

# United Global Compact. Communication progress 2016.

<b>Company Name</b> Berendsen plc	<b>Contact Name</b> Nagore Marco	<b>Submission Date</b> 15 April 2016	<b>Number of Employees</b> Approximately 15,000
<b>Address</b> 4 Grosvenor Place London SW1X7DL	<b>Position</b> Group Risk Manager	<b>Membership Date</b> 27 January 2009	<b>Sector</b> Support Services
<b>Country</b> United Kingdom	<b>Telephone Number</b> 0044 207 259 6663		<b>Highest level executive</b> Chief Executive Officer

## Introduction and progress since joining

Berendsen plc became a signatory to the United Nations Global Compact on 27 January 2009. This is our 7th communication on Progress. We outline below the progress we are making in each of the areas covered by the United Nations Global Compact's ten principles on human rights, labour, the environment and anti-corruption.

Participation in the Global Compact continues to provide us with a recognised and respected policy framework for our work on corporate responsibility. Many of the markets that we operate in are continuing to demand higher levels of cooperation and innovation in the areas outlined in the Global Compact's ten principles. As a Support Service, we understand the importance of ensuring we can grow with our client's demands to provide a service which benefits our customers, our environment, our communities and our world as a whole.

## Statement of continued support

As Chief Executive Officer I commit Berendsen plc to continued support for the United Nations Global Compact in the coming year.

**James Drummond**  
Chief Executive Officer

Signature



## Our business and its impacts

We continue to be a focused European textile, hygiene and safety solutions business. We lease, source, clean and maintain textiles that our customers need to keep their business running. The European textile rental market in which we operate can be broken down into six key areas: cleanroom, mats, healthcare, washroom, hospitality and workwear. Through our network of laundries and other production facilities we provide service solutions to each of these areas. We also provide direct sales and production.

Within each of our business lines there are market dynamics that influence individual market segments. The specialist services we provide are predominantly non-core activities for our clients. Our density and scale in our key geographies allows us to provide an expert and cost-efficient service, meeting our client's needs and allowing them to free up capital to invest in their own business. As clients expand, we often expand with them, working efficiently across national boundaries. Our services may be non-core but they are often absolutely critical for the safe day-to-day running of our clients' operations (e.g. hospitals, food industry, R&D centres). Our track record in understanding evolving standards and our ability to devise innovative products and services to meet them means we are a partner of choice in many industries. Our economies of scale mean that we can launder and sterilise far more cost-effectively and efficiently than our clients. Our focus on reducing our use of water, electricity, chemicals, oil & gas and CO<sub>2</sub> emissions (WECO) not only gives us a competitive advantage but also gives our clients the confidence to use us as part of their own environmental supply chain due diligence.

The nature of our business dictates that the services we provide to customers have varying impacts on the environment, our employees and the communities in which we operate. These manifest themselves in varying degrees throughout the product and service lifecycle, and include:

- The production and/or purchase of textiles, much of which is sourced from overseas. As a consequence we are mindful of ensuring that appropriate labour practices are applied throughout our supply chain;
- The washing, drying and packing of textiles at our plants where we use of water, energy and detergents. These are closely monitored within a programme of reduction;
- Many of our employees work in our plants with industrial laundry machinery and equipment so we recognise the importance of providing them with the appropriate training, tools and equipment to create a safe and healthy working environment;
- The delivery of our products and services involves a high level of logistics. We therefore understand the importance of continually reviewing the routing of delivery vehicles to ensure the most efficient use of our fleet resources and fuel; and
- Our operations recruit from the local community and many of our plants are in suburban areas. We therefore recognise the importance of maintaining a strong local reputation.

Our customers demand that we provide the highest standards of products and service; they require us to source the products that they need, and provide the highest standards of cleanliness. Increasingly we need to be innovative and flexible to meet these demands, whilst maintaining high standards of reliability and timeliness of delivery.

