

CWS International GmbH

-Sustainability Reporting Principles-

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1. Purpose and Scope of the Document

This document outlines the fundamental principles 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 sustainability¹ 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 includes the full spectrum of ESG topics defined by our materiality assessment. The European Sustainability Reporting Standards (ESRS) are the main framework for defining and organising the data.

¹ In this document, the terms "ESG" and "Sustainability" data are equivalent.

2. Roles and Responsibilities in the Reporting Process

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

Sustainability Reporting Team (Group level):

Main role: Define 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
- Consolidate sustainability data from divisions and business units, creating group-wide dashboards and “ready-to-report” outputs
- Execute the CWS Corporate Carbon Footprint, implementing calculations and providing 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.

- Organise 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

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

- Environmental Data:
 - QESH: Provide data on energy consumption, water usage, and waste management.
 - Fleet Management: Supply data on fuel consumption and vehicle types.
 - Laundry Operations: Report energy and water use, as well as waste from laundering processes
- Social Data
 - HR Departments: Supply 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 corporate policies, anti-corruption, business ethics, and risk management practices.

3. Principles

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

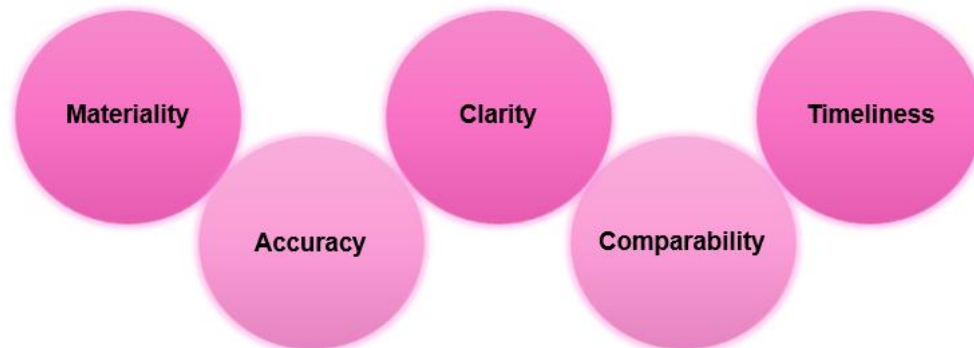


Figure 1: CWS Sustainability Reporting Principles

Materiality

Materiality at CWS is conducted following the Double Materiality Assessment (DMA) as defined in CSRD². It is conducted at the CWS level, ensuring consistency across the five CWS Businesses and an accurate representation of each of them. 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 standardised tables, categorisation by ESG topics, and consistent terminology throughout the report. KPIs are accompanied by unit specifications and definitions to avoid ambiguity.

Comparability

CWS uses internationally recognised reporting frameworks and aligns our 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.

² 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 level, ensuring at the same time a proper representation of the four 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 was guided by the EFRAG approach and used a standardised template for documentation and scoring.

Methodology

Impact Materiality:

To assess impact materiality, CWS evaluates both actual and potential positive and negative 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 is scored individually, and the total score is calculated as follows:

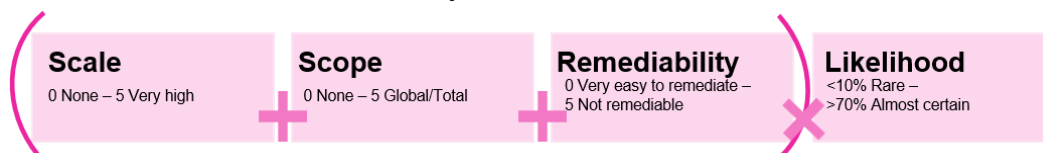


Figure 2: Impact Materiality Score Formula

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

≥ 9 for positive impacts

≤ -9 for negative impacts

If the score is above the defined threshold, the topic is classified as a reportable topic.

If the score falls below the threshold, it is considered non-reportable.

Financial Materiality:

To assess financial materiality, CWS evaluates the extent to which sustainability-related risks or opportunities may affect the company's financial performance or position. The assessment focuses on two core dimensions:

- Magnitude³: Estimated financial effect if the risk/opportunity materialises
- 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

³ 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 is above the defined threshold, the topic is classified as a reportable topic. If the score falls below the threshold, it is considered non-reportable.

The DMA was conducted using a structured Excel-based tool designed by the CSRD project team. Each ESG sub-topic includes:

- A direct mapping to the corresponding ESRS Disclosure Requirements (DRs)
- Four assessment tables covering negative impacts, positive impacts, risks, and opportunities
- Pre-filled impact/risk/opportunity examples (IROs), with flexibility to adapt or add based on business relevance

Each scoring entry reflects the informed judgment of relevant business functions, supported by documented assumptions and rationale.

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.

5. Reporting Process

CWS uses a centralised 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 process is divided into 3 key phases:

Requirements Definition Phase

- Datapoints are selected based on DMA results, and explanatory notes are added where necessary for ease of understanding.
- The level of the hierarchy is defined for entering data by KPI.
- Training materials are developed, including workshops and onboarding sessions to familiarise data collectors with the system and its functionalities.
- Standardised reporting rules are established, such as explanations for the provision of justifications for missing or unusual data points.

