sustainable and digital rental solutions.

This is also the reason why we will be operating under a single brand in all markets from 2019 onwards: CWS. This single umbrella brand brings together the strengths and experience of almost 20 individual brands, generating an unrivalled offering in the fields of hygiene, workwear and building services of a truly international calibre.

The foundations for our new growth-oriented strategy were laid back in 2017 with the launch of the joint venture between CWS-boco and Initial. With the aim of focusing more intensively on our market segments and reacting to customer requirements more quickly, we introduced a transnational, divisional structure across our entire organisation. In a second phase, we have now gone even further and brought about a change in perspective: seeing things through our customers' eyes allows us to evolve into a system provider offering tailored solutions across different divisions. We have bundled these services into six solution areas: Hygiene, Fire Safety, Floor Care, Cleanrooms, Workwear and Healthcare.

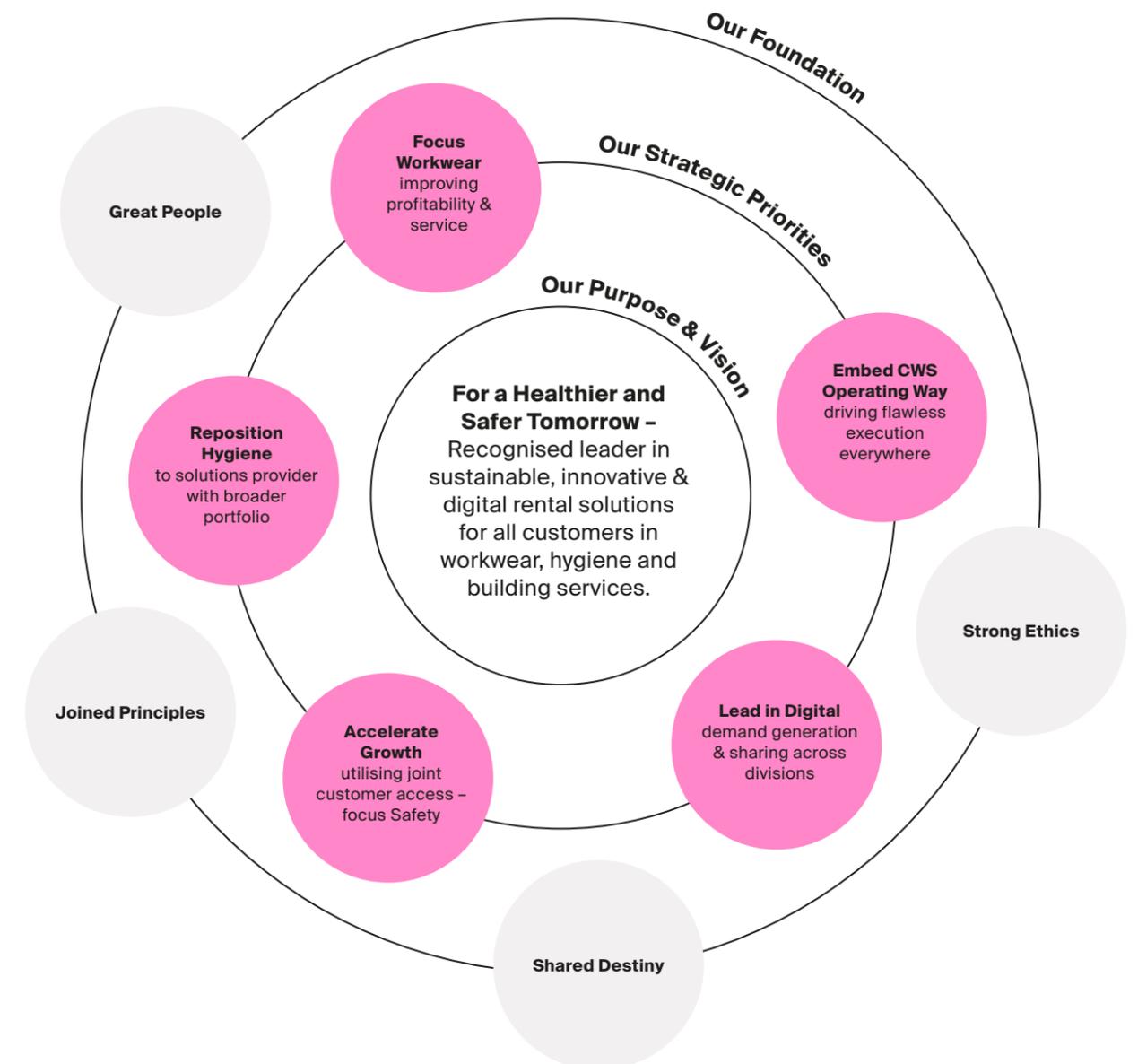
Another field in which we hope to make noticeable advances is digitalisation. Here, we are primarily seizing the opportunity to reach customers online and use digital solutions to render our business transactions and workflows faster, more efficient and more customer-oriented. In addition, we also want to adopt a more disruptive way of thinking and re-define our market with innovative offerings. Cooperations with a variety of start-ups help us to expand our portfolio continuously and view things from another perspective. We want to think about our services from the customer's point of view at all times and are thus setting a clear, new course in our core business activities too.

Part of our strategy in the textile segment is to increase the focus on workwear and smart protective clothing. In Germany alone, nearly 900,000 accidents are reported in the workplace every year. We want to make a contribution to protecting our customers and their staff with functional and professionally reprocessed protective clothing. All with the aim of making tomorrow a better version of today. We are also committed to our goals in the hygiene segment: we want to expand our portfolio in order to be in an even better position to contribute to a healthy life with an extraordinary hygiene experience. The focus here is on ensuring people are better informed in general and promoting correct hand hygiene: after all, 80% of infections are still passed on via our hands. To put it another way: good hand hygiene can slash illness rates by up to 50%. CWS wants to contribute to this.

Despite all the necessary change, one thing remains the same and unshakeable at the heart of our business: the concept of responsibility. It is set in stone in the form of our established ethical principles: Compliance, Health & Safety and Sustainability. We accept absolutely no compromises when it comes to transparent business practices, the safety of our staff and the sustainability of our solutions.

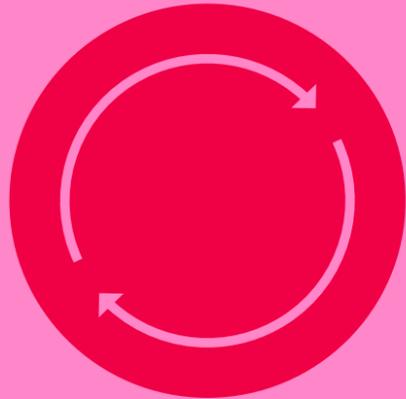
We assume responsibility for future generations. As pioneers of the circular economy, we are wholeheartedly committed to future-oriented sustainability issues. Not only that, we also contribute to protecting the environment by further optimising our day-to-day processes, for example. This can be by working in a way which saves even more resources or through the use of more durable materials.

CWS' Strategic Framework



Profile topic:

A cycle instead of a vicious circle



Everything rotates in a service cycle here – and that helps us make real progress. As a supplier of products and services in a rental model, the **circular economy** has been an integral part of our business for many years now. We keep track of where things are coming from and going to at all times: our supply chain starts with the most sustainable approach to procurement possible and ends with recycling or upcycling.

One of our favourite examples showcasing our philosophy of reuse concerns our towel dispensers: models which our experts in our upcycling centre in Diepoldsau, Switzerland, can't repair any more are repurposed as organ donors providing spare parts for new devices. Not only that, the cotton towel rolls which have been worn out in the service of hands are also given a new lease of life as mop covers.

To ensure our workwear is also set up for a long service life, we take plenty of time before starting production to assess all the components – that applies to both the working conditions at new suppliers and the durability of new buttons alike. For example, we perform strict quality tests under real-life conditions at our test centre in Bielefeld, Germany.

Year after year, some 800 test specimens are put through 30 wash cycles to determine whether the materials deserve the test centre seal of approval and can be adopted into the range of textiles recommended for our laundry cycle.

We don't leave anything to chance in the further product development steps either: our company's new developments are subjected to strict and extensive safety and stress tests. For example, we go about checking the reflection properties of high-visibility clothing with the same meticulousness that we employ when revising all the other protective functions of our clothing that the wearer can't see, for example protection from chemicals and the cold as well as electrostatic charging.

We also apply the same critical caution when it comes to the care of the clothing: for this reason, our workwear is exclusively washed using gentle methods and processes which have been awarded environmental and quality management certifications.

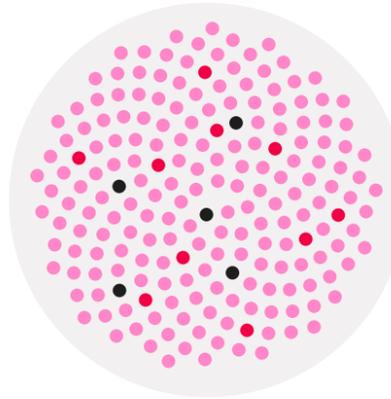
The cradle to cradle toilet paper employed by our Dutch subsidiary since 2017 is an ideal typical manifestation of our product-related sustainability approach. The Cradle-to-Cradle® certificate confirms the use of environmentally safe, healthy and recyclable materials for the product and the packaging as well as the responsible use of renewable energies and water during the production process. In this way, we are developing our principle of reuse step by step into a principle of more and more uses.

The other CWS papers also comply with sustainability standards. The majority of the papers bear the EU Ecolabel, Blue Angel, FSC or PEFC label.

Digitalisation is also opening up ever more new and innovative opportunities for us to promote sustainability. The "Washroom of the future" aims to make it increasingly easier for users to ensure proper hand hygiene. In our "Hygiene Experience Lab" in Duisburg, we are working on a wide range of solutions to this end: from a door which opens automatically without any contact to digital taps offering ready-mixed soapy water and accompanied by animations on the mirror providing tips on proper handwashing. For sustainably positive hygiene experiences and a reduction in infection rates.

Products and offerings:

No. 1 in customer satisfaction



“Our products become building blocks for an interdisciplinary, digitally controlled, customer-centred solution.”

Even though our company is associated with outstanding products – and rightly so – our focus isn't on the product itself, but rather on the solutions that we develop for our customers. In order to position ourselves as the provider of choice, we have to understand what our customers want and need.

For that reason, we never just think about cleaning cloths, overalls and washroom dispensers – the first thing we think about in all market segments is offering innovative complete solutions. For example, our "Complete Washroom Solutions": with this offering, we have taken the operation of public washrooms to a whole new level by tailoring a customised all-inclusive solution for every customer.

In terms of competitive factors, service expertise is at least as important as the product quality itself. That's something we learned from our participation in the Berlin-based start-up Jonny Fresh, for example. Jonny Fresh is a B2C platform offering cleaning services for private laundry and textiles, which gave us more detailed insights into customer requirements and interactions. And that's not all, it is also helping us push back the boundaries of our previous model: as a B2B provider, we combine our experience with the model of a B2C start-up for first-rate service and unrivalled customer orientation. It is a cooperation from which both models can benefit.

And that's where the future of a product lies for us: it becomes a building block for an interdisciplinary, digitally controlled, customer-centred solution that packs an innovative punch which allows us to establish it successfully on the market. It is essential for our future business success that we view our offerings from all perspectives at all times and always offer our customers complete instead of partial solutions.

Divisions and solution areas:

For the world in which we want to live



The future of our company is aptly described by the caption: “For a healthier and safer tomorrow”. There are around 11,000 staff in 16 European countries contributing to this story day after day. It is their passion and expertise which make us a leading specialist for solutions in the fields of Hygiene, Floor Care, Workwear, Cleanrooms, Healthcare and Fire Safety.

Our customers should have access to state-of-the-art solutions and excellent services which make their lives easier. We feel compelled to provide these and approach this with double the vigour in this new era of digitalisation. This mentality also includes recognising and accepting social responsibility. For this reason, exercising awareness when handling resources and ecologically sustainable thoughts and actions are integral components of our business model and of the success story which we fully embrace.

Hygiene

Perfected cleanliness which never fails to impress.

We want to take on responsibility for a better and healthier future. We see the journey to reaching this goal as a system, because we don't see hygiene as products, but rather as a complete experience. Our solutions create an environment which ensures better health for the users of our washrooms and, in doing so, set new standards.

In addition, another integral part of this system is the ecological mindset from the no-waste ideal to maximum reuse right up to recycling. In this way, the “hygiene experience” makes an important contribution to sustainability efforts and customer satisfaction alike.

We offer our customers personalised, flexible washroom design concepts and high-quality hygiene solutions from a single source. As a leading supplier in our industry, we map the complete value chain in our solutions.

Our uncompromising full service concept which we implement on a daily basis facilitates everyday work for our customers and makes it possible for us to guarantee the consistent realisation of our philosophy of responsibility.



Floor Care

A good impression with substance.

Entrance areas are like a building's business card. They are where the first lasting impression is formed, which is why a neat and tidy appearance is so important to us in Floor Care. We contribute to an inviting atmosphere and ensure cleanliness in areas with high visitor volumes in addition to preserving the value of sensitive floor coverings.

Not only that, our mat solutions go one step further and make a definitive contribution to occupational health and safety thanks to their special features and high quality. After all, our portfolio extends far beyond classic dust control mats to include industrial mats, aluminium profile mats and anti-fatigue mats as well as logo mats with unique and customised designs.

Service is at the heart of our flexible rental solutions for reusable dust control mats and cleaning products. The service offering rounds off the entire process from the collection of the mats to their cleaning and replacement right up to redelivery.

The sustainable circular economy concept is also employed in our Floor Care solution area. For example, many of the mats are cleaned with water that we collect and reuse from processes in our own laundries. That saves both resources and costs. (↗ also see reporting field > Optimise Cycles, p. 48)

Our customers can be sure that our mats not only guarantee a neat and tidy appearance, but also contribute actively to the health of their staff and visitors – and they do so sustainably.





Workwear

Design with safety included.

We are continuing to specialise in the workwear segment, where we are already a market leader. In the future, we aim to win over our customers with workwear for industry and trade with high-quality, high-performance products and optimised services. It is an asset to us in this respect that we have many years of experience in the development, care, repair and inspection of protective clothing in the rental service.

CWS workwear aims to protect the wearer in the long term. That applies across the board from protection from the elements to protection from fire and chemicals. The combination of the development, care (washing & drying procedures) and inspection of the protective functions is decisive for this 360° protection. Professional reprocessing preserves the high quality of the protective functions. This is complemented by automatic replacement of worn elements and professional repairs with flame-resistant thread, for example.

Our tailored offering of protective clothing is continuously being optimised to ensure it complies with all the relevant standards and legal requirements. For optimal protection and unbeatable wearing comfort in every profession.

Healthcare

For a look that nurtures trust.

Workwear for healthcare professionals requires particular care and attention. In addition to compliance with the pertinent hygiene directives, the focus is also on the functionality of the clothing and a uniform appearance. The latter is an important component of the staff and facility's professional appearance and contributes to making residents and visitors feel safe and secure.

Yet another important point is the individual coordination of the wearers' respective requirements. Moreover, each item of clothing must combine contemporary styles with suitability for daily wear and comfort.

