



2021

*Environmental, Social,
Governance Report*

Alliance[™]
Laundry Systems

Leading performance



We make the world cleaner as the premier provider of laundry solutions.

We deliver leading performance through our exceptional employees, unmatched quality and our commitment to innovation.



A Letter from Our President and CEO

Alliance Laundry Systems makes a difference in communities around the world.

Each day, our products contribute in some way to making people's lives better. At fire stations, hospitals and long-term care facilities, our industrial washers and dryers are keeping frontline staff and patients safe from harmful bacteria and carcinogens – that role has proved even more important during the recent pandemic.

We are also proud that our equipment plays a key part in laundromats catering to underserved communities. You see, it is more than just washing and drying. The result is transformative. It brings dignity to individuals. Every day, these scenes play out globally. So, while many might say "it's just laundry," our company quietly and modestly knows our washing and drying equipment truly does make a difference in the lives of millions.

Alliance weaves this commitment to the community – both locally and as part of a larger global community – into the collective

DNA of our company. We know that the true success of a company is not measured one dimensionally on a balance sheet.

Thus, we are equally proud of our actions that have resulted in saving millions of gallons of water annually; efforts undertaken to reduce our carbon footprint through recycling and harnessing alternative energy; and giving back to the communities around the world where we live and work. You will find examples of these activities within the pages of this document.

But we are not done. In the years ahead, we will redouble our commitment to responsible corporate citizenship. We can all do more, and Alliance Laundry Systems will do more. This is our unwavering commitment to making the world a cleaner place through our actions and products.



Michael D. Schoeb
President and Chief Executive Officer

Environment



Innovation with Purpose

We live in a world that increasingly seeks to balance enriched lifestyles with reduced demand for resources. Because laundry is an essential part of life, there's a bright future in making laundry easier and more environmentally friendly.

Why Alliance Reliability Matters

Trash day. If you want to get a sense for the level of throwaway society we have become, that day of the week will give you a full view. Appliances, furniture, and everything in between – “they just don’t make things like they used to” is the cry of every consumer dragging these items, many only a couple years old, to the curb. Most of which will end up in the landfill.

At Alliance Laundry Systems, we refuse to let our retail products be part of the landfill problem. We could build cheaper machines, engineer for shorter life spans, use more inexpensive, lesser quality raw materials...we could do that, but we won't. We won't apologize for our commercial quality, heavy-duty components, or extensive life cycle testing. We are unwavering in our commitment to deliver ultimate reliability to consumers – they deserve the best and our planet needs it now more than ever.

By the numbers, Alliance Laundry Systems makes a difference every day producing machines designed for more than 25 years of life in the average home, where the industry average is roughly seven to 10 years.

Based on just **2020 retail sales alone**, we'll keep between **796,000 and 1.2 million machines** out of the landfill.

That's enough washers and dryers to **fill between 6,300 and 9,500 semi-trailers.**

For scale, that's roughly a traffic jam of **60 to 94 miles of trailers put end to end** ... and that's the benefit of just one year of our retail sales. Alliance Laundry Systems durability makes a difference every day. That's our steadfast commitment.



A Multi-Housing Leader

In the multi-housing market, Alliance equipment is the choice of property managers focused on maximum reliability and efficiency in their community laundry rooms. Additionally, with an install base of more than two million machines, our positive impact on the environment and conservation of resources versus in-unit installations is dramatic.

Selecting in-unit laundry equipment comes at a cost to the environment. Properties send more

washers and dryers to landfills, due to the shorter life spans of cheaper residential units.

Renters also do more loads, most of which are partial loads, and that leads to greater use of water – exacerbated by the washers' inefficiency.

