

# CWS International GmbH

## Sustainability Reporting Principles

Version 2026

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### Version/ change history

Version	Date	Amendment
1.0	Mai 2025	Initial release of the Reporting Principles document. This document was created for the first time to establish and document the principles, methodologies, and processes for ESG data collection, validation, and sustainability reporting across CWS.
2.0	Mai 2026	Major update reflecting the current ESG reporting process and operational practices. Key changes include updates to the ESG data collection and validation workflow, alignment with the current reporting structure, and revisions to the carbon footprint methodology following the implementation of a new carbon accounting tool. Methodological changes and improved data coverage may result in variations in reported CO <sub>2</sub> figures compared to previous years.

## 1. Purpose and Scope of the Document

This document outlines the fundamental principles, processes, and methodologies applied by CWS International and CWS portfolio companies (Cleanrooms, Fire Safety, Hygiene, Workwear) and their subsidiaries (hereinafter also referred to as "CWS") in preparing for sustainability.<sup>1</sup> disclosures and reporting. It covers the full organization's scope, including all operational entities and geographies in which CWS operates.

It is intended to support both internal (e.g., CWS management, sustainability teams, and decision-makers at all levels) and external stakeholders (e.g., investors, financial institutions, regulatory bodies, and customers) by providing a clear, consistent, and relevant framework for understanding how Environmental, Social, and Governance (ESG) data is collected, managed, and reported across CWS.

The data scope covers the full spectrum of ESG topics identified in our materiality assessment. The European Sustainability Reporting Standards (ESRS) serve as the primary framework for defining and organizing data.

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<sup>1</sup> In this document, the terms "ESG" and "Sustainability" data are equivalent.

## 2. Roles and Responsibilities in the Reporting Process

The preparation of sustainability reports in CWS depends on collaboration across multiple teams throughout the organization. Responsibilities are structured on three key levels: Group-level coordination, business-level management, and functional expertise.

### *Sustainability Reporting Team (Group level):*

**Main role:** Define processes and consolidate sustainability data across the Group, as well as maintain systems and standards for ESG reporting.

- Defined data requirements & KPIs based on international standards and internal business needs,
- Provide and maintain reporting infrastructure, including ESG reporting software, carbon accounting tool, connections to other internal reporting systems
- Maintain all documentation and supporting evidence for ESG data, where possible,
- Consolidate sustainability data from business units, creating Business dashboards and “ready-to-report” outputs
- Execute the CWS CCF, implementing calculations and reporting.
- Report consolidated ESG Data to our Shareholder (Haniel).

### *Sustainability Managers (Business-Level)*

**Main role:** Lead the coordination and validation of ESG data at the business level, ensuring quality and accuracy.

- Organize data collection at the business level, assigning roles and responsibilities across the different functions.
- Validate environmental data (E-Data) before group-level consolidation.
- Ensure timely delivery of required data by each functional team within their business.

### *Functional Areas (Functional expertise)*

**Main role:** Provide subject-specific data based on operational responsibilities and expertise.

- Environmental Data:
  - QESH/Site Managers: Provide data on energy consumption, heating, water usage, wastewater, and waste management. (For Offices, depots)
  - Fleet Management: Supply data on fuel consumption, spend data, and vehicle types.
  - Laundry Operations: Report energy (electricity and heating) and water use, as well as waste from laundering processes
- Social Data
  - HR Departments: deliver KPIs related to workforce structure, diversity, training, turnover, and work-life balance.
  - QESH: Provide data on employee Health & Safety and related KPIs
- Governance Data

- Compliance Department: Provide information on business conduct, anti-corruption, business ethics, and risk management practices.
- Information security: provide information on information security accidents across CWS.

### 3. Principles

The CWS's five sustainability reporting principles serve as the basis for our ESG disclosure approach and are described in the following section. An overview of these principles is shown in Figure 1.

