



Welcome. It's good to see you here today, focusing on one of the most important issues facing our ourselves and our businesses.



Climate change is an accepted threat to our planet and today we are meeting against the backdrop of COP26, taking place this week and next in Glasgow.

The purpose of COP26, the 26th meeting of the United Nations Climate Change Conference, is to bring the world together to accelerate action to tackle climate change.

The goals for COP26 are to secure global net zero by 2050 and to keep 1.5 degrees within reach; to adapt to protect communities and natural habitats; to mobilise finance to deliver on these goals; and to work together globally to deliver them.

It's crucial Governments to come together to grasp the issues but here, within the cleaning and hygiene industry, we also need to do our bit. That is why we developed our ROADMAP TO SUSTAINABILITY.

Today I'll give you the background to this exciting initiative, share the findings of our research conducted amongst our members to find out where we are now, and the programme we are putting in place to help our members and all in the sector move towards a sustainable future.

What is environmental sustainability?



VS



Environmental sustainability is complex.

Translating the global objectives of COP26 into the decisions we take every day in our businesses is not straightforward.

What Is the sustainable choice?

What are the criteria for assessing whether or not one product or process is more or less sustainable than another?

What is the whole life impact of one decision over another?

Opting for recycled material ahead of virgin might feel obvious, but what if it's not fit for purpose. What if it involves more transport miles? What if the production process consumes more resources?

A local supplier may seem the sustainable choice, but what if they use only fossil fuels and their consumption is greater?

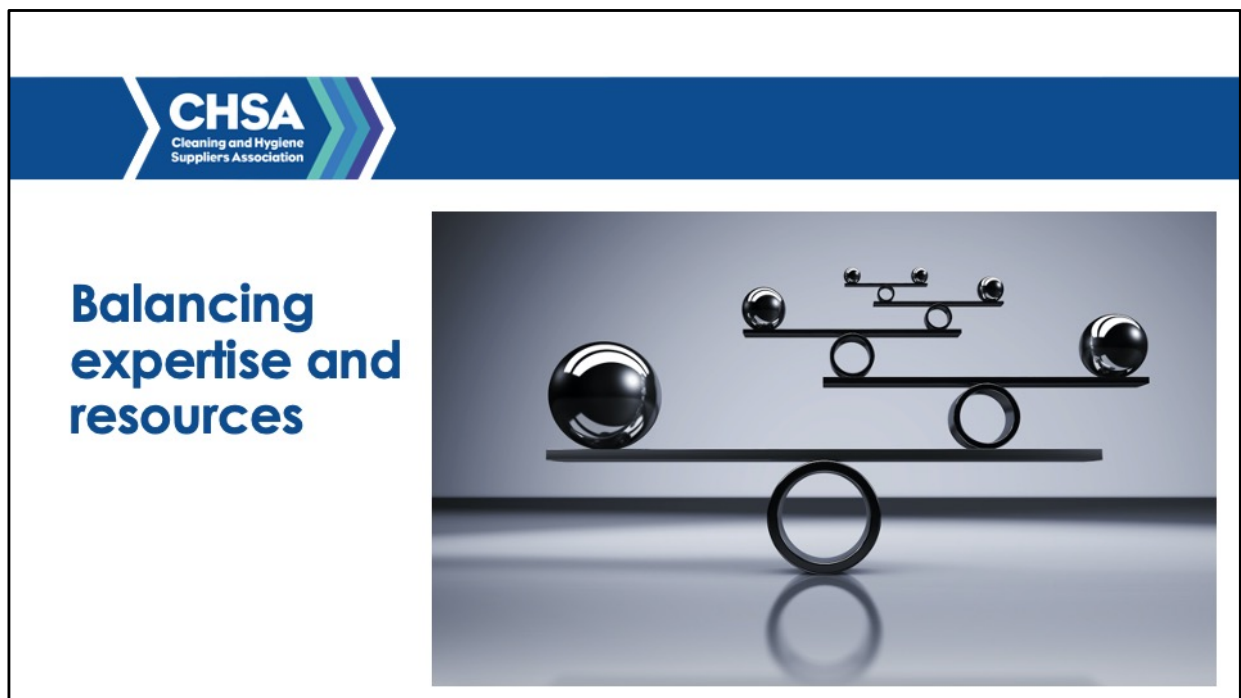
Tenders are increasingly specifying sustainable solutions. But what does this really mean? Are they adopting an informed and insightful approach to sustainability or is it more about box ticking? Does it mean their suppliers are delivering truly sustainable solutions or is it greenwashing? How do we know? And will the customer pay for the genuinely sustainable option?