As the commercial product leader in multi-housing, we're proud to be making a difference through our products' rugged construction and efficiency, evidenced in dramatic numbers, such as:



2,000,000+
Global install base



3.3x Less

*Water consumed by commercial multi-housing washers versus non-commercial in-unit machines**



2x–3x Less
Contributions to landfills because of long product life versus in-unit machines



5x Less

*Energy consumed by commercial multi-housing models versus non-commercial in-unit machines**

**According to a study conducted by the Multi-housing Laundry Association*





Our Product Commitment to the Environment

At Alliance, it's not enough to deliver the pinnacle of laundry performance. We know our commitment, and that of our customers, extends to the environment. When we engineer innovations for the ultimate efficiency and conservation of resources, the environment benefits and our customers benefit through greater efficiency, productivity and profitability...win-win. Examples of our conservation features and technology include:



The Ultra-high Extraction Speeds



on our washer-extractors deliver further savings on the drying side – reducing dry times versus low-speed models. The result is on-premises laundries can see gas and electric savings of up to **237 million kWh** annually, equivalent to more than **22,000 households' yearly consumption.**

Our Industry-exclusive OPTispray™ feature helps on-premises laundries reduce water consumption in rinse cycles by **39%** versus conventional bath-style rinses. Saving **125 million gallons of water** annually equates to 30,000 tankers.



OPTidry™ Over-dry Protection Technology

helps reduce gas and electric consumption through highly accurate moisture sensing, which results in less drying and greater labor savings. Cutting just **6 minutes** of over-drying can save **298 million kWh** annually, equivalent to more than 27,000 households' yearly consumption.



Building Community Through Respect and Support of Human Dignity

It's easy to look at Alliance as just a laundry equipment company...after all, it's "only" washers and dryers. Visit a Speed Queen Laundry franchise in the United States or one of 800+ licensed stores across Europe, however, and you'll see our laundromats and those of the progressive investors we work with are much more.

In the areas served by our equipment, laundromats can be safe areas, spaces that foster a sense of community—places where kids can play while parents perform an essential chore.

With clean clothes, people stand a bit taller and feel better about themselves. Hygiene directly contributes to human dignity.

We are proud that our equipment and laundromats deliver that pride each day through access to clean clothes. We are even more proud that the laundromats we develop are designed for a customer experience forged in respect and empowerment. Together with our laundromat investors, we are doing good things for people and, through our efficiency and durability, equally good things for the environment.



Going Beyond Products and Pursuing Solutions that Keep our Planet and People Safe

Our world-class products are just part of Alliance's drive to make the world a cleaner and safer place. We are committed to working with other outside organizations to develop new solutions and validate that exceptional clean results are achieved.



When you or a loved one visit the hospital, healing is, and always should be, the focus. **We take our role in that outcome seriously – clean, hygienic facilities matter. That's why we not only engineered specific mop-washing cycles to reduce germs by 99.9 percent** but also worked with German cleaning authority, WFK Institute for Applied Research, to secure certification*.

*Report MB1880/19 of April 16, 2020



Our planet needs our help now more than ever and our innovative wet cleaning solution takes on the important charge of cleaner water for all. Driven by eco-friendly detergents, our solution offers a safe **alternative to solvent-based dry cleaning**. While we are excited that our process is effective on most "dry clean-only" items, we are proud that **it is safer for staff and better for our environment**.



We believe any risk of cancer to firefighters is too much. Our equipment is on the frontlines every day protecting our heroes by removing dangerous carcinogens from PPE that other laundry equipment cannot. But we can and will do more. Alliance donated equipment for testing being conducted at North Carolina State University to drive even better clean results and **keep these heroes safe from the dangers** lurking in their protective gear.



We take our commitment to making the world a cleaner place seriously and know that cleaner barrier laundry doesn't just **make people** feel better; it keeps them **safer by decreasing the risk of cross contamination**.

Our barrier washer products are at work in hospitals and long-term care facilities around the world and stand as the **most effective means of stopping the spread of germs and infection thus keeping patients and essential healthcare workers safe**.

Social



Building a Great Place to Work in Thriving Communities

At Alliance Laundry Systems, we believe in the strength of our people and our communities. We lift one another up and hold ourselves to the highest standards within our four walls and in the wider world. That's what it takes to live our mission and deliver leading performance.