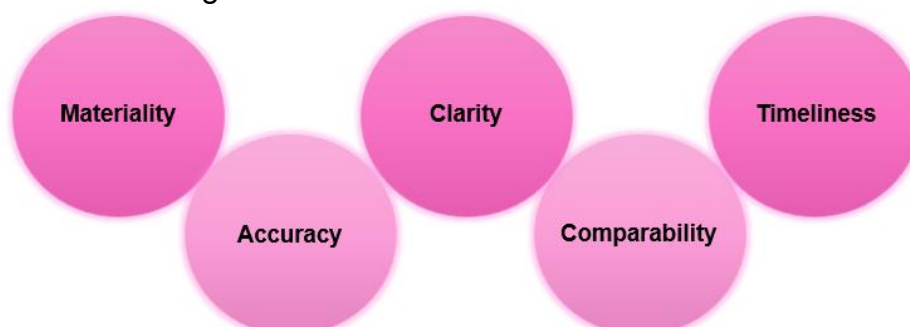


Figure 1: CWS Sustainability Reporting Principles

#### **Materiality**

Materiality at CWS is conducted following the Double Materiality Assessment (DMA) as defined in CSRD.<sup>2</sup> It is conducted at the CWS level, ensuring consistency across the four CWS Businesses and an accurate representation of each CWS Business. This group-wide approach enables us to focus our ESG reporting on topics that are significant for our operations, stakeholders, and long-term strategy.

#### **Accuracy**

Data is collected through a bottom-up approach, starting at the most granular operational level and aggregated step by step across all locations and business units. Full operational coverage is ensured by involving all relevant entities in the data collection process. Data is cross-checked for plausibility, and internal control mechanisms are applied to detect inconsistencies or mistakes (always applying a four-eyes validation principle). Calculation methods and assumptions are documented to maintain consistency and traceability throughout the reporting cycle.

#### **Clarity**

Information is presented in a structured and accessible format, using standardized tables, categorization by ESG topics, and consistent terminology throughout the report. Unit specifications and definitions accompany KPIs to avoid ambiguity and to specify scope, if needed.

#### **Comparability**

CWS uses internationally recognized reporting frameworks (ESRS, GHGP) and aligns our business KPIs with ESRS to facilitate fair comparisons with industry peers.

#### **Timeliness**

Sustainability data is reported for the previous financial year to ensure consistency with financial disclosures. KPIs are provided annually, with detailed breakdowns where necessary.

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<sup>2</sup> CSRD compliance for CWS will be fulfilled with a consolidated report issued by Haniel Group, which owns 100% of CWS.

## 4. Double Materiality Assessment

The DMA was conducted at the CWS Group level, ensuring proper representation of the five businesses and their value chains. Stakeholders and internal experts were involved in evaluating sustainability issues over the short, medium, and long-term horizons. The assessment followed the EFRAG methodology and used a standardized approach for documentation and scoring.

### Methodology

#### *Impact Materiality:*

To assess the impact of materiality, CWS evaluates both actual and potential impacts of sustainability topics on people and the environment. The assessment is conducted using four defined dimensions:

- Scale: Degree of severity of the impact
- Scope: Extent or reach of the impact
- Remediability: Irreversibility of the impact
- Likelihood: Probability of the impact occurring

Each dimension was scored individually, and the total score was calculated as follows:

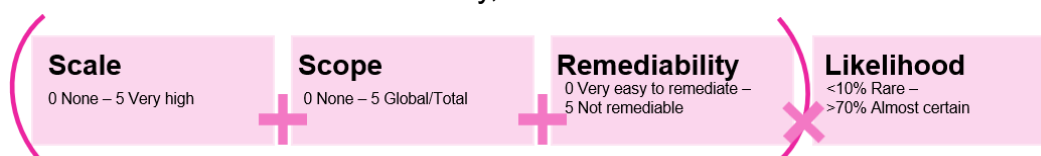


Figure 2: Impact Materiality Score Formula

A topic is considered impact material when the final score is:

≥ 9 for positive impacts

≤ -9 for negative impacts

If the score exceeds the defined threshold, the topic is classified as reportable. If the score falls below the threshold, it is considered non-reportable.

#### *Financial Materiality:*

To assess financial materiality, CWS analyzed risks and opportunities that affect the company's financial performance or position. The assessment focuses on two core dimensions:

- Magnitude<sup>3</sup>: Estimated financial effect if the risk/opportunity materializes
- Likelihood: Probability of the risk/opportunity occurring

Each dimension is scored, and the final financial materiality score is calculated as follows:



Figure 3: Financial Materiality Formula

A topic is considered financially material when the final score is:


≥ 3 for financial opportunities

≤ -3 for financial risks


<sup>3</sup> The ranges of numerical values assigned to the scale of magnitude assume that a magnitude of 5 equals 30% CCBIT (Cash Cover before interest)

If the score exceeds the defined threshold, the topic is classified as reportable. If the score falls below the threshold, it is considered non-reportable.

