

We care about...



Sustainability & Corporate Responsibility in the Textile Services Industry

Communication on Engagement submitted to
United Nations Global Compact

European Textile Services Association (ETSA)



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Fourth ETSA Communication on Engagement submitted to United Nations Global Compact

The textile services industry

The European Textile Services Association (ETSA) represents textile rental firms as well as suppliers of detergents, machinery, fabric and garments. ETSA is a not-for-profit organisation and was set up in 1994 to represent and promote the interests of these market-leading companies in Europe. We are an industry worth €11 billion to the European economy, and employing some 135 000 persons.

Textile services refers to the supply, rental and maintenance of textiles such as:

- Workwear and protective clothing for industry and services
- Surgical and hospital textiles
- Hotel and restaurant linen
- Dust mats and mops
- Dispenser textile towels for hand drying in washrooms
- Reusable industrial wipers.

ETSA brings together 35 companies, associations and research institutes in the field of textile services.

Our members include:

- 12 textile rental companies
- 11 industry suppliers, e.g. machinery, detergent, fabric, and garment manufacturers
- 12 national textile rental associations and research institutes

ETSA works with National Associations in the following countries: Belgium, Denmark, Finland, France, Germany, Italy, Norway, Sweden, Switzerland and the UK.

Statement of support

ETSA is committed to the UNGC principles of human rights. As the voice of the textile services industry in Europe, ETSA represents companies for whom sustainability and corporate responsibility are corner stones of their business strategy and company profitability.

These European, market-leading companies have policies and codes of conduct which are based on, or incorporate, the principles of international organisations such as the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Rights and Principles at Work, the Children's' Rights Business Principles and OECD Guidelines or the ICC Business Charter for Sustainable Development.

In addition, the operations of the textile services firms are certified in accordance with international management systems such as ISO 9001 (quality management), ISO 14001 (environmental management). As the majority of our business is in Europe, our members must also comply with stringent EU legislation, which upholds the same principles and responsibilities as UNGC.

ETSA has been a member of UNGC since 2007 and is proud to reconfirm, through this communication on engagement, that it remains committed to the 10 principles of Global Compact. This communication is an opportunity for us to share how active ETSA as an association, and its member companies as leading European service providers are, in addressing the social, environmental and economic aspects of sustainability and corporate responsibility.

A sustainable business model

Sustainability is inherent to the purpose of our business. This is highlighted in the three key messages prominent on the new ETSA website – we rent, reuse and protect. Our business offers textile products and services which are available to suit the changing needs of a wide range of customers. We provide textiles to our customers in an environmental friendly and socially responsible way. Renting textiles ensures customers have the required garment and linen supply when and where they need it, that the lifecycle of each textile is optimised, and that the textiles are recycled when they are no longer usable.

Optimizing water, detergent and energy consumption

Within our industrial laundries, the use of clean technology enables us to reduce our consumption of resources and therefore minimise our environmental impact, which is essential for sustainable development. Key resources such water and energy are reused from one part of the laundry in another part of the process.

A long lifecycle

The textile services business model is part of the circular economy. Everything is designed to maintain the textiles in circulation as long as possible: design and selection of textiles, design of washing and drying procedures etc. Textiles that are discarded at the end of their first life are either recycled, remanufactured – as different products, or incinerated to create energy. By its very nature, the textile services business model provides a more sustainable alternative to ownership of textiles, disposable textiles and washing textiles at home.

Sustainability of the entire supply chain

Our members supply, manufacture, rent, transport, launder and recycle the textiles required by their customers. This service cycle involves a long supply chain. Both the rental firms and the suppliers to the industry take a proactive approach to ensure full responsibility for the sustainability of this supply chain.

ETSA's environmental commitment

Aligned with the UN Global Compact's environment principles, ETSA's Environmental Steering Committee has taken the lead in outlining our industry's commitment. ETSA members commit to provide their customers with services that are environmentally sustainable, socially responsible, and with greater resource efficiency, based on the following principles:

- Long life cycle
- Supply chain responsibility
- Optimising water and energy consumption
- Environment-friendly detergents (compliant with REACH), packing delivery and delivery
- Pro-active waste management.

Five ETSA member companies are members of UNGC in their own right, alongside our own association. This includes three textile rental firms (Berendsen, CWS-boco and Elis), a detergent supplier (Ecolab) and one other national association (Wirtex). In this communication, we have selected examples of their work, the work of other member companies, as well as projects and activities run by the association for all its members, to illustrate our engagement with the UNGC principles.