A Global Work Environment Where Everyone is Respected and can Perform at Their Best

Each and every one of our team members contributes to our mission to make the world cleaner. As a global company with offices and manufacturing facilities in 10 countries, Alliance Laundry Systems values our diversity and we celebrate our different cultures, languages, histories and traditions. We work to foster a culture of respect and inclusion by providing the training, tools and support that help our team members realize their full potential.



6

Factories in 4 countries
(United States, Czech Republic, Thailand and China)



7

Offices across the globe



1,200

Distributors in 140+ countries



An Engaged and Motivated Workforce

Making the best laundry equipment in the world requires focus and engagement from every team member. We are committed to actively seeking feedback from our team members through annual and pulse employee engagement surveys and putting what we learn into action. Steps that we've taken based on previous surveys include:

- Enhanced training and development opportunities for front-line leadership positions
- Improved communication technology and increased access to company news and information.
- Increased frequency of leadership communication

Women in Leadership

Leading position	All	Male	Female	% Female
Executive Leadership	11	9	2	18%
Senior Leader (Director/VP)	57	48	9	16%
Manager / Supervisor	318	228	90	28%

Training and Development

Customer Learning Information	All	External Users	Internal Users
Courses taken:	21,921	19,087	2,834
Total users:	1,972	1,772	200
Total learning hours:	4,957	4,389	568

For more than 110 years, women have shaped our company as customers, as team members and as leaders. We are steadily increasing opportunities for women throughout Alliance Laundry Systems and especially within our leadership team.

One of the Best Companies to Work for in Asia

We were enormously proud to be named one of the Thailand 2020 Best Companies to Work For in Asia.



Total Recordable Injury Rate (TRIR)

(Number of injuries and illnesses per 100 workers)

Location	2019	2020
Ripon, United States	2.57	2.84
Pribor, Czech Republic	2.37	1.93
Chonburi, Thailand	1.96	1.45
Guangzhou, China	1.13	0

A Strong Safety Culture and a Healthy Work Environment

Every team member has the right to end their workday as safe and healthy as how they started it. At our locations around the world, we rigorously review our safety practices in a continuous quest for zero harm. For all team members, safety and an improved work environment are an ongoing focus. Our data shows exceptional progress in reducing incidents.

Starting in 2022, we will implement an internal Environmental Health and Safety (EHS) management system that follows ISO 9001, ISO 14001, ISO 45001



All Alliance facilities are designated smoke-free workplaces and we offer annual company-wide on-site medical screening to encourage team members to take an active role in their wellness.

Our Manufacturing Commitment to the Environment

Our commitment to making the world a cleaner place extends into business operations. We consistently look for ways to reduce our consumption of natural resources at our manufacturing locations around the world. Our results include:



Recycling water in our test labs saves **7 million** gallons each year.



Installing solar panels at our Thailand facility has reduced electricity consumption by **1.2GWh.**



Moving technical documentation and manuals online is saving **1.9 million.** printed pages annually.



Over the last six years we've undertaken projects that have netted savings of more than **5.2 million kWh.**



Team members and visitors at our Thailand plant can observe in real time how solar panels contribute to our overall electric consumption. There's a monitor in our lobby that tracks the amount of energy the panels generate and translates it into savings on our electric bill. The panels generate an estimated THB70,000 in electric savings each month which is 6.5% of our total electric cost. There are 2,498 panels covering 4,996 square meters. The panels were installed in partnership with WHA, the owner of the industrial land where our plant is located.