As well as the complexity of the issue, businesses and organisations in our sector are also grappling with commercial reality.

Manufacturing and selling cleaning and hygiene products is highly competitive. Understandably, end users continually push down on prices.

Our members are always innovating new products, packaging solutions, processes and procedures, as evidenced by the CSSA Innovation Showcase here at the Cleaning Show. But commercial reality means these innovations must deliver tangible business benefits, and deliver them quickly.



Our membership consists of about 200 companies involved in the manufacture and distribution of cleaning and hygiene products.

They range from global multi-national industry leaders to small single site operations, and everything in between.

Despite a clear will to embrace sustainability, many of these organisations, particularly the smaller companies, lack the knowledge, expertise and resources to devise and implement initiatives that will effect positive change.

It is not easy to delve into and navigate the complexities of this broad issue while also managing and growing a business, and with increased regulation it's not getting easier, never mind the challenges of the last year and a half.



Working through a representative cross section of our members, we are addressing these challenges so we can support our whole membership move towards greater sustainability.

In particular, we have brought together sustainability experts from within our members to help map out a route towards a more sustainable future.

That team has defined five fundamental pillars, which are Product, Packaging, Transportation, Social Value and Ethics, and the Corporate approach to emissions waste and water.

We then established our members position in relation to each pillar and are now working in collaboration with the Cleaning Support Services Association (the CSSA), to develop the programme that will help businesses, ranging from manufacturers to contract cleaners of all shapes and sizes, move towards a more sustainable future.



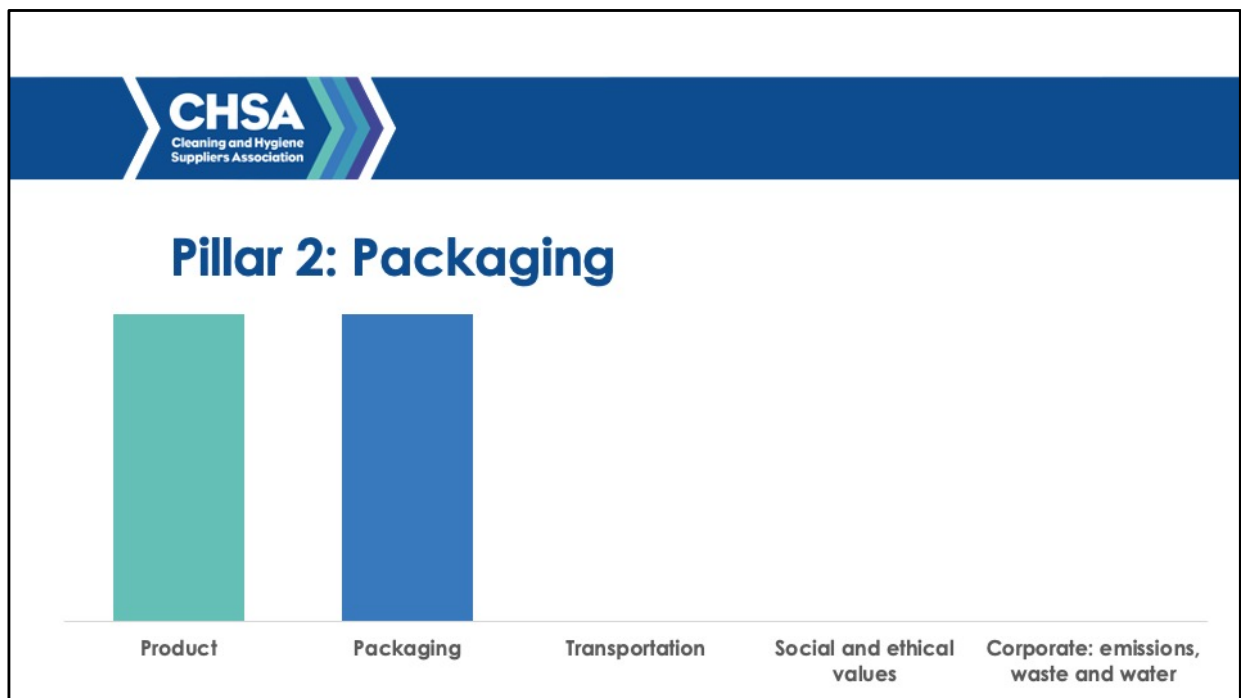
Pillar 1, Product, relates to product as it is received, used and disposed of by the end user.

