

A responsible business.

Berendsen plc
Corporate responsibility 2016



Our approach.

Overview

Corporate Responsibility is integral to Berendsen. It impacts our long-term strategy and our ability to win and retain business. We continue to work hard to integrate high ethical and socially responsible standards into the decisions we make on a daily basis. We pride ourselves on being closely in touch with our stakeholder's expectations and endeavour to increase our ability to meet these requirements as they evolve over time.

“We stay close to our key stakeholders in order to understand their expectations of us in all aspects of CR and this in turn guides our business decisions. More than ever, our credentials in these areas are influencing our ability to attract and retain customers, employees, investors and suppliers. They also underpin our licence to operate by strengthening our relationships with local communities, industry partners and regulators.”

James Drummond
Chief Executive Officer

Our CR strategy

Our Vision, Mission and Values

Our vision:

Through great customer partnerships and innovation we will be respected for being the best, setting new standards and developing services that benefit all our stakeholders.

Our mission:

We are here to develop and provide value-added textile, hygiene and safety solutions.

Our values:



How we make it happen

CR policies	Values	CR governance
Formal reference point for all employees and external stakeholders	Expected behaviours and a culture which underpin the way we work	Established processes, procedures and responsibilities to facilitate robust non-financial reporting

Our approach (continued)

Our strategic objectives

Financial

- Delivering sustainable organic growth
- Improving capital efficiency
- Maintaining a sound financial position
- Improving financial returns by leveraging operational efficiency

Non-financial

- Maintaining Health and Safety as a priority
- Maintaining a motivated workforce driven by an experienced management team
- Reducing our impact on the environment

Structuring to move closer to our customers in 2016

We believe passionately in the benefits of being focused solely around our customer needs. As our businesses offer different services and products, we understand that the need to deepen our knowledge and differentiate our offer for customers who operate in vastly different sectors. This is why we reviewed our business structure in 2015; as a result we have implemented our new business line structure which is geared towards this serving our customers better in the future.

Evolving our strategic aims

In order to continue improving our core competencies, processes and people we have also implemented a Berendsen Excellence system which will enable us build upon our customer focus, operational excellence, people effectiveness and the effective use of our available capital. Our new way of working will benefit our key stakeholders through higher levels of training, more efficient operations, reduction on our environmental impact and by creating employment opportunities in the areas in which we operate.



Our focus areas.



Stakeholder engagement

We listen carefully to the concerns and needs of our key stakeholders and believe in creating relationships which stand the test of time. Working together with our stakeholders enables us to ensure we operate in a way which delivers the best outcome for all.

Customers

We are continuing to develop a deeper understanding of our customer's worlds by aligning our operations, innovations and investments with their requirements. We achieve this through customer centric business line organisation, customer feedback programmes and specialised service training.

Employees

Comprehensive employee training underpins the deep insight and industry expertise that lies at the heart of our business. We provide extensive training and career progression for our employees at all levels. We engage with our employees through many different channels; one of which is our employee survey conducted every two years.

Investors

Executive management meets regularly with investors and potential investors, and receives regular input from brokers and advisers which are shared with the board. In addition the non-executive directors meet annually with investors without the executive present.

Suppliers

Our investments in the central procurement and supply chain function open up greater opportunities for us to develop long-term strategic relationships with suppliers, supporting our ambition to rationalise our supplier base.

Industry partners

In our key markets, we engage with the wider textile services industry through trade associations, sharing issues around legislation, technical standards and safety. Our commitment to the industry and reputation for integrity often provide opportunities to acquire local companies when the owners seek to retire or exit.

Local communities

We are conscious that our plants are part of their communities and that our workforce is drawn from this local environment. We actively engage with these communities, investing in local initiatives to ensure that our impact is positive and to provide further employment.



People and Health & Safety

People

With our new strategy we have set ourselves the inspiring goal of being the best, and one of the pillars we will achieve this through is our people and development.

