



OUR INAUGURAL SUSTAINABILITY REPORT

Changing today, changing the future

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WELCOME FROM OUR CEO

Laying the foundations for a sustainable future

I am delighted to introduce our first sustainability report: an overview of the progress we have made on The Johnsons Way, our strategic framework around sustainability. Alongside an annual sustainability report, we intend to publish an update on our sustainability journey every year on our social channels, [website](#) and [Annual Report](#).

RESPONDING TO A CHANGING WORLD

At Johnsons, we believe that embedding a best in class sustainability programme throughout our operations will help position us as a leader in responding to the challenges faced by the textile services industry and prove to be a differentiator for our customers. We aspire to create a culture where sustainability is embedded into our daily working life, continually developing and evolving to reflect the responsibility we have as a Group.

STRENGTHENING OUR TEAM

We appointed our first Head of Sustainability, Alexandra Brennan, in April 2021. Alexandra has helped our Board, Group Management Board and businesses to take a more strategic approach to sustainability. A [Sustainability Committee](#) was established to

oversee progress on The Johnsons Way and we also convened four Working Groups, with Group Management Board members acting as executive sponsors, across our sustainability strategy to drive change internally.

LISTENING TO OUR STAKEHOLDERS

Through continuous dialogue with our stakeholders, including customers, colleagues, shareholders and suppliers, we identified our most material sustainability issues. The outcomes of this [‘light-touch materiality’ process](#) helped us develop our sustainability strategy [The Johnsons Way](#) and identify where we could best focus our efforts to make a meaningful impact.

MAKING GREAT STRIDES

We are tackling sustainability not because we have to, but because we want to, and we are building on the great work that has already been done over the past few years. I am proud of the great strides we are making in electrifying our company car fleet and [re-using our water where we can](#). Other highlights for me are [re-energising our training and development programmes](#) after the pandemic and building great [charity partnerships](#).

When I see how much The Johnsons Way has become embedded into our daily working life, it makes me very excited about the future. We are building great momentum to change today and change the future.

Peter Egan

“
We are tackling sustainability not because we have to but because we want to.”