Our goal is for product to be designed with three key principles in mind.

The first is that more product is produced using less raw materials, saving resources. A good example is the use of concentrates instead of ready to use formulations.

The second is that waste must be reduced, moving away from the linear economy, where resources are wasted at the end of the product's life. This means, for example, bottles with pumps be used ahead of trigger sprays because they are easier to re-use and re-cycle.

The third principle is to increase recycling and recyclability, helping us to move towards a circular economy. Accepting there may be a balance between product efficacy and recycled content, the goal has to be maximising the recycled content. The product itself also needs to be easy to recycle, helping us to move towards a circular economy.

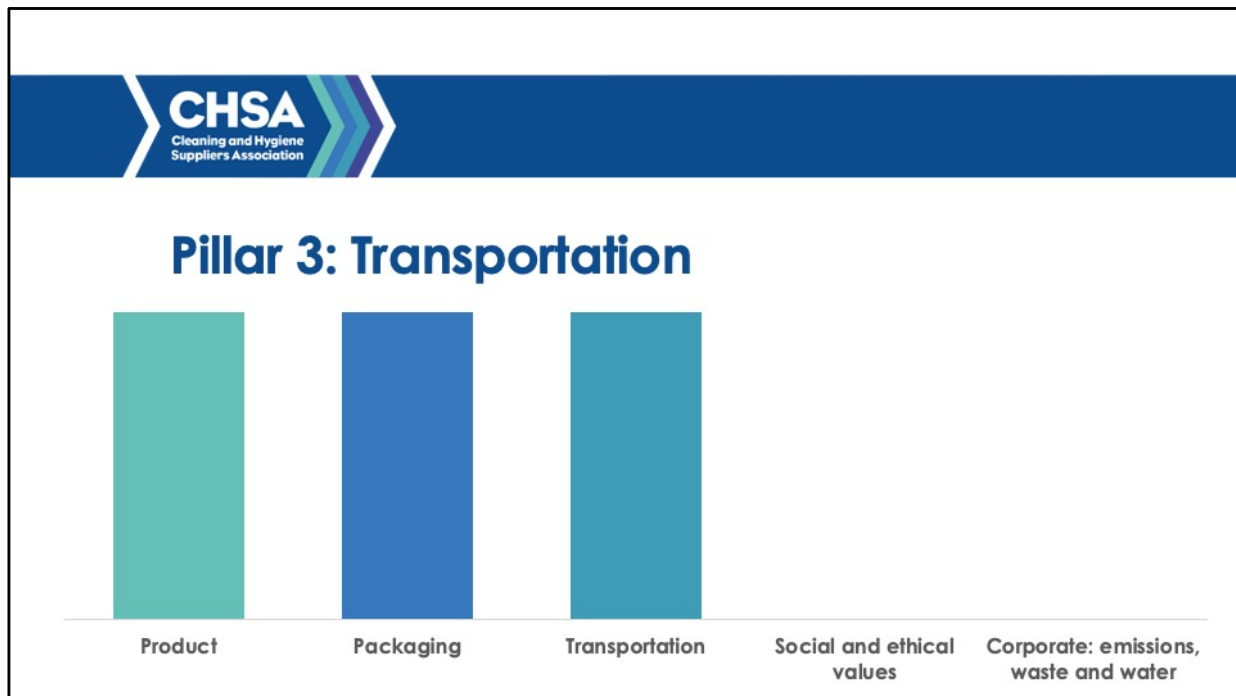


Pillar 2, packaging, relates to all the packaging of a product, throughout the supply chain. This includes manufacturer’s packaging as well as that used by distributors as they re-pack the product for its last few miles to the end user.

A minimalistic approach is needed. Less is definitely more.

Packaging should use minimal resources, be recyclable and easy for end users to recycle, which means, for example, thinking about the ease with which labels can be removed so pallet wrap can be more easily recycled in the UK, with increasing quality of recycle.

We also need a fresh approach to transit packaging. Manufacturers and distributors need to work together creatively to minimise the materials required to create the pallets of mixed products customers want.