In 2015 we saw 97 managers take part in our LEAD development programmes, have maintained our investment of a group of over 20 management trainees and conducted our 2nd biennial group-wide employee engagement survey.

Health & Safety

As nothing is more important than our employees' health and safety, it is now one of our new core values and we remain determined to drive continuous improvement in our safety performance towards our objective of zero accidents.

As a result of this and as part of the strategy review, the Executive Board have revised the approach to health and safety with the aim of increasing the visibility of risks and by increasing the understanding of root causes. Health and Safety is now the first item of the agenda at all formal management meetings. The appointed health and safety director is now also a member of our Berendsen excellence function.



Innovative and efficient solutions

As industry experts, we are ideally placed to innovate new solutions – this is a key differentiator for Berendsen and a major advantage for our customers. Our customers know that working with Berendsen enables them to benefit from continual improvements in efficiency, which translates directly in reduced costs and an enhanced CR performance.

These innovations can also have an environmental benefit. Across our laundries we are implementing a new enzyme process which partially replaces detergents and chemicals and improves the whiteness, and quality. This leads to a reduction in resources used and fewer harmful substances in waste water.

In addition to this, we have also introduced ‘cool chemistry’ in 8 of our 25 flatwork laundries. This enables washing at a lower temperature, which in turn leads to reduction in energy consumption.



A responsible supply chain

We work with a limited number of major suppliers, helping us forge strong relationships and enabling us to emphasise the importance of compliance with our CR policies. We have continued to identify opportunities for improvement during the year and these underpinned the strategic expansion of central procurement and the supply chain group.

We have created centres of specialism, driving value optimisation, product quality, and continuity of supply while focusing on improving lead times and service.

Berendsen are signatory to the UNGC and through this we provide ourselves with a framework for showing our commitment to the ten principles on Human rights, labour, the environment and anti-corruption.

We recognise that our main human rights risks relate to our supply chain – we reduce this risk by closely managing our supply chain and ensuring we communicate our suppliers code of conduct to our suppliers. We maintain a zero tolerance policy towards any forms of forced labour and child labour.



Operational environmental efficiency

We are committed to reducing the impact of our operations on the environment. Across the group, we continually review and investigate ways to reduce WECO usage. Through the communication of our Group Environmental Policy we actively promote awareness of the need for:

- Lower water and energy consumption;
- Use of environmentally friendly washing detergents and packaging materials;

- Minimisation of distances travelled when making deliveries;
- Re-use or recycling of textiles; and
- Targeted staff training on environmental issues and housekeeping.