Data Collection and Validation Phase

- Data collectors enter the data into the system at the appropriate level based on the hierarchy, whether that be at Group/Business/Country/Site (laundry, office, or depot). Data can be uploaded using the file upload function or entered manually using direct entry.
- Once the data is saved and finalised, the data collectors submit it for validation.
- The respective data validators review the figures presented to check their accuracy (four-eyes principle). If the data is correct, it gets approved. If errors or missing values are detected, they reject them and return them for correction.
- Approved data is securely stored in the software for aggregation.

Analysis and Reporting Phase

- The data is grouped at the division level, which guarantees that the sustainability figures for each business unit are reflected in the overall performance.
- The collected data is aggregated and exported from the system.
- A sanity check is carried out on the exported data.
- It is structured in a report ready for internal and external use, according to specific needs.

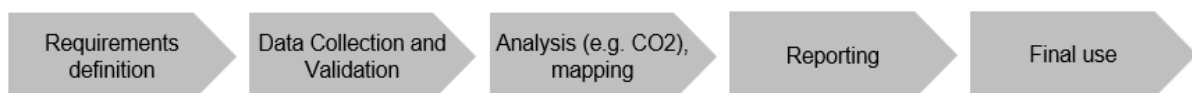


Figure 4: General Overview Reporting Process

6. Carbon Accounting

Boundaries

The carbon footprint (CF) of CWS covers 100% of greenhouse gas emissions from operations over which the Group or any of its divisions exercises operational control, including emissions from leased assets. The organisational boundary is defined using the operational control approach⁴ and includes all entities operating under CWS (as previously defined).

The following emission sources are included within the boundary:

- Industrial laundries: Transportation activities (including deliveries from laundries to depots and customers)
- Depots
- Offices
- Leased assets under operational control

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

Data Collection

The process is structured by activity area and ensures that validated, complete data is used for CO₂ emission calculations.

- **Fuel data** for fleet vehicles is reported by local data owners and validated by Sustainability Managers before transferring to the carbon accounting platform.
- **Energy consumption and waste** from offices and depots are reported or estimated based on area data, allocated per business division, and uploaded for CO₂ estimation.
- **Laundry operations** contribute fuel, electricity, and thermal energy data, collected via Excel templates and internal reports, and subsequently processed for emission calculations.

Methodologies by Emission Scope

Scope 1 – Direct Emissions: Emissions are calculated based on the quantity of purchased commercial fuels and corresponding emission factors. These factors are sourced from the UK Department for Environment, Food & Rural Affairs (DEFRA).

Scope 2 – Indirect Emissions from Energy Use

- Location-based approach: Calculations are based on metered electricity consumption or electricity bills, using grid-average emission factors according to the Association of Issuing Bodies (AIB5) or similar national datasets.
- Market-based approach: Calculations rely on metered electricity consumption and supplier-specific emission factors, where available.

Scope 3 – Other Indirect Emissions

- Category 1 - Purchased goods and services: Emissions are primarily based on activity data. Where not available, spend data is used. Emission factors are derived from Ecoinvent and Exiobase.

⁴ Accounts for emissions from operations where the company has authority over operating policies.

⁵ (AIB) promotes the use of a standardised system European Energy Certificate System (EECS), based on structures and procedures to ensure the reliable operation of international energy certificate systems. European Energy Certificate System (EECS) is set out in "The EECS Rules" and its supporting documents.

- Category 2 - Capital goods: Calculated using spend data and emission factors provided by the carbon accounting platform. Factors are categorised by expenditure type.
- Category 3 - Fuel- and energy-related activities (not included in Scope 1 or 2): Based on fuel and electricity consumption data. Emission factors come from DEFRA (for fuels) and IEA (for electricity).
- Category 4 - Upstream transportation and distribution: Primarily based on activity data from external suppliers. When unavailable, spend data is used, with emission factors from DEFRA and Exiobase.
- Category 5 - Waste generated in operations: Calculated using activity data by waste type and disposal method.
- Category 6 - Business travel: Calculated using spend-data, with emission factors from Exiobase (for flights) and DEFRA (for rental cars).
- Category 7 - Employee commuting: Estimated using national commuting statistics and the number of employees per country.

Exclusion of Scope 3 Downstream Emissions

CWS operates under a Product-as-a-Service (PaaS) model, maintaining ownership and operational control over its products throughout their lifecycle. As a result, most 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 9–12: Not applicable, as logistic downstream does not take place, products are not processed by third parties, most of the products' consumption emissions are internalised in CWS operations.
- Category 12: Applicable, we are in the process of gathering relevant data.
- 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.

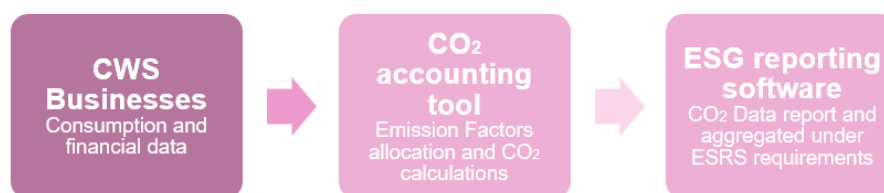


Figure 5: Simplified CO2 Accounting Reporting Process

7. Contact Information

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