We continue to focus on maintaining excellent operational standards both in our laundries and within our distribution network. We recognise that our customers and our own people demand that we comply with all appropriate employment standards, in all the countries where we operate. Throughout 2015, our businesses were structured around "core growth" areas and "manage for value" areas. This will change in future reports to reflect our new business structure which focuses on 4 Key sectors: Hospitality, Healthcare, Workwear and Facility (which includes Mats, Cleanroom and Washroom). Our strategic restructuring, which took place after a review of our business strategy in 2015, will allow us to focus on our customers and deepen our understanding of their markets. This will in turn unlock greater opportunities for our businesses going forward.

Each of these sectors contribution to our total group revenue in 2015 and 2014 was as follows:

### Business overview

	2015 Revenue	2014 Revenue
<b>Core growth</b>		
<b>Workwear</b>	<b>£304.6m</b>	£295.3m
<ul style="list-style-type: none"> <li>• Managed supply of dedicated garments;</li> <li>• Fitting and selection advice; and</li> <li>• Automated dispensing solutions.</li> </ul>		
<b>Facility</b>	<b>£224.3m</b>	£237.7m
<ul style="list-style-type: none"> <li>• Mats;</li> <li>• Washroom; and</li> <li>• Cleanroom.</li> </ul>		
<b>UK Flat Linen</b>	<b>£210.1m</b>	£207.5m
<b>Hotels and restaurants</b>		
<ul style="list-style-type: none"> <li>• Managed linen supply;</li> <li>• Product innovation;</li> <li>• Workwear supply and chef wear; and</li> <li>• Restaurant textile services.</li> </ul>		
<b>Healthcare</b>		
<ul style="list-style-type: none"> <li>• Managed linen supply to hospital wards;</li> <li>• Sterile textiles supply to operating theatres; and</li> <li>• Supply of single use textiles, dressing packs and sterile consumables.</li> </ul>		
<b>Manage for value</b>		
<b>Hotels outside UK</b>	<b>£267.0m</b>	£298.1m
<b>Healthcare outside UK</b>		
<b>Clinical solution and decontamination</b>		

## Our strategic approach to sustainability

We recognise that corporate responsibility is vital to the long-term sustainability of our company. We stay close to our key stakeholders in order to understand their expectations on all aspects of CR which in turn guide our business decisions. More than ever, our credentials in these areas are influencing our ability to attract and retain customers, employees, investors and suppliers. They also underpin our licence to operate by strengthening our relationships with local communities, industry partners and regulators.

By focusing on smarter working practices and continuous dialogue with our stakeholders, we believe that corporate responsibility brings a number of opportunities to our business:

- Our corporate responsibility commitments help us contribute to our customers' own sustainability commitments;
- New ideas and technologies improve how we work, reducing our environmental impact and our operating costs;
- Being a good employer and supporting our people to do their best work helps us attract and retain high performing individuals and create a great place to work; and
- Seizing the opportunity to be a more responsible business helps differentiate us from our peers and stand out in a competitive marketplace.

These opportunities have informed how we focus our efforts on CR:



### How we make it happen

CR policies	Values	CR governance
Formal reference point for all employees and external stakeholders	Expected behaviours and a culture which underpin the way we work	Established processes, procedures and responsibilities to facilitate robust non-financial reporting

Throughout 2016 we will be reviewing our Corporate Responsibility strategy and policies so that we can continue to improve and develop our approach to sustainability, for the benefit of our customers, employees, local communities and environment.

## Vision, Mission & Values

The driving force behind our sustainability goals and the deliverability of our CR strategy are contained within our new Vision, Mission and Values. They represent the ethos Berendsen holds itself to and inform the decisions we make on a daily basis. They show that our customers, people, communities and environment are at the core of all that we do:

**Our Vision:** "Through great customer partnerships and innovation we will be respected for being the best, setting new standards and developing services that benefit all of our stakeholders"

**Our Mission:** "We are here to develop and provide value-added textile, hygiene and safety solutions"

**Our Values:**



## Human rights and Labour principles

### Principle 1

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

### Principle 2

Businesses should make sure that they are not complicit in human rights abuses.

### Principle 3

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

### Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labour.

### Principle 5

Businesses should uphold the effective abolition of child labour.

### Principle 6

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

## Our Policies

### *In relation to principles 1, 2, 4 and 5*

We thoroughly acknowledge the importance of supporting and respecting the protection of internationally proclaimed human rights processes and have procedures in place designed to ensure that we are not complicit in human rights abuses.