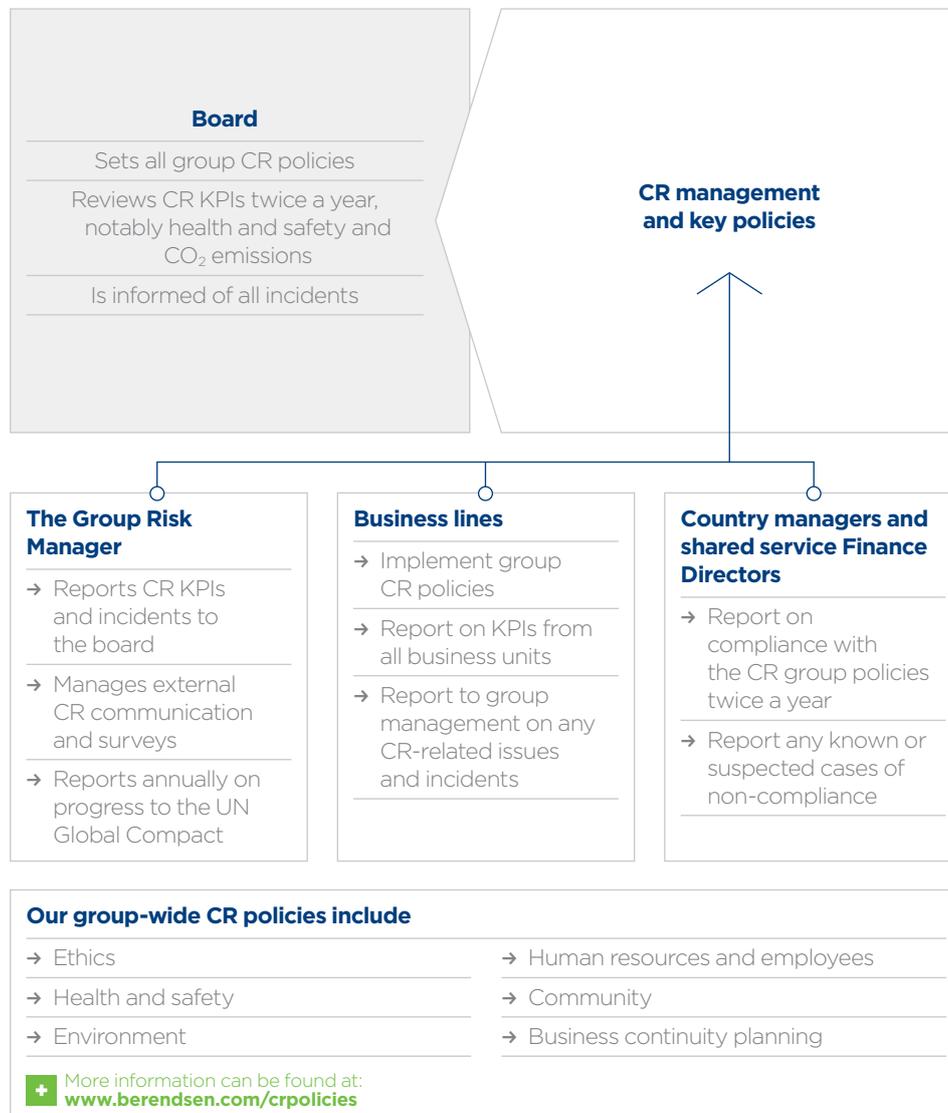
To put these principles in to action, our business units specifically focus on:

- Researching with suppliers ways to minimise the amount and concentration of detergents used in our laundries and disposed of in effluent, and opportunities for low temperature washing;

- Routinely recovering water and energy for re-use;
- Minimising heat, energy loss and fuel usage;
- Regularly reviewing vehicle routing to ensure the most efficient use of fleet resources and fuel; and
- Recycling textiles, paper and packaging materials wherever this is possible.

How we manage CR.

Our CR governance framework



Our CR policies

Ethics

Our Ethics policy recognises the importance of reinforcing key messages about our values as a business and is currently under review so that we can communicate a strong consistent message to our employees in line with the new Berendsen Mission, Vision & Values. The policy sets out the principles that we expect our employees to adopt at all times with regards to working with each other and the wider community.

Environment

We continue to acknowledge the importance of our business units supporting a precautionary approach to environmental challenges, undertaking initiatives to promote greater environmental responsibility, and encouraging the development and diffusion of environmentally friendly technologies.

We remain committed to protecting the environment both through our own actions and also by working with our suppliers. Our environmental principles are consistent with those of the European Textile Services Association, which represents and promotes the textile rental services sector in Europe. Through the communication of our own Group Environmental Policy we set out our continued emphasis on meeting all of our regulatory requirements, reducing our water and energy consumption, using environmentally friendly detergents and recycling and managing logistics effectively to minimise our transport impact.

Health & Safety

We recognise and accept our responsibilities as an employer for providing a safe and healthy workplace and working environment for all of our employees and visitors. Although we operate in many different countries, with different local standards, both in terms of regulation and accepted best practice, we want to achieve a consistent standard much higher than mere compliance.

Our Health and Safety policy identifies the key aspects to ensure best practice across the group.

