



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

United Nations Global Compact  
New York, NY 10017  
USA

January 11, 2018

## 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 10 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 fifth Communication on Progress (COP) for 2016, 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 CR Report available.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'T. Schmidt'.

Thomas Schmidt, CEO

Principle	Approach	Implementation and Measurement (see CR Report)	Reference to GRI indicators
<b>HUMAN RIGHTS</b>			
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights; and	According to a risk assessment, there is a particularly high risk of violations of social and labour rights in our supply chain and especially in our textile supply chain. Violations of this sort can be translated into reputational risks not only for CWS-boco but for our customers as well. Furthermore, such violations at the sites of our contractors can present legal risks. Regulatory drivers such the national action plan for business and human rights set the stage for regulatory risks.	Management of Impact in Supply Chain 42-45, Data 73	G4-HR9
<b>Principle 2:</b> make sure that they are not complicit in human rights abuses.	Purchasing and supply chain sustainability is managed by CWS-boco Supply Chain Management GmbH (CWS-boco SCM). To take on this responsibility and manage these risks, CWS-boco SCM analyses its supplier structure (Tier 1 and 2) annually. Tier 1 suppliers in countries with a high risk of social and labour rights violations, which are commonly countries with weak governance indicators, according to BSCI, are audited by third parties biennially. CWS-boco works closely together with its suppliers and its contractors to improve quality and to implement corrective action plans following audits and strives for long-lasting partnerships.	Impact in Supply Chain 7, Management of Impact in Supply Chain 42-45, Data 66, 73	G4-HR1 G4-HR10
<b>LABOUR</b>			
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Every relevant supplier has to sign and accept CWS-boco's Code of Conduct, which is based on the BSCI Code of Conduct, which refers to the ILO core labour standards and meets all the requirements stated in the UNGC principles for labour and human rights (freedom of association, collective bargaining, elimination of forced or compulsory labour, abolition of child labour, elimination of discrimination). The Code of Conduct also applies to the supply chain of CWS-boco's suppliers. Every textile care supplier with an annual purchasing volume > € 10,000 and every washroom care supplier with an annual purchasing volume > € 20,000 has to sign and accept the Code of Conduct. Should a supplier refuse to comply with our Code of Conduct, the supplier is reported to CWS-boco SCM's Executive Board and a process is initiated to find a different supplier who is willing to comply.	Management of Impact in Supply Chain 42-45	G4-HR4
<b>Principle 4:</b> the elimination of all forms of forced and compulsory labour;	<b>Target:</b> By 2020, all our material suppliers have to comply with CWS-boco's Code of Conduct.	Impact in Supply Chain 7, Management of Impact in Supply Chain 42-45, Data 71	G4-HR6
<b>Principle 5:</b> the effective abolition of child labour; and	CWS-boco SCM is an active member of the partnership for sustainable textiles of the German Federal Ministry for Economic Cooperation and Development and BSCI to promote sustainable change in textiles and differentiate itself as an industry leader. In 2016, CWS-boco was the industry leader in terms of the use of sustainable cotton in workwear.		G4-HR5
<b>Principle 6:</b> the elimination of discrimination in respect of employment and occupation.	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. CWS-boco employs people from 60 nations. Career opportunities and the right of co-determination are open to every single employee.  <b>Target:</b> CWS-boco aims to support 100% of its staff with a training and further education management system by 2020.	U2, Further Training 33, 35, Data 65, 70	G4-10 G4-LA1 G4-LA9 G4-LA11

Principle	Approach	Implementation and Measurement (see CR Report)	Reference to GRI indicators
<b>ENVIRONMENT</b>			
<p><b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges;</p> <p><b>Principle 8:</b> undertake initiatives to promote greater environmental responsibility; and</p> <p><b>Principle 9:</b> encourage the development and diffusion of environmentally friendly technologies.</p>	<p>The management of CWS-boco's environmental impact focuses on three areas, which were identified as most relevant, both by internal and external stakeholders and assessments of environment-related business risks: energy efficiency, carbon emissions and water consumption. CWS-boco washes and dries more than 100 million articles per year in its 43 laundries in Europe. The articles are collected and distributed by more than 1,500 service drivers, covering more than 50 million km per year. Considering these dimensions, every increase in efficiency can be translated into a direct business case for CWS-boco, especially in anticipation of increasing energy costs. Further regulatory changes for emissions standards concerning our service fleet can become business risks. The Paris agreement 2015 emphasises the necessity to take action.</p> <p><b>Targets:</b> (2020 vs 2012)</p> <p>Improve energy efficiency by 30% Reduce carbon emissions by 20% Reduce water consumption by 10%</p> <p>Our energy and carbon emissions hotspots are our laundry services and especially the drying processes: This represents 61.23% of our energy consumption. Our own service fleet (leased and owned) contributes to 18.08% of our energy consumption. Purchased electricity in laundry operations is equal to 9.53% of our energy consumption. Measures to reduce energy consumption and improve efficiency focus on the named hotspots. The measures taken include modernisation of the laundry operations and service fleet, route optimisation and the procurement of green electricity. Currently, 61% of our purchased electricity is considered green. To keep track of our energy consumption, we monitor the energy efficiency of our laundry operations by type of laundry (kwh/kg) on a monthly basis.</p> <p>Our laundry services are our main source of water consumption. To achieve our target, we optimise our washing loads and reuse water (water from cotton towel rolls can be used to wash mats). We monitor our water consumption by type of laundry (L/kg) on a monthly basis.</p> <p>As a company offering textiles on a rental basis, we exert a high level of control over end-of-life treatments. This is not just a chance to increase resource efficiency, but also a chance to differentiate ourselves from our competitors. Towel roll dispensers are recycled. We are considering different options for a sustainable end-of-life treatment for textiles.</p>	U2, Impact in Supply Chain 7, Recycling 38-39, Energy, Water and Emissions 50-57, Data 71-73	G4-EN1 G4-EN2 G4-EN3 G4-EN4 G4-EN5 G4-EN6 G4-EN7 G4-EN10 G4-EN15 G4-EN16 G4-EN17 G4-EN19 G4-EN30 G4-EN32
<b>ANTI-CORRUPTION</b>			
<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.	<p>CWS-boco strives to achieve a transparent business culture. In 2011, we introduced an internal Code of Conduct. The Code of Conduct sets out rules on responsible, morally correct and respectful business practices while observing strict ethical standards. A compliance officer is responsible for ensuring that compliance training sessions focusing on competition law and the combatting 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.</p> <p>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 may 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.</p> <p>Our Group uses an internal accounting and performance-related control system. The risk potential is regularly assessed using the management system. Amendments are made at regular intervals.</p>	Values and Governance 9-11, Data 71	G4-56 G4-58 G4-SO4