The results of the DMA identify the issues relevant to CWS and serve as the basis for the sustainability reports. The outcome of the DMA is a prioritized list of ESG issues, grouped into Environment, Social, and Governance. Below in Figure 4 are the results from the most recent DMA, applicable to all four CWS Businesses.

<b>Environment</b> 	
<b>E1 Climate Change</b>	Climate Change Mitigation
	Energy
<b>E2 Pollution</b>	Pollution of Water
<b>E3 Water &amp; Marine Resources</b>	Water
<b>E5 Resource Use &amp; Circular Economy</b>	Resource Inflows, including Resource Use
	Resource Outflows Related to Products & Services
	Waste

<b>Social</b> 	
<b>S1 Own Workforce</b>	Working Conditions
	Equal Treatment & Opportunities for All
<b>S2 Workers in the Value Chain</b>	Working Conditions
<b>S3 Affected Communities</b>	Communities' Economic, Social & Cultural Rights
<b>S4 Consumers &amp; End-Users</b>	Information-related Impact for Consumers and/or End-Users


<b>Governance</b> 	
<b>G1 Corporate Culture</b>	Corporate Conduct
	Corruption & Bribery

Figure 4: Overview of Material Topics for CWS

Each ESG sub-topic is linked to its corresponding ESRS disclosure Requirements (DRs), ensuring a clear connection between material topics and the data points to be reported.

The outcome of this process ensures that only material topics are translated into reporting requirements, forming the basis for KPI definition and data collection, defining what data is collected, how it is structured, and how it is disclosed across the framework. Table 1 reflects the mapping of the Material Topics to the Related disclosure Requirement following ESRS.

This DMA forms the basis of our ESRS-aligned ESG reporting. The process will be reviewed and updated regularly to reflect changes in stakeholder expectations, regulatory developments, and evolving business priorities.

Table 1: ESRS Mapping of Material Topics to DRs

Material Topics	ESRS Related Disclosure Requirements
Climate Change Mitigation	<ul style="list-style-type: none"> <li>• E1-4: Target related to climate change mitigation and adaptation</li> <li>• E1-5 Energy Consumption &amp; Mix</li> <li>• E1-6 Gross Scopes 1,2,3 and Total GHG Emissions</li> </ul>
Energy	Covered in E1-5
Pollution of Water	E2-4 Pollution of Air, Water, and Soil
Water	E3-4 Water Consumption
Waste	E5-5 Resource Outflows
Working Conditions	<ul style="list-style-type: none"> <li>• S1-6 Characteristics of an Undertakings employee</li> <li>• S1-8 Collective bargaining coverage and social dialogue</li> <li>• S1-14 Health and Safety Indicators</li> <li>• S1-15 Work-life balance Indicators</li> <li>• S1-17 Incidents, complaints, and severe human rights impacts and incidents</li> </ul>
Equal Treatment & Opportunities	S1-9 Diversity Indicators S1-13 Training and skills development indicators
Corporate Culture	No metrics identified (TBC)
Corruption and Bribery	<ul style="list-style-type: none"> <li>• G1-3 Detection and prevention of corruption and bribery</li> <li>• G1-4 Confirmed incidents of corruption or bribery</li> </ul>

## 5. Reporting Process

CWS uses a centralized ESG reporting software that enables data collection, validation, and consolidation across various business units, ensuring that all sustainability-related information is stored and managed on a single platform.

The reporting process follows six structured steps, guiding the data from initial collection to the generation of reports:

1. *Data Gathering*: Sustainability data is collected across all relevant business units and entered in the reporting tool. Data is provided at different organizational levels (e.g., site, legal entity, country) depending on specific KPI requirements.
2. *Upload and Validation*: Data is uploaded into the system either via upload templates or manual entry. Once completed, data is submitted for validation, where responsible data validators review the input to ensure accuracy and completeness, applying a complete four-eyes principle.
3. *Plausibility Analysis*: A plausibility check is conducted to assess the reliability and correctness of the provided data. This includes comparing values to the previous reporting year and identifying deviations beyond a defined threshold (set by the specific KPI). Significant deviations are flagged to the data provider, and a justification is requested.
4. *CO<sub>2</sub> Analysis*: Based on the validated input data, carbon footprint calculations are performed. For detailed methodology, please refer to the following Chapter.
5. *Aggregations*: Final data is aggregated across the different organizational levels, typically from site/country → legal entity → business division → Group level.
6. *Reports Generation*: The aggregated data gets exported to prepare final reports for both internal and external use.