Anti-bribery and corruption

Our Anti-bribery and Corruption policy ensures that we have the appropriate procedures in place to prevent theft, fraud, bribery and corruption in all its forms. The policy is designed to ensure that each area within the group applies appropriate steps to comply with our ethical standards so that both Berendsen and employees are protected from any penalties which may include imprisonment, fines and/or reputational damage. In 2014 we carried out an internal survey to discover our employees' understanding of our expectations and their duties. For more information see page 33 of our Annual Report.

Community

We are aware of the obligations that we have to the communities in which we operate. Our Community policy sets out our principles in this area. This includes respecting all local resident cultures and religions, developing and maintaining constructive relationships with local communities, being mindful of our impacts and allowing employees to be involved in local community groups and initiatives where possible. It also sets out our position on making regular charitable community contributions and a provision against making donations to political parties.

Human resources and employees

We appreciate our responsibilities towards our employees and understand the importance of creating and maintaining a working environment where the basic rights of all employees are recognised. Our Human Resources and Employee policy sets out our employment principles across the areas of discrimination, workplace harassment, skills based employment, training, disability, pay, hours and trade union membership.

Business Continuity

We supply products and services which are becoming increasingly important to our customers' operations. We recognise that our inability to service our customers would conflict with our reputation and values as a business. Our group Business Continuity Planning Policy ensures that all of our businesses have a BCP in place which is tested regularly to ensure we have minimal interruption to our business.

United Nations Global Compact



Berendsen has been a signatory to the United Nations Global Compact since 27 January 2009. Participation in the Global Compact continues to provide us with a recognised and respected policy framework for our work on corporate responsibility.

More information can be found at: www.unglobalcompact.org

What next?

Our current policies are reviewed on a regular basis; the group Ethics policy is currently under review after the introduction of our new Berendsen Vision Mission and Values in 2015.

The next big step for Berendsen is to conduct a full review of our Corporate Responsibility strategy throughout 2016 and beyond. This will involve an assessment of our current policies and help us to extend and build our CR areas to help support our business strategy.

Fact and figures.

How we performed

We recognise that continuous improvement results from more than having policies in place. For these reasons we monitor our compliance and business performance in these areas to ensure we are driving improvement all the time. Monitoring of our key performance indicators allow us to do this.

In 2015, we managed to reduce our energy usage by 16% in the UK (from a 2008 baseline) which means we are progressing towards meeting the requirements of the UK Climate change agreement of 25% reduction by 2020.

The senior management retention rate has risen to 97% and employee engagement is at 69%. Unfortunately our major injury rate has risen by 23%. As a result of this we have revised our approach to Health and Safety - the target for which is zero accidents. We have also aligned senior management bonuses with health and safety performance to reflect this.

Eight Audits

During 2015, an assurance provider completed eight audits at supplier locations in Cambodia, Pakistan, Vietnam, the Philippines and the United Arab Emirates. No significant issues relating to ethical standards were reported but a number of recommendations were made to further improve the high standards that our suppliers adopt.

Our total CO₂ emissions

kg of CO₂ per tonne shipped

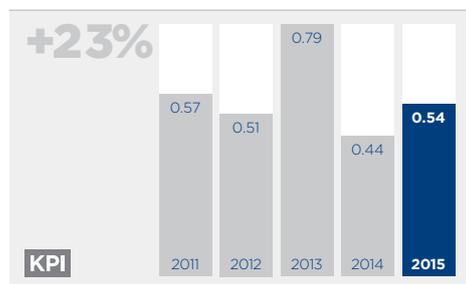
	2015	2014
Facility	258	261
Workwear	491	500
UK Flat Linen	370	369
Flat Linen outside UK	328	359
Clinical Solutions and Decontamination	735	1,163
Total Group	364	379

Gender statistics

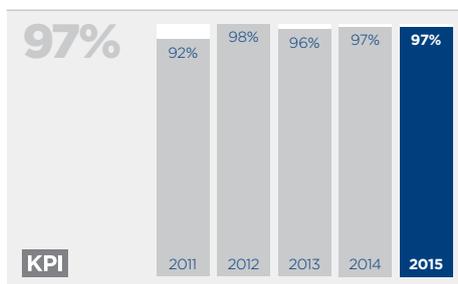
	Female	Male	% Female
Board of directors	2	5	29% (2014: 29%)
Senior management	12	109	11% (2014: 9%)
Other management	158	380	29% (2014: 28%)
Employees	6,622	8,778	43% (2014: 43%)

