

RESPONSIBILITY ALL THE WAY

CSR Report 2022

Statutory report on Corporate Social Responsibility according to Section 99a of the Danish Financial Statements Act.



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About this report

This report describes our social, ethical and environmental focus. Its purpose is to provide transparent and relevant information on our objectives and strategies, and how our activities impact people, the environment and society.

The report provides an annual status on our progress in relation to the UN's Global Compact and Global Goals, acting therefore as our Communication on Progress and the statutory report on Corporate Social Responsibility in accordance with Section 99a of the Danish Financial Statements Act.

This report is part of the management's report in the Annual Report for 2022 and exclusively concerns the Danish part of the group.





MANAGEMENT'S REPORT

2022 was completely different to what we expected. We became acutely aware of supply difficulties, inflation and high energy prices resulting from the war in Ukraine, that not only impacted our business, but also those of our customers. Fortunately, the year also featured key milestones on the sustainability agenda, and we demonstrated our ability to react quickly and effectively yet again.

Global Goal certification as expected

During the year, we passed a major milestone in our journey towards a more sustainable future, when we received our Global Goal certification. The certification gives us official proof that we are taking

active steps towards realisation of the UN's Global Goals, and that the goals we have selected are fully integrated in our business strategy.

Thanks to continuous analysis and evaluation of our focus on our selected Global Goals, we can ensure sustainable progress and make a positive contribution to sustainable change.

However, sustainability is not only high on our agenda, but also on those of our customers, the authorities and other stakeholders. That can be seen, for instance, in the form of the EU Taxonomy and the related requirements for reporting and data on our business activities and solutions.

In 2022, we therefore focused on defining the ways of how we can satisfy those requirements moving forwards.

Less textile waste with DFD upcy

Utilising our textiles to the maximum is a top priority, and we are therefore delighted to say that our DFD upcy concept continued to excite considerable interest from customers, colleagues and other partners in 2022.

Since 2019, the concept has been an important catalyst for our green transition, and through partnerships with customers, we will continue working on realising the goal of 100% recycling of our customers discarded textiles by 2025.

In 2022, we recycled 71% of those discarded textiles, and developed 26 new styles.

Skills development in focus

During the year, we kick-started our training program, which has been put on standby in preceding years as a result of COVID-19.

During the year, new courses aimed at our production and office employees therefore saw the light of day. Through these courses, we want to give our colleagues the tools and skills to meet the challenges of the future.

Anders Thorgaard

Chairman

Approx. 1400 permanent employees

Handling over 250 million items annually

15 operational locations

Annual turnover of DKK 1.5 billion



Our organisation

Providing what businesses and organisations need.

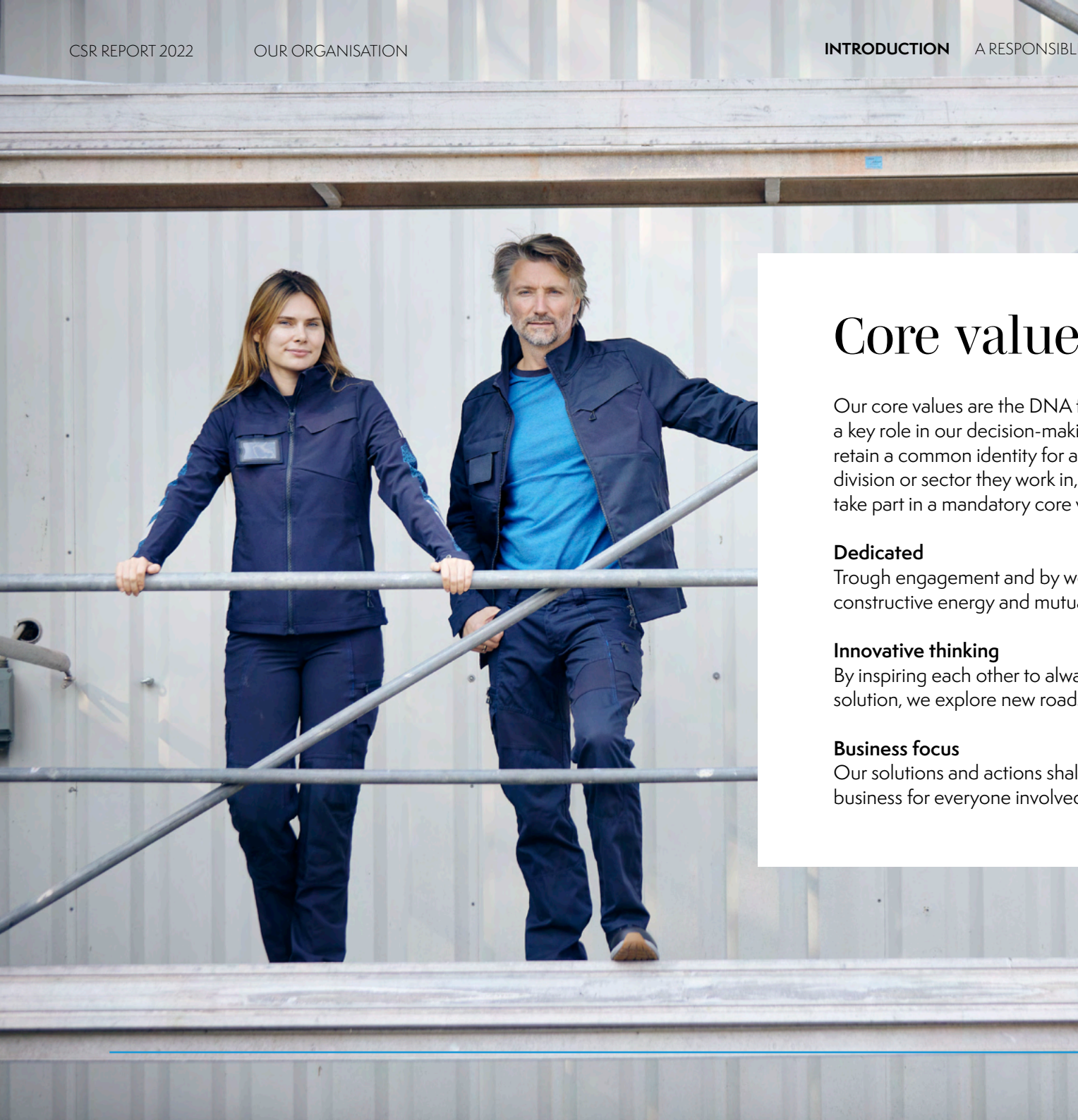
A tablecloth on the table, mats on the floor and work wear for the workforce regardless of sector. Since 1958, we have been providing what businesses and organisations need, and our ambition is to run a responsible business to the benefit of people, the environment and society.

A sector-oriented approach

Our organisation consists of five market-specialised divisions, designed to ensure that business development aims to satisfy customer requirements and demands.

Therefore, the vast majority of decisions are made decentrally, and new initiatives are developed and launched by the people engaged in the market in question.

We provide service to customers from a wide range of industry sectors via our divisions in Denmark, Sweden and Norway, covering everything from health and care organisations for the manufacturing and service industries, as well as the hotel and restaurant sector.



Core values

Our core values are the DNA for our management and they play a key role in our decision-making. Through the values, we want to retain a common identity for all our employees regardless of which division or sector they work in, and all new employees therefore take part in a mandatory core values course.

Dedicated

Trough engagement and by working together we do our work with constructive energy and mutual respect.

Innovative thinking

By inspiring each other to always check whether there is a better solution, we explore new roads.