Peter Egan
Chief Executive Officer
Johnson Service Group PLC



ABOUT JOHNSON SERVICE GROUP

Introducing the Johnson Service Group family

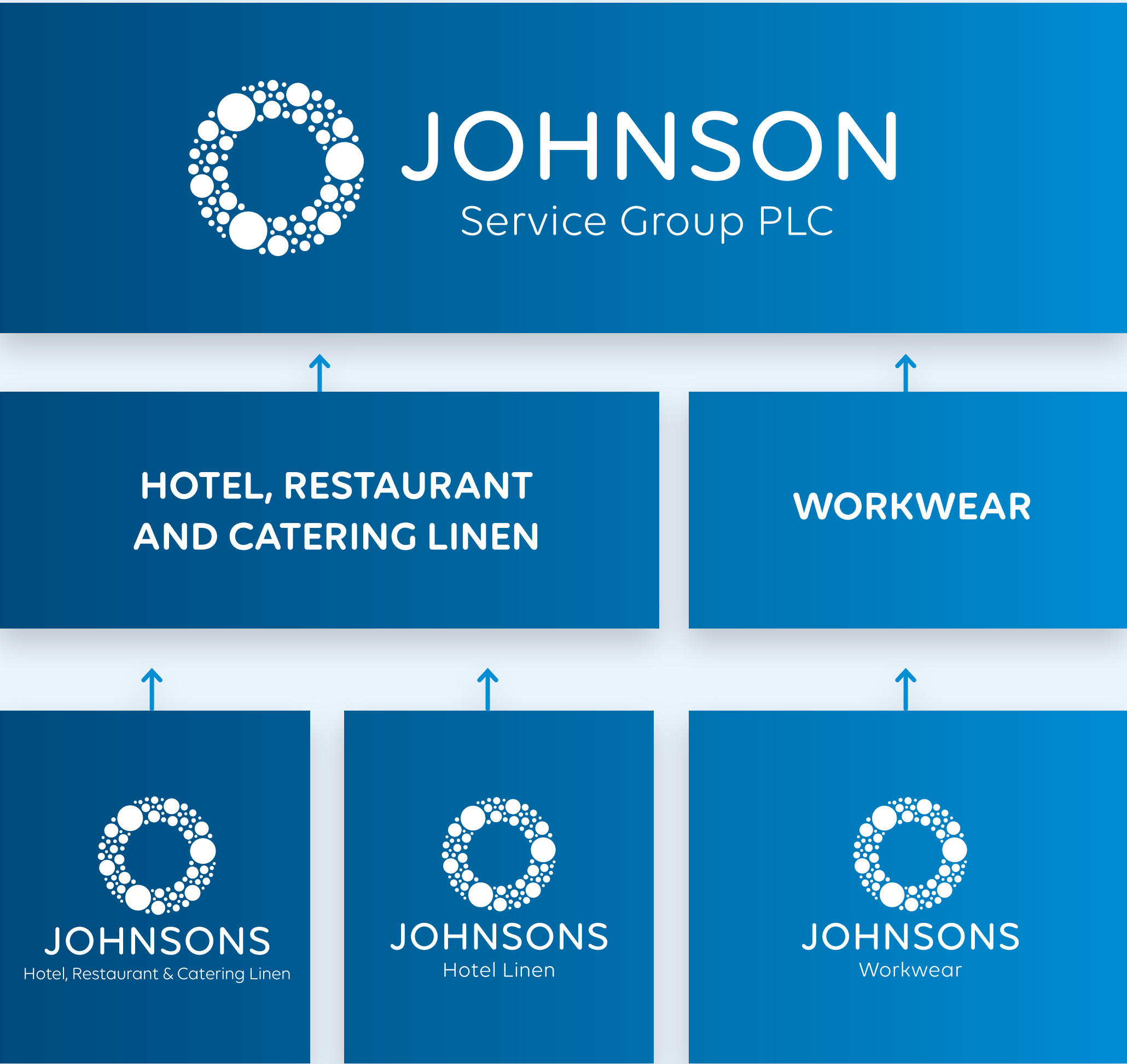
Headquartered in Preston Brook, Cheshire, we provide textile rental and related services across a range of sectors. Employing over 5,500 people, we pride ourselves on being a company which always puts our customers first, ensuring that our professional laundry and textile rental services can always be relied upon.

A GROWING GROUP OF LEADING BUSINESSES

We are the leading supplier of workwear and protective wear in the United Kingdom, offering these services through our "Johnsons Workwear" brand. We also provide premium linen services for the hotel, catering and hospitality markets, and high-volume hotel linen services, through a number of different brands in our "Hotel, Restaurant & Catering (HORECA)" business.

Our mission is to enable our people and our businesses to achieve their true potential. Listed on the AIM division of the London Stock Exchange, we have become one of the market leaders in the textile services industry. Our ability to clean, maintain and care for textiles means that we are fundamental to the everyday operations of our customers. We take pride in our work and believe in quality, reliability and a personal approach in everything we do.