We use the Greenhouse Gas Protocol methodology and conversion factors to assess our carbon footprint. We updated the conversion factors on 1 January 2015 to reflect the new factors used by DEFRA in the UK. In 2015 we have only been able to get market based figures from our UK suppliers. We will engage with all of our EU suppliers during 2016 to ensure they are up to speed with our requirements.

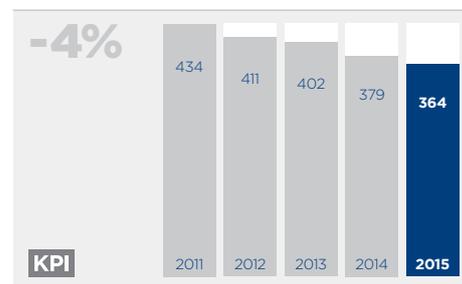
Major injury rate*



Senior management retention rate



Group CO₂ emissions (kg/tonne shipped)



Employee Survey 2015

13,000 employees (84%) participated in our survey (up from 76% in 2013). We maintained an overall engagement score of 69%.



£2.5m (2015)

Invested in employee training and development management.

-38%

In the UK, water consumption has been reduced by 38% from 9,512 litres per tonne shipped in 2008 to 5,906 litres in 2015.

Community and Environmental initiatives and innovations.

Operational Excellence: BCPs put to the test



In 2015, storm Desmond caused severe flooding in the UK especially in the Cumbrian area, where two of our facilities in Kendal and Lancaster were affected. Here, our strong continuity plans proved their value. Operations were diverted to other sites in the region; emergency supplies were contributed by several sites over the UK and a strong team effort enabled minimal disruption to our ability to service our customers.

Responsible sourcing



In addition to ensuring our suppliers are providing high standards in health and safety, human rights and employee welfare, we evaluate the contribution they make to the local community. One of our large knitwear suppliers, ID, has worked in Bangladesh for many years and has strong community ties which have been strengthened through their sponsorship of the GLP foundation programme which helps pupils aged 6-14 to receive schooling.

Use of rainwater in Denmark



We are committed to reducing the impact of our operations on the environment. Across the group, we continually review and investigate ways to reduce WECO usage. At our Cleanroom plant in Holbæk, Denmark, we are now using rainwater for cleaning of transport boxes for one of our large pharmaceutical customers. The rainwater is collected via the roof, cleaned and led into a 4,000 litre tank. Through this, we expect to reduce our water consumption by up to 300,000 litres per year.

Awards.

Berendsen Klarenbeek wins FTN Energieprijs 2



In November 2015, our Workwear laundry in Klarenbeek was awarded the FTN Energieprijs 2015. This shows our commitment to reducing our energy consumption and the great work undertaken by our businesses locally to achieve this.

KPMG CSR Strategy Prize 2015



In 2015, Berendsen were nominated for the KPMG CSR Strategy Prize 2015 in Denmark. The CSR Strategy Prize honours a company that specifically demonstrates that sustainability is embedded within the business strategy. In its motivation for our nomination, the jury highlights our 'systematic approach to CSR and our large efforts to reduce use of chemicals through development of new products and processes'.

FAQs

We are often asked to elaborate on certain aspects of our CR performance. In line with our commitment towards transparency, we have listed our responses to some frequently asked questions.

How are you reducing CO₂ emissions?

CO₂ emissions are one of our group KPIs and therefore we monitor our emission very closely. We complete regular energy audits to identify areas where we can further enhance efficiency as well as look for more sustainable local energy such as gas, solar power, wind and ground source heat. We also ensure that our vehicles meet the requirements of low emissions zones, use fuel-efficient engines and optimise routing.