With our healthcare textiles, we want to make day-to-day work as simple as possible for our customers – from doctors and care staff to pharmacists.

We exercise special care when it comes to residents' private laundry. The hygienic reprocessing of textiles truly is a prime example of sustainability. Documentation of private articles of clothing in nursing and residential homes helps prevent unnecessary loss and contributes, in turn, to long-term use.

All in all, we strive to offer our customers a high degree of comfort and efficiency in the healthcare segment and to ensure that they feel as comfortable as possible when going about their work. It just goes to prove: "Laundry is a matter of trust".



Cleanrooms

Quality that leaves no room for doubt.

We have been active in the field of cleanrooms for more than two decades, allowing us to accumulate a wealth of expertise and knowledge far beyond that of most other providers. Employing state-of-the-art cleaning processes, we guarantee maximum particle reduction, minimal germ burden or complete sterility in our cleanroom clothing. We ensure optimal safety in the cleanroom with effective decontamination and sterilisation of the clothing.

In addition, we offer quality which satisfies the highest standards, accompanied by tried-and-tested and certified processes, which contribute to compliance with our customers' documentation obligations and their special requirements. Our services are complemented by our convenient full service including personal consultations and assistance with choosing suitable products and procedures as well as training sessions for our customers. This offering has already won over a wide range of customers from particularly critical sectors such as micro-electronics, biotechnology, aerospace and the packaging industry.

We demand the very best of ourselves to enable our customers to satisfy the strictest of requirements.



Fire Safety

Safety you can warm to.

We offer customised fire safety solutions of the highest calibre and protect people and assets with our expertise. In this respect, we have the entire range of preventative fire safety services covered: from consultancy services to the design of solutions right up to their implementation, maintenance and repair, we offer our customers a complete, all-round service.

Our prevention range is also particularly comprehensive: we offer our customers smoke and fire alarms as well as portable fire extinguishers, installed extinguishing systems and smoke and heat extraction systems. The spectrum of our services starts with structural fire safety measures and the compilation of emergency evacuation and rescue plans and extends to fire safety training sessions and the qualification of fire officers. In this way, we ensure that our customers comply with the strictest legal requirements.

In our role, we feel obliged to guarantee our customers maximum safety and security. As such, we also contribute to improved health and safety with our fire safety solutions.



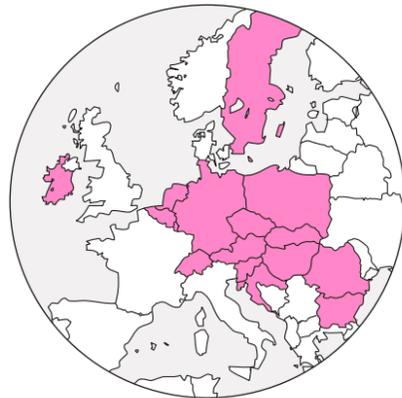
For more information, please visit our website at cws.com

Sites and markets:

The organisation of our success

During the period covered by this report, CWS was active in 16 European countries:

Austria	Luxembourg
Belgium	Netherlands
Bulgaria	Poland
Croatia	Romania
Czech Republic	Switzerland
Germany	Sweden
Hungary	Slovakia
Ireland	Slovenia



Our industry's market volume is currently an estimated 55 billion euros with dynamic growth rates in all relative segments. Rental solutions are currently experiencing a real boom in both the private and the commercial sector. We also generated additional synergies with the joint venture between CWS and Initial in 2017. This gives us the requisite economic prowess to expand our business fields even further.

We have set ourselves a considerable goal: we want to outperform the market! That means becoming the market leader in all market segments, or at least securing a position in the top 3. We have already laid solid foundations for this strategy with the union of CWS-boco and Initial.

In order to generate greater momentum in the individual business fields, focus individual market segments even more and work with increased customer focus, we have also completely revised our organisational structure. Originally divided into national subsidiaries, CWS took on an entirely new appearance in 2018 with the establishment of two expert divisions: Hygiene and Workwear. Since then, our sales and distribution, customer service and operations have functioned as specialised units. Support functions provide assistance in divisional business partner models. Everything is tailored to the respective market and the customer requirements there – including across national borders. After all, we also want to be able to operate internationally and offer customers tailored solutions within and across different countries – the matrix organisation puts us in a position to do just that.

Employees and customers:

The foundation of our success

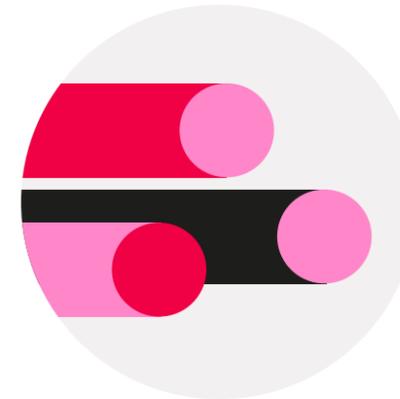
A vast array of factors influence economic success. There are two clear reasons why we've been plotting a steep growth curve for a number of years: the courage and passion of our now almost 11,000 members of staff.

We have to channel this momentum with forward-looking management decisions aimed at securing the optimal long-term development of the company. The focus here is on developing into a learning organisation which improves day by day on the basis of the established principles of our cooperation. (➤ also see reporting field > Putting People First, p. 37).

Continuous improvement isn't just a buzzword here: we have developed a continuous improvement organisation with the aim of improving our organisation continuously, harmonising processes and rendering our service transparent. Since then, we have defined a range of methods and tools that all of the staff in the company employ to make their progress transparent. For example, our laundries introduced the concept of daily performance management in 2018 – a wall chart with different topics and KPIs (Key Performance Indicators) shows production rates, possible accidents and the causes identified for delays, etc., for the whole team to see. This makes it possible to represent the daily performances in a standardised manner and exchange experiences and information among sites.

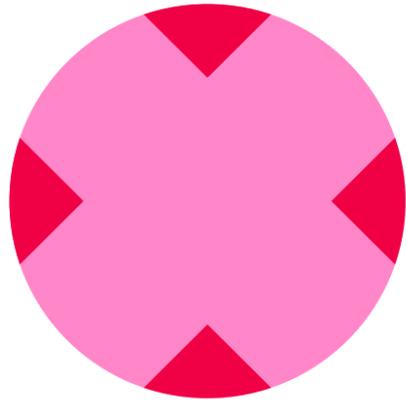
Absolute openness and transparency are an important aspect of our culture. This also applies for the shared principles that we have established in our cooperation. These principles, which we want to implement right across the group, can be defined using the following terms: Customer Driven, Accountability, Sustainability, Teamwork, Initiate, Edge – we want to move forward, we want to amaze, we want to inspire people to join us.

Tomorrow's corporate culture in our company should be characterised by customer- and team-oriented work. We encourage our employees to take on responsibility, impart their ideas and to be responsible for them too – in other words, to become a vital component of the sustainably growing organism that is CWS.



10,800

highly dedicated and skilled employees in 16 European countries are the basis of our Group's economic success.



“Safety and Health are key elements of our CR strategy. Our QESH organisation, founded in 2017, helps us to achieve the goals in this field of action.”

We provide our staff with everything they require day after day to help them to make CWS better and better: training, new tools and a new form of collaboration. That also means that our principles help with the recruitment and assessment of our talents – and can be integrated practically as a standardised measure in selection processes and feedback meetings. The same is of course also true for management.

In such a fiercely contested market as ours, it is important to learn from your mistakes and utilise this knowledge to stay one step ahead in the future. Setbacks do not put us off – they are an opportunity to reassess and adapt our approach.

This is particularly true when it comes to the safety of our staff, whose health and well-being is our utmost priority. We do not just accept responsibility for the resources we employ when providing services for our customers, but also for our staff, without whom such services simply wouldn't be possible. We are continuously striving to cut our accident rate to ensure that our staff arrive home safe and sound at the end of their day. Our QESH (Quality, Environment, Safety & Health) organisation, founded in 2017, aims to ensure the requisite transparency and develop preventative measures (↗ also see reporting field > Putting People First, p. 30 and 32). For example, as part of a comprehensive root cause analysis, it compiles weekly accident rates, which are reported directly to management, and initiates corresponding improvements following a detailed assessment. This monitoring is being gradually rolled out across the whole group and steered locally in the respective regions.

For our customers, we shall remain an expert and approachable partner in the future by helping them to focus on the aspects of their work that bear fruit. They too are surrounded by fierce competition. They expect us to make their everyday work easier and more pleasant with our sustainable and innovative solutions. As a result of digitalisation, the demands placed on our services are increasing exponentially. These demands can only be satisfied if we focus our way of thinking and actions on our customers and the challenges they face on a daily basis. We want to be the same thing for our customers as they have been for us for many years: a reliable partner.

Corporate governance: Sustainable CG at CWS

Executive Leadership

Chief Executive Officer

Chief Financial Officer

Chief Divisional Officer WW

General Manager Hygiene Core

General Manager Fire Safety

Corporate Director HR

Chief Information Officer

Group Director
Digitalisation

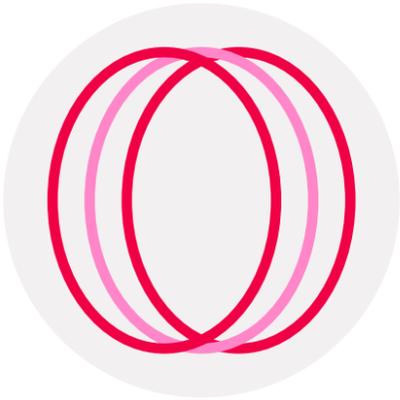
Group Director
Continuous Improvement

Group Director
Communication &
Responsibility

We strive to manage CWS in the best interests of all those involved, now and in the generations to come. Continuous improvement in all areas is a prerequisite for this. One important step in this direction was taken with the revision of our corporate governance structure following the joint venture with Initial in 2017.

Established business ethics, amazing employees, connecting principles and a common goal are the terms which best describe our understanding of corporate governance within our joint venture. We then use these solid foundations as the basis for all our other tasks: compliance, health & safety and sustainability are what make up established business ethics for us. In order to guarantee our staff sustainable development possibilities, we see diversity as an opportunity and put it at the heart of our HR management activities, creating conditions which allow each and every colleague to tap into and unfurl their true potential. This includes among other aspects our SET (Strategy, Execution, Talent) training programme, which provides our managers with effective, practical tools for optimising work day in, day out (↗ also see reporting field > Putting People First, p. 38). We ultimately achieve our mission together with an awareness of responsibilities across all hierarchical levels, complete transparency and open communication.

As per our compliance guidelines, it goes without saying that we also respect local directives and legislation, ensuring that all of our operations are conducted in compliance with the applicable regulations; in accordance with our own self-perception, we also go above and beyond these obligations in our daily work. (↗ also see chapter > Compliance: We keep our promise, p. 18)



“The cross-functional CR Council makes sure CR topics are firmly embedded within the new Group across divisions and countries.”

As a result of our increasingly international business operations, we are finding ourselves confronted with a wide variety of cultural and national standards as well as legal regulations. This is another area where our new divisional structure proves particularly efficient, as it allows us to align our decision processes with the different economic and social systems more reliably, rapidly and efficiently.

Yet another important aspect of our understanding of corporate governance is our complete commitment to sustainability. After all, our principles for sustainable business, our steering mechanisms and the regular auditing of our goals are fixed components of our corporate strategy. In order to root corporate responsibility deep in our new structure, we have established a cross-functional CR Council as part of the governance structures. At the same time, regional CR representatives on the operative side have been confirmed or newly appointed in all our subsidiaries.

In addition, our internal code of conduct and a special code of conduct for suppliers define the cooperation within the company and with our business partners – that applies to both the way we interact with each other and process sustainability along the entire supply chain.

Steering and measuring of CR:

Responsibility is also a question of timing

Our new CR strategy sees CR management faced with special tasks. The challenge for those responsible is to plan the necessary measures in good time on the basis of the declared goals and set the wheels in motion – and that in a company which has completely redefined itself, so to speak, in terms of its CR. For this reason, we see CR management as an integrated approach where silo thinking has to be overcome and interdepartmental and cross-divisional challenges mastered through cooperation.

On the operative side, experts from a wide range of backgrounds are responsible at our regional sites for the coordination and implementation of the CR measures. This extensive network of contact partners allows us to convey our sustainability goals and measures to the respective departments “in real time” and quantify our progress immediately. The results of these analyses are considered at top level at regular intervals: the Compliance, QESH (Quality, Environment, Safety, Health) and CR departments confer directly with the CEO once a month on important topics.

New CR governance structure

Executive Leadership	→	Sets frame
Central CR Management	→	Defines strategy. Coordinates CR Council & CR Leads
CR Council	→	Steers & tracks CR strategy. Prepares board decisions
Product Management	→	Recycling & upcycling, durability
QESH	→	Health & safety KPIs (injury rate, etc.), compliance (certifications)
HR	→	Training, workforce KPIs, working hours (illness rate)
Legal	→	Compliance, anti-trust, training sessions
Operations/ Logistics	→	Water, energy, detergents, logistics data, service fleet, CO ₂ emissions
Supply Chain	→	Supplier structure, Code of Conduct, compliance (audits of suppliers)
Indirect Spend	→	Code of Conduct, sourcing
Controlling	→	SAP reporting structure, supports data collection/validation
Sales	→	Customer satisfaction (NPS), customer demands
CR Leads	→	Communication, market impulses, data support

Compliance:

We keep our promise

Components of the Compliance Management System



The basis for our Compliance Management System (CMS) is our corporate self-image and, as such, the responsibility we accept far beyond that imposed by legal requirements. Our principles in this respect are deeply rooted in our codes of conduct and apply just as bindingly for each of our employees as for our suppliers and partners.

Our CMS comprises six elements which together are meant to ensure that our business processes are aligned with the pertinent guidelines and laws: compliance culture, compliance organisation, compliance programme, compliance risk mapping, compliance reporting and monitoring and improvement.

Within the CMS, the internal organisation plays a vital role – in addition to the legal department and the Compliance Officer at Group level, there are also Compliance Managers per country/region whom members can contact directly about non-compliance or violations of the law. There is also a reporting system in place in the form of an external telephone hotline where concerns can be raised – also anonymously, if the caller so wishes.

The Compliance Committee also has an important task: together with the specialist departments, it discusses relevant topics, as well as preparing and implementing the respective measures derived.

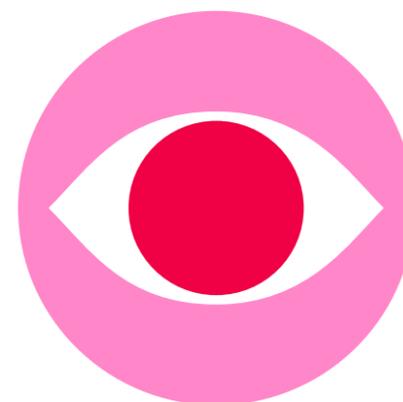
Furthermore, the company employs an invoice-related and a performance-related control system internally, which calculates the respective risk potential. Regular revisions are also scheduled with our majority shareholder Haniel*.

As a key component of the compliance programme and in order to minimise compliance risks, training sessions are held throughout the Group. So far, the training sessions have been primarily aimed at employees exposed to a particular risk of non-compliance – namely Procurement and Sales & Distribution. In 2018, around 88 per cent of “compliance sensitive employees” in Germany and the Netherlands received face-to-face training on cartel issues and anti-corruption.

