

CWS-boco International GmbH – Franz Haniel Platz 6-8 – 47119 Duisburg

United Nations Global Compact
New York, NY 10017
USA

11.02.2017

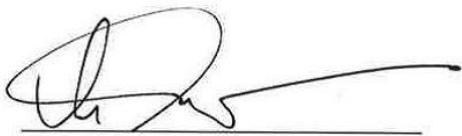
Communication on Progress

To whom it may concern,

It is my great pleasure to inform you that CWS-boco International GmbH continues to support the ten Global Compact principles in the areas of human rights, labour, the environment and anti-corruption. We remain wholly committed to promoting the principles within our sphere of influence. We undertake to integrate the Global Compact and its principles actively into our corporate strategy, our corporate culture and our day-to-day business activities over the coming years and also to participate in cooperation projects which serve to advance the general goals of the United Nations, in particular the Sustainable Development Goals. CWS-boco International GmbH communicates its involvement in the Global Compact clearly to its stakeholders and the general public.

With submission of our fourth Communication on Progress (COP) for 2015, we have outlined our company's efforts to implement the ten principles. We would like to offer an insight into the measures taken and the results thereof. In addition to the COP, we have also made our [Intermediate CR Report](#) available.

Yours faithfully,

A handwritten signature in black ink, consisting of a stylized 'M' followed by a long horizontal stroke.

Maximilian Teichner, CEO

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CWS-boco Communication on Progress

CWS-boco is a service provider for textile and hygiene solutions on a rental basis. In 2015, CWS-boco operated in 19 countries (7,549 employees) and generated a turnover of € 751 million.

Human Rights

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

Principle 2: make sure that they are not complicit in human rights abuses.

Labour conditions

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

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Assessment / Goals / Principles

Supply chain

Following a risk assessment, the highest risk of violations of human and labour rights lies in CWS-boco's textile supply chain. In response, the company established principles for sustainable procurement. The supplier structure is assessed and monitored in accordance with these principles. Furthermore, all of CWS-boco's suppliers are encouraged to accept and enforce the BSCI Code of Conduct (CoC), and tier 1 producers in risk countries (as defined by the BSCI) are additionally audited by third parties. The CoC refers to all of the UN Global Compact Principles concerning human rights and labour conditions.

Goal: To cover 99% of the purchasing volume with suppliers (volume spend >€/p.a. 10,000) who had signed the CoC by the end of 2016.

CWS-boco

No form of discrimination based on personal characteristics, whether this be due to gender, age, extraction, or nationality, social background, political or religious beliefs, or sexual orientation will be tolerated at CWS-boco.

Goal: 30% of female workforce in management until 2020.

CWS-boco is also working on improving working conditions.

Goal: Obtain OHSAS 18001 certification until 2016.

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Implementation & Measurement

Supply chain

CSR Coordinator: To improve sustainability along the textile supply-chain, the subsidiary company CWS-boco SCM (responsible for textile procurement) has its own CSR coordinator and is a member of BSCI and the multi-stakeholder organization 'partnership for sustainable textiles'.

Supplier structure: The CSR coordinator monitors the supplier structure. In 2015, there were 287 active suppliers, nine of them were direct partners (so-called "Lohnkonfektionäre"). The percentage of volume spend with suppliers who produce in risk countries increased by three points (6% in 2014); the percentage of volume spend sourced from suppliers in risk countries increased by two points (7% in 2014).

Code of Conduct: The BSCI CoC (covering topics like forced or child labour) is also applicable to the supply chain of the suppliers (cascade principle). 170 strategically relevant partners signed the CoC in 2015 (corresponding to 96% of the purchasing volume). CWS-boco worked on expanding the CoC to cover non-textile procurement (99% signed the CoC, by purchasing volume).

Audits: Compliance with this CoC is assessed on a regular basis by certified internal and third parties (e.g., SGS, TÜV) auditing teams. Suppliers in high-risk countries are audited first, with audits for suppliers in risk countries following. In 2015, audits were conducted at 5 textile suppliers (12 in 2014). In cases of non-compliance with the CoC a corrective action plan is introduced. The implementation of the corrective actions is supported and monitored by CWS-boco SCM and third parties. In 2015, 100% of the audited suppliers fulfilled the requirements of the CoC or the corrective action plan in cases of re-audits. By 2015, 85% of the direct partners had been audited.

CWS boco

Diversity: CWS-boco employs people from 60 nations. Career opportunities and the right of co-determination are open to every single employee. 27% of the employees in management positions are female (increase of 2 percentage points compared with 2014).

Occupational Health and Safety: The company monitors injuries, absenteeism, and fluctuation to assess occupational hazards. Accidents are reported in a standardized reporting system at group level. To prevent injuries, safety training is implemented continuously. 271 safety training sessions were held in 2015 (increase of 20% compared with 2014).