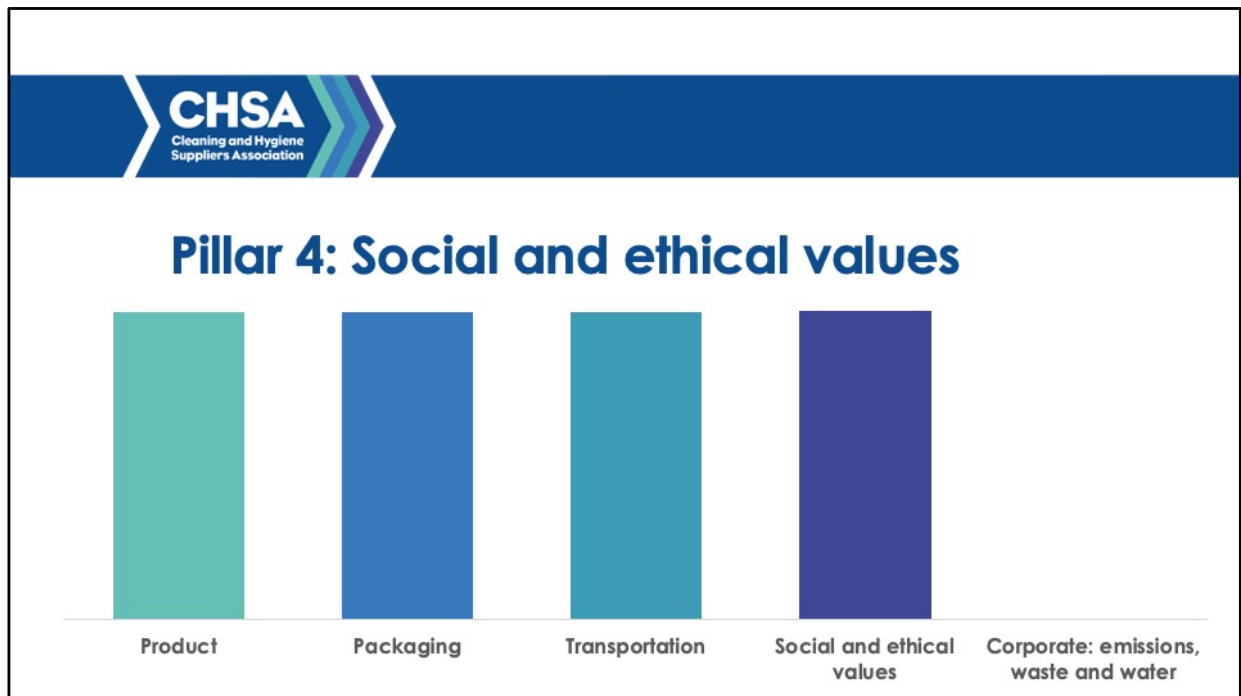
Pillar 3, transportation, covers the complete supply chain, from the sourcing of raw materials to the delivery to the end user.

This pillar, in particular, is complex and requires a whole life-cycle approach.

With this in mind we have focused on two points.