Our main human rights risks relate to our suppliers. We reduce these risks by closely managing our supply chain and awarding contracts to large and trusted suppliers.

We have a **Supplier Code of Conduct** which is communicated to suppliers and made available through our website. The key principles of our code of conduct ensure suppliers:

- Recognise and respect the protection of internationally proclaimed Human Rights;
- Abide and work in line with the United Nations Global compact principles on Human Rights and Labour;
- Ensure the provision of a safe working environment for employees;
- Strictly prohibit the use of Child labour OR any form of slavery, forced labour and Human Trafficking as defined in the Modern Slavery Act 2015;
- Ensure labour conditions are fair; wages reflect work performance and all legal requirements are complied with; and
- Prevent any form of discrimination based upon any distinction such as; race, gender, age, ethnicity, political opinion, origin etc.

We have a supplier whistleblowing scheme in place which enables suppliers to raise with us any issues or concerns they

may have relating to the supply chain. These guidelines and hotline contact information have been communicated to suppliers and are also accessible via our website.

We regularly conduct supplier visits and these are complemented by our assurance provider's independent audits, which report on each supplier's level of compliance and alert us to any areas that require improvement.

We also have teams of quality managers working at supplier plant level, and their responsibilities include maintaining a clear focus on corporate responsibility matters including human rights.

We maintain a firm focus on child labour, forced labour and labour conditions. We are absolutely committed to ensuring that child labour is never used by any Berendsen supplier and will work toward publishing a public statement to this effect in compliance with the Modern Slavery Act 2015 requirements.

### *In relation to principles 3 and 6*

Our ability to look after the well-being and development of all our people has a direct impact on our overall strategic performance. By engaging our people we improve customer satisfaction and retention and ultimately Berendsen's growth prospects.

**Our Human Resources and Employee Policy** outlines the appreciation of our responsibility to our employees, and the importance of creating and maintaining a working environment where the basic rights of all employees are recognised. Our employment procedures continue to be guided by the following principles:

- Non-discrimination between employees or potential employees and equal opportunities for all;
- Recruitment, promotion and development of employees based on each individual's aptitude, abilities and skills;
- Provision of suitable training according to role and responsibilities;
- Employee pay that meets at least national minimum standards;
- Excessive hours not being encouraged;
- Effective communication with our employees;
- Acknowledgement of the right of any employee to join a trade union;
- No tolerance of victimisation, sexual or other harassment or bullying; and
- Regular feedback through biannual employee surveys.

**Our Group Ethics Policy** recognises the importance of reinforcing the key messages about our values as a business and is currently under review so that we can communicate a strong consistent message to our employees in line with the new Berendsen Mission, Vision and Values.

**Our Health and Safety Policy** identifies the key principles to be adopted to ensure that best practices are in place across the group. Each of our business units are required to adopt and operate with appropriate health and safety documentation at all times, while considering the appropriate local legislation and specialist operational requirements. We are continually reviewing



our Health and Safety policies and continue working towards achieving our objective of zero incidents.

Our goal is a working culture that is inclusive for all. We are committed to eliminating discrimination and encouraging diversity amongst our workforce. We aim for our employees to be representative of the communities in which we operate and for each of our people to feel respected and able to give their best.

## Implementation

### *Vision, Mission and Values*

Berendsen's Vision and Mission are supported by our Values of *Determination, Caring, Empowerment, Teamwork, Safety and Integrity*. These Values represent the core principles we stand for and believe in as a Group. They also form part of our Performance and Development Review (PDR) so that performance is evaluated in line with our values.

In 2015 we continued to motivate, engage, develop, reward and recognise our employees.

### *Employee engagement*

In 2015 we conducted our second company-wide "One Berendsen" employee engagement survey. We had a participation rate of 84% and maintained our overall engagement score of 69%. We will be working with employee groups throughout 2016 to identify improvement actions for each of Berendsen's 140+ workplaces, all aimed at further enhancing levels of engagement into the future.