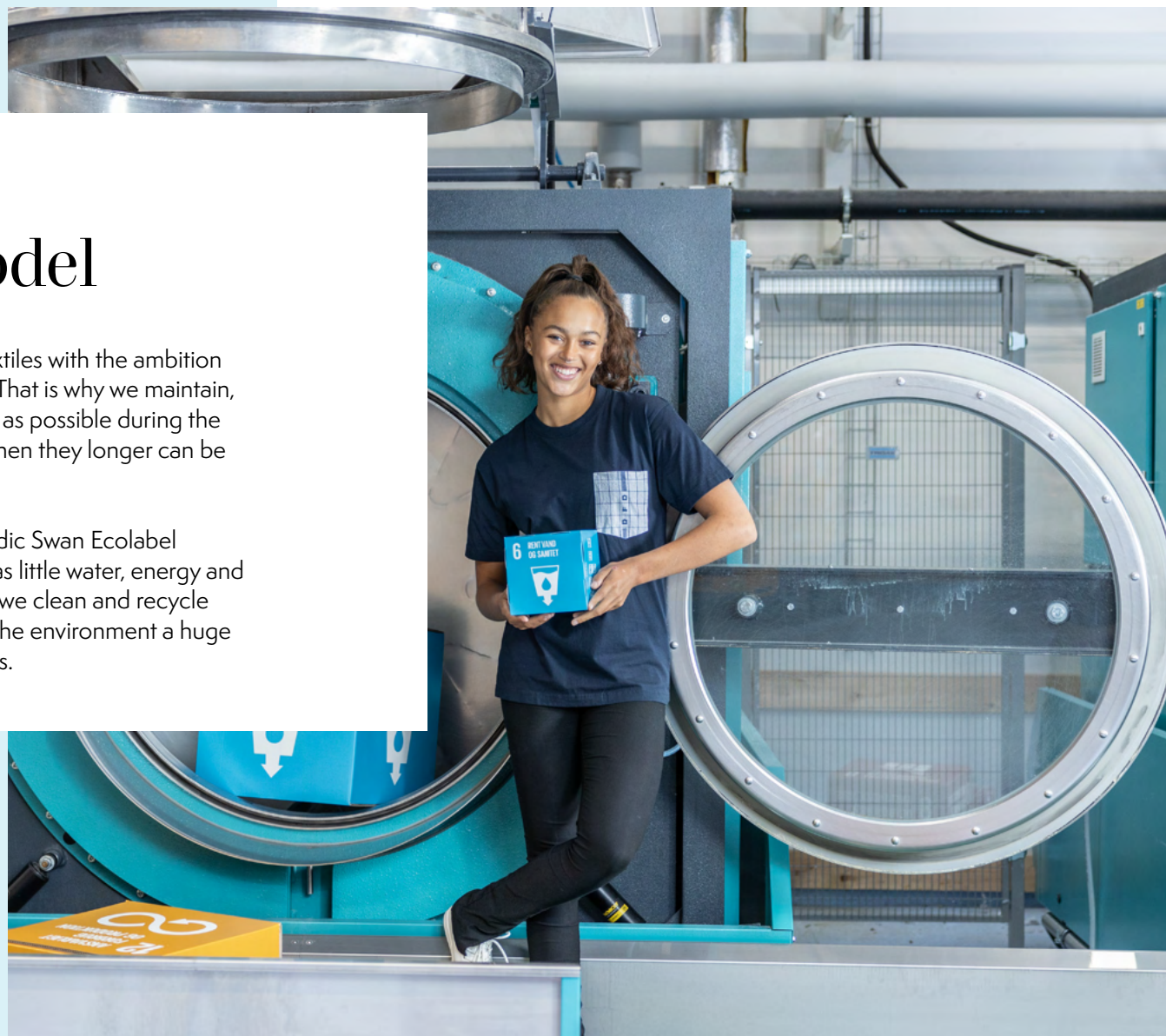
Business focus

Our solutions and actions shall create value and mean good business for everyone involved.

A circular business model

DFD rents, washes and supplies textiles with the ambition of not discarding anything usable. That is why we maintain, repair and recycle textiles as much as possible during the use phase, to give them new life when they longer can be used for their original purpose.

In addition, we operate with a Nordic Swan Ecolabel washing process, in which we use as little water, energy and chemicals as possible. That means we clean and recycle water as much as possible, saving the environment a huge amount of resources and chemicals.





RESOURCES

Employees

Our approx. 1400 employees ensure high quality for the over 225 million items we handle annually.

Textiles

Our textiles account for our biggest use of resources. That's why we're working hard to use as few resources as possible through their life cycle.

Technology

We develop and regularly deploy new technologies to optimise our resources.

VALUE

Customers

We help our customers reduce their climate impact through circular washing and renting solutions.

Employees

We create jobs in the local communities, and ensure all our employees have attractive working conditions and opportunities for progression and skills improvement.

The environment

We extend textile longevity and reduce the use of new resources through up- and downcycling.

The local community

We work closely with Jobcentres, other local organisations and donations to charities to contribute to sustainable development.

CUSTOMERS

Public sector

- Hospitals
- Community care and care centres
- Schools and academic institutions

Private sector

- Hotel and restaurant industry
- Medicine industry
- Food industry
- Heavy industry
- Service industry

Our approach to CSR

DFD has always worked with CSR to some degree, and acting responsibly to people, the environment and society is deeply anchored in our DNA. To us it simply makes sense, not to mention giving human and commercial value.

We subscribed to the UN Global Compact in 2018, committing us to comply with the 10 principles for human rights, labour rights, the environment and anti-corruption.

Together with the UN Global Goals, the Global Compact functions as the foundation for our work within Corporate Social Responsibility, including with sustainable development.



A RESPONSIBLE BUSINESS



Watch the video to get an introduction to the section.

RESPONSIBLE GOVERNANCE

The sustainable development does not happen by itself. In fact, it requires responsible governance that takes people, the environment and society into account.

Responsibility for sustainability.

At DFD, we take the EU taxonomy and the new reporting requirements seriously. Throughout 2022, we have therefore focused on defining the ways of how we can meet the requirements for data and reporting in the future. One of the things we have been focusing on is allocating responsibility within the business and we have additionally been working actively to create internal understanding of the requirements that will be imposed on us.

Our Code of Conduct

Our Code of Conduct represents a key part of our Supplying Direction of Social & Environmental Responsibility.

It establishes the guidelines for responsibility and best practice for our employees, organisation and our suppliers.

Through our Code of Conduct:

- We will ensure compliance with human rights within our business, including the rules for child and forced labour.
- We will enhance our environmental and social responsibility in our value chain through focusing on responsible consumption and production.
- We will combat all forms of corruption and bribery.

Competitive rules

A large part of our business is subject to tender, and we naturally follow tender guidelines applicable to suppliers.

We also hold an annual sales and service day, in which the participants primarily are

consultants, sales and other senior personnel, able to commit the company to agreements and contracts due to their position.

Our lawyers and directors also go through significant aspects of agreements and contracts during the day, the importance of market dominance and ensure that everyone gets a fresh and thorough guide to best business practices at DFD.

Whistleblower scheme

DFD has a whistleblower scheme that enables our employees to report serious breaches of EU law and Danish law such as bribery, eavesdropping, fraud, harassment and other serious offences

GLOBAL GOALS AS BASELINE

Our certification within the UN Sustainable Development Goals proofs that the goals are fully integrated into our management system and the way we run our business.

With the help of the Global Goals, we ensure that everyone at DFD is moving in the same direction, and that our defined focus areas are systematised, documented, measured and continuously improved.

Selection of Global Goals

At DFD, we know that we cannot contribute to and work equally effectively with all 17 UN Global Goals and their 169 sub-goals. Therefore, our selection of Global Goals has been made on the basis of thorough analysis. We based our analysis on input from the various divisions, who had looked at internal and external factors that can impact our ability to realise our chosen goals.

Our entire value chain has been scrutinised – from the extraction of minerals to our own core business along with the products and services we offer our customers. Our analysis was also based on all 169 sub-goals, focusing on how our business impacts them positively and negatively, directly and indirectly.

We used the results to determine how we can create the best possible and most positive impact for people, the climate and society.

The analysis clearly indicated that there are five Global Goals that we can influence in a positive direction. Therefore, we have chosen to work exclusively with them.

We also believe that working with the Global Goals is a dynamic process recurring every year, and we have recently audited progress on them in connection with the certification.



**Global Goal 6:**

We want to help ensure that everyone has access to clean water and sanitation. That is why we have set a goal of cutting water consumption by 30% by 2025.

**Global Goal 7:**

We optimize and restructure our production and logistics processes and have set a goal of cutting energy consumption by 30% by 2025.

**Global Goal 8:**

We create inclusive jobs for people in local areas and have a goal of 100% of all our employees being offered some form of skills development, while the total score for job satisfaction in DFD must be at least 4 out of 5.

**Global Goal 12:**

Our ambition is to recycle 100% of discarded textiles from our customers by 2025, and that 100% of our strategic textile suppliers will comply with our Code of Conduct.

**Global Goal 17:**

We believe that the efforts for sustainable development must happen through partnerships. Therefore, we take part in partnerships that can contribute to positive change.

Certifications as guarantee and guideline

Our certifications play a key role in the way we run our business. We gain a number of means of being able to ensure we continuously improve within specific areas, and certifications are the customer's guarantee that we meet the highest industry standards.

Regular audits give us external input, meaning that certifications act as a guideline for our future development.

For many years, our work with CSR has been based on the DS 49001 CSR standard. However, this is not the case anymore. In 2022, we replaced the standard with the UN Sustainable Development Global Goals, which, along with the UN Global Compact, now represent the foundation for everything we do within this field.

Certifications at group level:

- Global Goal certifications
- Working environment (ISO 45001)
- Environmental management (ISO 14001)

Certifications at market level:

- Food safety (ISO 22000)
- Hygiene (DS2450/ 2451-8)
- Quality management (ISO 9001)



Nordic Swan Ecolabel textile service

As a part of our efforts to ensure a responsible business, we work closely with Miljømærkning Danmark (Ecolabel) for the Nordic Swan Label Textile Service.

14 of our laundries are now certified for the Nordic Swan Label, which sets requirements for the entire product life cycle from raw materials and production, to use, disposal and recycling.

The regular updating of the Nordic Swan Label means tighter requirements to be able to obtain and retain certification, which constantly push us in a more sustainable direction, which contributes to Global Goals 6, 7 and 12 in particular.

Nordic Swan Ecolabel Textile Services certification has the following benefits:

- No perfumes or optical whiteners in the chemicals
- No hormone disruptors in the chemicals
- Optimised chemical dosing
- Reduced electricity and water consumption for all processes
- Waste sorting, including recycling or environmentally-correct disposal
- Drivers trained in eco-friendly driving techniques.