Environmental - Energy, Gas, Water and Waste

Metrics	2019	2020
Energy consumption (MMBtu)*	179,923	172,114
Renewable energy consumption (MMBtu)	-	552
Renewable energy consumption rate (%)	0.00%	0.32%
Gas consumption (MMBtu)	275,220	265,218
Water use (thousands of gallons)	70,032	55,268
Disposed waste (metric tons)	306	264
Recycled waste (metric tons)	4,636	4,181
Hazardous waste (metric tons)	37	34
Energy Consumption per 100 units produced (MMBtu)	21**	22 **
Gas consumption per 100 units produced (MMBtu)	32**	34 **
Water use per 100 units produced (thousands of gallons)	8**	7 **

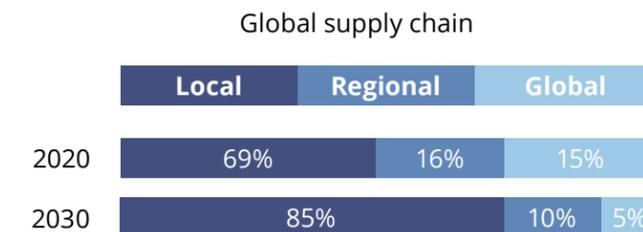
*Figure reflects production interruption coinciding with onset of COVID-19 global pandemic.

**Units include finished goods only.

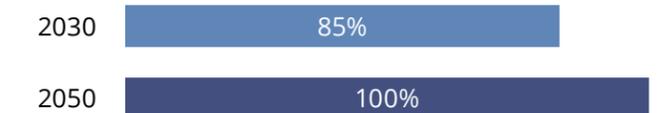
Our Corporate Initiatives and Targets in Support of the Environment

When it comes to our environment and conservation of natural resources, there's one simple truth: we can all do a little more. And we will. Alliance Laundry Systems is committed to reaching the following goals in the decades ahead and will track our progress toward these targets annually.

Focus on Local Suppliers to Reduce Carbon Footprint



Zero Waste to Landfill Through Recycling Rate Goals



Rising to the Challenge of COVID-19

With our equipment on the front lines in the battle against COVID-19, Alliance Laundry Systems facilities around the globe shined – balancing continuity of service with an even higher degree of safety through teamwork and regular, transparent communication with our employees.

When team members at our Guangzhou, China facility were battling PPE shortages in the early days of the pandemic, U.S. employees answered the call and sent 2,000 masks to assist. Months later, as our U.S. plants were in the throes of the same challenge, Chinese teammates returned the favor, with a shipment of masks for Ripon, Wis. staff as well teammates in Czech Republic and Thailand.

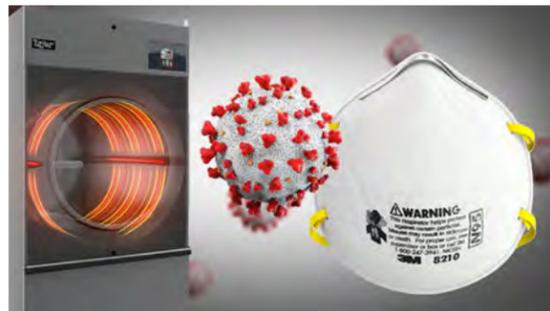


Quick action by global staff in deploying new COVID-19 protocols:

- Deep cleaning our facilities, including manufacturing
- Implementing a no-visitors policy at all offices/facilities
- Implementing a company-wide work-from-home policy, unless it is critical to be in the office



Alliance Laundry Systems also took the lead in trying to address the shortage of crucial N95 masks by working collaboratively with university researchers to develop a method for disinfecting the PPE. Donating hundreds of hours, Alliance engineers and lab personnel crafted a process that utilizes a specific Alliance-built tumble dryer model to triple the life of N95 masks.



Donated hand sanitizer to local police and fire departments, hospital and other organizations.



Giving Back to the Communities that Give so Much to Us

Whether it's monetary donations to various community causes, or through the gift of our team members' time and talents, we believe strongly in supporting our local communities.



Supporting Service Dogs

When our research and development team crafted dryer cycles to specifically address challenges presented by pet hair and laundering pet items, we were eager to share it with organizations that make a difference. Among them, was Custom Canines, a non-profit organization dedicated to training and providing service dogs to assist and enrich the lives of a variety of clients with diverse disabilities.