### *Employee communication*

We place a high priority on employee communication and make use of a variety of channels to provide a wide range of company information, news, knowledge sharing and best practice exchange. We continue to develop Berendsen Universe which is our group intranet accessible to all employees. In 2015, we published nine editions of our corporate newsletter highlighting business strategy, company successes in sales and services, product news and other developments across the company, with each issue introduced by the CEO giving regular updates on company performance.

### *Training and development*

In all areas of the business we invest in the development of our people's skills and in 2015 we spent just under £2.5 million on training and development. Throughout the year we continued to develop and invest in our leadership development programmes and maintained our investment in a group of over 20 management trainees across the business

In 2015 we continued to add to the learning and development opportunities provided through the Berendsen Academy. The Academy, first launched in 2012, is Berendsen's in-house "corporate university" for furthering company knowledge, expertise and leadership development. We decided to expand the Academy by introducing a LEAN programme in 2015; this will train our people in LEAN processes and skills to eliminate waste and increase efficiency in our processes. We expect good results from this and the programme will continue into 2016.

The Academy was further developed in 2015 through the launch of an E-learning platform which provides a range of programmes to enhance management skills.

Our LEAD (Leadership Effectiveness and Development) model defines key areas of effective leadership and behaviour for our senior manager and plant manager roles.

This was developed during 2013 and combines behaviours which have made us successful up till now with behaviours that will make us even more successful in the future. These behaviours are a cornerstone of our PDR (Performance and Development Review) process. In 2015 we continued to embed LEAD through LEAD Development Centres. These are intensive and stretching one day events aimed at building competency around LEAD behaviours. They are either one-to-one or group based programmes and result in each participating manager being provided with a tailored development report that identifies strengths and opportunities for ongoing learning and development. In 2015, 97 managers at both plant and senior level participated in our LEAD Development Centres, receiving tailored individual feedback and pointers for future development plans.

As a result of our business strategy review in 2015, and the subsequent introduction of our new business model, the LEAD model will undergo a review to ensure it remains aligned with our new strategy.

### *Management rewards*

We reward our managers based on their performance, potential and contribution to the success of the business. We aim to provide competitive fair rates of employee pay and benefits in every country where we operate. In 2015 we continued to focus on clear and transparent links between performance and reward. We incentivise managers through annual bonus programmes aligned to the key performance objectives of each business line, which in turn support our strategy for growth. The Berendsen Long Term Incentive plan, first introduced in 2012, rewards managers for the achievement of strategic goals and encourages share ownership. 107 were rewarded in 2015, with this figure expected to rise in 2016.

### *Diversity*

Our goal is a working culture that is inclusive for all. We are committed to eliminating discrimination and encouraging diversity amongst our workforce. We aim for our employees to be representative of the communities in which we operate and for each of our people to feel respected and able to give their best. One of our commitments in this respect is to improve gender diversity. Whilst 43% of our employees are female in 2015 they occupied only 29% of middle management roles, and 11% of senior leader roles. These figures however are an increase from 2014 and show our continuing focus on gender balance. We are committed to the development of practical initiatives which will help us achieve our gender diversity objectives for 2016.

## Gender statistics 2015

	Female	Male	% Female
<b>Board of directors</b>	2	5	29% (2014: 29%)
<b>Senior management</b>	12	109	11% (2014: 9%)
<b>Other management</b>	158	380	29% (2014: 28%)
<b>Employees</b>	6,622	8,778	43% (2014: 43%)

### Supply chain and overseas textile suppliers

We regularly visit suppliers and use a single assurance provider to carry out independent audits of these suppliers to ensure that our ethical standards are being correctly observed, including those relating to human rights and working conditions. During 2015 our assurance provider completed eight audits at supplier locations in Cambodia, Pakistan, Vietnam, the Philippines and the United Arab Emirates. No significant issues relating to ethical standards were reported but a number of recommendations were made to further improve the high standards that our suppliers adopt. We have been working with external specialists and suppliers to ensure that actions are complete, or are in progress, to address all of the recommendations made.

This approach provides us with a standard audit process and reporting mechanism, highlighting each supplier's level of compliance and flagging any actions required for improvement. For added assurance, we have a supplier whistleblowing scheme which enables suppliers to flag up any issues or areas of concern.