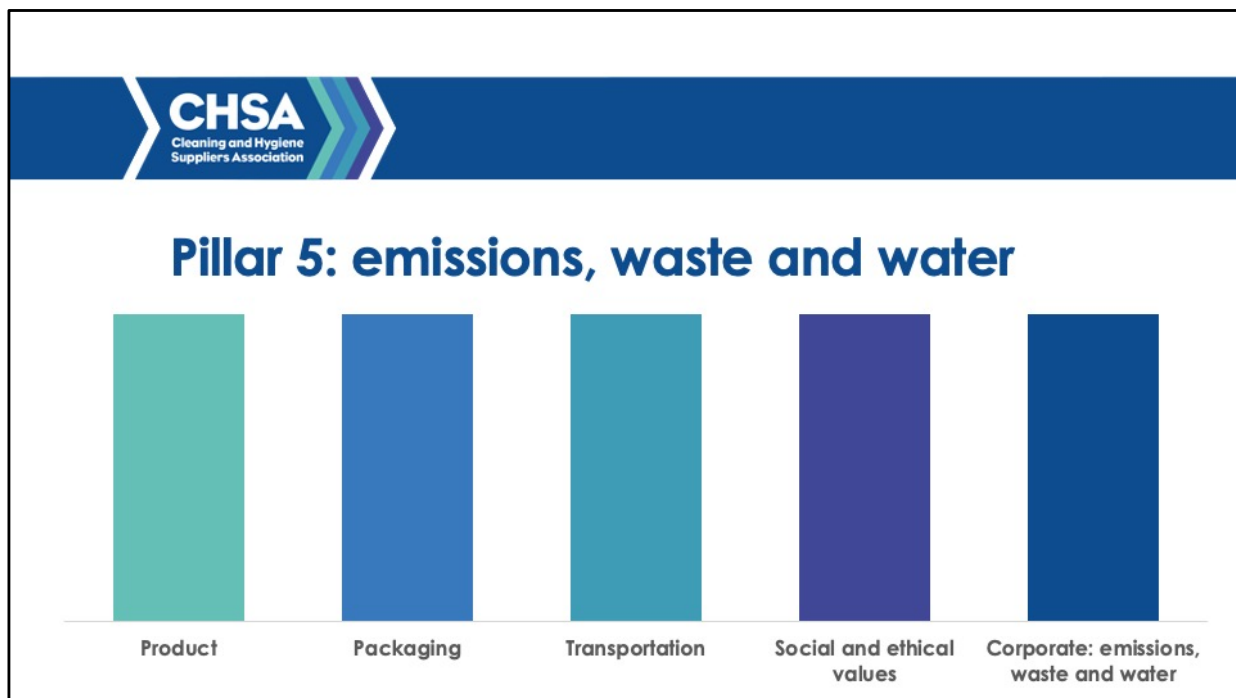
First, that the product be designed to optimise the transportation requirements. For example, designing the product and packaging so more can be transported in the same space.

Second, we aim to support members to ask the right questions of their supply chain. These include how do you optimise loads and delivery routes? What is the make up off your fleet? What is your strategy for deploying electric vehicles? What steps have you taken, in relation to transport, to reduce the impact of delivery miles on the environment?



Pillar 4 covers social values. It includes mental wellbeing and personal development. CSR strategies and involvement in the local community sit in this pillar, as does the overall ethical approach of the business, which covers practices including payment terms, sourcing strategies and policies covering issues like modern slavery.

This pillar needs to be embodied throughout the business, from the shop floor to senior management.



Pillar 5 covers waste, emissions and water.

With waste, our members who have waste partners will get the data they need from them to understand and measure their waste. Equipped with this they will be able to reduce waste. For those who don't have a waste partner, we will share ideas proven to reduce waste.

Regarding emissions, the first step is to educate members about Scope 1, 2 and 3 emissions. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from, for example, the generation of purchased electricity, and Scope 3 covers all other indirect emissions from the company's value chain.

This is a complex and confusing area. Our goal is to first help our members understand the issue and tell them what they need to know. Then we will provide templates and practical approaches they can use to reduce emissions.

Water usage is the third element of pillar 5. Again, the first step is to understand more about the overall water usage. Is it grey or drinking water? What are spillage and leakage rates? What is the quality of discharged water?



To make progress with each of these pillars, we needed to understand where we are today.

We conducted detailed research amongst our members.

The results highlighted the extraordinary complexity of the issue, the wide variation amongst members in terms of their readiness and capacity, and the real difficulty of influencing others further up or further down the supply chain.

This last point, in particular, really highlights how important it is that we address the crucial issue of sustainability as a whole industry. That's why we're delighted to be welcoming the CSSA into our initiative. We will achieve more together.

The results: Pillar 1, product

- 96% said disposal of the product at the end life is done by the customer
- 85% select raw materials with environmental impact in mind
- 88% can, at least to some extent, trace their raw materials through a third party Chain of Custody
- 88% have said they have a clear strategy for achieving their sustainability goals in relation to product

Pillar 1: product, as it is received, used and disposed of by the end user.

96% of respondents said disposal of the product at the end of its life is done by the customer. Only 12% said there is a closed loop process in place.

85% select raw materials with their environmental impact in mind and 88% can, at least to some extent, trace their raw materials through a third party Chain of Custody.

It's clear our members are taking control where they are able, in the sourcing of the materials, but seem to have little influence over the disposal of the product once out of their control.

The good news is 88% have said they have a clear strategy for achieving their sustainability goals in relation to product.