In addition, we introduced our e-learning programme in Germany, Ireland, Sweden and Austria at the end of 2018, offering a training module on cartel law to our first colleagues in Sales and Procurement in these countries. In 2019, further country organisations and modules will be added, starting with a module on corruption prevention.

* Information for the 2018 reporting year; on 31st July, 2019, Franz Haniel & Cie. GmbH acquired all minority shares in CWS held by Rentokil Initial plc.

CR strategy: Market leader in responsibility



“Our sustainability strategy will henceforth be applied to the entire Group.”

Our declared goals are clear: we want to outperform the market and, at the same time, lead the way with a clear take on social corporate responsibility. As the joint venture united two companies which understood, measured and reported on sustainability in different ways, we seized the opportunity to put it under the magnifying glass: with a new structure which also includes the CR Council, we created an organisational framework which facilitates the continuous implementation of the strategy and the way in which decisions are taken for individual measures in order to achieve our goals. We took a long look at all the corresponding topics and investigated them thoroughly with stakeholder and materiality analyses, extensive expert workshop and KPI re-evaluations. The result was nothing less than a complete revision of our CR approach and corresponding reassessment of the requisite goal definition. Last but not least, we also expanded our scope: our sustainability approach has now been applied to the entire Group for the very first time.

Strategic development:

Step by step towards new goals

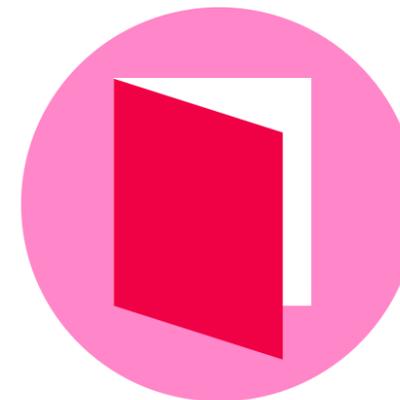
Behind us lies a time of intricate and multifaceted CR tasks – we have taken a close look at all the topics, facts and figures and continuously improved our strategy. This strategy development process also included another SWOT analysis and a competitive analysis. Thereafter, a topic evaluation was conducted to reassess initial KPIs and establish the basis for a materiality analysis. Additional controllable key performance indicators to be adopted in the new KPI set were identified in workshops with the relevant specialist departments and members of the CR Council were appointed (➔ see section “CR management: Success is teamwork”). Following on from the workshops, the goals identified as being fundamental were established definitively for 2025 and the stakeholder dialogue performed in parallel (➔ see section “Stakeholder management: Seeing the inside perspective from outside”).

The goals have now been defined for almost all areas. Only a few of the topics specified thus far are still lacking the final target values to finalise the definition process, however it is hoped that this will be achieved by the end of 2019.

Due to the joint venture and the new sites adopted into the reporting, it was not possible to record some KPIs fully for all sites for 2018. As our goal is to offer our stakeholders consolidated reporting in the future based on complete and reliably collected data, we are still working hard to close the few remaining gaps.

Baseline 2018/19:

A new start for our reporting



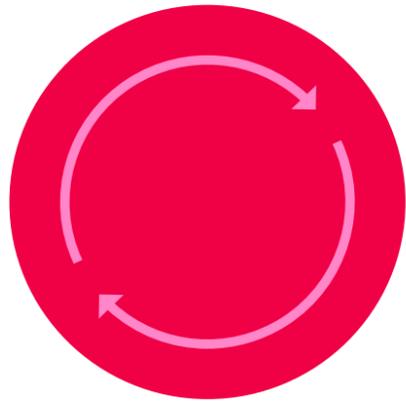
The reorganisation of the CR strategy also has a significant influence on the control and documentation of the key performance indicators along the value creation chain in our joint venture. In addition to the introduction of new KPIs, we also intensified the informative value of those that we had already reported on in the past. However, as a result of the joint venture and the amended scope, comparisons with earlier years are only possible or practical to a certain extent in this report. Consequently, the introduction of the new KPI set practically translates to a new baseline. In principle, the following applies: many of the topics newly adopted into our CR strategy in 2018 will be strategically explained starting in 2019 and backed up with annual comparisons and/or series of numbers.

“We are currently rolling out our Group-wide data management across all our locations to be included in our future CR reporting.”

Strategy review process 2018

Step	Analysis	Assessment	New governance structure	Stakeholder dialogue	New CR strategy/KPI framework	Prepare consolidated reporting
Topics	<ul style="list-style-type: none"> • Evaluation • Framework & market 	<ul style="list-style-type: none"> • New regulations • Topic evaluation 	<ul style="list-style-type: none"> • Cross-functional CR Council • Regional representatives 	<ul style="list-style-type: none"> • Internal materiality workshops • Stakeholder dialogue 	<ul style="list-style-type: none"> • Define material themes 	<ul style="list-style-type: none"> • Review data base • Establishment of consolidated reporting
Results	SWOT	Topic tree	New team defined	New materiality matrix	New structure for CR management	Consolidated CR reporting

CR management: Success is teamwork



“Strategic sustainability activities can only be carried out successfully with local markets and real customer needs in mind.”

In order to anchor corporate responsibility firmly in our new structure, we have established a strategic council, which steers and reflects our understanding of sustainability across all divisions and roles: the CR Council.

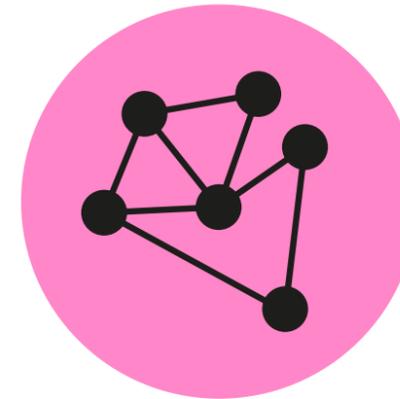
Composed of the managing representatives of all areas, the CR Council is an interdisciplinary and cross-regional governance board which discusses all ground-breaking decisions and concepts in the CWS sustainability strategy, aligns them to the Group's overall strategy and actively prepares decisions for management.

In addition, we have also expanded our circle of national CR representatives. We are convinced that strategic sustainability work can only be successful if we foster close contact with local markets and genuine customer requirements. For this reason, we have appointed a CR representative for each market, who monitors indicators and also actively steers trends and customer requirements.

A further new addition are a number of functional contact partners, who are now developing and monitoring our backbone of CR data right across the matrix organisation. In total, there are now more than 50 members of staff involved in corporate responsibility activities across the entire organisational hierarchy.

Data management:

A building site for exemplary architecture



“The Group-wide and increasingly comprehensive data collection enables us to enhance the steering of our KPIs and the measuring of our sustainability efforts.”

In the future, our internal CR reporting system will be integrated at all sites. To this end, we are currently working on further developing our Group-wide data management. We have also compiled a set of relevant KPIs derived from this strategy, which are oriented to our newly defined goals and even more focused on the impact. For example, we do not merely consider detergent consumption, but also the type of detergent employed.

Collecting data across the board is an organisational challenge above all, and it has not proven possible to report on all sites in the Group completely to date. Nevertheless, the feedback rate is already around 94 per cent. The Group-wide collection of environmental indicators (for example regarding waste or CO₂ emissions) and CR-relevant indicators from HR management (e.g., from training and further qualification measures) is on the right track.

In order to generate comprehensively reliable CR indicators right along our value creation chain, the employees at the different sites need to be offered a clear understanding of these indicators. To this end, we organised training sessions and workshops prior to starting with the data collection. In addition, we also compiled a manual for the respective members of staff charged with inputting the data.

CR-relevant management systems:

Steering responsibility successfully

We manage corporate responsibility internally with a range of control mechanisms integrated in our management systems. These help us to identify goals, measures and responsibilities in the respective fields of action precisely and to steer them effectively. The management systems implemented at CWS are based on internationally recognised guidelines and ISO standards. And we don't just rely on our own expertise in this respect either – they are also audited and certified by external consultants, for example on the basis of the BSCI, GRI, UNGC, Sedex and EcoVadis standards (↗ also see reporting field > Putting People First, p. 31/32). The latter guarantees systematic control of CR standards and CR-relevant management systems in our partner companies along the entire supply chain, which is a distinct advantage in regional procurement markets with high risk potential in particular.



“Our management systems are reviewed by independent external auditors.”

The CR-related management systems already certified at many CWS sites include:

- Environmental management (ISO 14001)
- Hygiene management (EN 14065)
- Occupational health and safety management (OHSAS 18001)
- Quality management (ISO 9001)
- Quality management for manufacturers of medical devices and related services (ISO 13485)
- Energy audit
- Blue Angel
- SEDEX audit in accordance with the SMETA
- BSCI social compliance audits.

In this respect, transparency is the most important basis for improvement in our eyes. For example, our continuous improvement approach integrates daily performance management in all operative standards: the most important indicators for the respective location, e.g., a laundry, are represented in a way which is visible to all employees and additionally considered with corresponding root cause analyses. The KPIs depicted also include information relating to occupational health and safety (↗ also see reporting field > Sustain Business, p. 65).

To this end, we founded our QESH (Quality, Environment, Safety, Health) department, an organisation in its own right within the company, and appointed an extensive network of QESH officers for each individual site. In total, there are now more than 400 regional experts at CWS! Details regarding accidents and near-misses are reported to top management on a weekly basis so as to allow discussion and evaluation of the data compiled in the daily performance management rapidly as well as the implementation or modification of corresponding measures.

Stakeholder management:

Seeing the inside perspective from outside

We conducted an international stakeholder analysis in the 2018 reporting year. The systematic stakeholder management process followed the classic template: in the first step, we took stock and identified the relevant stakeholders for the strategic sustainability topics. To start, we assigned the following groups to this group: customers (predominantly the key accounts), employees and management (including members of the newly founded CR Council), the decision-makers at our majority shareholder Haniel*, external CR experts, multipliers from the media and press, various NGOs, banks and suppliers of CWS.

The next step was a critical assessment of which groups should be surveyed on the internally defined fundamental aspects and topics. A total of 27 aspects and topics from the previous internal materiality process were addressed for the agenda of the

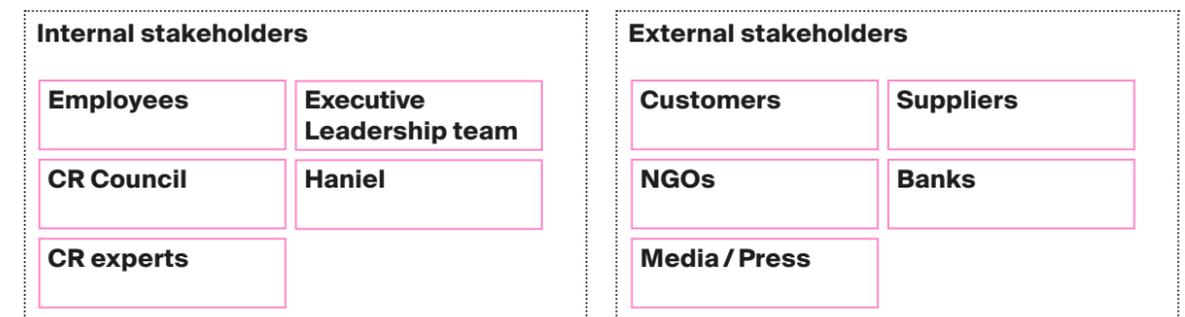
subsequent stakeholder survey, including new topics such as data protection, precautionary measures for human rights compliance, e-mobility and micro-plastics.

Participation in the survey varied considerably. The greatest feedback came from the stakeholders in Germany, especially from staff, customers and suppliers.

This was followed by prioritisation of the stakeholder groups in the scope of the CR strategy development and additional decision-making processes on the basis of qualitative and quantitative criteria. This produced the following template:

*Valid for reporting year 2018. Franz Haniel & Cie. GmbH acquired all minority shares of CWS previously held by Rentokil Initial plc on 31st July 2019.

International stakeholder analysis



Materiality analysis:

Let's take it from the top

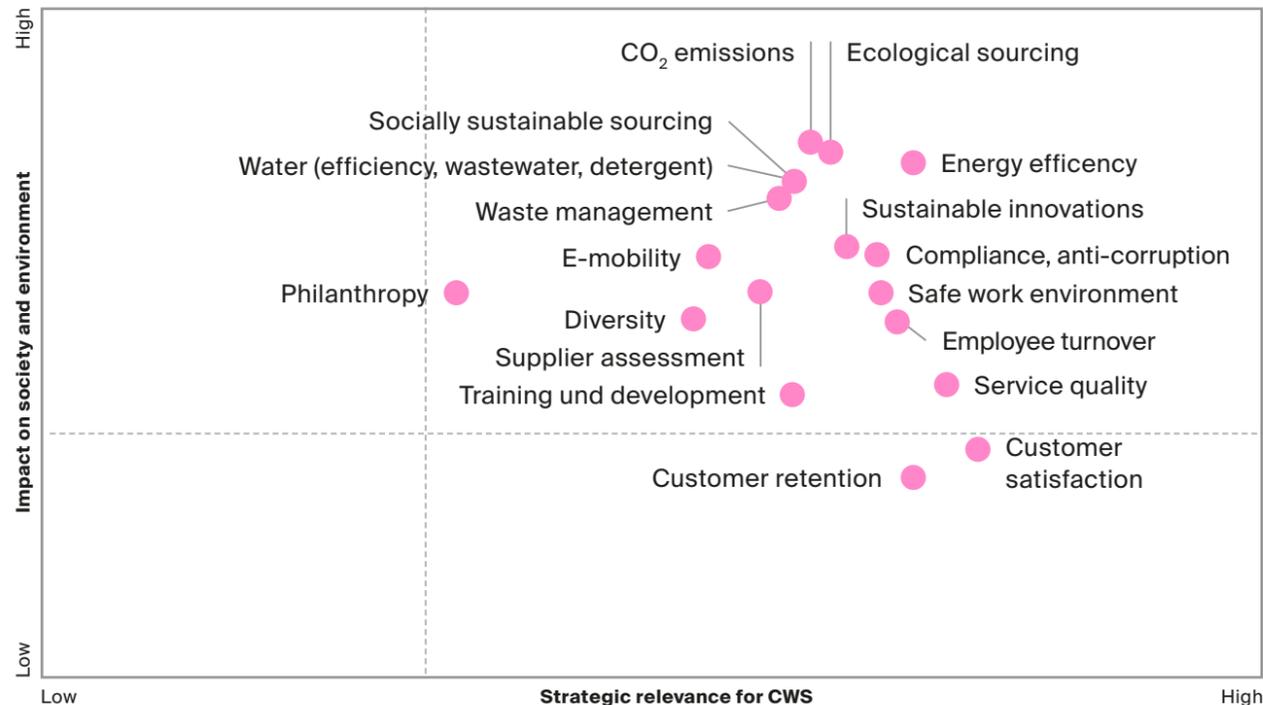
The joint venture between CWS-boco and Initial resulted in a new shared company under the banner of the CWS-boco Group. In this new starting situation, the question of fundamental sustainability topics was raised yet again. Our response was to introduce a completely new materiality process in 2018.