## Measurements of outcomes

- 69% employee engagement level which is 8pts higher than benchmark norm.
- £2.5 million investment in employees training and development in 2015.
- Eight audits at supplier locations completed with clear recommendations made to suppliers. No significant issues have been reported.
- No issues reported through the whistleblowing system.

### Health and safety

Our employees are at the heart of our business and their health and safety is a fundamental element of our strategy and one of our new core values.

Our Incident Reporting System requires that all major injuries, significant near misses/dangerous occurrences, and cases of any occupational disease are reported upwards through the organisation. The Board receives information regularly on health and safety, including details of all reported incidents, as well as incident statistics, including major injury rate.

Despite an average trend of reduction in major injuries since 2009, we are disappointed that, compared with 2014, the incident rate has increased by 23% in 2015. As a result of this, and as part of the strategy review which concluded in November 2015, the Executive Board has revised its approach to health and safety to ensure we continuously drive improvement by increasing visibility of safety risks, understanding root causes and taking appropriate action.

Health and Safety is now the first item on the agenda at all formal management meetings and the Health and Safety Director, appointed January 2015, is now a key part of the Berendsen Excellence function which is directed by an Executive Board Member. Management bonuses have now also been aligned with health and safety performance (25% relates to health and safety performance).

Major injury rate statistics for 2015 reported to the Board and included in our 2015 Annual Report and Accounts were as follows:

## Health & Safety statistics

Business lines	Major injury rate*	Number of major injuries
<b>Facility</b>	—	—
<b>Workwear</b>	0.86	5
<b>UK Flat Linen</b>	0.50	4
<b>Flat Linen outside UK</b>	0.86	4
<b>Clinical Solutions and Decontamination</b>	—	—
<b>Total Group</b>	<b>0.54</b>	<b>13</b>
<b>Total Group – 2014</b>	0.44	11
<b>Total Group – 2013</b>	0.79	23

\*Major Injury Rate = (Number of major injuries/Total hours worked) X 1,000,000

The reporting and monitoring of all health and safety related incidents will continue into 2016 and beyond, including regular reporting to the Board. This will be enhanced through the Berendsen Excellence Function and their work towards consolidating and automating our incident reporting system. This will allow for the extraction of reports, KPIs, statistics and transparent monitoring of incidents over each Berendsen site.

The health and safety of our people is paramount. Although we operate in many countries, with varying local standards, both in terms of regulation and accepted best practice, we are aiming for a much higher standard than mere compliance. We are seeking to implement best-in-class health and safety systems across our businesses to ensure we improve our performance and move towards our objective of zero accidents.

## Environmental principles

### Principle 7

Businesses should support a precautionary approach to environmental challenges;

### Principle 8

Undertake initiatives to promote greater environmental responsibility; and

### Principle 9

Encourage the development and diffusion of environmentally friendly technologies Assessment, Policy and Goals

## Our Policy

We continue to acknowledge the importance of our business units supporting a precautionary approach to environmental challenges, undertaking initiatives to promote greater environmental responsibility, and encouraging the development and diffusion of environmentally friendly technologies.

We remain committed to protecting the environment both through our own actions and also by working with our suppliers. Our environmental principles are consistent with those of the European Textile Services Association, which represents and promotes the textile rental services sector in Europe.

Through the communication of our own **Group Environmental Policy** we actively promote awareness in our business units of the need for:

- Lower water and energy consumption;
- Use of environmentally friendly washing detergents and packaging materials;
- Minimisation of distances travelled when making deliveries;
- Re-use or recycling of textiles; and
- Targeted staff training on environmental issues and housekeeping.

To complement the adoption of these principles our business units specifically focus on:

- Researching with suppliers ways to minimise the amount and concentration of detergents used in our laundries and disposed of in effluent, and opportunities for low temperature washing;
- Routinely recovering water and energy for re-use;
- Minimising heat, energy loss and fuel usage;
- Regularly reviewing vehicle routing to ensure the most efficient use of fleet resources and fuel; and
- Recycling textiles, paper and packaging materials wherever this is possible.

## Implementation

The nature of our business means that in our everyday operations we inevitably use significant amounts of raw materials, energy and chemicals. Reducing the volumes used and better managing our overall environmental impact will make our business more

sustainable, reduce costs for both ourselves and our customers and ultimately help us to win and retain more customer contracts.