More details on the examples provided in this communication, in particular on our environmental commitments, may be found on the ETSA public website, www.textile-services.eu.



Robert Long, ETSA Secretary General
31 October 2015

Human Rights

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

Principle 2. and make sure they are not complicit in human right abuses

ETSA commitment

ETSA is committed to the UNGC principles of human rights. As the voice of the textile services industry in Europe, ETSA represents socially responsible textile rental firms as well as suppliers of detergents, machinery, fabric and garments. These European, market-leading companies have human rights policies and codes of conduct, which are based on, or incorporate, the principles of international organisations such as the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Rights and Principles at Work, the Children's' Rights Business Principles and OECD Guidelines.

Implementation

Textile service companies manufacture and supply detergents, fabrics, garments and flat linen and services across all European markets. Raw materials are sourced both locally and globally to meet the ever-changing needs of their customers.

Our members are fair and responsible employers and comply with both global guidelines and local legislation. Their ethical guidelines are the foundation stones of their global supply chains, ensuring that goods and services are sourced only from reputable suppliers. Long term partnerships are favoured and overseas suppliers are required to comply with strict codes of conduct.

*For example, the **CWS-boco** subsidiary that manages the company's procurement activities (CWS-boco Supply Chain GmbH) is a member of the Business' Social Compliance Initiative (BSCI), a European platform which has set itself the target of improving the social, working and environmental standards in producing countries. CWS-boco is committed to ensuring fair working conditions both within its company and along the entire supply chain. Their CSR coordinator ensures all suppliers accept and enforce the company's code of conduct. A plan is drawn up and implemented for necessary corrective action. Regular internal and external audits are carried out and continuous improvement is carried out and monitored through KPIs which are reported in the annual sustainability report.*

Measurement

The CWS-boco CSR coordinator is responsible for the prioritisation and company-wide implementation of CSR-related issues within the CWS-boco Supply Chain GmbH. This CWS-boco subsidiary has developed an IT tool which provides an overview of the supply chain for the purpose of risk assessment. Audits are performed by an external accredited SA8000 testing institute. If the supplier and partner audits are successful, these parties are certified according to the BSCI standard. As well as furnishing proof that the companies involved satisfy the CWS-boco requirements, this certification also increases the future viability of the individual operations in their countries.

Labour

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

ETSA commitment

ETSA is committed to promoting the benefits of free association and adherence to collective bargaining agreements among its members. While the association does not have a mandate to be involved with trades union at the European level, we do acknowledge the role of union representatives and encourage our national associations and member firms to maintain social dialogue with social partners at the national level.

Implementation

*As an example, within **Elis**, the company has policies that favour social relations among its employees. Voluntary initiatives such as surveys among employees are held to track employee satisfaction. In all Elis locations in France, there are employee representatives. These elected or designated employees are informed and consulted about company initiatives, and regular meetings take place. Some of the issues discussed with employees groups in Elis France, Italy, Belgium and Spain in 2014 were salaries, health issues, male / female equality, the use of telephones and work time. 126 agreements were signed in 2014, of which 112 were in France.*

Measurement

In Elis in 2014, 20 social surveys took place, involving 3000 employees. The level of participation was 87%. On average, the level of satisfaction of employees increased compared with the previous survey in each location.

Labour

- Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labour;
Principle 5. Uphold the effective abolition of child labour.

ETSA commitment

ETSA upholds the elimination of all forms of forced and compulsory labour and the effective abolition of child labour. ETSA member companies closely monitor their own supply chain integrity to ensure that neither suppliers nor suppliers of suppliers engage in, or support, the employment of children.

Implementation

*For example, the procurement department in **Bardusch** outlines very specific terms which all suppliers are required to adhere to before undertaking business with Bardusch. These include the supplier complying with the UN Guiding Principles for Business and Human Rights as well as the Universal Declaration of Human Rights, and the conditions laid down in the ILO core labour standards.*

Suppliers undertake in particular, not to employ children and ensure that their own suppliers do not employ children (defined as persons under the age of 15). Suppliers must also declare that they neither produce their goods in the context of forced labour, nor that forced labourers are involved in a production process that is carried out for them by a third party. Suppliers must state that they do not produce their merchandise by moonlighting and that no illegal workers are involved in their production processes, nor those which are carried out for them by a third party.

