

# renewable

Communication  
on Progress

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

United Nations Global Compact  
New York, NY 10017  
USA

January 10, 2020

**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 seventh Communication on Progress (COP) for 2018, 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 2018/2019 available.

Yours faithfully,



Jürgen F. Höfling, CEO

CWS International GmbH  
Franz-Haniel-Platz 6-8  
47119 Duisburg  
T +49 203 987 165 0  
F +49 203 987 165 8575  
cws.com

Geschäftsführung  
Jürgen Höfling (Vorsitzender)  
Heiko Karschti  
Morten Haure-Petersen  
HRB 8957 AG Duisburg

Principle	Approach	Implementation and Measurement	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 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.  Purchasing and supply chain sustainability is managed by CWS Supply Chain Management GmbH (SCM). To take on this responsibility and manage these risks, the SCM analyses its supplier structure (Tier 1 and 2) annually. Tier 1 suppliers in countries with a high risk of social and labour right violations, which are commonly countries with weak governance indicators, according to BSCI, are audited by third parties biennially. CWS 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.	Sustainable supply chain: Safety for suppliers too, 35-36, Data 71-72	GRI 102-2; GRI 409-1; GRI 412-1; GRI 414-1
<b>Principle 2:</b> make sure that they are not complicit in human rights abuses.	Every relevant supplier has to sign and accept CWS's Code of Conduct, 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'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 SCM's Executive Board and a process is initiated to find a different supplier who is willing to comply.	Sustainable supply chain: Safety for suppliers too, 35-36, Data 71-72	GRI 102-2; GRI 409-1; GRI 412-1; GRI 414-1
<b>LABOUR</b>			
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<b>2025 Targets:</b> • 100% of suppliers with risk potential audited • Implementation of complaint mechanism for CMT partners • Framework agreements and completion via standardised processes for 95% of the total procurement volume within the department Indirect Spend	CR-relevant management systems: Steering responsibility successfully, 24 Sustainable supply chain: Safety for suppliers too, 35-36, Data 71-72	GRI 102-2; GRI 409-1; GRI 412-1; GRI 414-1
<b>Principle 4:</b> the elimination of all forms of forced and compulsory labour;		CR-relevant management systems: Steering responsibility successfully, 24, Data 71-72	GRI 413-1
<b>Principle 5:</b> the effective abolition of child labour; and	The SCM is an active member of the partnership for sustainable textiles of the German Federal Ministry for Economic Cooperation and Development as well as BSCI to promote sustainable change in textiles and differentiate itself as an industry leader.		GRI 403-1, GRI 412-1
<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. CWS employs people from 60 nations. Career opportunities and the right of co-determination are open to every single employee.  <b>2025 Target:</b> 50% female candidates on key positions	Diversity: equal opportunities, fair pay, 62, Data 69	GRI 405-1; GRI 405-2

Principle	Approach	Implementation and Measurement	Reference to GRI indicators
<b>ENVIRONMENT</b>			
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges;	<p>The management of CWS'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: carbon emissions, sustainable products and circular economy as well as the quality of waste water. CWS washes and dries more than 100 million kg of textiles per year in 44 laundries in Europe. The articles are collected and distributed by more than 2,200 services drivers, covering more than 68 million km per year. Considering these dimensions, every increase in efficiency can be translated into a direct business case for CWS, 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>2025 Targets:</b></p> <ul style="list-style-type: none"> <li>• Reduce carbon emissions in Laundry and Logistics by 15%</li> <li>• Reduction in use of environmentally harmful chemicals</li> <li>• Development of concepts for moving the business towards a circular economy, reduction of waste and sparing use of resources</li> <li>• Manufacturing of 55% of our items of clothing from sustainable materials (sustainable cotton, recycled polyester)</li> </ul>	Profile Topic: A cycle instead of a vicious circle, 6 Optimize Cycles, 40-53, Data 1, 70-72	GRI 301-1; GRI 301-2; GRI 301-3; GRI 302-2; GRI 302-4; GRI 303-3; GRI 305-1; GRI 305-2; GRI 305-3; 305-5; GRI 306-2; GRI 306-3, GRI 306-4
<b>Principle 8:</b> undertake initiatives to promote greater environmental responsibility; and	<p>CWS's carbon emission hotspots are the laundry services and especially the drying processes: This represents 53.2% of the total carbon emissions. The service fleet (leased and owned) contributes to 27.03% of the total carbon emissions. The measures to improve carbon efficiency include modernisation of the laundry operations and service fleet, route optimisation and the procurement of green electricity. Currently, 76% of the purchased electricity is renewable. To keep track of the energy consumption and the carbon emissions, CWS monitors the energy efficiency of laundry operations by type of laundry (kwh/kg) on a monthly basis.</p> <p>As a company offering textiles on a rental basis, CWS exerts a level of high control over end-of-life treatments. This is not just seen as a chance to increase resource efficiency, but also as a chance to differentiate ourselves from our competitors. CWS works actively towards a circular economy. Besides the already ongoing activities to increase the lifetime of all products, for example the recycling and reuse of the towel roll dispenses and textiles, we are in the process of setting up targets to reduce waste and to increase the usage of sustainable materials in all our products. We are also considering different options for a sustainable end-of-life treatment for our products and actively researching on textile recycling opportunities.</p>		
<b>Principle 9:</b> encourage the development and diffusion of environmentally friendly technologies.			
<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.	<p>CWS strives to achieve a transparent business culture. For this we introduced a Compliance Management System (CMS) comprising six elements 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.</p> <p>In 2011, we introduced an internal Code of Conduct. The Code of Conduct lays down 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 are held focussing on competition law and corruption prevention. To this end, the company specifically clarifies how staff in the relevant areas, essentially purchasing and sales, should conduct when acting on behalf of the company.</p> <p><b>2025 Target:</b>            Compliance training with 100% of compliance sensitive employees</p> <p>Above and beyond this, the company set up a compliance helpline in September 2013, which is available to all staff. 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 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 and in cooperation with our 100% owner, Haniel.</p>	Compliance: We keep our promise, 18 Compliance Training: A safe trip on the road to success, 61, Data 1, 70	GRI 102-5; GRI 102-16; GRI 205-2; GRI 404 -12; GRI 404-2