The results: Pillar 2, packaging

- 65% of respondents provide information to end users explaining how the packaging can be recycled and / or reused
- 46% have tried to understand what happens to the product at the end of its life
- The proportion of recycled content in packaging varies widely, generally being dictated by the product itself
- Only 69% have a clear idea of how they will reach their sustainability goals in relation to packaging

Pillar 2: packaging, relating to all the packaging of a product, throughout the supply chain

65% of respondents provide information to end users explaining how the packaging can be recycled and / or reused. With 'real estate' on labels in short supply or the label content dictated by the customer, this is often done via fact sheets and marketing information held online and made available via social media.

Just under half, 46% have tried to understand what happens to the product and packaging at the end of its life, only 19% operating a closed loop system. The good news is of those who don't have one now, about a third have plans to establish a closed loop system.

The proportion of recycled content in packaging varies widely, generally being dictated by the product itself. But 73% have at least some recycled content in their packaging. The introduction of the Plastic Packaging Tax (PPT) will be a key driver to increase this.

Fewer, only 69% have a clear idea of how they will reach their sustainability goals in

relation to packaging.

The results: Pillar 3, transportation

- Road, at 92%, and marine, at 88%, are by far the dominant modes of transport
- 54%, said environmental performance dictated their selection of logistics partner
- 35% monitor the environmental performance of their logistics suppliers
- Only 65% of respondents have a clear understanding of how to achieve their sustainability goals

Pillar 3: transportation, covering the complete supply chain, from the sourcing of raw materials to the delivery to the end user.

Road, at 92%, and marine, at 88%, are by far the dominant modes of transport, reflecting the importation of goods from the Far East and delivery direct to end users by our distributor members.

Only a little over half, 54%, said environmental performance dictated their selection of logistics partner, perhaps reflecting the commercial reality imposed by low margins.

But over a third, 35%, monitor the environmental performance of their logistics suppliers.

Again, only 65% of respondents have a clear understanding of how to achieve their sustainability goals.

The results: Pillar 4, social values & ethics

- 85% have an employee development and training programme
- 58% have a formal wellness initiative
- 58% of respondents have an engagement programme that fosters environmentally sustainable behaviours
- Encouragingly, members are including environmental issues in employees' objectives
- Only 46% of respondents saying they have a clear strategy for achieving their sustainability goals in this area

Pillar 4: social value and ethics

As you would expect, members adhere to legislation and have policies covering modern slavery, equal opportunities and diversity, and data management and privacy.

By far the majority (77%) are living wage employers and have an employee development and training programme (85%).

There is room for improvement in wellness initiatives and programmes that foster environmentally sustainable behaviours. Only 58% have a formal wellness initiative. These include things like Mental Health First Aiders, sabbaticals, cycle to work schemes and stress management policies.

Again, 58% of respondents have an engagement programme that fosters environmentally sustainable behaviours among employees. These programmes include activities like sustainability weeks, litter picks and beach cleans, the appointment of recycling champions and encouraging car pooling and cycle to work schemes. Another example is Operation Clean Sweep, which prevents the loss of plastic pellets.

Encouragingly, members are including environmental issues in employees' objectives. As many as 42% said they are including these issues for some employees and 27% said they are included in all employees objectives.

There is more uncertainty in this area, only 46% of respondents saying they have a clear strategy for achieving their sustainability goals in this area.

The results: Pillar 5, emissions, waste & water

- 92% of members have an Environmental Policy
- 69% have Environmental Improvement Plans
- 31% of respondents are using carbon offsetting
- 92% of respondents segregate and recycle their waste
- Respondents are actively fostering biodiversity
- Only 58% say they have a clear understanding how to achieve their sustainability goals in relation to waste, water and emissions

Pillar 5: corporate approach to waste, water and emissions.

The good news is 92% of our members have an Environmental Policy and 69% have Environmental Improvement Plans.