Alongside our internal corporate analysis and the industry and environmental analysis, we have also specifically integrated internal and external stakeholders in the process. The aim of the analysis was the revalidation of existing topics and the identification of new fundamental topics from an internal and external perspective. Management was then to re-evaluate these, taking strategic aspects into consideration.

We have now successfully completed this process. The goal is thus to implement the strategic decisions and measures in the defined spheres of activity, monitor the developments in the coming years and quantify the results.

The qualitative evaluation of the impact assessment of different sustainability topics can be represented in the materiality matrix as follows:

Materiality matrix



Fundamental topics and spheres of activity:

The three columns of success

In the scope of our internal and external materiality analysis, we identified new topics and defined spheres of activity, derived assessable key performance indicators and developed the new sustainability strategy with the first objectives for the year 2025. It is also as a result of our materiality analysis that we are moving away from our earlier reporting fields – Customers & Employees, Products & Origin and Laundries & Logistics.

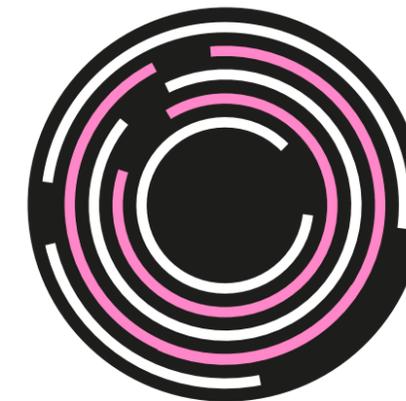
The future orientation of our sustainable business model is based on these three columns:

- Putting People First!
- Optimise cycles!
- Sustain business!

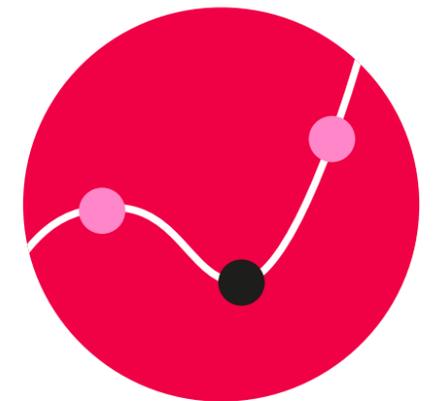
This triad also defines the scope of action for all of CWS' future sustainability activities.



Putting People First!



Optimise Cycles!



Sustain Business!

Putting People First!

Our focus is always on people and our staff are our most valuable asset. It goes without saying that their health and safety in the workplace are two of our utmost priorities and actively guide our actions. Our aim is to ensure that each and every one of them makes it home safe and sound at the end of his or her working day. After all, the safety and health of our employees is our greatest success. In addition, we also see it as our duty to promote and encourage our employees with regular further training and qualification offerings - after all, this is an investment which pays off doubly: we end up with motivated staff who are qualified experts at the same time. We also assume responsibility for those people working not directly in our company but indirectly for us around the world, as we implement measures to ensure safety along the entire length of our supply chain.

Our goals for 2025



QESH: Complete commitment to occupational health and safety

GOALS FOR 2025

Occupational health and safety:

- Reduction of accident quota to: 0*
- Reduction of sickness quota to: 3.5**

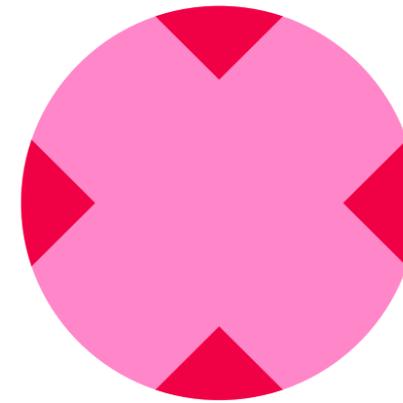
* Number of registered accidents x 200,000 / Number of effectively worked hours.

** Absence quota (in %): Absence / Scheduled working time x 100.

With the establishment of our organisational unit for Quality, Environment, Safety & Health – or QESH for short – we have taken a giant leap towards achieving our most important goal: we hope that with QESH's help we will be able to achieve the ideal accident quota of 0 per cent by 2025. The programme is supervised at group level by the central QESH unit and implemented in operative business across Europe by the responsible QESH managers.

With QESH, we have given our corporate vision an organisational form. From the Group Director to the leads right down to the responsible individuals in the regions, we are consistently implementing our guidelines for our key competences of Quality, Environment, Safety and Health. Dealing with hazardous waste is just as important an item on the agenda as the topics of prevention and maintenance as well as new safety regulations in CWS' fields of activity. The QESH mission applies to managers and employees alike. At all sites. And always in line with our overall strategy.

QESH enjoys the highest priority across all levels. All the relevant data from this unit are regularly discussed and assessed by the top management. After all, precise and timely reporting is a decisive factor for the efficiency of the measures. That helps us to prevent accidents. As such, it is important for us to be comprehensively informed of any existing risks and weaknesses. The option of already being able to react with preventative measures in the case of near accidents thanks to reports and information is a key element for us in achieving our ambitious goal of zero accidents in the workplace.



“Prevention is the key to successful work safety management.”

We investigate the causes of every accident with scrupulous meticulousness. The regional QESH managers play a central role in this. They speak to the individuals concerned directly in order to find out exactly what happened in each case. This allows them to identify flaws in the workflows, take the necessary precautions based on the findings and introduce appropriate safety measures for the situation.

This comprehensive root cause analysis is performed with the aim of optimal prevention. In addition, all managers were provided with QESH guidelines in 2018 to ensure that they lead by example in their day-to-day work and can communicate the safety information to their employees efficiently – especially those who do not regularly use the intranet.

OMD: Optimize your Safety

Innovative technologies also generate synergies: we employ the route optimisation tool Optimize My Day (OMD), which has been in use by our service drivers since 2012 and saves us 1.2 million kilometres of road travel per year, as a means of encouraging occupational health and safety too. Push messages integrated in the app offer the service drivers information and important tips concerning all aspects of occupational health and safety on a regular basis.





Three questions for Marcel Verheyen, Group Director QESH

“At CWS, we define occupational safety as a top priority.”

1. Mr Verheyen, health and safety are central components of the Group’s sustainability strategy. The internal organisation QESH was established to promote and further these issues. How does it work and what goals is it pursuing?

Marcel Verheyen: The safety of our employees is the most important issue in our company. With the aim of improving our performance in this area, the primary task was to create efficient structures and define responsibilities. In the first step, we determined what issues and problems arose time and time again, then addressed them at the source. Following detailed analyses, we are now in a much better position to deal with incidents. Since 2018, we have achieved complete transparency with regard to accidents and incidents. In addition, we are continuously working to improve the safety culture in the company and actively communicating the matter of occupational health and safety. We have established a weekly reporting system within

the CWS Group and regularly identify causes and potential for development in cooperation with our CEO and the CWS Board. In addition, meetings are held every month with the five sites where the greatest shortcomings have been identified. We can learn a lot from this – for the individual sites and for the Group as a whole.

2. Our staff also need to understand and learn optimal safety standards. How does QESH ensure this and how can colleagues work together to ensure better safety in the workplace?

Marcel Verheyen: We strive for high standards. In 2019, we aim to reduce the number of accidents from 197 to 140. By 2025, we hope to have cut that to 0 accidents – a brave and ambitious goal. In order to achieve it, we need to continue working tirelessly on changing awareness and culture within the company! To do so, we are also bringing our CEO on board and integrating the entire workforce via communication channels which reach all sites and employees. In addition, we have introduced guidelines for all departments across the Group and compiled tool boxes containing very specific and practical tips for all employee groups. Moreover, the HR managers are to be provided with additional guidelines and best practices for training employees. We want to raise our colleagues’ awareness and empower them to make the right decisions for their own safety and that of others independently.

3. What specific measures is QESH implementing in the employees’ workplaces?

Marcel Verheyen: The QESH guidelines were compiled specially for the administrative segment, operations as well as service drivers and logistics respectively. In addition, there are separate guidelines for managerial staff that every manager in the organisation is required to comply with strictly. With these new regulations, we hope to shed some light on what is possible in the area of safety. However, these are also just the first steps on the road to a fully developed safety culture. We want to continue to develop our tools for minimising unsafe behaviour/actions continuously and, in doing so, communicate openly with all employee groups. Establishment of a comprehensive safety culture takes time and patience. The key aspect is always that the employees take something away with them that they can then employ directly in their practical tasks following minimal instruction. This is the only way for us to ensure that the colleagues identify with the regulations.

Success stories

Poland:

Safety in black and white

Since October 2018, every partner company of CWS Poland has been required to sign the EHS (Environment, Health & Safety) instructions for suppliers. This applies to new partnerships and existing ones alike. The instructions aim to guarantee environmentally friendly conduct and the occupational health and safety of both the suppliers and our employees. The most important points are:

- General requirements: These include the EHS information, insurance policies, all the requisite documentation and qualification of the suppliers’ employees.
- Special requirements: These include the organisation of the workplace, prohibition of working under the influence of alcohol, no smoking in the workplace and appropriate protective workwear.
- Environmental requirements: Of note here are wastewater, gas emissions and general waste.
- Fire safety: Evacuation routes, fire assembly points, fire extinguishers and emergency exits.
- Avoidance of accidents in the workplace and how to deal with risks in the workplace.



The company building in Łódź

360° safety monitoring

Who is in a better position to assess the day-to-day risks in the workplace than the staff themselves? For precisely this reason, CWS Poland has introduced a monitoring system for potential accidents and risks in which not only the management but also each and every employee is intended to participate. The entries can be input via the computer or special terminals positioned close to the work areas. The introduction of this all-round monitoring system has indeed significantly raised awareness of hazards and risks, which makes a considerable contribution to achieving the zero-accident goal. And as the risk factors reported are eliminated as soon as possible, the number of accidents in the workplace has also gone down considerably.



Safety first, anywhere. For healthier employees.

The Netherlands:

Fitter for the future

The Dutch CWS project “Fit for the Future” pursues a proactive approach and also extends to ergonomics, healthy nutrition (fresh fruit in the workplace) and stopping smoking. 62 employees decided to join the no smoking initiative. An evaluation at a later point in time will reveal how many people have actually given up completely, but more than half of the participants were still sticking to their resolution after six months.

In parallel, proactive measures to promote health in the workplace were also introduced with the support of the external health services provider STEP. These include the ergonomic furnishing of the workplace, personal coaching, continuous exchange with STEP and the company doctors as well as regular reporting. In addition, in-house ergonomics specialists were also trained. All together, these measures led to a considerable decrease in absences.

Ireland:

Zero is the greatest number

Our colleagues in the QESH department had set themselves some pretty ambitious goals for 2018: they wanted to reduce the number of accidents at the Dublin, Cork and Spiddal sites by 20 per cent compared with the year before. The local management and regional QESH department supported the initiative wholeheartedly, and this goal was successfully achieved thanks to precise safety instructions and increasing the number of training hours by 50 per cent. All told, 1,283 hours of safety training were offered over the course of the year, which translated to an increase considerably higher than the initially planned 50 per cent.

The higher number of training hours resulted in a lower number of accidents: the number of accidents resulting from lifting things that are too heavy decreased by 20 per cent, whilst accidents in the workplace linked to improper handling of trolleys and containers on wheels dropped by an impressive 66 per cent. All things considered, the colleagues at CWS Dublin recorded the greatest success: they managed to go a whole year without a single accident in the workplace. That’s a great reason to celebrate – after all, when talking about accidents, zero is the greatest number of all!

Sustainable supply chain: Safety for suppliers too.

GOALS FOR 2025

Social standards right along the supply chain:

- **Checking of due diligence obligations concerning human rights: audits of 100% of suppliers with risk potential.**
- **Implementation of complaint mechanisms (reporting systems) for cases of non-compliance, especially for CMT partners in risk countries.**
- **Framework agreements and completion via standardised processes for 95% of the total procurement volume within the department Indirect Spend.**

The health and safety of all involved is a valuable asset which needs to be protected in accordance with the same standards across international borders. For us, it therefore goes without saying that we also take measures to ensure the well-being of everyone involved in the value creation process in both upstream and downstream processes – and that we demand strict compliance with social standards from our partners too. Among other sources, we draw on the principles of the Business Social Compliance Initiative (BSCI) and the code of conduct of this internationally recognised industry initiative for guidance in this mission. The BSCI’s ten fundamental principles stipulate:

- The rights of freedom of association and collective bargaining
- No discrimination
- Fair remuneration
- Decent working hours
- Occupational health and safety
- No child labour
- No bonded labour
- No precarious employment
- Protection of the environment
- Ethical business behaviour

All told, we maintain business relationships with around 300 suppliers of trade goods. These include around ten so-called CMT partners, i.e., textile producers whose own processes constitute the three fundamental steps of the value creation chain: the cutting, making and trimming of textile products.



“All in all, we maintain business relations with around 300 suppliers.”

In this respect, we are not only interested in the material quality of the textiles: in 2018, 95.6 per cent of the suppliers from whom we purchase more than €10,000 worth of goods per year signed our Code of Conduct. This also sets out social standards, and we have the compliance with said standards verified by external and independent auditing companies.

70.18 per cent of our purchasing volume from risk countries in 2018 originated from audited suppliers each with a trade turnover of more than €50,000. As a general rule, the audits are performed every two years. If a check of the social and environmental standards passes without issue, we schedule another unannounced check six months after the audit. In the case of serious issues, we compile a corrective action plan together with the supplier and its implementation and efficacy are also re-evaluated in the scope of follow-up audits.

The following BSCI principles in particular posed issues during the on-site audits:

- Ethical business behaviour (32 per cent)
- Decent working hours (29 per cent)
- Occupational health and safety (26 per cent)

Even though we still have challenges to face in these critical aspects, the duration of our relationships with our partners is encouraging and clearly underscores the influence that we already exert on the spread of international social standards – and will continue to do in the future. After all, we have been working with a total of 63.75 per cent of our trade partners for longer than five years and have even enjoyed fruitful collaborations with 32.5 per cent for more than 10 years. We have been nurturing stable and trustworthy relationships with 60 per cent of our CMT partners for more than five years and with 40 per cent of them for longer than 10 years.

Education and training: Expertise boosts customer satisfaction

GOALS FOR 2025

Education and training:

- **Promotion rate for key positions: 20%***
- **Succession plan for key positions: one short- and one mid-term successor each****
- **Top talent rate: 20%*****

* 20% of key positions should be filled with internal candidates.

** (New) talent should be identified and encouraged accordingly for each key position.

*** 20% of our employees should be identified as top talent and further qualified/trained by means of corresponding programmes.

Every company has a vested interest in taking the best possible care of its assets, which is why we offer our employees regular education and training options in the scope of harmonised training programmes. The results of these measures are centrally documented and assessed by means of impact reporting. After all, the expertise of our employees is just as key to CWS' future viability as investment in state-of-the-art technologies. In addition, our commitment to education and training should be viewed as part of our self-declared goal of becoming a learning organisation. We want to improve day after day. This requires us to offer our employees an environment in which they can evolve.