Nordic Swan Label Textile Service textile service gives CO2 savings

Nordisk Miljømærkning ascertained in 2022 that at least 27% CO2 savings can be gained by choosing a Swan Label textile service. According to its study, such CO2 savings are especially due to the label's limits set for energy consumption and greenhouse gas emissions.



Risks and possibilities

As a responsible business in a changing world, we take into account the risks and problems we can encounter in our business activities.

With references to our business areas, we have identified and evaluated a number of factors that can affect our business and stakeholders such as employees, customers, suppliers and other private and public organisations we cooperate with.



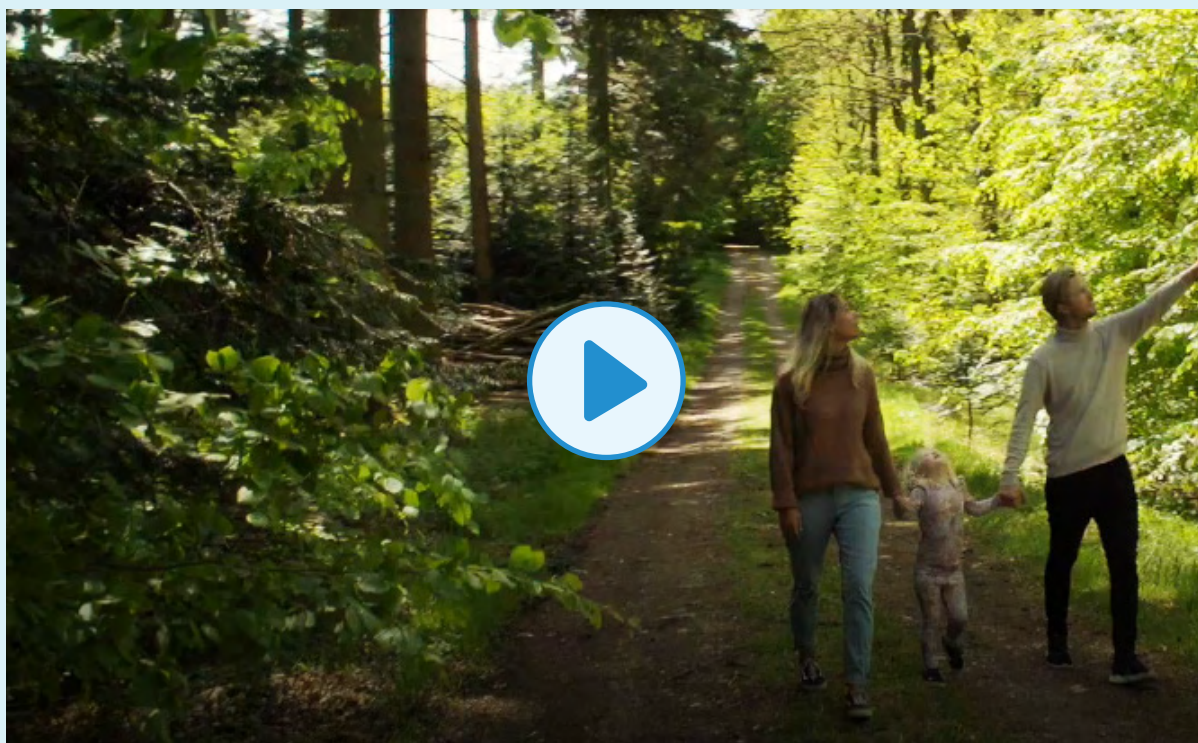
EMPLOYEES	
WORK ENVIRONMENT	
Risk	Response
At our laundries and upon delivery, there is a risk of physical accidents and injuries because of heavy lifting tasks, etc. while language and cultural differences can have an impact on the psychological working environment.	<ul style="list-style-type: none"> • Written and visual safety manuals • Rotation plans ensure regular changes in workflows and tasks • Side by side training and Danish courses
WORKFORCE	
Risk	Response
As many other companies, we find it challenging to attract and retain employees. The particularity applies to recruitment for our laundries in outlying areas.	<ul style="list-style-type: none"> • More collaboration with municipal Jobcentres and others • Education and skills development

ENVIRONMENT	
RESOURCE CONSUMPTION	
Risk	Response
Washing, drying and delivering textiles involves a large amount of water, chemicals and energy that can have a negative impact on the environment, including water shortages, CO2 emissions and contamination of ground water due to our wastewater.	<ul style="list-style-type: none"> • Continuous upgrading and replacement of machines and vehicles • Introduction of more low-temperature washes, and recycling water where possible • Regular adjustment of laundry chemicals and control of wastewater.
TEXTILES	
Risk	Response
Textiles constitute a significant item in our overall climate account.	<ul style="list-style-type: none"> • Increased number of labels on textiles with a focus on environmental impact • Through the DFD upcy concept, we give new life to customers' discarded textiles.

SOCIETY	
SUPPLIERS	
Risk	Response
The majority of our textile suppliers are located in countries far from Denmark. This can be challenging in relation to compliance with human rights in the value chain as well as the requirements for substances harmful to health.	<ul style="list-style-type: none"> • Requirements for suppliers to offer textiles certified with OEKO-TEX Standard 100 • Annual audits with review of conditions and cooperation according to our Code of Conduct.
SUPPLY	
Risk	Response
As a manufacturing company, we are influenced by external factors. The latest example of this is the war in Ukraine, which led to increased inflation, price and supply difficulties in 2022.	<ul style="list-style-type: none"> • DFD upcy enables greater self-sufficiency in textiles • Increased focus on reducing consumption of water, gas, electricity etc.

CUSTOMERS	
DATA REQUIREMENTS	
Risk	Response
We increasingly meet demands for sustainability data and numbers for our solutions and production.	<ul style="list-style-type: none"> • Increased collaboration with partners on data and numbers.
SORTIMENT	
Risk	Response
The choice of material and logo on textiles is important for durability and reusability. Logos on the clothes make it difficult to recycle, and certain materials require greater energy consumption in the washing and drying processes.	<ul style="list-style-type: none"> • Advises customers in the selection of materials and recycling options • Advises customers to choose a narrow range • We advise against logos on textiles

CLIMATE AND ENVIRONMENT



Watch the video to get an introduction to the section.

We protect water

Water is essential to our core business, but it is also a finite resource we need to protect.

That is why we have set a goal of cutting water consumption by 30% by 2025 with 2020 as baseline. We succeeded in cutting water consumption by 10% in 2022.

The way to cutting water consumption varies from one laundry to another, but the common denominator is constant focus on ensuring that we reuse as much water as possible.

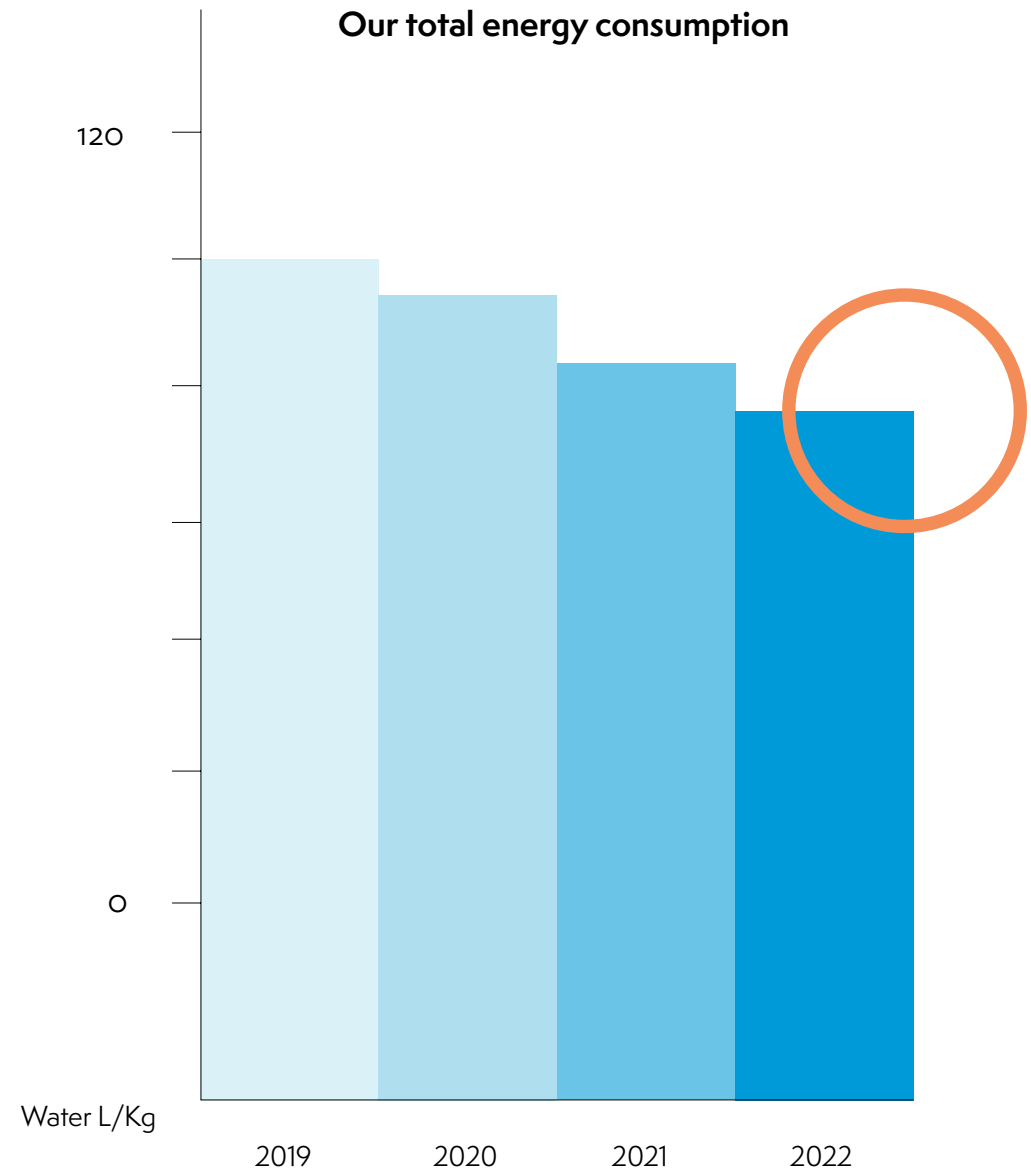
Large-scale operations also make it possible to optimise all the various parts of the washing process, including the consumption of chemicals.