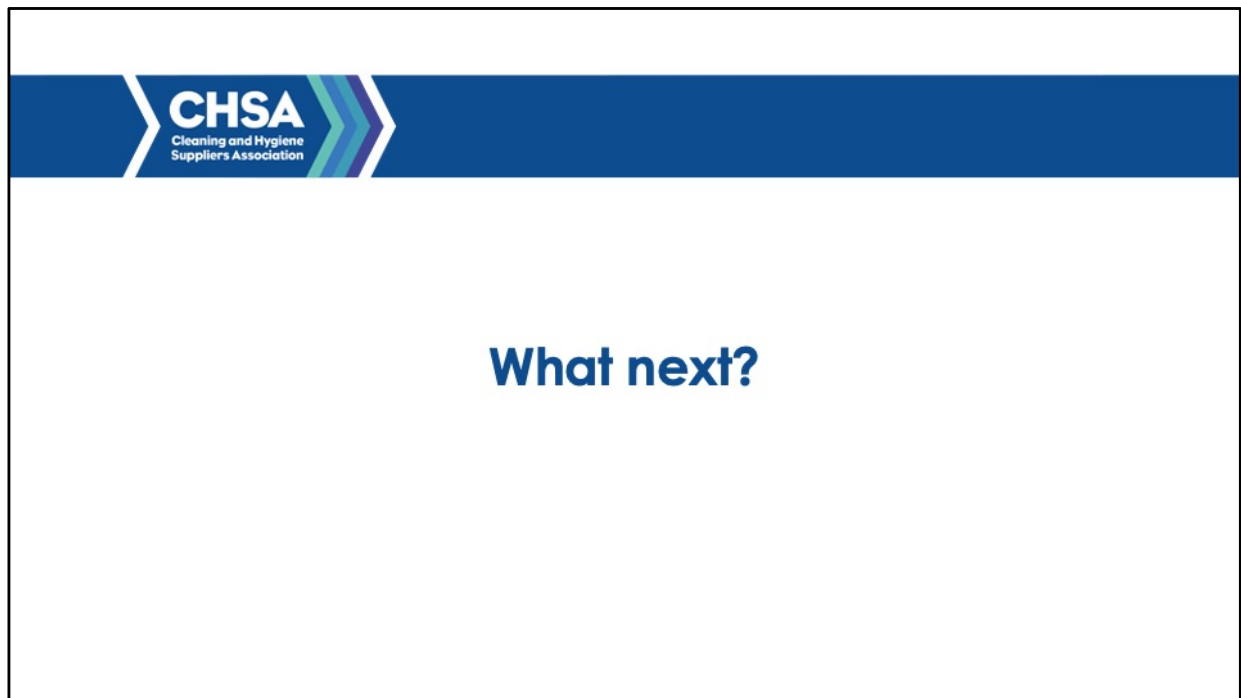
These plans include all sorts of activities to reduce carbon emissions. They include container optimisation, energy efficient lighting, installation of solar panels, motion sensitive lighting and updating machinery. 31% of respondents are using carbon offsetting.

To minimise the use of water, respondents are investing in state-of-the-art water treatment plants, digital water metres, closed loop cooled water systems and improving the efficiency of the manufacturing process.

92% of respondents segregate and recycle their waste. The amount and efficiency of the recycling depends on collaboration with the waste company. Those dependent on the local authority feel restricted. To minimise their waste generation, respondents are operating a circular economy, preventative maintenance, digitisation of documents and staff training.

Respondents are also actively fostering biodiversity with re-wilding projects, setting up of bird boxes, holes in fences to help wildlife move around and on-site ponds with bee-friendly planting.