Our priorities are therefore now well-established and are centred around our use of water, electricity, chemicals and oil/gas (WECO).

### *Water and energy consumption*

Water plays an inevitably significant role in our washing processes and its effective use and recovery has an important impact on our overall environmental and operational performance. Water recovery initiatives form the spearhead of our drive to improve efficiency. Across the group, most operations now have water recovery systems in place. Changes in process account for most of the reduction in this water usage. These reductions have been achieved through the introduction of highly technical wash systems that produce high quality work using much less energy and water with an additional benefit of reduction in fabric damage. Product innovation is also playing a part in reducing water consumption. For example, the shift from cotton to polycotton in our UK operations has led to a reduction in water and energy consumption. In the UK, the change in process is capable of producing high quality work at 1.8kg per litre of water in some of our flat linen plants. As a UK group, we processed 5.9kg of textiles per Litre in 2015 which shows a 23.3% reduction on our water use in 2010.

We also work alongside our suppliers to validate our water recovery processes. Chemical suppliers analyse our performance and identify areas for improvement, while our boiler water treatment suppliers check boiler operation and provide reports on efficiency. An efficient boiler is the mark of good energy management, and we check performance by monitoring the quality of the water. We also use flue gas thermometers, steam trap surveys and check on hot well temperatures to help us identify efficiency issues. We have installed reverse osmosis systems at sites where the boiler water supply has a high Total Dissolved Solids (TDS) count. These systems ensure very high quality water is supplied to the boilers reducing the need to blow down boiler water to maintain the water quality within the boiler.

We will continue to focus on initiatives that will reduce our use of water and increase our recovery rate, as long as they also make commercial sense in reducing our cost base for our business and our customers.

### *Chemicals and detergents*

In 2015 we implemented a new enzyme process in the washing cycle in another 31 laundries (20 in 2014), which partially replaces detergents and chemicals as well as improving whiteness and quality. From an environmental perspective, this leads to a reduction in resources used and fewer harmful substances contained within the waste water.

We have also introduced 'cool chemistry' in eight of our 25 UK flatwork laundries. This enables reduced wash temperatures with associated reduced energy. The wash chemicals are dynamically manufactured on site, reducing the need for resources as well as contributing to a reduced environmental impact. In 2016, we aim to roll out the enzyme process and cool chemistry across additional UK laundries.

### Transport and logistics

All vehicles adhere to the requirements of low emission zones and we always specify the latest and most efficient engines for new vehicles. In order to maintain tight control on our operations, we own and operate most of our fleets ourselves. We also constantly review fuel costs and usage. We have a range of initiatives and programmes in place to help us reduce this impact. The aim is to reduce fuel consumption by minimising harsh acceleration, braking, and excessive idling. We monitor and regularly review vehicle routes to improve fuel efficiency and, wherever possible, use fewer large vehicles instead of more of the smaller ones across the business. Large vehicles have the advantage of being able to carry greater volumes per mile driven, which enables us to reduce the overall number of vehicles on the roads at any one time.

### Energy and CO<sub>2</sub> Emissions

Our activities consume energy and produce CO<sub>2</sub> and we work hard to reduce consumption and improve efficiency.

Our initiatives on water recovery have a positive knock-on effect on energy usage – when we use less water, it requires less energy to heat it. This is also due to the recovered water already being at a high temperature and therefore needing less energy to bring it up to the correct temperature for washing. Process changes have been adopted throughout our sites in 2015. These changes include the integration of high efficiency systems which are capable of producing high quality work at 1.8 Litres of water per kg of textiles and have led to further reductions in our energy consumption. Across several plants in Europe we are changing the preferred energy supply from “all oil” to take account of the opportunities offered by more sustainable local energy sources. In addition all UK sites currently run on gas. As burning oil produces 45% more CO<sub>2</sub> per kWh than using gas, we are producing less CO<sub>2</sub> Emissions in our plants.

We are on track to comply with Article 8 of the EU Energy Efficiency Directive which requires that large enterprises complete regular energy audits. In the UK, our first audit was completed in October 2015. As the table below shows, Kg of CO<sub>2</sub> per tonne of laundry shipped has fallen from 379Kg in 2014 to 364Kg in 2015.