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Environment

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 / Goals / Principles

CWS-boco

Opposed to human rights and labour conditions violations. The main focus on the environmental footprint is within the boundaries of the company. The four main environmental impacts of CWS-boco are:

- *Energy efficiency (including GHG emissions)*
- *Water efficiency*
- *Detergent efficiency*
- *Resource efficiency*

The environmental impact is continuously monitored and the technicians at CWS-boco are constantly striving to improve environmental performance.

Goals:

By 2020, CWS-boco aims to save 30% of the energy required for each kilo of laundry (compared with 2012).

By 2020, CWS-boco plans to cut water consumption by 10% per kilo of laundry.

Supply chain

Purchased goods and services contribute to CWS-boco's environmental footprint.

Implementation & Measurement

CWS-boco

Energy efficiency and GHG emissions: The hotspot for energy consumption lies in the laundry operations (around 50%; especially the dryer) and in the service fleet (around 26%). To improve energy efficiency and reduce the level of GHG emissions, dryers work on natural gas (more flexible), the routes of service drivers are optimized by the OMD

CWS-boco Communication on Progress

application, and the vehicles of the service fleet are optimized with regard to cargo space utilization. 10% of energy consumption can be traced to electricity. 50% of the electricity is from renewable sources. In 2015, the GHG emissions (Scope 1 to 3) decreased by 2% to 56,496 t (calculated following the GHG protocol). GHG emissions and energy efficiency are monitored for each type of laundry. Energy efficiency was improved in 3 out of 5 areas (towel rolls, workwear, cleanroom).

Water & detergent efficiency: To optimize the quantity of detergent and water used in the washing machine, the laundry is weighed in the washing machine. New technologies are constantly being tested and introduced. The water used to wash the cotton towel rolls is reprocessed and used to wash the dust control mats. Water and detergent efficiency is monitored for each type of laundry. We were able to optimize the detergent efficiency in 3 out of 5 areas (mats, linen, cleanroom) and water efficiency has been improved in 2 out of 5 areas (workwear, cleanroom). Pretreatment of wastewater helps to reduce contamination and improves water quality.

Resource efficiency: As CWS-boco offers its services on a rental basis, resource efficiency is the backbone of all of its operations. The materials employed have to be of a high quality to satisfy CWS-boco's requirements with regard to the durability of the textiles.

The quality of the textiles is checked at every step (from delivery to collection). If necessary, the textiles are repaired in CWS-boco's sewing workshops. A cotton towel roll, for example, can be washed (and, if necessary, repaired) up to 100 times.

Due to the structure of its business, CWS-boco exercises high control over the end of life treatment of its products. Dispensers for example are taken to an upcycling center in Switzerland. In 2015, it proved possible to repair 55,6% of the dispensers (69% in 2014). The rest are shredded and the resulting granulate used to manufacture new dispensers. The target to implement a holistic upcycling and recycling concept remains for 2016.

Supply chain

To reduce the environmental impact of the purchased goods and services, the introduced CoC, in addition to the requirements concerning human rights and labour conditions, also covers environmental aspects. Moreover, CWS-boco recently introduced a cotton towel roll made with organic cotton (GOTS certified), launched a fairtrade workwear collection and procures ecolabel paper. The use of organic cotton increased by around 60% compared with 2014, and the share of FSC/ecolabel paper declined by around 18%.

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Anti-Corruption

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

Assessment / Principles / Goals

CWS-boco strives to achieve a transparent business culture. The company published its own internal Code of Conduct back in 2011, and this was redistributed to staff and managers in 2014 via e-mail and displays in the companies as well as to new employees as part of the onboarding process. Regardless of their position, all staff are obliged to comply with the principles set out therein.

Implementation & Measurement

The internal Code of Conduct essentially comprises rules on responsible, morally correct, and respectful business practices while observing strict ethical standards. A compliance officer is responsible that compliance training sessions focusing on competition law and the combating of corruption are held. To this end, the company specifically clarifies how staff in the relevant areas, essentially purchasing and sales, should conduct themselves when acting on behalf of the company. In 2015, 40 employees received personal training in this way (in 2014, 132 employees received such training). Above and beyond this, the company set up a compliance helpline in September 2013, which is currently available to all staff in Germany, Switzerland, Austria, Sweden and Ireland. If they so wish, staff can remain anonymous and call this line to receive advice on legally correct conduct for business activities or report abuses. Should colleagues, superiors, or entire bodies within CWS-boco fail to act correctly or breach the above-mentioned Code of Conduct, an external law firm can be called or e-mailed. The external compliance helpline also offers assistance with conflicts between business and personal interests. As intended in 2014, regular compliance reporting (annual compliance report), compliance guidelines, a compliance committee and a risk matrix (dealing with anti-trust and anti-corruption) were introduced and implemented in 2015.