OUR BUSINESS STRUCTURE



OUR BUSINESS MODEL

Becoming more circular as a business

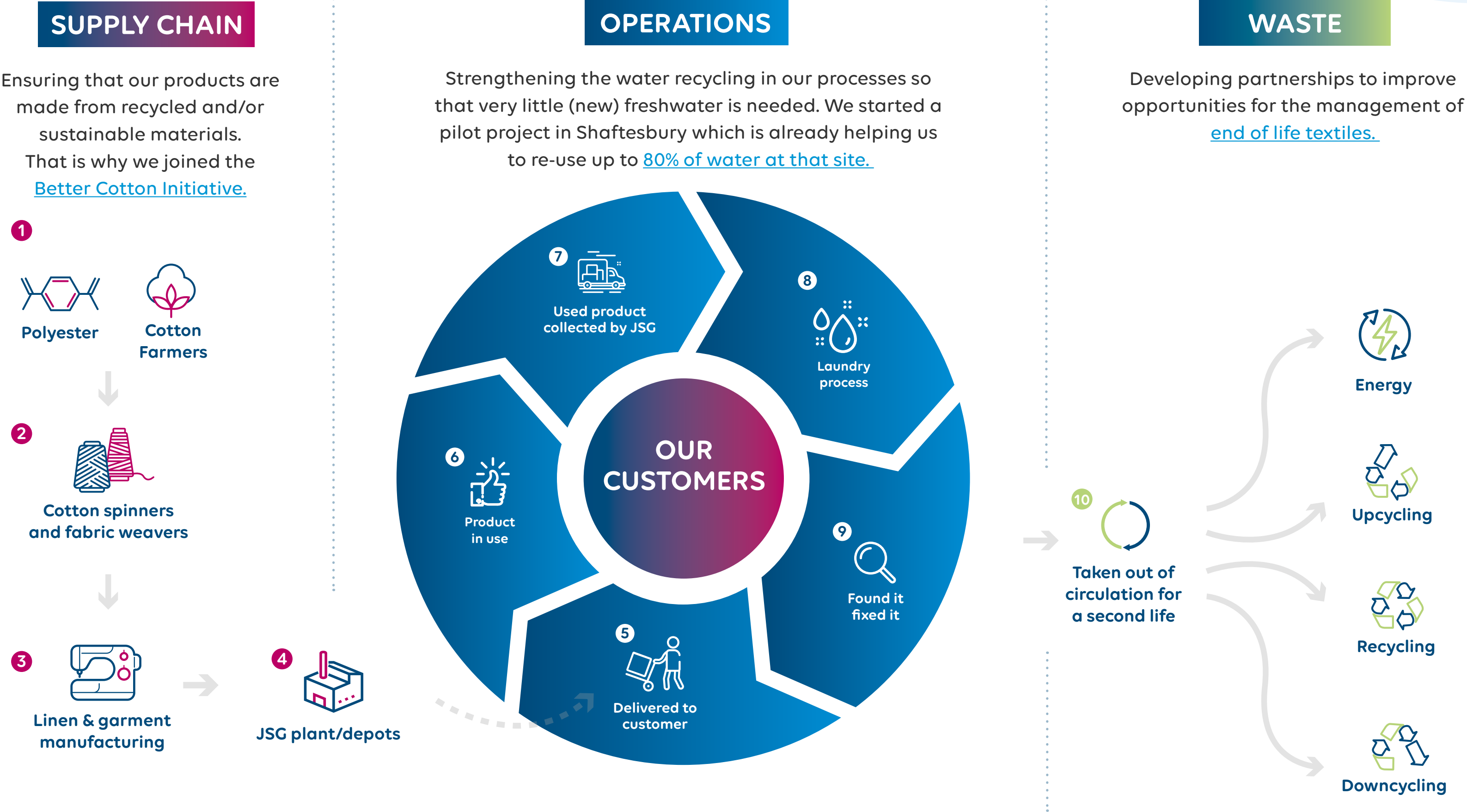
We recognise that the amount of natural and human resources at our disposal is not unlimited. As a business, we rely on energy and water as well as nature-based materials, such as cotton, being readily available. We also depend on national and international transport to bring supplies to us and to deliver our services to our customers. Of course, all of this is dependent on skilled and experienced colleagues who keep everything moving.

BUILDING A SUSTAINABLE BUSINESS

In today's economy, all natural and human resources are increasingly under pressure. That is why we are looking to build a more sustainable business. We are doing that by embedding sustainability considerations in the way we do business. From our supply chain to our deliveries to customers, we want to become more circular as a business.

INNOVATING FOR CIRCULARITY

Fundamentally, our business model is already circular because **nearly 95% of our products are reused**. Our products are built to last and through our professional laundry we extend their life and use. However, we are aware that there are points in our business model where we can still make improvements. In the diagram below you will find three areas where we are trying to 'close the loop'.





OUR SUSTAINABILITY STRATEGY

Building an ambitious approach for the future



In 2021, we invested in accelerating our approach to sustainability by setting several ambitious targets.”