### Our total CO<sub>2</sub> emissions

Kg of CO <sub>2</sub> per tonne of laundry shipped	2015	2014
<b>Facility</b>	<b>258</b>	261
<b>Workwear</b>	<b>491</b>	500
<b>UK Flat Linen</b>	<b>370</b>	369
<b>Flat Linen outside UK</b>	<b>328</b>	359
<b>Clinical Solutions and Decontamination</b>	<b>735</b>	1,163
<b>Total Group</b>	<b>364</b>	<b>379</b>

We use the Greenhouse Gas Protocol methodology and conversion factors to assess our carbon footprint. We updated the conversion factors on 1 January 2015 to reflect the new factors used by DEFRA in the UK. We have attempted to calculate our scope 2 emissions using both the location based method and market based method, as required by the Greenhouse Gas Protocol but we have only been able to get these figures from our UK suppliers. We will engage with all of our EU suppliers during 2016 to ensure they are up to speed with our requirements.

We value the role of the Carbon Trust Standard in helping companies reduce emissions and our UK business is proud of its existing CO<sub>2</sub> and water certification. The water certification was renewed at the end of 2015 and we will actively be looking to renew the CO<sub>2</sub> certification at the end of 2016. These standards are only awarded to those organisations that measure, manage and reduce their carbon footprint, which is a key priority for Berendsen.

### Measurements of outcomes

- In the UK water consumption has been reduced by 38% from 9,512 litres/tonne shipped in 2008 to 5906 litres in 2015.
- We have achieved a 16% reduction in energy usage\* in the UK in 2015 (from a 2008 baseline). This means we are progressing towards meeting the requirements of the UK Climate Change Agreement of reducing energy usage by 25% by 2020
- In November 2015 our Workwear laundry in Klarenbeek was awarded the FTN Energieprijs 2015. This shows our commitment to reducing our energy consumption and the great work undertaken by our businesses locally to achieve this.

- 1 kWh of gas = 1 unit, 1kWh electricity= 2.6 units.



## Anti-corruption principles

### Principle 10

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

### Our Policy

We maintain a zero tolerance line against bribery and corruption and have a policy which sets out the minimum requirements to ensure this stance is consistent throughout the Group. The audit process for new suppliers includes compliance with our anti-bribery and corruption requirements, a process that is overseen by our group procurement function. Each year, or upon any significant changes to the business, each business unit must complete an anti-bribery and corruption risk assessment, and bribery awareness is frequently an agenda item for management meetings.

### Implementation

Our Group Ethics Policy states that we are committed to operating within the law of each and every jurisdiction in which we operate and to the highest ethical standards. We recognise that this can only be achieved with the continued integrity and commitment of our employees. The policy identifies key principles that should be adopted by all employees which include not accepting or offering anything of value in the nature of an inducement, facilitation payment or bribe. We will be updating this policy to further strengthen and align our approach taking into account the new core value of integrity.

All businesses within the group are tasked with adopting a risk-based approach to managing any potential issues relating to bribery and corruption. An Anti-bribery and Corruption risk assessment is submitted by each business on an annual basis, the results of which are reviewed and reported to our Audit Committee. This update on compliance with our anti-bribery and corruption procedures and will continue into 2016 and beyond.

We already have a well-established Incident Reporting System which covers a number of different areas. This has been extended to include any known instances of actual or suspected bribery and/ or corruption. We had 3 counts of internal fraud reported in 2015. These were incidents relating to textile theft, petty cash misappropriation, and falsification of contracts. In these instances, appropriate corrective actions were taken and we had no customers affected as a result of these incidents.

For 2016 our aim is to produce E-learning training so that we have the tools to ensure all of our employees are up to date and informed on the subject of Anti-bribery and Corruption.

### Measurements of outcomes

- We had 3 cases of internal fraud reported in 2015. We take a zero tolerance stance towards any form of corruption; we will aim to report zero instances of corruption in 2016.
- All businesses submitted their Anti-Bribery and Corruption risk assessments with no net risks being highlighted as high.