



Think circular

**Communication
on Progress**

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

United Nations Global Compact
New York, NY 10017
USA

January 8, 2022

Communication on Progress

To whom it may concern,

It is my great pleasure to inform you that CWS 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 are committed to actively integrating the Global Compact principles into our corporate strategy, corporate culture and day-to-day business in the coming years, and to participating in cooperation projects that serve to promote the general goals of the United Nations, in particular the Sustainable Development Goals. CWS International GmbH communicates its involvement in the Global Compact clearly to its stakeholders and the public.

With submission of our ninth Communication on Progress (COP) for 2020, 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 2020/2021 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

HRB 8957 AG Duisburg

Principle	Approach	Implementation and Measurement	Reference to GRI indicators
HUMAN RIGHTS			
Principle 1: 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 as 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.	For integrity and fairness, 30-31, Data 37-39	GRI 102-2; GRI 409-1; GRI 412-1; GRI 414-1
Principle 2: 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 Work Wear supplier with an annual purchasing volume > € 10,000 and every Hygiene 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.	For integrity and fairness, 30-31, Data 37-39	GRI 102-2; GRI 409-1; GRI 412-1; GRI 414-1
LABOUR			
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	The SCM is an active member of BSCI to promote sustainable change in textiles and differentiate itself as an industry leader. Also, in 2020 we trained 23 compliance managers throughout the entire company. 2025 Targets: • 100% of suppliers with risk potential audited	Diverse Teams are successful Teams, 28-29, Data 36; For integrity and fairness, 30-31, Data 37-39	GRI 102-2; GRI 409-1; GRI 412-1; GRI 414-1
Principle 4: the elimination of all forms of forced and compulsory labour;		For integrity and fairness, 30-31, Data 37-39	GRI 413-1
Principle 5: the effective abolition of child labour; and			GRI 403-1, GRI 412-1
Principle 6: 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. 2025 Target: 50% women in management	Diverse Teams are successful Teams, 28-29, Data 36	GRI 405-1; GRI 405-2

Principle	Approach	Implementation and Measurement	Reference to GRI indicators
ENVIRONMENT			
Principle 7: 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 150 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 64 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>2025 Targets:</p> <ul style="list-style-type: none"> • Reduce carbon emissions in Laundry and Logistics by 15% • Corporate Carbon Footprint by 2021 and subsequent climate strategy • More than 90% sustainable products in new business by 2025 	Climate Protection, Circularity & Sustainable Products: p. 8, 12-23 Data 37-39	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
Principle 8: undertake initiatives to promote greater environmental responsibility; and	<p>In 2021, we conducted a comprehensive Corporate Carbon Footprint Analysis in accordance with the GHG Protocol as well as self-assessed ourselves via Carbon Disclosure Project. Accordingly, 68% of our emissions originate in Scope 3 through the usage of consumption goods i.e. paper, liquids and fabrics. Scope 1 makes out 30% and Scope 2 only 1,5%. After an abatement cost analysis we will now start implementing first quick-win measures i.e. smart submetering.</p> <p>CWS's carbon emission hotspots are the laundry services and especially the drying processes. The measures to improve carbon efficiency include modernisation of the laundry operations and service fleet, route optimisation and the procurement of green electricity. Currently, 85% 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. To continuously improve our climate-related performance, we are currently setting up a roadmap for decarbonization and developing a climate management that is able to evaluate constantly the effectiveness and economic feasibility of different decarbonization approaches.</p>		
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	<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 evaluating our portfolio according to strict sustainability criteria. Our goal is to offer 90% sustainable products in new business by 2025. Products that are not deemed sustainable need to be optimized and re-designed in a way that our sustainability requirements are satisfied.</p>		

Principle	Approach	Implementation and Measurement	Reference to GRI indicators
ANTI-CORRUPTION Principle 10: 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 comprising six elements to ensure that our business processes are aligned with the pertinent guidelines and laws.</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. In 2021 we reviewed and re-launched our Code of Conduct making sure that all relevant business areas are aware and adequately adhere to it.</p> <p>2025 Target: Compliance training with 100% of compliance sensitive employees</p> <p>Above and beyond this, the company set up a compliance HelpLine in 2021, which is available to all staff. If they so wish, staff may remain anonymous and contact the HelpLine in any language, by phone or e-mail. The HelpLine can be called to receive advice on legally correct conduct for business activities, or report abuses. 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>	For integrity and fairness, 30-31, Data 37-39	GRI 102-5; GRI 102-16; GRI 205-2; GRI 404 -12; GRI 404-2