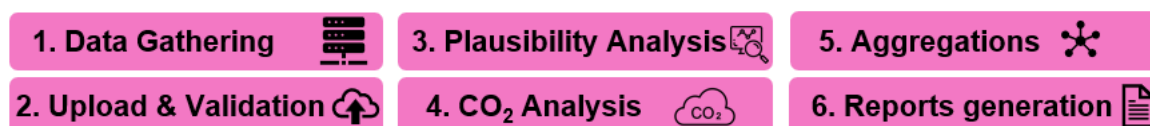


Figure 5: General Overview Reporting Process

## 6. Carbon Accounting

### *Organizational & Operational Boundaries*

The carbon footprint (CF) of CWS covers 100% of the Group's greenhouse gas emissions from its operations and value chains. The organizational boundaries are defined under the operational control approach.<sup>4</sup> and include all entities operating under CWS (as previously defined).

The following emission sources are included within the boundaries:

- Industrial laundries operations, and related transportation activities (e.g., including deliveries from laundries to depots and customers)
- Depots
- Offices
- Emissions from value chains (Scope 3)

All relevant emission sources within these boundaries are included to ensure full representation of operational activities in the emissions inventory.

### *Emissions Inventory (Scopes Overview)*

Scope	Category	Source (Activity/Facility)			Available Data			Preferred
Scope 1	Stationary Combustion	Laundries			Energy			Fuel
	Mobile Combustion	Owned or Leased fleet			Fuel	Spend		Fuel
Scope 2	Purchased Electricity	Laundries	Offices	Warehouse	Energy			Energy
	Purchased Steam	Laundries			Energy			Energy
	Purchased Heating	Laundries	Offices		Cost	Energy	Area	Cost
Scope 3	Purchased goods and services	Direct Spend	Indirect Spend		Activity	Spend		Activity
	Capital goods	PP&E			Spend			
	Upstream transport and distribution	Suppliers logistic			Spend			Fuel
	Waste generated in operations	S1+S2 waste management suppliers			Activity			Activity
	Business travel	S1+S2 Carriers			Spend			Activity
	Employee commuting	Headcounts			Activity (Distance)			Activity
	Fuel- and energy-related activities	Purchased fuel			Spend			Fuel
	EOL-Treatment of Sold Products	Procurement Data			Spend	Activity		Activity

<sup>4</sup> Accounts for emissions from operations where the company has authority over operating policies.

### *Data Collection Process*

The collection of CO<sub>2</sub>-related data follows the same process as the general ESG data reporting process described above. Data is gathered, validated, and approved within the central reporting system.

Once validated, the relevant data is exported and used as input for CO<sub>2</sub> emission calculations in the carbon accounting tool. The calculated emissions are then re-integrated into the reporting system, forming part of the overall sustainability reporting dataset.

### *Calculation Methodology*

Scope 1 – Direct Emissions: Calculated using fuel consumption data and emission factors.

Scope 2 – Energy Emissions:

- Location-based approach: Calculations are based on metered electricity consumption or electricity bills, using grid-average emission factors or similar national datasets.
- Market-based approach: Calculations rely on metered electricity consumption and supplier-specific emission factors, where available.

Scope 3 – Indirect Emissions:

Calculated using a combination of: Activity data (preferred) and Spend-based data.

### *Exclusion and Assumptions*

CWS operates under a Product-as-a-Service (PaaS) model, maintaining ownership and operational control over its products throughout their lifecycle. As a result, some Scope 3 downstream categories defined by the GHG Protocol are either not applicable or their emissions are already captured under Scope 1, Scope 2, or upstream Scope 3.

The following downstream categories are excluded:

- Category 9–11: Not applicable, as logistic downstream does not take place, third parties do not process products, most of the products' consumption emissions are internalized in CWS operations.
- Category 13: May apply in limited cases where assets are leased without operational control.
- Category 14–15: Not applicable; the company has no franchises or relevant investments.

## **7. Contact Information**

For further information, questions, or suggestions regarding this document, please contact:

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