Controlling waste water

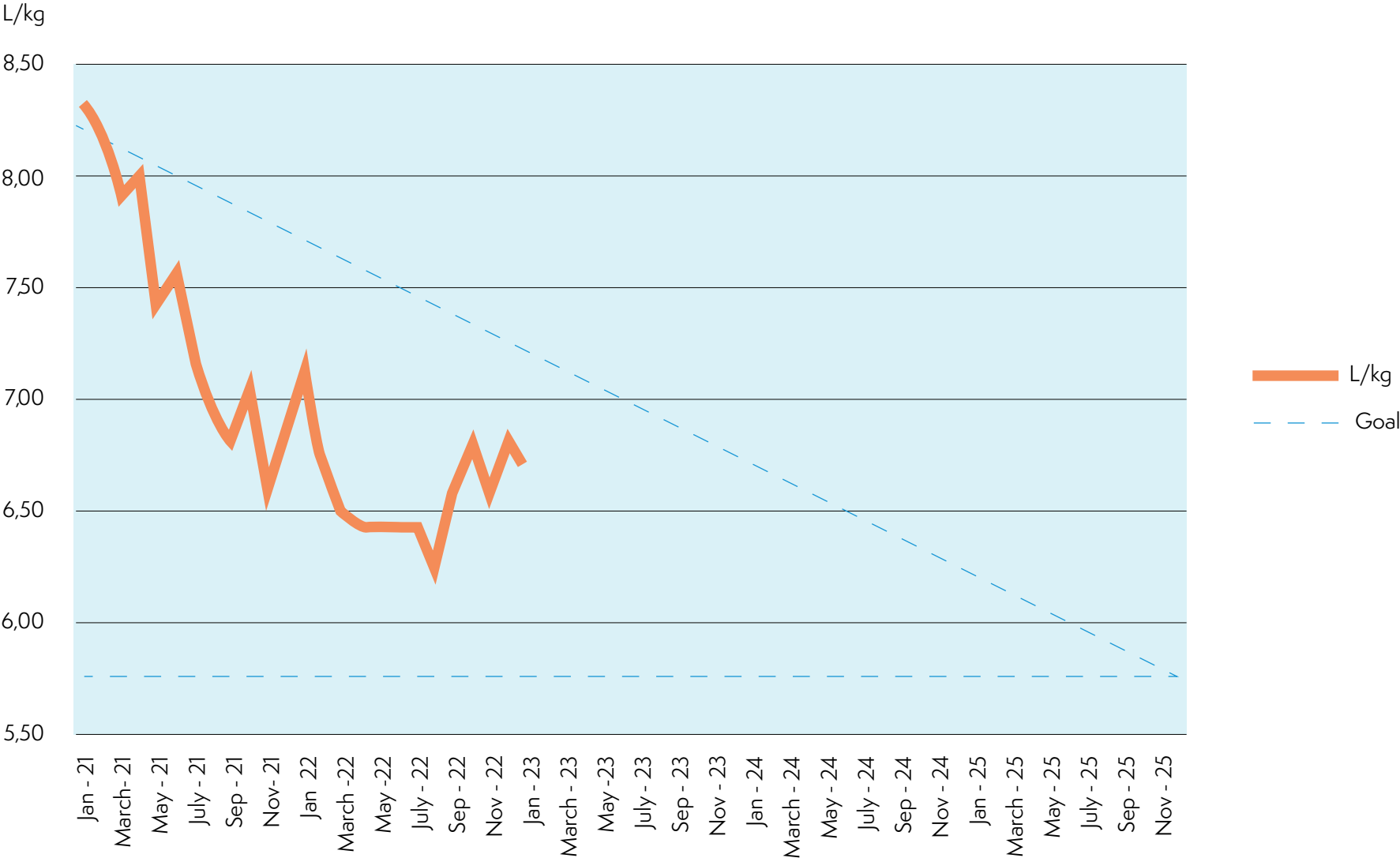
We naturally discharge wastewater as part of the washing processes. With regard to ensuring the quality of wastewater, we measure out chemicals very carefully, and in close consultation with our chemical suppliers.

Furthermore, the Danish Technological Institute regularly checks our waste water, helping us ensure that we always meet the industry association's requirements for measuring temperature, pH value and conductivity in the water we use for rinsing.

Our total energy consumption



The status of our water consumption



CASE

Eco-friendly mat wash

The washing process at our mat laundry in Køge is linked in a circular system. Wastewater is piped to special tanks under the laundry's car park, where it's passed through a biological filtering plant and can be used again. Thanks to the location of the tanks, the laundry also saves a lot of energy, as it uses the natural geo-thermal temperature of 8-9 degrees C to heat the water.

It also collects rainwater from all its roofs and the car park, which is used to compensate for the water lost to evaporation during the drying process.



19,5%

Our laundry at Skovlunde managed to cut the use of chemicals by 19.5% in 2022.

CASE

Fewer chemicals used

Our laundry at Skovlunde managed to cut the use of chemicals by 19.5% in 2022.

Before it optimised the use of chemicals, Skovlunde used an average of 36.5 grams per kg. of clothes washed. That has now been reduced to 29.4 grams.

As part of the drive to cut chemical use, every washing program was examined, and any reductions made were exclusively within the dosage recommended by the chemical suppliers.

Optimisation of washing programmes was also completed without any increase in re-washes, which clearly indicates that it is possible to maintain quality despite using fewer chemicals.

Constant optimisation of production

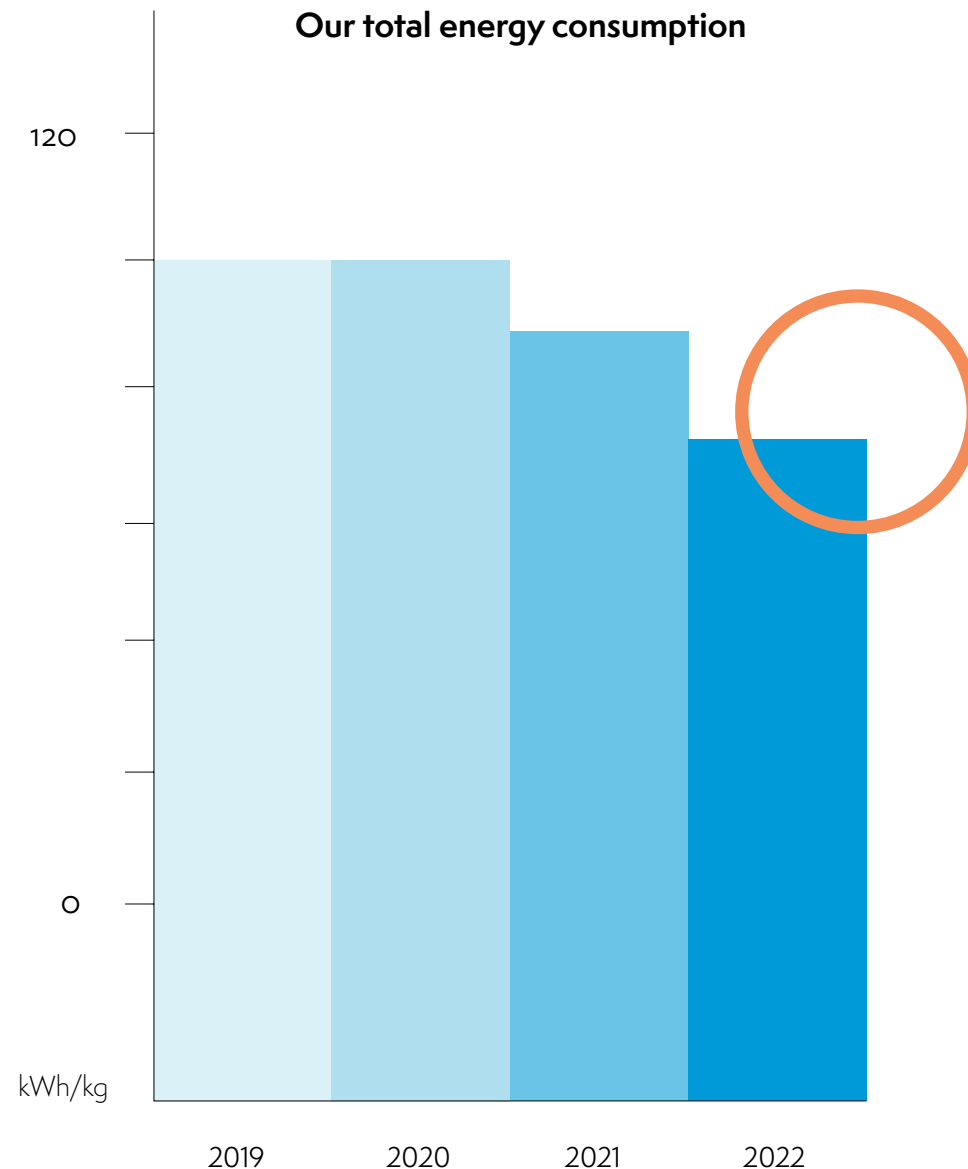
As a production business, we naturally have high levels of energy consumption, which is why we are working hard on cutting the use of resources such as electricity, gas and diesel.