To help make these goals a reality, we established the central Corporate Organisational Development & Learning (OD&L) department. Its role in the future will be to implement talent management concepts across the Group, with a particular focus on the further development of customer orientation. Young junior staff will be identified within our own ranks, positively tied to the company with attractive career perspectives and prepared for future occupation of key positions.

Our goal is to identify and develop 20 per cent of our staff as top talent so as to be in a position to fill 20 per cent of our key positions with internal candidates, thus putting our succession management on solid footing.

After all, highly qualified and continuously trained colleagues make an important contribution to our being able to satisfy our customers' requirements at all times, tailor our services to their actual needs and, ideally, exceed their expectations.

SET training:

The giant leap forward



Around 500 managers are to partake in the SET training in 2019.

SET stands for Strategy – Execution – Talent. These three letters form the canopy under which managers and representatives of both divisions and all solutions areas regularly train how they can make a contribution to CWS, the shared company which resulted from the joint venture with Initial to help it achieve its goal of becoming the market leader.

SET follows a strict maxim: the starting point for a successful, groupwide management process are clear goals, the harmonised implementation of the strategy and the consistent encouragement of employees. We refer to this rule of three of successful management internally as the “CWS Leadership Way”. It describes the path that each and every one of our employees has to follow. It is for this reason that up to 500 managers are scheduled to complete this SET training in 2019.

The programme lays the foundations for a new, shared self-image and the success of the company. Practice-related training sessions communicate the methods that can be used to implement CWS’ overall strategy in practice. The topic of talent management also plays a prominent role in the programme. The decisive questions in this respect are: how can managers motivate their staff to participate in a constructive criticism feedback culture? How can employee satisfaction surveys form the basis for improvements? How do you as a manager develop talents and teams? These are questions which are of decisive importance for the future success of our company.

Swiss- und EuroSkills 2018:

Where champions show their skills

CWS has been sponsoring national craft and trade skills competitions for over 25 years and since the 1990s has also been supporting WorldSkills, as they are known today, a worldwide competition organised by World Skills International, formerly known as the International Vocation Training Organisation. On a European basis, the first EuroSkills took place in 2008 in Rotterdam. As a sponsor of national and international events, CWS provides the participants with exclusive workwear. At the 2018 EuroSkills in Budapest, 22-year-old Diana Reuter was the first woman to compete for a medal in the electrical installations discipline – aptly dressed in CWS workwear, of course, just like the entire German national team. It appears that Diana’s outfit worked like a lucky charm: she took the silver medal and was also awarded the title “Best of Nation”, as the best German participant. Altogether, around 600 participants from 28 countries competed in 20 disciplines at the 2018 EuroSkills.

Outstanding: Diana Reuter, first female participant in the electrical installations category, took home multiple awards.



We are particularly proud of Melanie Fischer, 24, and Valmir Korqaj, 28. In their main jobs they work as team leaders in our laundry in Kriens, Switzerland; at the SwissSkills in Bern they went for gold in the textile care discipline. Even though in the end it was not meant to be, the 115,000 spectators were impressed by the expert knowledge and the skills our colleagues displayed. To us, this is impressive proof of the high standards in our operations and laundries: no other company sent two participants into the competition for the precious medals. Moreover, CWS was present as a sponsor and contributed by equipping the Swiss team of electricians with work shirts.

Optimise Cycles!

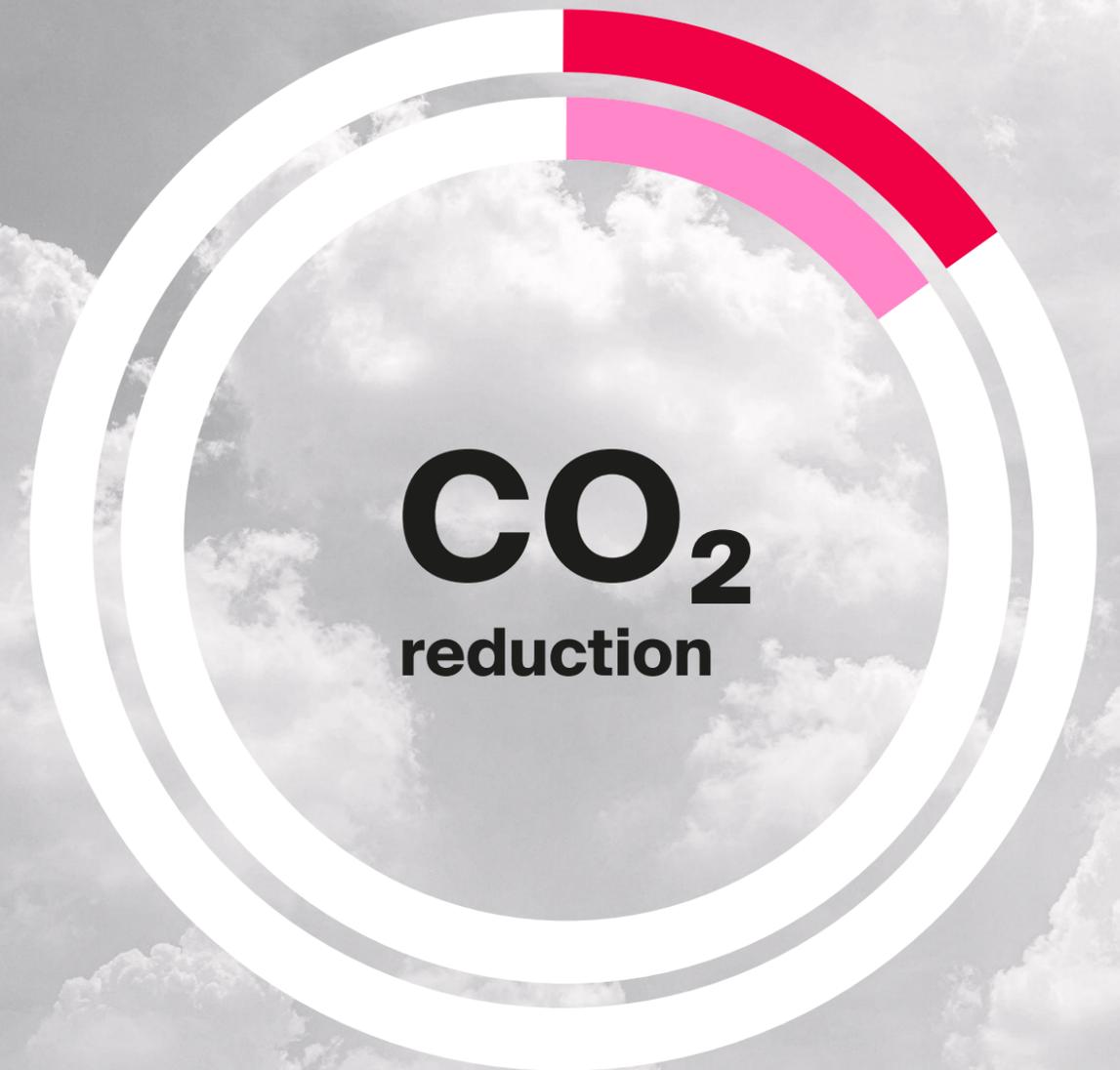
The success of our business is driven by our sustainable thinking. Thanks to our rental model, we have always thought in cycles. As part of our strategic realignment, we have further honed our profile specifically in terms of recycling and up-cycling.

By rendering our process cycles even more efficient, we are doing our best to ensure a healthier and safer tomorrow. We are working to achieve our goal of greater safety and satisfaction for all our customers by means of innovative, digital rental solutions through an enhanced approach to reuse which is evident throughout our service cycle: we focus our efforts on the start and end of product life cycles and also aim to optimise our processes in order to save resources.

Our goals for 2025

Laundries: -15%

Logistics: -15%



Circular economy: Progress is circular

GOALS FOR 2025

Circular economy:

- Development of concepts in order to realise effective circular processes in our operational business
- Reduction of waste and sparing use of resources

CWS is part of the circular economy. What's more: we have been pioneers of this economy for the past 120 years. It has been the motor which has driven forward our sustainable corporate management from the word go. After all, our business model is based on the circular economy. Our customers don't just get our products from us once, but time and time again. When it comes to protecting resources, the hygienic reprocessing of products is just as important as ensuring their durability.

This process starts with sustainable procurement. For example, wherever possible, we procure sustainably produced cotton. Furthermore, in 2018, around half of our standard dust control mats (some 20,000 in total) were produced exclusively using recycled nylon yarn, naturally in a completely CO₂ neutral manner. The most diverse types of waste were used to this end: carpet bobbles, discarded fishing nets and other plastics.

Our service cycle combines maximum customer comfort with the best possible protection of resources. This not only goes for cotton towel rolls, but also workwear and mats in equal measure. Even when developing short-lived products such as toilet paper, we always aim to identify ways to maintain the principle of reuse.

Since we are guided by the cradle-to-cradle principle, even at the end of their life cycle, our products are still put to good use: they are either returned as nutrients to nature's biological cycles or are utilised as the basis for new products. Our towel dispensers which can no longer be repaired are a great example of our commitment to re- and upcycling: the components which can still be used are employed

in new models and the worn-out cotton towel rolls are given a new lease of life as mop covers.

A large percentage of the environmental impact occurs upstream of the value-added chain – we aim to reduce this impact through our circular approach. Nevertheless, there is still an urgent need for action here. In addition to the consistent continuation and expansion of our efforts to reduce our environmental impact, we see our main strategic task in redefining growth in a way in which the whole of society benefits. We want to play a role in ensuring that economic activity is no longer automatically equated with the consumption of finite resources. Rather, it is time to think and act more sustainably.

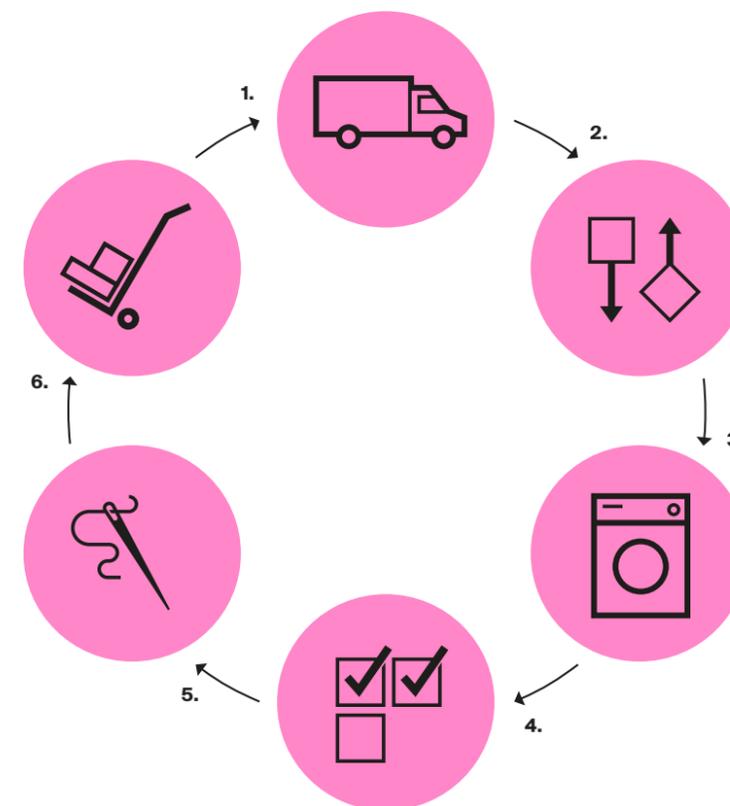
In our day-to-day business, the circular economy passes through six precisely defined steps. The CWS service cycle starts with collection. Our service drivers transport the rented textiles to the laundries. Here, the textiles are sorted according

to washing cycles. We wash around 200 million kg of textiles each year in our laundries. Every single item of this huge volume is washed exactly as required using precisely the resources necessary.

Quality control forms its own cycle: from collection through to delivery, the products are inspected closely time and time again. Our staff are well aware that quality is not an end in itself, but rather, when it comes to protective and workwear, a genuine added value which can make the difference between a success record and accident statistics. And this is why our inspectors take meticulous care when assessing products.

Clothing and products which are not in perfect condition are repaired on site in the laundry. If a repair is not possible or expedient, the item is replaced. Our service drivers then return the perfect product to our customers: freshly washed, dried and quality inspected.

Our service cycle: from beginning to beginning



- 1. Collection:** Our service drivers collect the rental textiles from our customers for reprocessing our laundries at regular intervals.
- 2. Sorting:** At our laundries, the textiles are sorted into different wash cycles so that each item gets precisely the type of cleaning it requires.
- 3. Washing + drying:** We wash around 200 million kg of textiles per year at our laundries in Europe, focusing at all times on maximum resource efficiency.
- 4. Quality control:** The quality of our products is under the constant scrutiny of our staff throughout the service cycle: during collection and delivery and at all stages of laundry processing.
- 5. Repair or replacement:** Areas affected by wear are repaired at the laundry. If repair is not possible, the item is replaced.
- 6. Delivery:** The items our service drivers return to customers are freshly washed, dried and quality controlled.

Solid Recovered Fuel:

From old materials to new energy

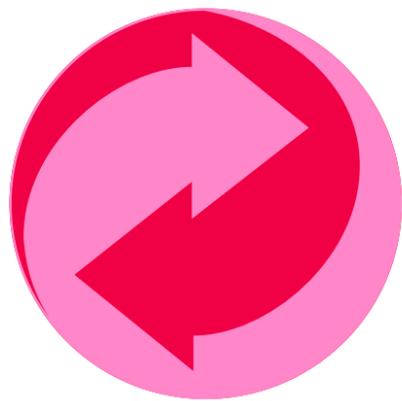
In the Irish city of Cork, CWS staff have arrived at a novel and surprising interpretation of our corporate vision of sustainability. Here, old items of clothing and mats are used to produce a fuel source, so-called solid recovered fuel (SRF). To this end, products which no longer meet our strict quality standards are passed on to partner companies, which convert them into fuel.

The recycling experts have set up containers on CWS' premises in Cork. The waste materials which are collected here are shredded at the recycling plant and wrapped into bales to maintain the required calorific value for energy production. All non-conforming material such as metal stud fasteners is removed and recycled separately. The SRF is then used to power large kilns in the cement industry which previously used fossil fuels. But it doesn't stop there: the ash from the combustion process is also used in the production of cement, resulting in zero waste.

The successful pilot phase has shown that up to 72 tonnes of waste materials can be converted into energy each year and, at the same time, mountains of waste are avoided. Implementing this scheme at the CWS Cleanrooms facility means a further 20 tonnes of waste are diverted away from landfills and converted into energy. A pleasing economic side effect: this form of disposal also comes up trumps in terms of costs.

Even though visitors to the site in Cork are impressed by this innovative approach to waste avoidance, we are well aware that downcycling is not the most sustainable alternative. In search of ways to advance sustainability and identify improved concepts for reducing waste, we joined forces with the European Textile Services Association (ETSA) to develop studies which have been conducted among ETSA members, delivering insights into 175 laundry sites from all over Europe. For example, the handling of textiles which have reached the end of their useful life has been studied, as have the ecological footprints left behind by various recycling systems.

One result of the studies was that around 35 per cent of textiles from linen and workwear are recycled and used to produce products such as mop covers. Nevertheless, the sector must continue to strive to meet its sustainability standards. This is an important source of motivation for us and we shall derive essential findings from these results not only for our own work but also for our future strategic alignment with respect to the circular economy.