Yvonne Monaghan
Chief Financial Officer
Johnson Service Group PLC

**2021
HIGHLIGHTS**



**STRENGTHENED
our sustainability
team**



**IDENTIFIED OUR
most important
sustainability issues**



**DEVELOPED
sustainability strategy
with ambitious targets**

OUR SUSTAINABILITY STRATEGY

Identifying what is important to us

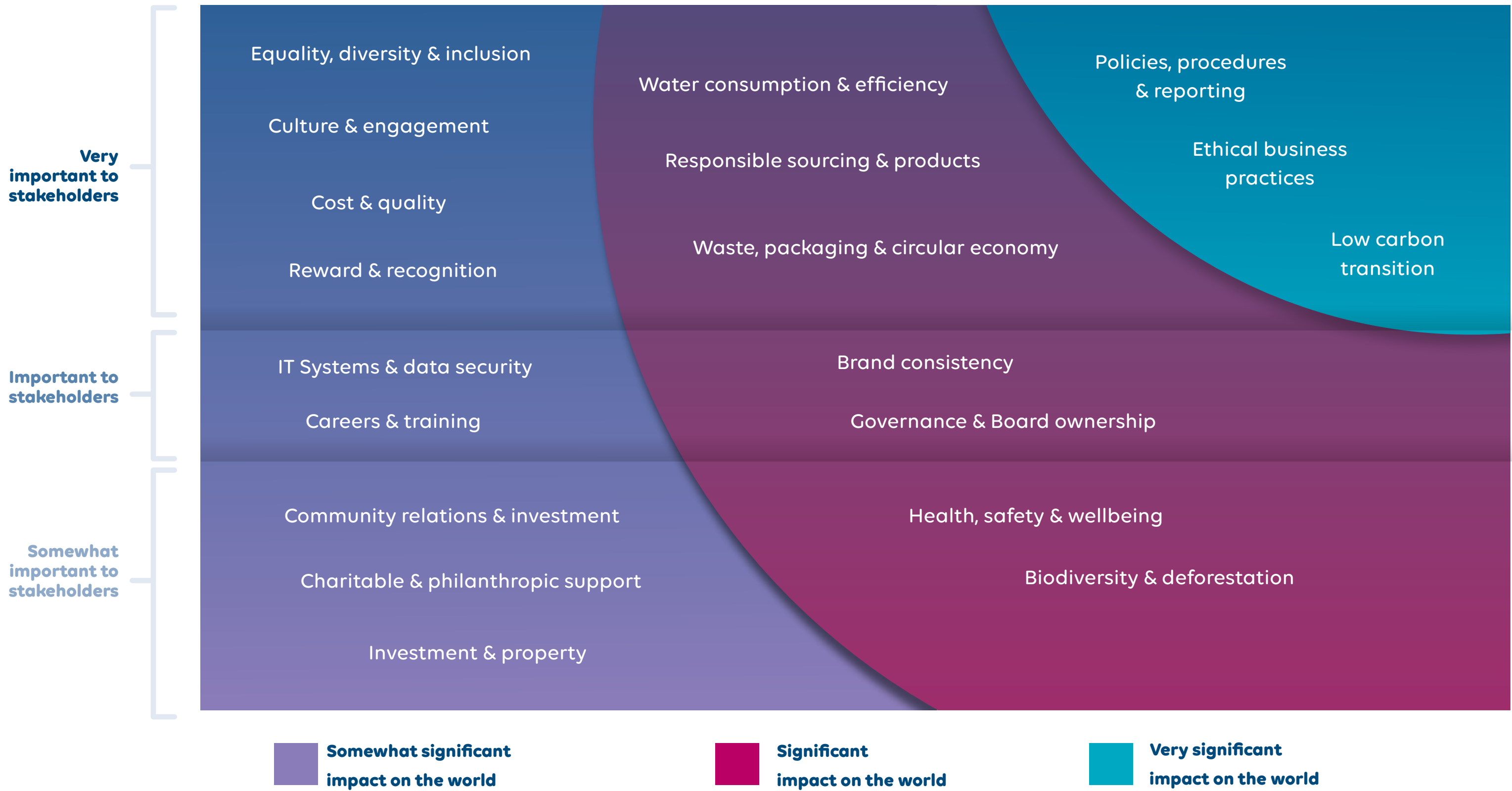


At the start of taking a more strategic approach to sustainability we listened to our stakeholders, including customers, colleagues, shareholders and suppliers, and used their feedback to develop a better insight into what sustainability issues are important for both them and us.