Measurement

Bardusch tracks the number of suppliers that have signed up the specific terms systematically. All major suppliers are obliged to sign up before entering into a business contract with Bardusch. The figures are used as key performance indicators as part of the supplier evaluation process. In the annual supplier rating, these criteria are part of five measures to evaluate the performance of the supplier.

Labour

Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.

ETSA commitment

ETSA and its member companies uphold the elimination of any form of discrimination with regards to employment and occupation.

Implementation

At the European level, ETSA counts among its members 10 national textile service associations from Belgium, Denmark, Finland, France, Germany, Italy, Norway, Sweden, Switzerland and the United Kingdom. This European network meets every six months to pursue the exchange of information, to discuss common initiatives and to share best practices. Among other issues, this network enables each association to benchmark national labour laws and national market trends with other European countries on an on-going basis.

Follow-up is at a national level. However, ETSA maintains an updated overview of this information, which includes age, gender, male/female employee ratio by category, minimum wage, retirement age etc. of employees in the textile services sector in countries across Europe.

*Another example is from **Berendsen**. The company is committed to ensure a working culture that is inclusive for all. They are committed to eliminating discrimination and encouraging diversity amongst their workforce. They aim for the employees to be representative of the communities in which they operate and for each person to feel respected and able to give their best.*

One of Berendsen's commitments in this respect is to improve gender diversity. Whilst 43% of the employees are female, they occupy only 24% of middle management roles, and 9% of senior leader roles. In 2014 Berendsen undertook a more detailed analysis of women in management positions across the company with a view to achieving a better understanding of their aspirations and career development needs. They are committed to the development of practical initiatives which will help them achieve their gender diversity objectives for 2016.

Measurement

*Another example is from **Elis**. In 2014, Elis employed 641 disabled persons. The Elis laundry in Mörlenbach in Germany has been recognised by the local government for its measures taken to employ and integrate disabled workers, in a sector where there are few such initiatives. Partnerships with local services placing such workers in protected work environment has long been the tradition in the Mörlenbach site, where a team manager is assigned to ensure workers are given or trained for work adapted to their competencies and skills.*

Environment

Principle 7. Businesses should support a precautionary approach to environmental challenges

ETSA commitment

The textile services industry, which incorporates rental of textiles and the professional industrial care and maintenance of textiles, is committed to a business model which maintains the greatest possible care for the environment.

ETSA member companies strive continuously to minimise the environmental impact of their operations, while achieving their primary objective of ensuring the cleanliness and hygiene of their textiles. Member companies are committed to a coherent environmental programme, ambitious targets for annual improvement, long-term environmental goals and measures to achieve these.

The ETSA Environment Steering Committee brings together leading environment and laundry technology specialists in all member company laundry groups and suppliers of detergents, fabric, garments and machinery. This Committee manages both technical and strategic challenges that companies in the textile services supply chain face. Working together at the European level and meeting every six months, this group is responsible for projects and studies focussed on minimising the industry's impact on the environment.

Implementation

One such study that is carried out on a regular basis is the benchmarking of resource consumption. Water, electricity, chemicals, oil and gas ("WECO") are key natural resources involved in industrial laundering. Every three years, ETSA collects data from its member companies with regard to their levels of consumption. The results of these WECO surveys are shared with member companies, enabling benchmarking against the European average, as well to measuring progress. This information is used for external communication as a tool for profiling the environmental commitment of the industry.

The fourth such WECO study is currently being prepared (see also principle 8). It will collect data on resource consumption and efficiency in workwear, flat linen and mat laundries across Europe for 2015. A common methodology and framework for collecting data will be used by all 12 rental firms that are member of ETSA. The scope of this survey will covers:

- the average lifetime of textiles
- disposal of used textiles
- production volume (kg/year) and
- resource consumption related to production.

Over the last ten years, these studies have shown a significant reduction in the average consumption of key resources such as oil, gas, water and electricity. This is achieved by introducing cleaner technologies, including lower temperature washing, continuous batch washers, gas-heated tumble dryers and water and heat recovery systems. Internal benchmarking enables laundries to measure their ongoing improvements.

For example, between 2007 and 2011 the industry reduced its oil and gas consumption by 13% and its electricity consumption by 5%. In the same period, the average emissions of CO₂ from workwear laundering has been reduced by approximately 7% (see also principle 9).