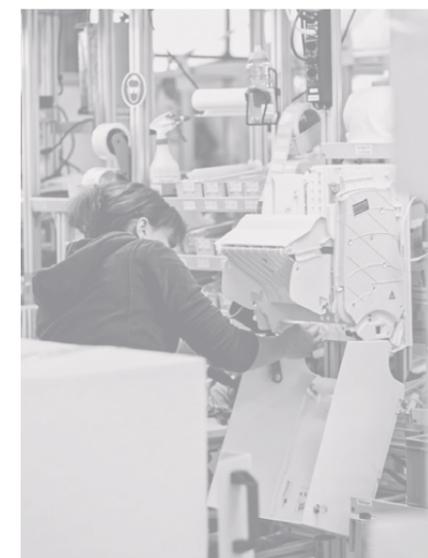


“In Cork, Ireland, energy is generated from old workwear and mats.”

Towel dispensers:

They just keep on going...

CWS' upcycling centre is based in Diepoldsau in Switzerland. This is where one of our core products and poster child, the tower dispenser, is maintained with the greatest of expertise: after all, defective devices are not just discarded, rather they are passed on to trusted specialists in Switzerland. These experts either repair the dispensers – in 2018, of the 57,660 devices sent to Diepoldsau, 41,574 were returned to washrooms – or ensure that the parts which can still be used are employed in new models. The rigorous tests which are conducted before the devices are returned to the service cycle have a positive side effect: if minor potential production improvements to the devices are identified, these are forwarded immediately to the CWS development department. After all, this, too, is a cycle which serves to optimise our performance continuously.



The experts get to the bottom of why there might be a snag in our dispensers.

Success stories

Poland:

Because glass is the best choice for water

For many years, our sites in Poland procured their water in PET bottles. This had two disadvantages: on the one hand, plastic bottles are expensive, and, on the other hand, they have a negative impact on the environment. That's why, without further ado, the colleagues at CWS Poland decided to install water dispensers in all buildings on the company site. Glass carafes were purchased for the internal transport of water. This measure contributes to both more environmentally friendly and also more economic working: by not using plastic, the colleagues also save ready cash.



Glass is the way forward for drinking water

Logistics: Milestones in the last mile

GOALS FOR 2025

Reduction of CO₂ emissions in logistics:

- Reduction of CO₂ in logistics;
(kg CO₂/kg transported
laundry: minus 15%)

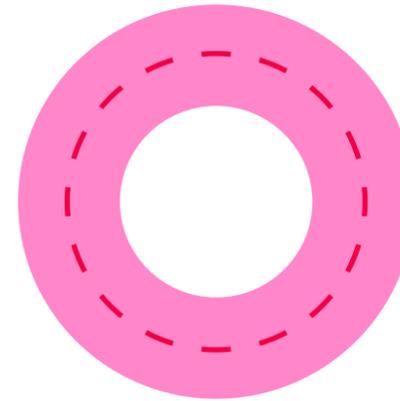
The so-called last mile is particularly thorny from an ecological perspective: around 27 per cent of all emissions which we measure per kg of laundry are attributed to logistics in this stage of value creation, i.e., when delivering to customers and collecting dirty laundry. That's why, we are concentrating our efforts on reducing emissions, especially in the field of logistics.

To this end, we are employing a whole package of measures. We are optimising routes using the special app (OMD, "Optimize My Day", see next section), working towards improving the efficiency of our logistics fleet, specifying technical upper limits for vehicle speed, conducting sustainability-focused driving training and employing aerodynamic features.

At the same time, we are also performing tests for the introduction of electric vehicles in our service logistics. Compared to the first test series from 2014, we have implemented new technology, improved batteries and expanded the electric charging station network. What's more: we receive valuable feedback on the risks and opportunities presented by the expansion of e-mobility through cooperation with the logistics experts at parcel delivery services.

Optimize My Day:

The all-rounder for maximum customer satisfaction



**"OMD helps us cut
reaction times and
increase customer
satisfaction."**

By the end of 2025, 95 per cent of our service drivers should be equipped with the route optimisation tool OMD "Optimize My Day". The focus here is on providing the technical means to former Initial colleagues and expanding our OMD network in Eastern Europe. Following the joint venture, the level of coverage sank initially from 77 per cent in 2017 to 58 per cent. For us, a clear sign that we need to take action!

And we can rest assured that our efforts will pay off. After all, OMD can do much more than just calculate tours. The application provides the service drivers with all the important route information, such as customer data and delivery qualities straight to their smartphone. A photo and note function allows customer queries to be sent directly to superiors or customer services. As such, OMD plays a central role in reducing reaction times and increasing customer satisfaction.

New washing processes: Chemicals which are kind to the environment

GOALS FOR 2025

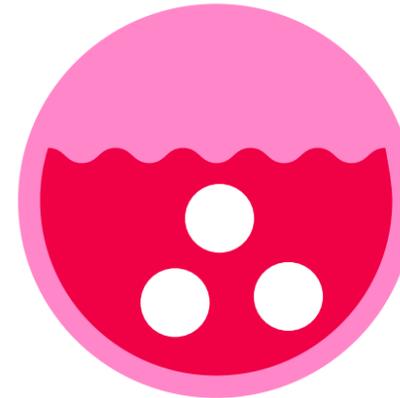
Environmentally friendly and CO₂-reduced washing procedures:

- Reduction in use of environmentally harmful chemicals
- Reduction of CO₂ in laundries (kg CO₂/kg washed laundry: minus 15%)

At our laundries, we are always on the lookout for resource-saving and environmentally friendly alternatives to the classic washing cycle. This includes, for example, new concepts for laundry lines with multiple smaller appliances as opposed to just a few large machines. Another proven way of optimising our environmental footprint is the reuse of water which has already been used to wash our workwear. This water can subsequently be ideally used to re-process our mats. And, in future, we also intend to improve our life cycle assessment in terms of detergents and chemicals, which, to date, have proved extremely difficult to replace in our processes. In 2018, for example, we invited bids to reduce the amount of chemicals employed by harmonising all the substances used.

Above and beyond this, we are testing innovative cleaning procedures which are more environmentally sustainable. Christeyns offers a range of innovative procedures under the name "Cool Chemistry". The advantages: they work at significantly lower temperatures than conventional washing procedures. Since, in this way, the procedures not only save energy, but are also kind to textiles, they help to boost sustainability: the textiles remain in the cycle for longer, waste is avoided and resource consumption is reduced.

These procedures have been put to the test in day-to-day operation at our sites in Lokeren and Wilhelmshaven since 2018. The results are very promising. It currently seems like Cool Chemistry



“Innovative technologies enable us to increase efficiency whilst reducing our ecological footprint.”

or the very similar washing procedure “Performance Industrial” from Ecolab, which is being tested in Bielefeld, will become our new standard procedure in future.

Another technology which offers great potential comes from the USA and involves washing with LCO₂, liquid carbon dioxide. The advantages of this method which we are currently testing are diverse: no water is required, it requires temperatures of just 12 to 22°C, all colours are preserved and there is no drying necessary. In addition, given its hydrophobic nature, LCO₂ is water-repellent and can be used to boost the protective function of textiles against moisture and wetness.

Moreover, LCO₂ can be used to clean clothes which could not previously be washed, for example, work shoes and cut-proof materials, plus the elasticity is preserved. What’s more, LCO₂ allows the use of environmentally friendly and less aggressive detergents. But it doesn’t stop there: the procedure is a perfect example of expedient recycling, as it uses CO₂, the scourge of the environment, as the basis for an innovative cleaning technology. All in all, LCO₂ is a technology to which we attach great hope for the more sustainable future of our laundries.



Three questions for Hans-Jörg Ahrens, Department Head of Operations Excellence and Engineering

“Resource-friendly processes also extend the life cycles of our products.”

1. Sustainability in reprocessing has been an important issue at CWS for a long time now . In what way is reprocessing in the laundries sustainable today?

Hans-Jörg Ahrens: We reuse a large share of the water. For example, the wastewater from washing the towel rolls is used to wash the mats and all new laundry lines are equipped with an integrated water recycling system, meaning the centrifugation water can be reused for the rinsing. In our new tenders, we have put the focus on water, chemical, and energy optimisation – that helps save resources too and also minimises CO₂ emissions.

2. What technologies are you currently testing?

Hans-Jörg Ahrens: Particularly in our pilot scheme with the Flat Mat Washer we are focusing on water consumption which is at least 50 per cent lower, working with the smallest possible energy expenditure and, as we do not subject the mat to any more mechanical stress, also prolonging its service life. For us, washing in a way which protects resources always means washing in a way which saves materials too. Doing without chlorine and keeping the pH value within the washing liquor constant, for example, allows us to prolong the service life of the towel roll.

3. In addition to the environmental aspects, are there any health aspects for employees associated with the use of these technologies that should be highlighted? And can this type of reprocessing also contribute to customer satisfaction?

Hans-Jörg Ahrens: The Flat Mat Washer is designed in such a way that the employees lie the mat on a feeder table, which is better from an ergonomic perspective for their musculature and movement than the conventional processing method. In addition, the Flat Mat Washer also washes, dries and rolls up the mat fully automatically after its insertion. This saves two working steps in comparison with the conventional method. Not only that, we are also currently working towards automatic unloading of the mats in the conventional laundry. In terms of the added value for the customer: on the one hand, it is important to mention that the processing in the Flat Mat Washer does not result in any undulations in the mats. On the other, with regards to our towel roll, we also achieve an improved material quality.

Innovative dryers: Think big, act small



“Investing in modern technology is an active contribution to environmental protection.”

It is well known that it is the combination of small things which results in big changes. For example, in Bielefeld and Heidenheim, a total of four old steam-powered large dryers have been replaced with smaller and more efficient gas-powered devices. The new dryers represent the state of the art and feature a sprinkler system which, in the event that the laundry should catch fire, triggers immediate extinguishing measures.

And since the cycle times are more efficient thanks to the modern technology, the impact on the environment is also reduced. In Lingen, we have installed another ultramodern quick steam generator in order to produce the steam required for the laundry. Thanks to this new addition, additional steam can now be provided rapidly during peak loads. When demand is lower, the quick steam generator can be taken off the grid. This intelligent and efficient method guarantees an ideal steam situation at all times and, what's more, it helps lower emissions.

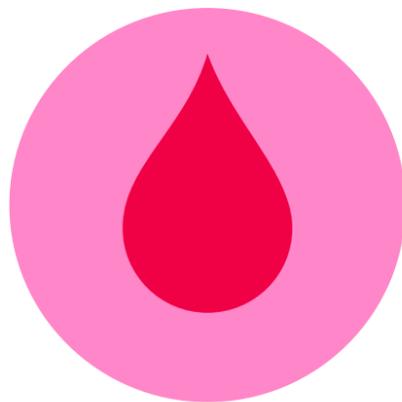
Water stress report: Great news for water

Water is fundamental to our service cycle. After all, we require huge amounts of this element for our cleaning services. That is why, within the framework of a “water stress report”, we closely examined whether the water we use comes from water bodies which are affected by droughts. The result was a resounding no! An analysis confirmed that none of our laundries faces a water consumption risk.

For the most part, our laundries rely on water drainage basins which are fed by rivers such as the Danube, the Elbe, the Rhine and the Rhone. It is only in Ireland, the Northern German region, the northern operations of the Netherlands and parts of Sweden that water usage cannot be clearly attributed to specific water bodies. Yet there are also no water risks here.

The results of this “water stress report” strengthen us in our belief that we need to identify further optimisation potential in terms of the sustainability of our washing processing by focusing on energy reduction. Ultimately, if we want to reduce our resource consumption for cleaning processes, we can either save on energy, water or detergent. However, an improvement in one of these dimensions can rapidly lead to a deterioration in another area.

Energy consumption is the primary engine behind optimisation, both in terms of costs and sustainability. Yet, since we take a holistic approach, we are also seriously committed to saving water, one such measure is the commissioning of a state-of-the-art water treatment plant in Dąbrowa Górnicza in Poland. This system makes a key contribution to reducing environmental risks by enabling more internal water treatment.



“Our business model necessitates careful handling of water resources.”

Workwear: Siegen now wears Fairtrade

GOALS FOR 2025

Sustainability criteria for procurement:

- **Manufacturing of 55% of our items of clothing from sustainable materials (sustainable cotton, recycled polyester)**

The university city of Siegen is known as “Germany’s greenest city”. The city has now become even greener following the council’s decision to switch to Fairtrade for its gardeners’ workwear, thereby making an important contribution to its impressive sustainability record. After a test phase involving several suppliers, the 100 employees of the green spaces department unanimously decided in favour of CWS and the workwear from the landscape gardener collection.

In addition to its durability, modern look and wearing comfort, which makes day-to-day work considerably easier, it was first and foremost the fair production of the workwear as confirmed by the Fairtrade seal which won over the city’s professional gardeners. Further points which compel customers to opt for our workwear: our smooth-running, uncomplicated service as well as increasing use of ecologically friendly and sustainably produced cotton in our workwear collection. Since 2018, the number of items of workwear produced with sustainable cotton has risen to 272,441. This is, however, just the beginning – by 2025, we want over 50 per cent of our workwear to be manufactured entirely from sustainably sourced cotton and recycled polyester.



Flying the flag for sustainability with Fairtrade-certified workwear.

Sustain Business!

The future starts afresh every day: as a service company, we are continuously entering into promising partnerships which help us to perform even better in our core competences. For example, collaborations with innovative start-ups help us to understand customer interaction better, to become more efficient and user-friendly and to refine the flexibility of our logistics processes even further. The digital offerings we develop in-house also help us to optimise our service and explore new market possibilities.

Staying one step ahead of the competition at all times also means taking important shareholders' needs and interests into account. We do this by asking our customers and employees about their experiences with our company in the scope of comprehensive surveys. We want to be a learning organisation in this respect too. For this reason, we also see the diversity of our workforce as a considerable knowledge advance that we have to protect and nurture. Continuous further development is essential when it comes to issues of compliance, for example, which is why we place particular focus on the training of our employees.

Our goals for 2025

Net Promoter Score/
employees

+70

Net Promoter Score/
customers

+70



eNPS: Every voice counts in “My Company”

GOALS FOR 2025

Customer and employee satisfaction:

- Net Promoter Score* for customers: +70
- Net Promoter Score for employees: +70

*NPS = Promoters in % minus Detractors in %

We want to convert customer satisfaction into customer enthusiasm. After all, only customers who are truly content with CWS and convey this enthusiasm to others can serve as the foundations for the successful and sustainable further development of the company. However, of course, we can only make our customers truly content when we are 100% invested in what we do too. For this reason, alongside our customers, our employees are also always at the heart of our considerations and actions.

Information is an essential component of employee satisfaction. For this reason, CWS introduced a site-specific feedback programme with the name “My Company – Your Voice Counts” in November 2018, calculating among other things the employee Net Promoter Score (eNPS), an index for measuring employee loyalty and commitment.

We hope to derive sustainable concepts for optimisation from this scientifically based measurement of employee satisfaction. In the mid-term, it should make us one of the top employer addresses. An online survey including around 15-20 per cent of the workforce is conducted every month. In order to guarantee complete anonymity, CWS works together with the Dutch service provider Integron, which performs the data evaluation and assures the anonymisation of the results.