DECIDING ON OUR PRIORITIES

As part of our 'light touch materiality' process, we identified the 'material issues' which stakeholders consider are most important for Johnson Service Group and where we can have the biggest impact. These helped us to develop our refocused [sustainability strategy](#).

THE MATERIAL ISSUES IDENTIFIED IN 2021



OUR SUSTAINABILITY STRATEGY

Introducing...



We started the development of our sustainability strategy The Johnsons Way in 2021 and launched it in early 2022. We translated our [material topics](#) into four pillars that help us engage our stakeholders around sustainability. Each pillar has a vision of the changes we want to see by 2030 and sets out the ambitious targets we would like to achieve by then.



Each pillar has a vision of the change we want to see by 2030.”



THE JOHNSONS WAY SUSTAINABILITY STRATEGY



OUR FAMILY

By taking care of our Johnsons family and ensuring everyone feels that they belong we will deliver a first-class employee experience every day.

- Create a comprehensive approach to deliver a diverse business and an inclusive culture
- Achieve 25% female representation at senior management level and above
- Develop the Academy to provide lifelong learning and career paths



OUR WORLD

By reducing our natural resource consumption and completing the transition to a fully circular approach for our operations, we will protect and enhance our environment.

- Reduce our emissions intensity by 40%
- Reduce water consumption intensity by 25%
- Reduce waste to landfill by 75%
- Transition company cars to electric
- Eliminate all single-use plastic on our sites
- Provide means to recycle end-of-life textiles



OUR INTEGRITY

By continuing to demonstrate our integrity and commitment to responsible business practices we will position the organisation for future stability and growth.

- Create fully circular and sustainable core products as the default option for our customers
- Launch ethical business training to support the Code of Conduct
- Develop a Supplier Sustainability framework and compliance programme



OUR COMMUNITIES

By further understanding the communities impacted by what we do, we can form better collaborative partnerships to support them as they grow and develop.

- Support fundraising at our sites for local charity partners
- Develop innovative and collaborative community partnerships
- Increase our social value spend as a % of revenue



OUR SUSTAINABILITY STRATEGY

Turning promises into action

Having launched our sustainability strategy, we now need to translate our promises into action. We do that by setting up internal structures and processes around sustainability to drive change. This allows us to manage potential risks and take advantage of opportunities that may arise from the sustainable economy.

“Sustainability is embedded in internal communications wherever practicable in order that we keep our colleagues updated and informed on our actions and progress.”