That is why we have set a goal of total energy consumption by 30% by 2025 with 2020 as baseline. We succeeded in cutting energy consumption by 8% in 2022.

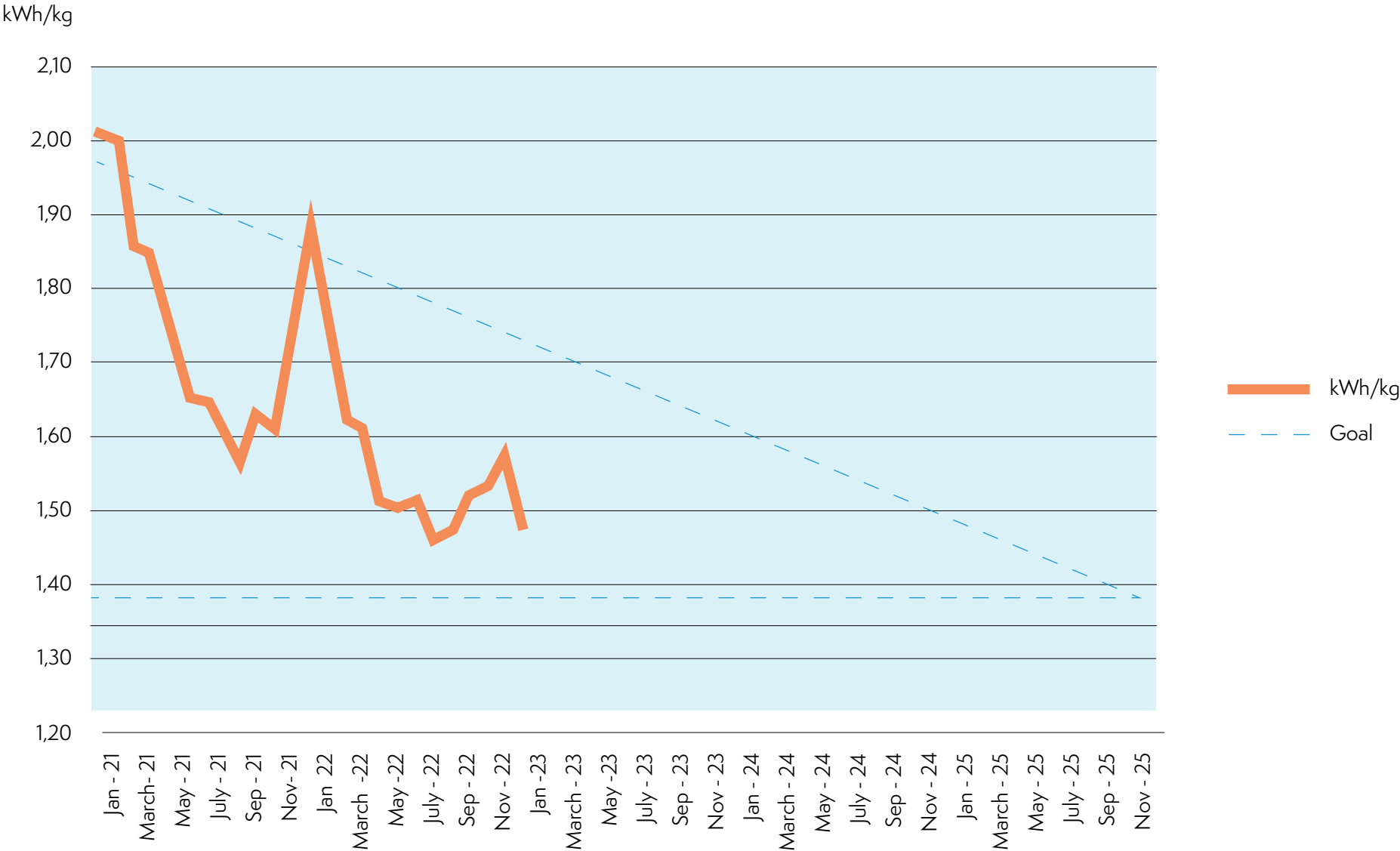
In line with new and improved chemical concepts being introduced, we constantly optimise our washing programs, which means we run more low-temperature washes now than ever before. That does not only reduce energy consumption, but it also has a positive effect on textile longevity.

Additionally, the investment in new machines helps us reduce our energy consumption.

Our total energy consumption



The status of our energy consumption



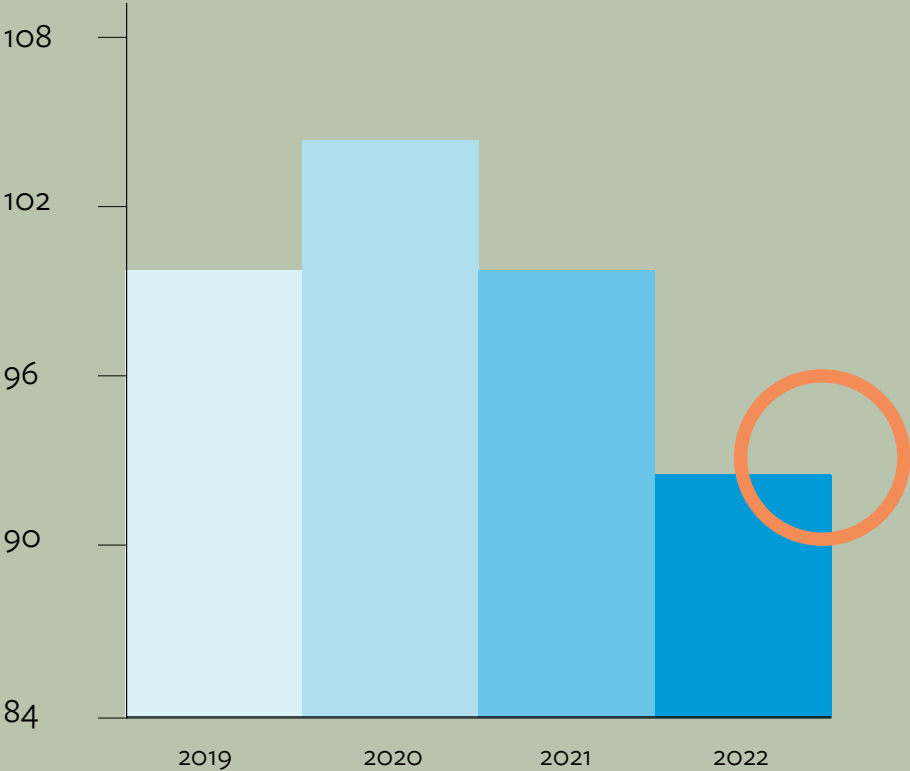
CASE

New machinery at St. Heddinge

During 2022, our laundry at St. Heddinge, who serves the hotel and restaurant sector, decided to buy a new washing pipe, which was delivered in early 2023.