How is the team doing, what is the mood like at the location? Our colleagues will let us know.

“My Company” is an important milestone on the road to a ground-breaking feedback culture, which truly helps us to get better day by day. The feedback offers us great opportunities for continuous improvement of our employer-employee relationship. The considerable efforts that we invest in the programme are evidence of how important this is for CWS: every employee is surveyed twice a year. We also group by sites in order to be able to evaluate the results of the survey optimally.

Not only that, the transparency of the process is also important to us. For this reason, the results of the surveys are discussed in detail by the managers with their teams in the scope of town hall meetings so as to allow for the subsequent development of measures for improvement together with input from both sides. As CEO Jürgen Höfling explained: “The decisive aspect is that we work with the results and actively seek out direct dialogue with our teams – we want to improve ourselves, and that can only happen if we work together and openly.”

In 2019, the programme will be rolled out across the entire Group, surveying all employees across a total of six survey phases.

cNPS: We don't leave customer loyalty to chance



“We personally contact dissatisfied customers and critics within five days – sometimes even by our top management.”

We want to be a modern, solution-oriented, innovative partner for our customers and offer them notably more comfort, hygiene and experience in their day-to-day work. The advantage we have in this respect is that customer experience is quantifiable. The customer Net Promoter Score (cNPS) is the perfect tool for this. The cNPS programme is being gradually rolled out across the entire CWS Group. Collecting the customers' opinions allows us to focus on improving our services continuously which in turn helps to deliver high levels of customer loyalty.

cNPS is a method for determining customer loyalty on the basis of a 10-point scale. The all-important question is: “Would you recommend CWS to a friend or colleague?” Loyalty is classified into different groups depending on the point score: 9 and 10 points are scored by “Promoters”, who are completely content with CWS and its offerings, recommending us without hesitation. 7 and 8 points indicate a neutral or passive attitude towards the company; this group is referred to as “Passives”. Between 0 and 6 points ultimately indicate a need for action, as the quality of our offerings has yet to convince the “Detractors”, or they even have a critical view of the company.

In future, we will be checking customer satisfaction at two levels with the cNPS. For one thing, we shall be shining light on the relationship between a specific customer and CWS in a survey conducted.



“By collecting our customers' opinion, we create a lever for continuously and realistically improving our services.”

twice a year at the most, the relationship NPS survey. In addition, we will also be collecting important information four times a year regarding the respective customer perception of our company during certain key moments: for example, deliveries, transactions, complaints and telephone calls.

We – sometimes even the top management – contact unsatisfied customers and critics in person within five days. Of course, we also forward on positive feedback from satisfied or delighted Promoters in order to boost our colleagues' enthusiasm on the one hand and permit learning processes at all levels on the other.

Customers can provide their feedback quickly and conveniently: they simply need to respond to different questions via a web portal. And, even if the responses aren't quite what we wanted to hear, they still help us considerably on our way to improving customer satisfaction.

The surveys are conducted in the Hygiene and Textile Care divisions in Germany, Belgium, the Netherlands, Luxembourg, Poland, Switzerland, Sweden, Austria, Ireland, Slovakia, the Czech Republic, Croatia, Hungary, Romania, Slovenia and Bulgaria.

Plans are already under way for a second pillar in customer satisfaction measurement, a touchpoint cNPS survey. All told, we can say that the cNPS is helping us to get significantly closer to our goal of building a customer focused and outperforming business.



Three questions for Michael Löffler, Head of Corporate HR Shared Services

“Our feedback culture is systematical, open and constructive.”

1. Our employees and customers are among CWS’ primary stakeholders and their loyalty is crucial to the economic success of the company. What do you do to find out what moves customers and employees?

Michael Löffler: For the first time ever, we have rolled out a programme to calculate the Net Promoter Score (NPS) and additionally backed it up with a dedicated concept specifying how we should deal with the results of the surveys. In this way, we contact our customers regularly and aim to communicate with them personally as partners. This approach has been really well received. The customers realise: “Wow, the staff at CWS take really good care of me!” This particularly concerns customers from whom we have received negative feedback – we contact them, and sometimes the CEO even contacts them personally.

Moreover, all of our employees participate in an anonymous survey twice a year. In addition, there are also feedback and evaluation events at the individual corporate sites, offering employees the opportunity to share their personal perceptions and wishes. This open, cross-hierarchy communication took a little bit of getting used to for some employees to begin with, but soon resulted in a vital feedback culture within the company, which also identifies valuable potential for corporate optimisation.

2. The Net Promoter Score can be recommended as a simple and yet very informative quantification method. What has your experience with this approach been to date?

Michael Löffler: The clear results of this method are what make the NPS approach so effective. The figures speak clearly for themselves and are sometimes even a wake-up call. Essentially, the NPS is the product of the responses to one question: “Would you recommend CWS to a friend or colleague?” The responses are classified using a scale from 0-10. All in all, it can be performed quickly and without any problems, providing an accurate picture of the situation. If there are too many customers or employees between 1 and 6 on the scale, there is clearly a need for action – that leaves little room for interpretation.

3. The determination of the Net Promoter Score also produces new objectives. What does that mean exactly?

Michael Löffler: In the long term, we are aiming for a satisfaction score of 70%. That is a demanding goal, but a logical one. You see, the question “Would you recommend us to others as a supplier or employer?” is actually the key to everything! We can only work in a sustainably successful way if our employees engage the customers positively with their motivation. This spark of enthusiasm needs to be transmitted. Personal recommendations – word-of-mouth advertising so to speak – are then what drives our business forward. And we have the actual numbers in black and white to see whether the prerequisites for this are established.

Compliance training: A safe trip on the road to success

GOALS FOR 2025

Compliance in the workforce:

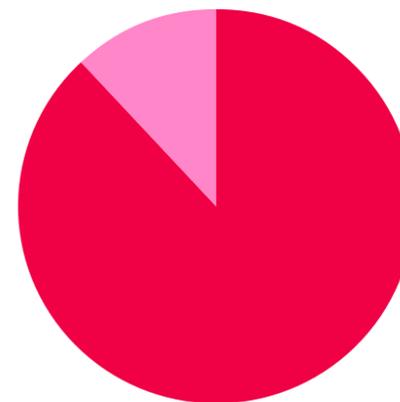
- Compliance training with 100% of the employees for whom compliance issues are relevant

What invitations and gifts is an employee permitted to accept or give out? How do we recognise agreements that would restrict competition?

These questions are primarily of the greatest importance for our employees in Procurement and Sales & Distribution, who as “compliance-sensitive employees” are particularly exposed to the risk of non-compliance. Around 88 per cent of our colleagues in Germany and the Netherlands belonging to this group received training in cartel issues and corruption prevention in 2018.

In addition to face-to-face training sessions, we also introduced an e-learning programme in 2018, which expands on the existing on-site trainings.

At the end of 2018, the first e-learning module on the topic of anti-trust was available in Germany, Austria and Sweden. In future, the e-learning will be expanded to include all countries and further employee groups.



88%

of all compliance-sensitive employees in Germany and the Netherlands received face-to-face training in anti-trust issues in 2018.

Diversity: equal opportunities, fair pay

For us, diversity represents the variety of perspectives, ideas and potential. The interaction between the different professional backgrounds, educations and personalities also produces synergies, which propel us forward and result in new approaches. We implement this philosophy of diversity consistently across the entire hierarchy of the company and also intentionally set great score by internationality and the diversity of CVs in our management in order to arrive at new ways of thinking and strategies when these different backgrounds come together.

In this way, each individual aspect of diversity is a unique strength for our company, one that we systematically nurture and develop by occupying positions with international candidates, promoting the employment of women in managerial positions and offering older employees a work environment which supports their personal capabilities optimally. In addition, we also want to step up our efforts in the future with regard to fair and standardised working conditions at all our international sites.

Equal opportunities is a principle that we take very seriously at CWS. None of the diversity dimensions mentioned above should ever be a reason for discrimination of any kind or grounds for pay differences for the same work here. If necessary, we determine the equality of duties on the basis of the specific respective requirements.

Another unambiguous zero is proof of how deeply rooted the principle is in our company: during the reporting period, there was not a single case of discrimination concerning employee remuneration. No discrimination was identified in the scope of the requests submitted in accordance with the Transparency in Wage Structures Act (EntgTranspG) introduced in Germany either.

And it goes without saying, of course, that the pay structures at the different sites always comply with national minimum wage legislation. In addition, there is collective bargaining coverage at various international sites. In Germany, the tariffs of the Industrieverband Textil Service (INTEX) apply for several companies or the corresponding IG Metall contracts serve as a reference.

GOALS FOR 2025

Diversity in the workforce:

- Percentage of women in key roles: 50%

The joint venture with Initial has allowed CWS to push beyond existing borders yet again – geographically, by adopting new sites into the group and thus operating in expanded markets, but also in terms of its corporate culture. It revealed once again that diversity is a valuable and considerable impetus for our economic development.

For this reason, diversity does not just mean avoiding discrimination – even though we naturally still retain our focus on this aspect and none of the classic diversity dimensions (gender, nationality, ethnic background, religion and ideology, disability, age or sexual orientation and identity) should ever be a reason for discrimination of any kind within the CWS Group. Instead, we think above and beyond this fundamental and self-evident principle: by ensuring the focus is always on the people, we transform diversity into a dynamic growth factor.

DPM: A little better every day



“The Daily Performance Management (DPM) is being implemented on a Group-wide level in order to establish a culture of continuous learning.”

We want to stay ahead of the market – and we ensure this advance is a standard integrated into all of our processes on a daily basis. Daily performance management (DPM) makes an important contribution to realising a continuous improvement process. The first location to receive an internal DPM certification within the CWS Group was the laundry in Amstetten, Austria. This continuous reporting system with daily documentation of individual indicators allows faults to be addressed directly at their source. Workflows and processes can be accurately mapped on each working day in the laundry, making it possible to identify any problems arising and potential for optimisation much more simply.

DPM not only injects more efficiency into all workflows, but also ensures that each individual member of staff is integrated more closely into the processes, accepts more responsibility and experiences greater appreciation for his/her work at the same time. Following a three-month process, the DPM in Amstetten has now been certified.

To achieve this goal, daily meetings of all employees for problem-solving and hourly reporting were on the agenda. The key performance indicators were evaluated and targets adjusted every day. After all, DPM is a system without an end, and this aspect in itself contributes to the development of a culture of continuous improvement.

In the future, the plan is to roll out DPM across the company – the certification in Amstetten represents a milestone in this respect. Based on the feedback from those who have already participated in the system, it is the ideal solution for optimal networking of departments, getting issues within the company under control more quickly and efficiently and – last but not least – establishing a culture of continuous learning across the Group. And that day after day. Our customers will benefit from it.

Washroom of the future: Hand hygiene 4.0

We are always on the lookout for new, convincing and surprising hygiene solutions – ideas that offer our customers a real and impressive added value. In this respect, we set great store by strategic partnerships in order to procure the very best products and services for our customers. The result of one of these such collaborations is an innovative solution which heralds the beginning of a new chapter in hand hygiene. The core concept is an innovative mixer tap, which ensures that no one “gets away without using soap” when washing their hands. The solution with the name CWS SmartWash will be available on the market as of summer 2019. It is a shining example of how we are setting ourselves apart from the

competition and underscores our position as a specialist in hygiene experiences and an innovation driver in the hygiene segment.

Our CWS Complete Washroom Concepts offering has also been strictly aligned to the objective of optimal customer satisfaction. The focus here is on comprehensive hygiene solutions offering users an extraordinary hygiene experience from the moment they enter the washroom through their use of the facilities to the time when they leave again. We have set up an in-house test laboratory – the Hygiene Experience Lab in Duisburg – for the further development of trendsetting washroom technologies. There we are already experiencing what will fundamentally change hygiene expectations in the future. Contactless, digital, sustainable: the solutions developed taking the latest scientific findings into consideration are oriented to these parameters.

The environment also benefits from this convenience: for example, the CWS SmartWash saves up to 90 per cent water and 60 per cent soap. And the solutions also offer enormous economic potential. Taking into consideration the €130 billion in economic costs that German companies incur annually as a result of absences due to sickness, as calculated by the consulting firm Strategy& on behalf of the Felix Burda Foundation, the innovative hygiene experience also promises thoroughly pleasing experiences from an economic perspective. After all, experts are in agreement on this, proper hand hygiene can help to cut sickness rates by around 50 per cent. In this way, hygiene soon becomes an economic factor.



Facilitating a maximum of hand hygiene whilst saving water and soap

EcoVadis:

Quo vadis, sustainability?



Gold status for the fourth time in a row in the EcoVadis sustainability audit

2018 saw CWS voluntarily offer itself up to the critical eye of the EcoVadis sustainability audit again for the sixth time. This consisted in our responding to 100 questions concerning the environment, working conditions, business practice and supply chain. The result? Gold for the fourth time in a row for the German subsidiary!

In this case, the gold continues to glisten, as, compared with the average in the industry, CWS is ahead of 99 per cent of the competition with 74 points. At the same time, we are also considerably above the overall average of 44 points. We also managed to earn an additional six points compared with the previous year in terms of our sustainability performance.

As a result, in response to the question: “Quo vadis, sustainability?” we can justifiably answer for CWS – “Right to the top!”

About this report

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This report informs our stakeholders in accordance with the established cycle about the existing and planned sustainability measures in the CWS Group. In addition to the general standard specifications in accordance with the Global Reporting Initiative (GRI) and information about the Group's strategic alignment and CR management, the core reporting fields are structurally oriented to the three pillars of our sustainability strategy: Putting People First, Optimise Cycles and Sustain Business. With this new structure, we hope to report even more specifically across all areas of our entire business model in the future and, at the same time, emphasise our strategic sustainability objectives more strongly.

The number of markets and companies in which we are operationally active has increased since 2017 as a result of the joint venture with Initial. Many specialist departments and national subsidiaries have already appointed responsible contact partners for our CR reporting fields. Nevertheless, groupwide data collection is still in the development stage. The information and data in this report originate from 35 of the 41 companies which contributed to the Group's total turnover in the 2018 reporting year. The companies which contributed less than 0.5 per cent of the Group's total turnover for the 2018 accounting period were not included in the group of reporting companies. The share of the turnover generated by the companies which provided the sustainability data and operating figures for this report thus amounts to more than 98 per cent.

Reporting entities

Holding

CWS-boco International GmbH

Austria

CWS-boco Österreich Gesellschaft m.b.H.
Initial Textil- und Hygieneservice GmbH

Belgium

CWS-boco BeLux N.V.
Initial N.V.
Initial Sarl
Wasserij de Fontein N.V.

Czech Republic

CWS-boco Česká republika s.r.o.

Germany

BlueRise GmbH
BSC Brandschutz Service Center GmbH & Co. KG
BSC Verwaltungsgesellschaft mbH
CWS-boco Deutschland GmbH
CWS-boco HealthCare GmbH & Co. KG
CWS Safety GmbH
CWS-boco Supply Chain Management GmbH
Initial Hygieneservice GmbH
Initial Textil Service GmbH & Co. KG
Initial Textile Holdings GmbH
Rentokil Initial Holdings GmbH
STG Service to go GmbH
TEUTO Brandschutz und Sicherheit GmbH
Verwaltungsgesellschaft CWS-boco HealthCare mbH
Zahn-Hitex GmbH

Ireland

CWS-boco Cork Plant Limited
CWS-boco Ireland Ltd.
Micron Clean (Ireland) Ltd.