Tim Morris
Company Secretary
Johnson Service Group PLC

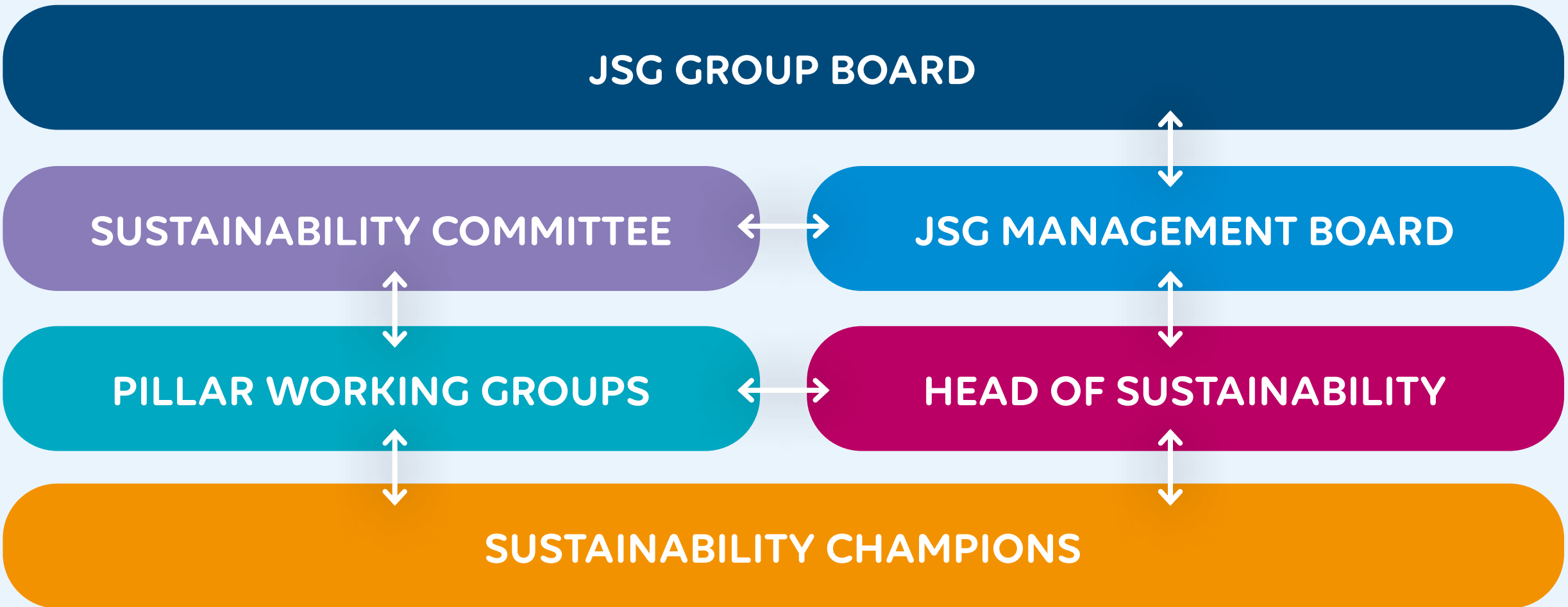
LEADING FROM THE TOP

Our Board is the ultimate decision maker around sustainability. It set our vision and strategy, [The Johnsons Way](#), and has approved our ambitious targets. Our senior management team, led by our Chief Executive Officer, is taking the lead on implementing The Johnsons Way. Our Sustainability Committee, which provides advice to the Board on sustainability strategy, compliance and performance, is the engine to drive progress across all of our businesses.

EMBEDDING SUSTAINABILITY ACROSS JOHNSONS

Individual Working Groups have been set up for each of the four pillars of our sustainability strategy. Chaired by the pillar sponsors, these groups bring together colleagues from across the business to develop detailed action plans on our material topics. Our Head of Sustainability has the day-to-day responsibility for supporting the Sustainability Committee and Working Groups.

HOW WE MANAGE SUSTAINABILITY AT JOHNSONS





OUR FAMILY

Be the best you can be

“

We want to be the employer of choice in our industry and we can only do that by ensuring a diverse and inclusive workplace where two way engagement is the norm and lifelong learning is for everyone. Our culture and people are a differentiator for us; we want every member of our family to feel that they belong.”