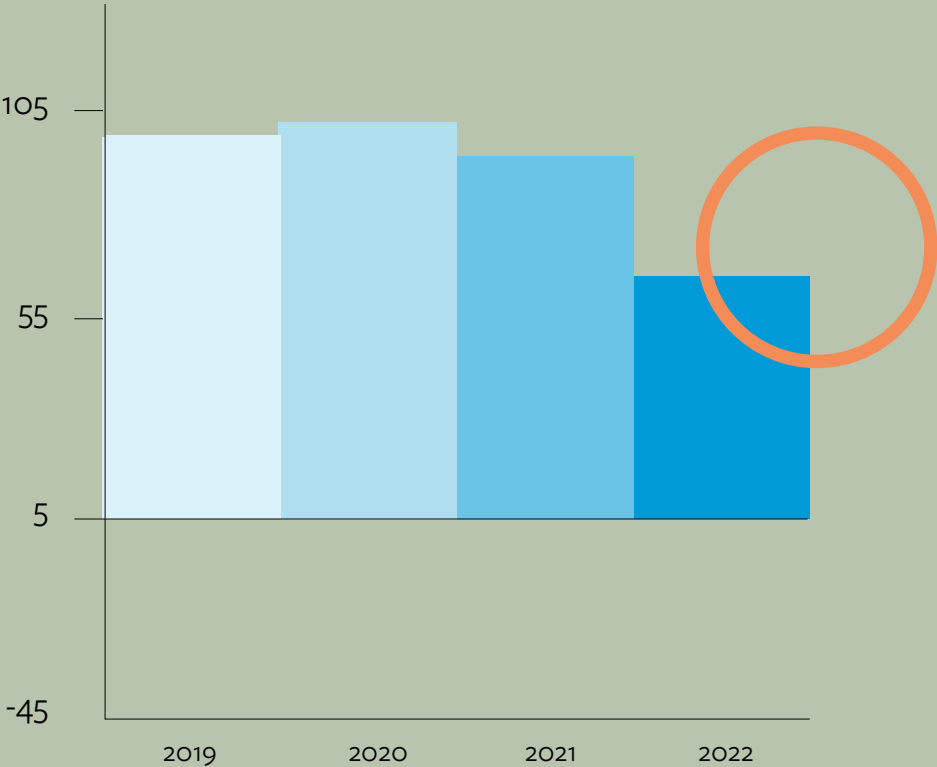
With considerably more capacity than its predecessor, the new machine can take 30% more laundry, which specifically means that the department gains a more flexible and efficient washing process, plus reduced energy consumption all at the same time. The department has also invested in a new roller for pillow cases, which also contributes to more efficient production.





Electricity consumption - index

The figures show total energy consumption for all our laundries. We succeeded in cutting total energy consumption by 8% in 2022.



CO2 – index excl. diesel

Our CO2 statistics cover gas, electricity and space heating. We succeeded in a reduction of CO2 of 11% in 2022 .



Responsible transport

Our ability to cut climate costs in connection with transport plays a key role in reaching our goal of reducing the energy consumption by 30% by 2025.

We therefore constantly optimise our routes, invest in new vehicles and ensure that all trucks and vans are leased according to the latest Euronorm.

We also always try to fill our vehicles as much as possible, and our drivers are all trained in eco-friendly driving techniques. Moreover, we advise our customers to have as few weekly deliveries as possible.



CASE

Delivery of clean products by electrical bike

In the spring of 2022, we ran a pilot project in which 39 residents of assisted housing in Amager and another 35 in central Copenhagen received their laundry in a more climate-friendly manner.

By using a bike, we could not only save 1,934 litres of diesel and 22,000 few km covered during a single year, but also help cut traffic levels in central Copenhagen.

CASE

Double decker trailers

Several divisions took delivery of new double decker trailers last year. The new trailers have 60% more capacity than the standard models, providing a saving for the divisions of several trips to and from the customers, which has positive consequences for fuel consumption and road traffic.

The new trailers save our division in Odense five trips a week for instance, saving 113,880 km p.a. Plus CO2 savings of 78,293.40 kg.



LESS TEXTILE WASTE WITH DFD UPCY

Less waste and maximum use of existing textiles are key climate measures when it comes to improving resource efficiency in our supply chain.

At DFD, we discard around 1 ton of textiles per day, which has considerable climate-related consequences if such large amounts are incinerated. Therefore, we launched the DFD upcy concept back in 2019, designed to recycle textiles discarded by customers through upcycling, recycling and downcycling, with the objective of reusing 100% of discarded textiles by 2025.

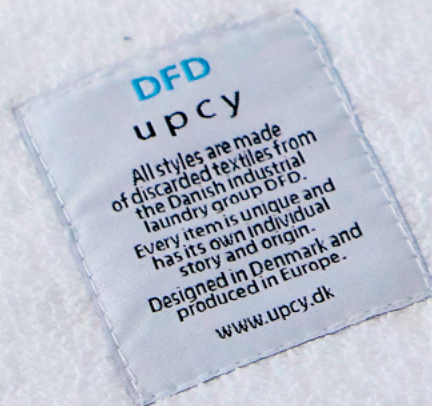
In 2022, we managed to upcycle 71% of the discarded textiles, and developed 26 new styles.

We had also set a goal of 10% of our textile procurement should come from DFD upcy in 2022 – a goal we almost succeeded in fulfilling with 9.19%.

Partnerships are the key to success

Partnerships are the key to our upcycled, recycled and downcycled solutions becoming a success. Therefore, the recycling of textiles is performed in close consultation with customers and other partners, to ensure they receive genuine and usable value.

DFD upcy therefore not only pushes our own value chain in a more sustainable direction, but also those of our customers, as they gain the opportunity to reuse their discarded textiles thanks to the concept.



How discarded textiles are given new life

- Tablecloths = serviettes and kitchen jackets
- Duvet covers = linen bags and kitchen shirts
- Duvets = down jackets
- Aprons = patch aprons
- Sheets and incontinence pads = overalls and shoe covers
- Softshell jackets and mats = computer bags
- T-shirts = hand towels
- Ambulance blankets = cardigans
- Towels and bathrobes = hand towels



CASE

Linen bags for the holiday home industry

We launched linen bags made from discarded duvet covers from the hotel industry in 2022. The solution gives our customers in the holiday homes industry the opportunity to avoid plastic packaging – an opportunity Feriepartner Danmark has taken.

During the next five years, the rentals company will save up to 500,000 plastic bags.

That means huge benefits for the environment via their customers, and if the entire holiday home industry adopts the idea, they will save the environment up to 3.3 million plastic bags over a five-year period.

CASE

Textile covers for cots

No more plastic covers will be used in the natal ward of Aalborg University Hospital on cots for newborn babies. We designed a textile cover in close consultation with the ward in 2022 made of discarded laundry bags.

With over 3,500 new births a year, the textile covers will replace the equivalent number of plastic items to the benefit of the environment.



CASE

Development project: Reusable gloves for hospitals

We started a new development project last year in partnership with the Danish Technological Institute and Bait A/S, designed to create a circular alternative over a two-year period to the blue disposable gloves used by the thousand in the health service.

The objective is for the gloves to be part of an existing cycle with us in line with cloths and other textiles – and if we succeed, there are massive environmental benefits to be gained for the health service.

Reusable gloves will also make it possible to overcome possible supply problems, as the supply chain will be more resistant and flexible.

CASE

Hand towels for drying hands

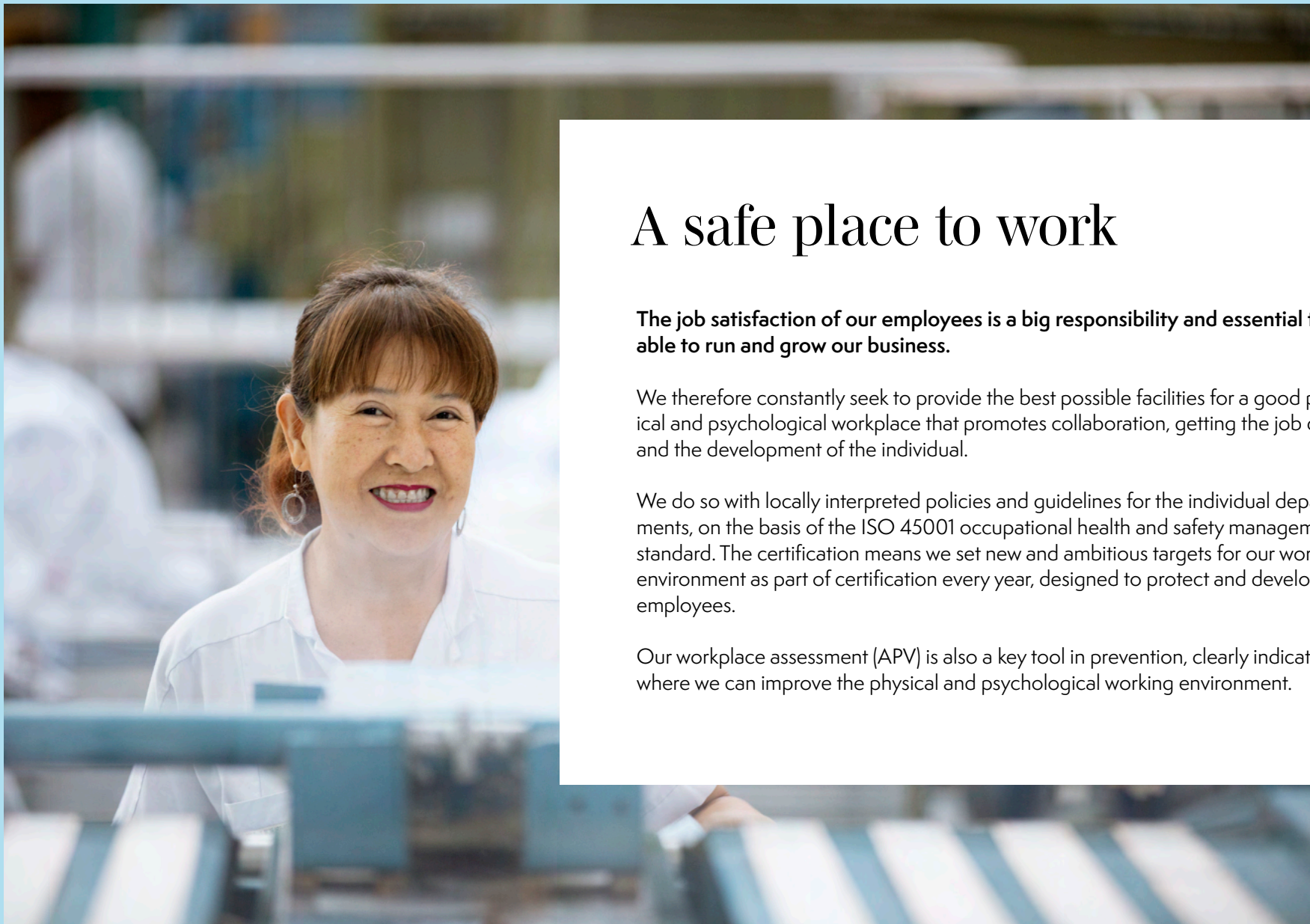
We conducted a lifecycle analysis of our hand towels in 2022. Our hand towels are a circular alternative to paper towels, made from discarded t-shirts.