How are you reducing the use of harmful chemicals in your processes?

The chemicals used in our laundry processes are commercial laundry detergents which are bio-degradable and do not contain phosphates which are harmful to the environment. We are continually looking for innovative ways to reduce our chemical impact on the environment.

In 2015, we implemented a new enzyme process in the washing cycle in another 31 laundries (20 in 2014), which partially replaces detergents and chemicals at the same time as improving whiteness and quality. From an environmental perspective, this leads to a reduction in resources used and fewer harmful substances in the waste water.

Do you have programmes in place to reduce and re-use water?

Yes, we do. Most of our operations have systems in place which typically reduce water consumption by 20% to 25%. Changes in process contribute to our water reduction, and in the UK procedural changes can produce high quality work at 1.8kg per litre of water in some of our flat linen plants. We set water consumption targets at site level which are monitored on a monthly basis.

What initiatives do you offer to provide greener services and innovative solutions?

Our service itself is a green initiative for our customers as we offer an efficient outsourcing solution and therefore we help them to reduce their impact on the environment.

By consolidating laundry services on behalf of our customers, we are able to wash and circulate textiles more efficiently and therefore reduce the impact on the environment. In addition, we are constantly looking to work alongside our customers and suppliers to find further innovative initiatives that will reduce environmental impact and enhance quality and process efficiency.

Do you have a whistleblowing procedure?

Yes, we do. As a responsible employer, we encourage an honest and open working environment where individuals can report serious concerns about possible wrongdoing concerning criminal offences, danger to health and safety, damage to the environment and other breaches of our group's corporate responsibility policies.

How do you deal with community complaints?

We recognise the important role that local communities play in our business and strive to maintain strong relationships with them. Many of our employees come from these communities, so our reputation as a responsible and fair employer is very important. If local residents raise concerns about any aspects of our organisation, we take them very seriously and respond proactively. For example in 2014, following a complaint from a local resident, we instructed our drivers from our Rainhill plant in UK to use an alternative route to reduce noise levels for local residents. We contacted the original complainant who seemed content with the actions taken. Our incident reporting policy and procedures includes reporting of local communities' complaints so that we make sure all are appropriately addressed.

How do you deal with customer complaints?

Strong customer relations are Key for our business and therefore contract management is a strategic area for us to manage in a professional way to our customers' satisfaction. This, of course, involves dealing with customer queries and concerns which we look to address through our proactive customer service. We do have dedicated customer service departments in all our businesses across the group so that we ensure we keep a close relationship with our customers in order to address their concerns in an efficient and effective manner. In addition, as part of our continuous effort to improve our customer service, we also adopt the widely accepted industry standard "Net Promoter Score metric" in our customer surveys.

What is your position on child labour?

We have been a signatory to the United Nations Global Compact (UNGC) since 27 January 2009 and are committed to the ten UNGC principles which include stipulations on the effective abolition of child labour. We have zero tolerance towards child labour, forced labour and inadequate labour conditions and are absolutely committed to ensuring that child labour is never used by any of our suppliers.

How do you address breaches in human rights throughout the supply chain?

We have zero tolerance towards human rights breaches. Our main human rights risks relate to our suppliers and we reduce these by working closely with our suppliers and awarding contracts to trusted suppliers. We communicate our supplier's code of conduct to our suppliers and make it widely available on our website. In addition, every supplier in the Far East is externally audited every two years in areas such as business integrity, protection of personal information, fair trade and competition standards with any issues flagged out for immediate action. Internally, any breaches in human rights result in disciplinary actions and externally, any commercial activity found to be breaching human rights is suspended.

Do your businesses have Business Continuity Plans which are regularly tested?

Yes, service continuity is secured by a business continuity policy which ensures all of our businesses produce a tested BPC. Our customers depend on us to meet their needs at all times; therefore we must ensure our operations are running efficiently and that they are resistant to business disruptions.

More information and contact



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