Steve McKeever, Pillar Sponsor

Group IT Director
Johnson Service Group PLC

2021 HIGHLIGHTS



LAUNCHED OUR FIRST
Group-wide
engagement survey



Women represented
43% of our workforce



RE-LAUNCHED
The Academy
training initiative



OUR FAMILY

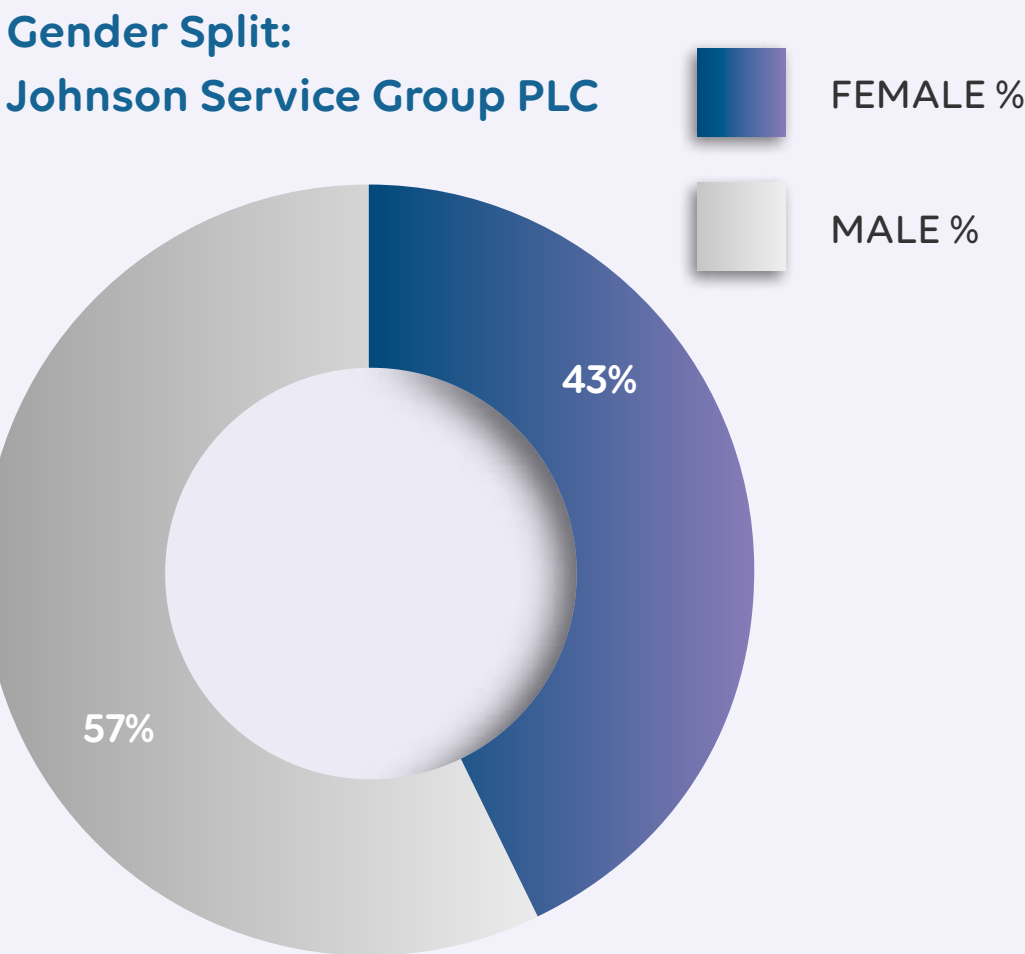
Creating a diverse & inclusive workplace

We want to be the employer of choice in our industry and believe that with diverse colleagues and an inclusive culture we are a better business. As part of The Johnsons Way we want to launch an effective programme to drive a more diverse and inclusive workplace. By 2030, we also want to have achieved a minimum of 25% female representation at management level and above.

WHAT WE DID IN 2021

In 2021, we started to develop our strategic approach to equality, diversity and inclusion. Our starting point was an assessment of our performance so that we can identify where we want to, or need to, improve. Our performance last year on gender diversity paints a positive picture which is underlined by anecdotal evidence from across our company (see case study, right). In 2021, females represented 43% of our employee population.

GENDER DIVERSITY ACROSS JOHNSONS



WHAT WE ARE DOING IN 2022

In 2022, we are further strengthening our diversity baseline. It is our aim to launch the first Johnsons Diversity Survey to strengthen the demographic data we have available. We also appointed a female non-executive director to the Group Board, which increased our female representation there to one third.

BUILDING A REWARDING CAREER



Prior to commencing my 15-year career with Johnsons, I used to work in the food industry. Soon after joining, I became the General Manager at our Lancaster site and then subsequently was appointed as General Manager of our larger site in Manchester a few years later. These roles gave me a deep understanding of our business from operations and customers to people management.

After eight years as a General Manager, I was promoted to Area Operations Manager in 2021, overseeing all our sites in the north. I have felt supported by Johnsons throughout my career, whatever life threw at me. I hope I can now be a role model for others, both inside and outside the company, to prove that nothing is out of your reach.”