The analysis was performed by NIRAS, and concluded that our hand towels emit around 30% less CO₂, and are beneficial from an environmental perspective in no less than 11 out of 16 categories.

PEOPLE



Watch the video to get an introduction to the section.



A safe place to work

The job satisfaction of our employees is a big responsibility and essential to be able to run and grow our business.

We therefore constantly seek to provide the best possible facilities for a good physical and psychological workplace that promotes collaboration, getting the job done and the development of the individual.

We do so with locally interpreted policies and guidelines for the individual departments, on the basis of the ISO 45001 occupational health and safety management standard. The certification means we set new and ambitious targets for our working environment as part of certification every year, designed to protect and develop our employees.

Our workplace assessment (APV) is also a key tool in prevention, clearly indicating where we can improve the physical and psychological working environment.



28%

We managed to reduce the number of occupational accidents in 2022 by 28%.

Safety in the workplace

Regardless of whether our colleagues work in the office or production, it should be safe to go to work. We therefore work consistently on initiatives that can prevent accidents and occupational injuries.

The work at our laundries in particular can involve a lot of repetitive and manual tasks, and as part of our efforts to prevent our employees being worn down and suffering from injuries, we work according to rotation plans. The rotation plans ensure our employees change their work after every break, requiring them to work max. two hours at a time on the same job.

A number of laundries also use elastic training, which has been proven to have a beneficial ergonomic effect, as it can help to loosen and prevent tension in the body.

Fewer occupational accidents

Thanks to all our efforts, we managed to reduce the number of occupational accidents in 2022 by 28%. The figure refers to accidents for which sick leave has been necessary.

CASE

Focus on the working conditions of drivers

Our service drivers belong to a particularly vulnerable group of employees. With regard to preventing occupational accidents and injuries, our hotel and restaurant division drew up a checklist in 2022 for good deliveries.

The list is used to hold highly beneficial, solutions-oriented talks with our customers on how we can jointly ensure good working conditions for our drivers, if existing conditions do not live up to the requirements of the checklist.

Excerpt from the list

- Drivers can park at the actual delivery point, and the area is well-lit.
- The surface is level, cleared of snow and easy to drive on.
- There is a lift available for delivery to upper floors.
- Sacks collected without container cannot exceed a total of 200 kg. (20 sacks) at a



CASE

Safety agreements prevent occupational accidents in Aalborg

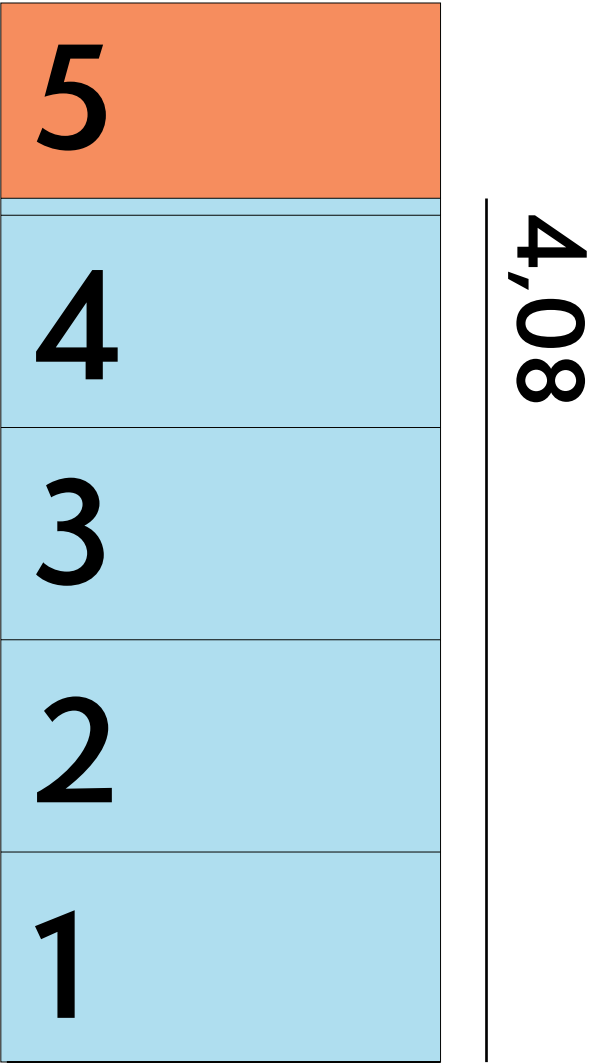
Our colleagues in Aalborg prevent accidents by using a 'working environment and safety board'. The board provides production employees with details of recent accidents, including what happened, along with all safety registrations concerning episodes that could have led to an accident.

Such events are called 'good catches' and 'near misses', and are discussed at the daily morning meetings, where someone is appointed to deal with it if a registration required corrective measures.

CASE

New containers will reduce the number of accidents

The vast majority of accidents amongst our customers, drivers and production employees are related to the containers for clean and dirty laundry. We therefore took a decision in 2022 to launch a new project to ensure that all trolleys purchased in future are better quality.



A secure working environment

The psychological working environment is key to the well-being of our employees, and we therefore make every effort to provide an open, honest and influential culture, in which the individual feels that they are seen and heard.

We have a clear expectation that management take the lead, setting a good example and being guided by a strong ethical compass to ensure that we always balance our business-oriented and dedicated culture with suitable conduct.

By holding regular interviews at department and individual level, we keep a constant check on the welfare of our employees and engage in constructive dialogue in the event of sick leave, giving them the opportunity to talk about any problems or requirements they may have.

We are also working actively to prevent all forms of harassment as well as focusing on our whistleblower scheme. The whistleblower scheme reflects our ambition to allow the employees to confidently, securely and anonymously report any breaches of the law, rules and other serious matters.

Employee welfare
Job satisfaction is important for welfare, which is why we have set a target of job satisfaction scores being at least 4 out of 5. Our annual employee welfare survey is also an important tool that provides an insight into whether the employees are happy and content. The total score for job satisfaction in 2022 was 4.08, which is 0.03 higher than the year before. The overall response rate was 86.5%, which was 0.5% better than 2021.

Sick leave

We saw a minor increase in sick leave last year. The statistics include part-time, stay-at-home and general sick leave, and include the after-effects of COVID-19. We will therefore continue to focus on reducing sick leave, to be able to achieve our target of max. 3% moving forwards.

Employee turnover

The figure for employee turnover in 2022 was 32%, which covers employees in the offices and production. Employee turnover has to be seen in the light of our seasonal workers, plus the number of lost and gained customers has significant influence on how many employees we recruit and lose during a year.



Training and skills development

Our employees are essential for our business success, and we therefore regularly offer courses and qualifications that can contribute to their personal and vocational progress.

We do so for the sake of being able to attract and retain qualified people, as our employees play a key role in the development of the business.

When our colleagues acquire new skills or qualifications, not only DFD benefits, but also them and our customers.

2025 ambition

100% of our production personnel must be offered skills development.

New courses and qualifications

During 2022, we kick-started our training program, which had been put on standby in preceding years as a result of COVID-19.

New courses were developed and started, including e-learning courses, designed to ensure a more uniform and dedicated onboarding for new recruits.

Courses on the Global Goals

Among the new courses, we have developed one focusing on the UN Global Goals. It's intended to help our colleagues understand the importance of the goals, including the goals themselves, sub-goals and how they relate to our business and customers. The course takes one day, and combines teaching and exercises.