[Watch a video of their story here.](#)

Giving Our Time and Talents

We are proud that service to community is an idea whole-heartedly embraced by our teammates around the world. From volunteering time to pick up trash and keep area roads clean through Adopt a Highway programs to supplying washers and dryers for Habitat for Humanity homes, service is part of our company's DNA.



Answering the Call for a Community Hospital

When a local community hospital was struggling with the increased demands for clean laundry during the COVID-19 pandemic, Alliance stepped up to support. Our donation of an industrial washer-extractor, tumble dryer and expert installation, helped ensure staff and patients were never without clean PPE.

[Read more about this donation here.](#)

Governance



We Live our Mission and Values Every Day

Bringing our mission to life requires a workforce that understands and embraces our core values and demonstrates respect for our customers and each other. Every team member is entitled to a professional working environment free of harassment and discrimination.

A Workplace with the Highest Ethical Standards

Alliance Laundry Systems is committed to maintaining a workplace free of discrimination, harassment, sexual harassment or any form of inappropriate or disrespectful conduct imposed by one individual on another which adversely affects an employment relationship or working environment.



Anti-Harassment and Discrimination

Every newly hired U.S. team member completes Anti-Harassment and Discrimination training within their first two months of joining the company. We are expanding this requirement to all global team members in 2022.

Code of Conduct

Newly hired salaried team members are required to complete the Alliance Laundry Systems Code of Conduct training within 30 days of starting with the company. Team members complete refresher training every two years.

New Team Member Onboarding

Our global production team members receive a blend of classroom, hands-on learning and mentoring to ensure they have the knowledge and skills needed to work safely and maintain high quality standards. Office-based positions receive on-the-job orientation and training based on the needs of the position.

Ergonomic Initiative - Protecting our Laundry MVPs

Our manufacturing team truly is made up of laundry's most valuable players (MVPs). We are resolute in our commitment to keep them safe and injury-free. Recently, we turned to technology to not just reduce injury risk but adapt workstations to eliminate strain and produce greater comfort. In just one year of tapping the Velocity EHS motion capture system, we performed **28 quantitative assessments**, and **reduced injury risk by 34 percent** in those areas.

We will continue to leverage the technology to mitigate risks and give our manufacturing team all the tools for peak MVP performance.



Our Commitments

Integrity

We are honest and forthright in all dealings with others: co-workers, customers, suppliers, shareholders, competitors and the community. We are committed to a high standard of business behavior and ethical practice in all business endeavors.

Compliance

We conduct business in compliance with all applicable laws and regulations that relate to the Company's worldwide business interests.

Respect

We consistently treat others with respect and dignity, recognizing the significant benefits that come from the diversity of individuals and ideas.

Teamwork

We work together as a team across all functions and business segments for the collective interests of the Company. The team promotes an environment of openness, challenge and growth.

Quality

We are committed to providing products and services that meet or exceed customers' expectations through the continuous improvement of our core processes and the active involvement of our employees to comply with requirements.

Innovation

Consistent with the company's heritage, we seek innovative and creative approaches to developing products and services that provide the best customer value. We seek innovative and creative approaches to improving business processes in an efficient and cost-effective manner.

Customer satisfaction

We offer the customer the best quality products and services which meet or exceed customer expectations. We treat the customer fairly and with respect in all business transactions.

Our success depends on the commitment of each one of us and on our ability to embrace the Alliance standards of business conduct and ethics in all that we do.

Four strategic pillars



Be the partner of choice by delivering unsurpassed value to all customers

Work closely together to consistently deliver laundry peace-of-mind to our customers through leading performance in all our offerings.



Create a culture of innovation

Nurture a culture that encourages and rewards innovation as we invent the future of laundry.



Accelerate our transformation into a Global company culture

Accelerate our global evolution into a tightly networked multinational that opens a world of opportunity for team, partners and customers.



Attract and develop exceptional talent

Attract and develop exceptional talent and provide the resources they need to perform at their best.

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