Research, such as Life Cycle Assessment (LCA) studies which enable us to quantify the environmental impact of our products and services during their entire use, is an on-going part of ETSA's work. This is the case within its Environment Steering Committee. On an annual basis, the ETSA Environment Forum focusses on one particular theme. Themes that have featured as part of the Environment Forum have been: hazardous substances in wastewater (2011); impact of low temperature on quality of washing (2012); and laundry performance tools and wastewater (2013).

*Within **Lindström**, for example, environmental responsibility mainly focuses on the management of materials from the perspective of the lifecycle of textiles and the environmental impacts of local operations and textile care. Procurement and consumption of the group's main purchasing items - textiles, transport and energy - have a direct impact on the company's profitability.*

From the perspective of textile lifecycle, Lindström constantly seeks new ways to reuse textile waste. Lindström takes part in projects that focus on reuse of textile and seeks partners who can make use of textile waste. For example, collaboration with Slovakian company SK-TEX has resulted in 22.500 kilos of textile waste being used as insulation material for buildings and automotive industries.

To reduce the environmental impacts of local operations and textile care, Lindström has developed wash methods together with implementing clean technology. These have yielded outstanding results: a reduction in the consumption of water, energy and detergents. Lindström also produces services close to its customers. Short transport distances increase cost-efficiency and have a strong impact on the carbon footprint of services.

Energy savings were sought through investments in new heat recovery systems at the Lindström service centres of Budapest, Hungary, and Hämeenlinna, Finland. An energy analysis that began in Oulu in 2013 concluded during 2014.

The measures cut down energy consumption by 6% in Oulu, 12% in Hämeenlinna and 25% in Budapest. In 2014, the fuel at the boiler unit of Comforta's (a Lindström subsidiary) service centre in Jyväskylä was changed from oil to propane, i.e. liquefied petroleum gas. The changeover resulted in energy savings of 7% compared to the initial situation.

Measurement

Lindström's environmental key figures cover both total consumption and specific consumption. Specific consumption describes the amount of energy, water or detergent consumed per kilo washed. This way, the development of consumption is evident more clearly, as total consumption of energy, water and detergents rises along with growth in operations.

Environment

Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility

ETSA commitment

ETSA is committed to promoting greater environmental responsibility among its member companies. ETSA members recognise the importance for industry to reduce its greenhouse gas emissions. We are committed to minimising the carbon footprint of textile services, while supplying customers with the products and services they require. Since our last UNGC communication on progress, much work has been done at the European level to measure, communicate and raise awareness of the industry's CO2 footprint.

Implementation

In 2015, ETSA established a methodology for assessing the average European CO2 footprint for two of its main services:

- To provide one worker with workwear for one year, and
- To provide one hotel bed with linen for one year.

This new approach is focussed on customers of textile rental firms, such as a hotel that rents bed linen or an employer that rents workwear. By considering the environmental impact of our services which include industrial laundering, we promote environmentally responsible options for our customers' businesses.

The methodology applied and the results of the first assessment are published in the ETSA Report "Assessment of global warming potential of two textile services". The calculation of the CO2 footprint of these services is based on the Greenhouse Gas Protocol methodology.

The assessment uses data from two surveys performed by ETSA for their member companies. These cover: the resource consumption (oil/gas/diesel, electricity, detergents and water) of nine laundry groups (total of 96 workwear and 63 flat linen laundries) across most of Europe; and the average supply of laundering services to provide the two services (including the average purchasing of new textiles) for six ETSA member companies covering most European markets.

The global warming assessment includes all energy uses (scopes 1 and 2 according to the Greenhouse Gas Protocol) for the textile service activities including laundering and transport/distribution of clean/dirty textiles, plus the supply of detergents, new textiles and water/wastewater treatment in scope 3. Due to lack of reliable data, the assessment has not to date included the disposal of the textiles at the end of their lifecycle.

This assessment involved the development of a carbon calculator, the collection of data from across Europe, the conversion of raw data (traditionally expressed as "kg per ton of laundry washed") into a new language oriented towards customers ("kg per service provided"), as well as extensive internal and external communication.

Measurement

The total estimated GHG emissions for the two services assessed is:

1. 90kg CO2 eqv to provide one hotel bed with linen for one year; and
2. 46kg CO2 eqv to provide one worker with workwear for one year.

This is compared with common everyday activities in order to place textile services in a context understandable to our customers. The results of this assessment illustrate that the impact of supplying new textiles is 22 times higher than the impact of washing these textiles once. These results highlight the sustainability of the textile services business model. More details can be read on our website.