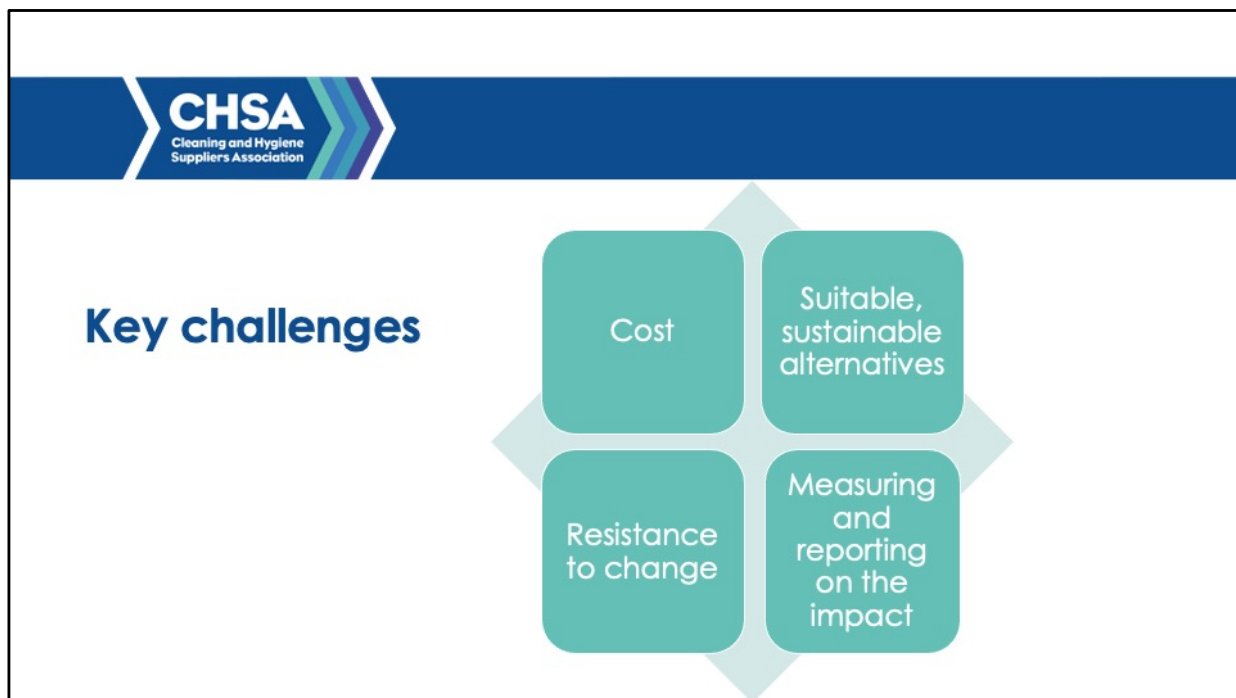
Respondents are also uncertain about the way forward in relation to this pillar – only 58% say they have a clear understanding how to achieve their sustainability goals in relation to waste, water and emissions.



So, what do all these results mean.

They show members are working hard to improve the environmental sustainability of their products, pillar 1. They have initiatives in place and a clear strategy for moving forward.

There is more uncertainty when it comes to the other pillars. For many, there is uncertainty about the best way forward, in particular when developing an effective sustainability strategy with appropriate goals and objectives.



Against this backdrop, to tailor the support we are offering to our members we asked them to name the top three challenges they face for each pillar.

We are in the process of distilling the responses but some are already emerging as significant challenges. These include balancing cost, the availability of alternative options, a resistance to change and how to measure and report on sustainable initiatives.

Cost is a significant issue. While there may be a long term saving, identifying and adopting the sustainable option often requires a significant initial investment. This is an issue in a market where there is a constant downward pressure on price. The payback period can be very long and in some cases, for example when it comes to fostering bio-diversity, it's difficult to define the tangible commercial benefit.

The absence of suitable, sustainable alternatives has been raised again and again in relation to all the pillars. For example, alternative products might not do the job and virgin materials may be the only packaging option that keeps the product safe, untainted and in good condition. When it comes to transport, there are few truly viable options for electric vehicles.

Throughout the supply chain, for valid commercial reasons, there is a resistance to change. The just-in-time approach now embedded in the UK means end users often want a next day service and can be resistant to ordering in larger volumes to reduce the number of deliveries. Needing to provide efficacious and well presented products, manufacturers can be reticent to adopt alternatives. The constant downward pressure on price can make it incredibly difficult, if not impossible, to evolve to more sustainable solutions.

Finally, measuring and reporting on the effectiveness of sustainable initiatives is complex. When it is so difficult to clearly establish the benefit of any one initiative, deciding if, where and how much to invest is challenging.

This is against the backdrop of the issue of misleading environmental claims being made for all manner of products and material types. Ultimately, the most sustainable solution may not always deliver the lowest carbon footprint.



To help our members and the wider industry tackle these challenges we are developing the detail of our ROADMAP TO SUSTAINABILITY. It will include all sorts of activities designed to help businesses and organisations in the cleaning and hygiene industry move towards a more environmentally sustainable future.

The programme will include webinars on key topics including how to establish a Chain of Custody and create a closed loop process. There will be advice and fact sheets on things like the latest legislation and questions to ask of your supplier to put the focus on sustainability. We are also compiling a directory of key organisations and institutions members can turn to for the guidance, support and resources they need to become more sustainable.

The ROADMAP TO SUSTAINABILITY is being developed now and will be rolled out from the beginning of 2022.

As I said at the beginning of this talk, sustainability is a big and complex challenge facing our industry. There is no quick, easy and perfect solution.

Our ROADMAP TO SUSTAINABILITY is a practical approach that will both raise

awareness of and educate about the issues, giving our members and the wider industry the information and insights they need to move towards a sustainable future.



Thank You