Netherlands

B2B Bedrijfshygiene B.V.
Initial B.V.
CWS Lin B.V.
CWS Nederland B.V.

Poland

CWS-boco Customer Fulfilment Center Sp.z.o.o.
CWS-boco Polska Sp. z o.o.

Slovakia

CWS-boco Slovensko s.r.o.

Sweden

CWS-boco Sweden AB

Switzerland

CWS-boco Suisse SA



Haniel
financial reporting

The period under review in this publication is the 2018 calendar year. Additional information from the 2019 business year up to the time of going to press in the second quarter of 2019 has been used, in part, to amend the report contents.

Our CR reports are published annually alternating between progress/intermediate reports and full reports employing the Sustainability Reporting Standards (SRS) of the Global Reporting Initiative (GRI). This report was compiled in accordance with the GRI standards: "Core" option. The report has not undergone any external auditing beyond the checking of the content index by the GRI.

CWS does not publish a business report in addition to the CR Report; the business figures are published in the annual consolidated financial reports of our majority shareholder Haniel*.

This report is available in German and English in a printed version as well as a PDF version online. In as far as content refers to groups of persons and only the male form is used, this is done solely to improve readability and all genders are implied equally.

Forward-looking statements

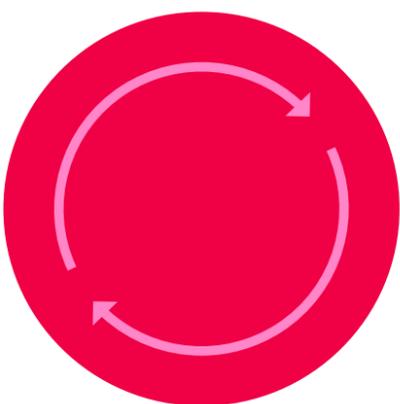
This Sustainability Report contains forward-looking statements. These statements are made on the basis of assumptions and expectations which, in turn, are based on the information available at the time of the publication of the report. They are therefore associated with risks and are not to be deemed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

Many of these risks and uncertainties are determined by factors which are beyond the control of CWS-boco International 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-boco International does not assume any obligation to update the forward-looking statements contained in this report

*Valid for reporting year 2018. Franz Haniel & Cie. GmbH acquired all minority shares of CWS previously held by Rentokil Initial plc on 31st July 2019.

Initiatives and memberships

As a quality and innovation pioneer in our sector, we are committed to pursuing a long-term sustainability concept to ensure a future worth living. As part of this undertaking, we work to encourage and promote our values beyond our companies and national boundaries. As such, we attach great importance to campaigning for our sustainability ideals in national and international associations, initiatives and partnerships.



“We campaign for our sustainability ideals in international associations, initiatives and partnerships.”

The groups and associations in which we work actively to promote sustainable development include the Verband Textilpflege Schweiz (VTS), the Dutch Federatie Textielbeheer Nederland (Federation Textiles Netherlands), the European Textile Services Association (ETSA), the Wirtschaftsverband Textil Service e. V. (WIRTEX) and the Industrieverband Textil Service e. V. (intex). Moreover, the subsidiaries in the CWS Group are organised into various associations focusing on specific areas of responsibility, e.g., occupational health & safety and sustainable procurement, for example the Safe at Work Coalition (“Koalicja Bezpieczni w Pracy”) in Poland, the Procurement and Sustainability (“Acquisti & Sostenibilità”) association in Italy and the numerous cooperations with purchasing associations such as BBG, Hogast, P.E.G. in Austria to name but a few.

The activities of CWS-boco Supply Chain Management GmbH are of particular relevance and sensitivity to our business model. It, too, is active in a range of initiatives and organisations, for example in the Deutscher Textilreinigungs-Verband e. V. (DTV), Bundesverband Materialwirtschaft, Einkauf und Logistik e. V. (BME), German Fashion/BESPO, Fairtrade and Dialog Textil-Bekleidung e. V. (DTB), the Business Social Compliance Initiative (BSCI) and the Partnership for Sustainable Textiles.

We also provide financial support to numerous charitable organisations and initiatives. Given the lack of available space, we are unable to list all these parties here. However, the general principle we want to convey is that, at the very least, we take the same critical approach to deciding which projects and initiatives to support as we do to our daily work in our core area of business.

Facts & figures

Key figures from the CR management

The following table documents the consolidated key figures of the 35 companies in the CWS group with the highest turnovers (see p. 66/67) in the respective fields of engagement

Central employee data	2018
Employee data at business levels	
Total number of employees	10,800
... in management	711
... in administration	1,009
... in laundries	4,798
... in customer services	2,567
... in sales	1,715
Employee data according to gender and management level	
Percentage of male employees	48
Percentage of female employees	52
Percentage of males in management positions	30
Percentage of females in management positions	70
Percentage of employees in management positions (aged < 30 years)	3
Percentage of employees in management positions (aged 30 to 50 years)	60
Percentage of employees in management positions (aged > 50 years)	37
Percentage of male employees who left the company in the reporting year	47
Percentage of female employees who left the company in the reporting year	53
Employee data according to contract type	
Percentage of employees with fixed term contract	21
Percentage of employees with permanent contract	79
Total number of employees at year end by employment type	
Full-time (%)	80
Part-time (%)	16
Inactive (% , due to illness or parental leave)	4
Full-time by gender	
Male employees (%)	32
Female employees (%)	48
Part-time by gender	
Male employees (%)	12
Female employees (%)	4
Inactive by gender	
Male employees (%)	3
Female employees (%)	1
Employee data according to hours of training received	
Hours of training in management	1,315
Hours of training in administration	6,868
Hours of training in laundries and customer services	19,083
Hours of training in sales	19,791

Central employee data	2018
Key figures on compliance and anti-corruption measures	
Percentage of compliance-sensitive employees receiving face-to-face training in anti-trust law & anti-corruption (Germany & Netherlands)	88
Number of calls to compliance helpline	5
Employee data according to lost days due to accidents or illness	
Total lost working days due to accidents	4,863
... in management & administration	214
... in laundries	1,832
... in customer services	2,563
... in sales	254
Total injury rate (number of accidents registered × 200,000/number of hours actually worked)	
... in management & administration	0.8
... in laundries	2.8
... in customer services	5.1
... in sales	0.4
Absenteeism due to illness (%)	8.1

Central environmental data	2018
Energy data	
Natural gas consumption (laundry operations; GJ)	812,487.60
Energy consumption from oil (laundry operations; GJ)	19,148.40
Energy consumption from wood pellets (laundry operations; GJ)	30,128.40
Total direct energy consumption (laundry operations; GJ)	861,764.40
Total indirect energy consumption (laundry operations; GJ)	296,895.60
Purchased green electricity (for laundry operations; GJ)	121,000
Purchased conventional electricity (for laundry operations; GJ)	42,980
Amount of steam procured (for laundry operations; GJ)	11,916
Emissions data	
Total CO ₂ emissions (market based; t)	81,612
Scope 1 (natural gas, oil, internal owned and leased fleet, company cars; t)	73,687
Scope 2 (conventional and green electricity, steam; market based; t)	7,698
Scope 2 (conventional electricity, steam; location based; t)	24,143
Scope 3 (business travel, external service fleet; t)	101
Biomass (t)	126
CO ₂ (thermal & electricity) per kg of towel rolls washed (kg)	0.189
CO ₂ (thermal & electricity) per kg of mats washed (kg)	0.123
CO ₂ (thermal & electricity) per kg of workwear washed (kg)	0.319
CO ₂ (thermal & electricity) per kg of mop covers washed (kg)	0.033
CO ₂ (thermal & electricity) per kg of cleanroom textiles washed (kg)	0.529
Water consumption data	
Litres of water consumed per kg of towel rolls washed	5.3
Litres of water consumed per kg of mats washed	4
Litres of water consumed per kg of workwear washed	13.2
Litres of water consumed per kg of mop covers washed	7.8
Litres of water consumed per kg of cleanroom textiles washed	29.6
Total of water consumed at laundries (m ³)	1,909,734

Key figures on logistics and transport	2018
Logistics	
Total number of km driven by service fleet (in thousand km)	68,892
Total number of service drivers	2,292
Fleet consumption and emissions data	
CO ₂ emission of owned or leased service fleet (trucks and vans, t)	22,293
CO ₂ emission of owned or leased company cars (t)	8,531

Key figures on sustainable product range	2018
Upcycling/recycling of hand towel dispensers	
Number of dispensers repaired in upcycling centre	41,574
Number of dispensers recycled in upcycling centre	16,090
Dispensers processed per month	4,805

Key figures on supplier and supply chain management	2018
Classification according to supplier type	
Total number of suppliers (finished goods, trading goods and raw materials)	308
Thereof "Contractors" (finished goods)	10
Thereof "Business partner" suppliers (trading goods and raw materials)	298

Audits	
Number of full time audits at suppliers	22
Number of re-audits at suppliers	4

Risk assessment according to region and supplier type	
"Contractors": number of suppliers producing in no risk countries	1
"Contractors": percentage of volume spend of suppliers producing in no risk countries	9.6
"Contractors": number of suppliers producing in low risk countries	3
"Contractors": percentage of volume spend of suppliers producing in low risk countries	16
"Contractors": number of suppliers producing in risk countries	6
"Contractors": percentage of volume spend of suppliers producing in risk countries	74.4
"Business partners": number of suppliers producing in no risk countries	282
"Business partners": percentage of volume spend of suppliers producing in no risk countries	92.6
"Business partners": number of suppliers producing in low risk countries	8
"Business partners": percentage of volume spend of suppliers producing in low risk countries	1.1
"Business partners": number of suppliers producing in risk countries	8
"Business partners": percentage of volume spend of suppliers producing in risk countries	6.3

Key figures on supplier and supply chain management	2018
Further information on suppliers	
Number of "CMT partners" suppliers with a cooperation duration...	
... of <2 years	2
... of 2-5 years	2
... of 5-10 years	2
... of >10 years	4
Number of "Business partner" suppliers with a cooperation duration...	
... of <2 years	38
... of 2-5 years	70
... of 5-10 years	93
... of >10 years	97

Sustainable sourcing	2018
Sustainable products & services	
Percentage of FSC-certified paper / paper from sustainable sources	92.7
Percentage of Fairtrade cotton (workwear)	12.4
Percentage of organic cotton (towel roll)	3.6

GRI Content Index



For the reporting cycle 2018, the CWS CR Report is based on the framework of the Global Reporting Initiative (GRI), in the current report for the first time on the Sustainability Reporting Standards, whereby all GRI standards listed in the following table of contents originate from the GRI publication date 2016. This report has been prepared in accordance with the GRI Standards' "Core" option. For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report. The service was performed on the German version of the report.

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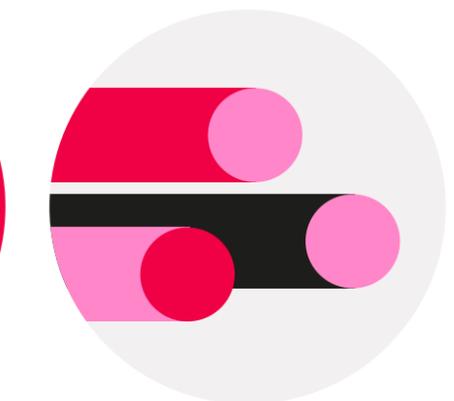
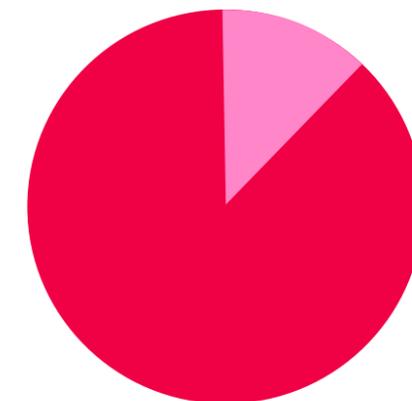
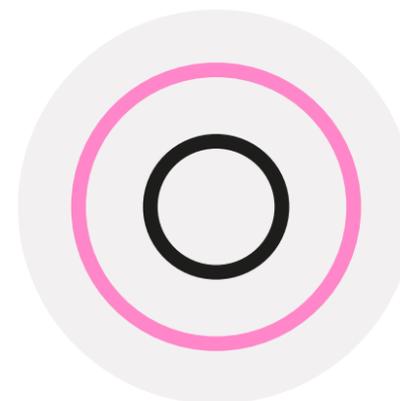
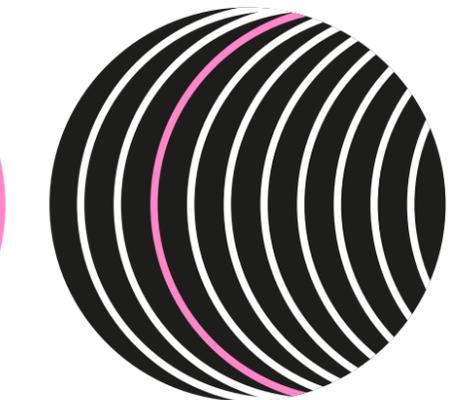
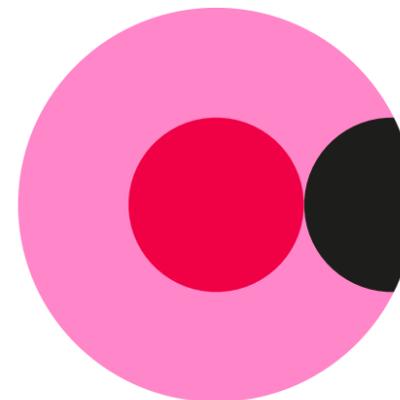
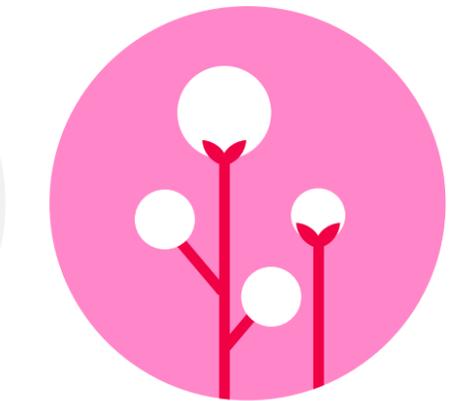
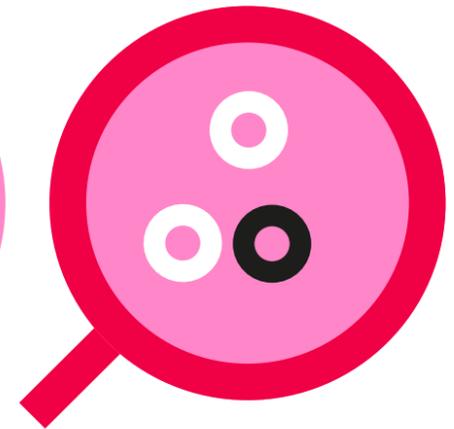
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