In order to complete the textile service cycle, data collected for the WECO 4 survey ([see principle 7](#)) will include for the first time the purchase of new textiles, as well as the end of life of textiles (e.g. disposal, reuse, recycling).

Disposing of textiles in a sustainable manner when they are no longer usable is a crucial part of the circular economy approach. This aligns with the commitment of the textile services industry to a long lifecycle for all its textiles.

Environment

Principle 9. Businesses should encourage the development and diffusion of environmentally-friendly technologies

ETSA commitment

ETSA's laundry groups and suppliers are continuously striving towards achieving even more sustainable development using environmentally-friendly technologies.

Implementation

The textile services industry continues to invest in new and cleaner ways to provide its services, and in doing so, to reduce its environmental impact. The technology used in the industry has improved and become much more efficient in recent years. Some examples of recent developments will enable its business to be done in an even more sustainable way:

- Continuous batch washers (also known as 'tunnel washers') now use process integrated water and heat recovery systems;
- A general trend, similar to what happened in the construction industry, is the use of heat exchangers (air to air/air to water/water to air) and heat pumps;
- Traditional boiler houses, used to produce steam, are being replaced for example with direct water heating systems;
- Gas heated tumble dryers and ironers generate significant fuel savings due to the more efficient use of gas, when used directly in the device that needs heating, while the production and transportation of steam can be avoided;
- Recent improvements in the detergents used allow for lower temperature washing, where disinfection is achieved by chemical means rather than high temperatures;
- The use of renewable energy sources (e.g. solar energy) is fairly new but will play a much bigger role in the future.

*Two specific examples show this smart technology in practice. In a new **CWS-boco** laundry in Wiesbaden, Germany which launders 20 000 items per day, the use of smaller machines in this facility allows for more precise control than with large machines. At the start of the wash process, state-of-the-art high-speed steam generators produce the required steam in just a few minutes. These switch off automatically when not in use, meaning that this technology ensures high efficiency in terms of thermal energy usage. A special solution for pre-treating wastewater is also employed here: during the wash process, dirt particles are freed from the textiles by a 'flotation' technique which filters these from the water more efficiently. This ensures minimum use of resources at the same time as maximum cleaning performance.*

In October 2014, ETSA hosted the European Education Session at ExpoDetergo in Milan. The theme of this symposium at the European detergents trade fair was "Efficient laundry processing techniques in the European market". The event involved presentations by specialists from ETSA's leading supplier members (Christeyns, Ecolab, the Jensen-Group, Kannegiesser and Lapauw) on the chemistry behind detergents, low temperature washing, the cost benefit analysis of laundering, case studies show potentials for increasing productivity and hygienic, health and security standards in laundries.

Measurement

Between 2007 and 2011 the industry reduced its oil and gas consumption by 13% and its electricity consumption by 5%. In the same period, the average emissions of CO₂ from workwear laundering has been reduced by approximately 7%.

According to the latest WECO survey, about 50% of ETSA workwear laundries use some form of extended wastewater treatment, while approximately 20% of flat linen laundries use such installations. Further reductions are to be expected as some of these clean technologies will be implemented on a larger scale throughout the industry.

Anti-Corruption

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

ETSA commitment

ETSA is committed to working against bribery in all its forms, including extortion and bribery. Our member companies are committed to maintaining the highest ethical and leadership standards throughout their European and global operations.

Implementation

*As an example, **Ecolab** has a code of conduct and anti-corruption policy since 1976 which applies to 100 percent of its employees, contractors and subsidiaries. The code of conduct serves as a guide for how to act and make decisions as an employee of Ecolab and applies to all Ecolab officers, directors and employees,. The code was last amended on November 29, 2012 and is available in 20 languages.*

Measurement

Ecolab's anti-corruption policy is communicated in numerous ways, including through the annual code of conduct training, which is mandatory for substantially all employees globally. Associates must complete code of conduct training on an annual basis (either online or through classroom-style training for plant employees). All governance body members are required to certify compliance with the code of conduct on an annual basis.

In addition to the anti-corruption topics included within the annual code of conduct training, detailed anti-corruption training is provided to the senior managers and sales leaders in all regions. The anti-corruption policy also prohibits facilitating payments to government officials to expedite or secure the performance of routine government action, as well as prohibiting bribery and corruption in its commercial dealings.



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