Coordinator course

At DFD, we support the talent in the production, including in the form of our Production Coordinator Course. The course is designed to give our colleagues all-round knowledge of the laundry industry along with tutoring in management, communication and dealing with different cultures, something that is essential for successful management in a highly diverse business.

Graduate programme

DFD wants to contribute to the development of the talents of tomorrow, and we have therefore offered newly graduated students and young people at the start of their career enrolment on our graduate programme. The programme introduces young people to our industry and to business in general, and over a period of two years, the candidates are given ample opportunity to try their hand at sales, service and production management, business development and project management.

Screenings and skills development

We introduced screening of our employees at 14 out of our 15 laundries in late 2022, and the last one is expected to start in 2023.

Screenings are performed to find ways to develop the skills of our production workers and drivers, offering them courses in Danish and mathematics. Relevant employees are also offered IT courses and we are working on a laundry course to be introduced in the future.

As part of the screening process, employees are also tested for dyslexia, backed up by courses where relevant.



External and internal courses:

- Intro programme
- Core values course
- Management course
- Value360 course
- Negotiation techniques course
- Global Goals
- New to management
- Excel
- Presentation techniques
- Production Coordinator
- Danish, maths and IT
- Project management programme

Regular further education:

- Industrial operator
- Laundry engineer
- EU HGV licence
- EGU
- IGU
- HD



A diverse and inclusive workplace

DFD regards diversity as a strength, and we apply a broad definition that covers gender, nationality, age, sexuality, religion and other aspects.

The wide range of tasks to be performed at our laundries make it possible to recruit people with and without educations, which means we contribute to a broad and inclusive labour market that offers decent jobs.

DFD consists of many different employee groups and we are dependent on them working in harmony with each other. That requires mutual respect and understanding, which is why we operate with a flat, open management structure with the aim of creating a close-knit team throughout the organisation.

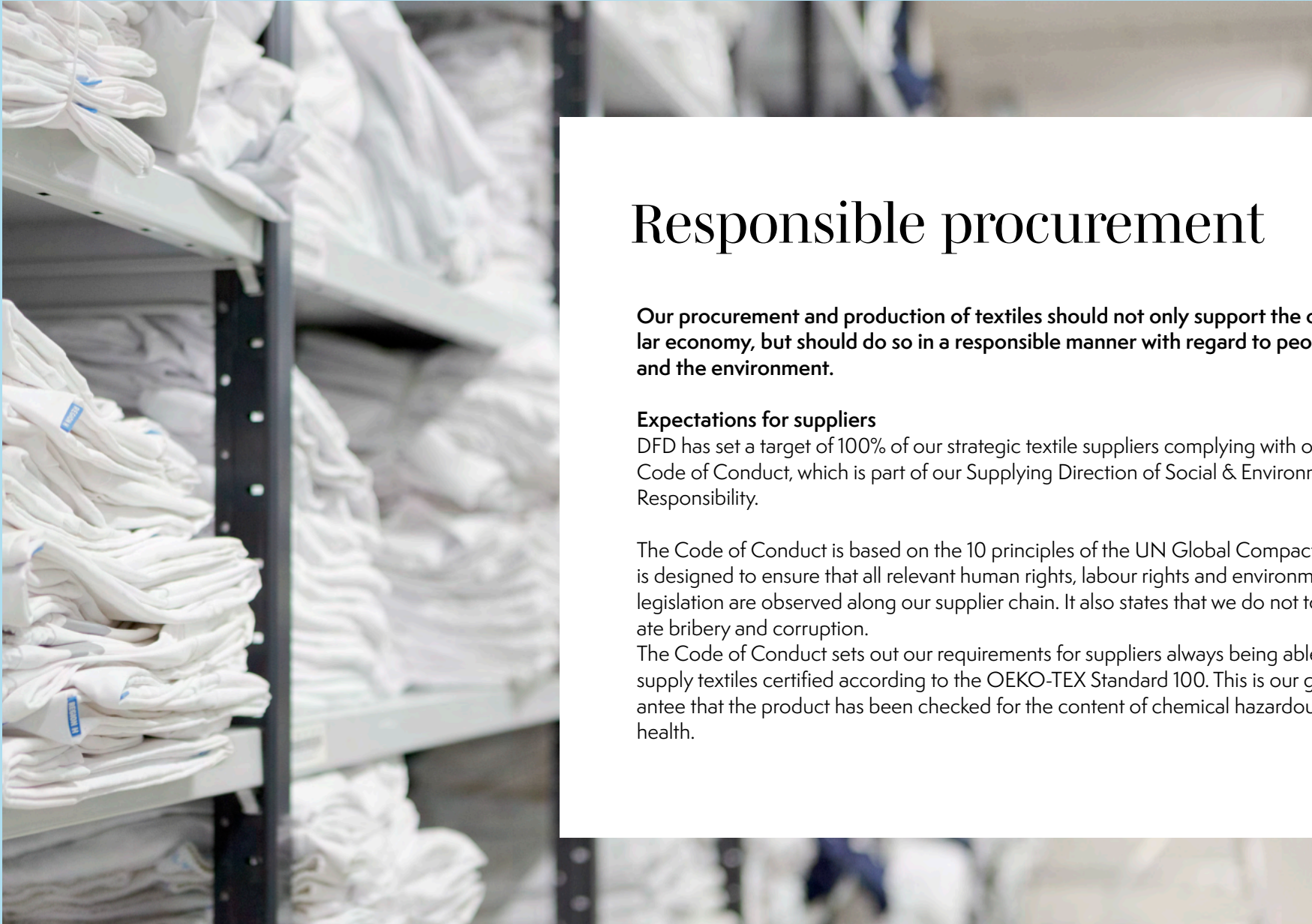
Our corporate language is Danish. Given the many different nationalities we have, the language barrier can be a problem, which we seek to overcome by offering courses in Danish, along with written and visual instructions.

53%

53% of employees are women.

50%

50% of employees at management level are women.



Responsible procurement

Our procurement and production of textiles should not only support the circular economy, but should do so in a responsible manner with regard to people and the environment.

Expectations for suppliers

DFD has set a target of 100% of our strategic textile suppliers complying with our Code of Conduct, which is part of our Supplying Direction of Social & Environmental Responsibility.

The Code of Conduct is based on the 10 principles of the UN Global Compact, and is designed to ensure that all relevant human rights, labour rights and environmental legislation are observed along our supplier chain. It also states that we do not tolerate bribery and corruption.

The Code of Conduct sets out our requirements for suppliers always being able to supply textiles certified according to the OEKO-TEX Standard 100. This is our guarantee that the product has been checked for the content of chemical hazardous to health.



Fewer suppliers, more labels

In recent years, we have focused on cutting the number of suppliers to be able to pursue closer partnerships for sustainable initiatives. This has meant that we have increased the number of labels attesting to care for the environment and social responsibility in our value chain, including:

- GOTS – The Global Organic Textile Standard
- BCI – Better Cotton Initiative
- Fairtrade

Selection of strategic suppliers

The strategic selection of suppliers is based on whether there is any value-related and strategic match between DFD and the supplier. Other criteria include assessment of:

- Whether the supplier's product is critical
- The chances of single sourcing
- Whether the product area is strategic
- The chances of regular negotiation
- The chances of developing formal but flexible relations

Annual audits

To ensure that our suppliers fulfil the requirements set out in our Code of Conduct, we hold annual contract reviews with all our strategic textile suppliers. The suppliers are evaluated for contract compliance, production conditions and any warranty issues as part of the review.

When we visit their production facilities, we look at the conditions people work under, and an audit report is produced after each visit.

If a supplier fails to comply with our requirements, we impose a specific action plan which must be completed within 12 months. If a supplier is unable to meet our standards, we do not want to work with them.



A POSITIVE ROLE IN SOCIETY

At DFD, we want to make a positive impression on the world around us, which is why we support areas local to us and some outside Denmark.

Partnering with local areas

We are convinced that DFD as a business has to play a leading role in its local communities. That is why we want to be active and contribute to tackling the problems they may have.

We do so by such measures as collaborating with local Jobcentres and other organisations to create success stories for the people finding it hard to get a job, in the form of practical experience, flexible jobs and wage subsidies.

SOS Children's Villages

DFD has supported the work of SOS Børnebyerne, a Danish children's charity, for years, and 2022 was no exception. We donated DKK 100,000 plus 5,000 textile

bags with logos during the year, which were used for the annual nationwide collection day.

We also donated warm clothes and DKK 1 million to the work of SOS Børnebyerne to help orphans in Ukraine.

Jobs for Ukrainian refugees

The war in Ukraine has caused millions to flee their homes, including some of our current colleagues. We received a number of Ukrainian refugees in 2022, who are now working at our laundries around the country.

Supporting the elderly in Lithuania

We donated duvets, pillows and bed linen to centres for the elderly in Lithuania at the start of the year. The donation was arranged in partnership with Rotary Danmark, part of a global institution that contributes to and supports good causes.

Superpartner at Nykøbing FC

We have sponsored and supported Nykøbing FC since 2020, and extended the partnership in 2022. We are therefore still sponsors for strip for the U14 and U16 girls teams, plus warm-up blouses for the club's NordicBet League team.





DFD
Textilia

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