Rebekah Cook
Area Operations Manager, North
Johnsons Workwear



OUR FAMILY

Engaging our people effectively

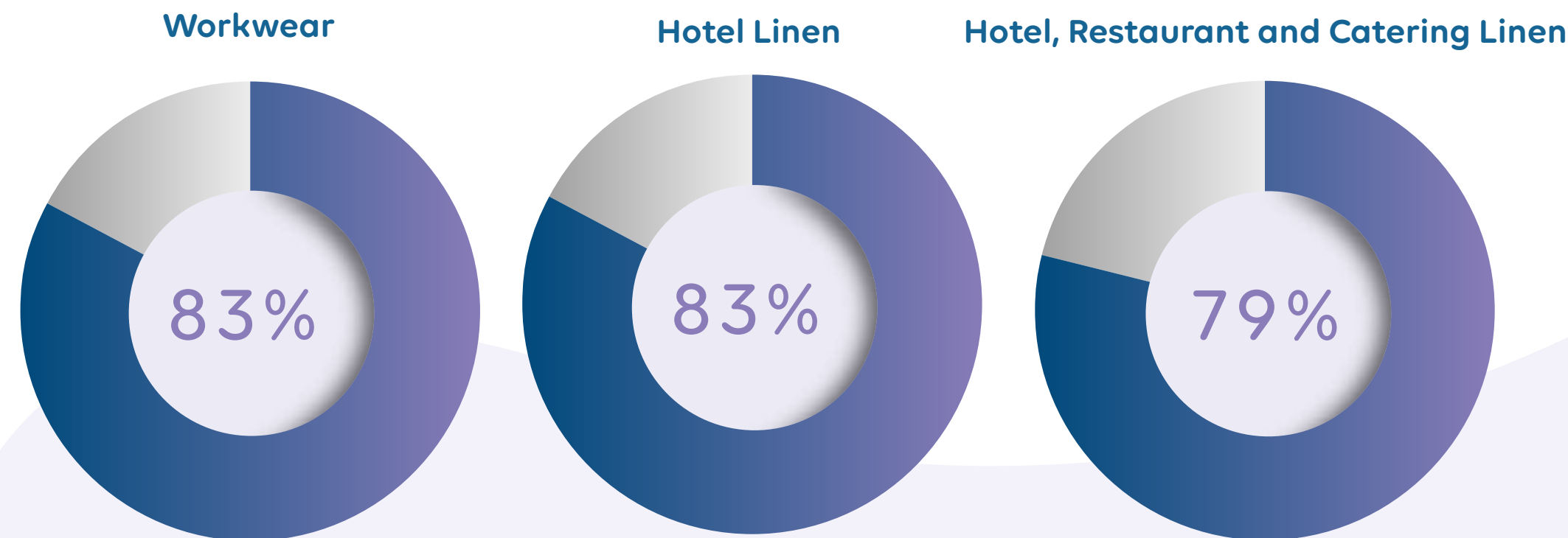
Businesses with high engagement in their workforce are in a better position to grow, innovate and collaborate. The health, safety and wellbeing of our colleagues is paramount to us and as part of The Johnsons Way, we want to further engage, develop and retain our colleagues across the business. Hence, we set an ambitious target in the Family pillar: by 2030, we want to have further developed our learning & development programme The Academy to provide lifelong learning and career path development for all our people.

WHAT WE DID IN 2021

We re-launched The Academy, where we bring together all opportunities for learning and development across Johnsons. We invested in additional resource internally to drive training take-up and respond to people's expectations.

We also registered high employee engagement scores across our businesses, with 83% at Workwear, 83% at Hotel Linen and 79% at Hotel, Restaurant and Catering. For a business of this size and in this sector, that compares well to peers.

ENGAGEMENT SCORES ACROSS JOHNSONS



WHAT WE ARE DOING IN 2022

We are expanding our communications approach to engage the entire Johnsons Family even more. Making our Vision+ intranet more accessible to everyone is key to this. We are also working on growing our training offering through The Academy.

COLLABORATING ACROSS DIVISIONS



In the Family Working Group we learn from each other how things are done across all of our sites. We share work and collaborate to make the load lighter for everyone. For instance, in 2021 we rolled out a consistent approach to measuring employee engagement. After a successful trial at Johnsons Workwear, every site sent out our engagement survey to its employees. This collaboration means we are more effective and integrated.”



Sonia Formby
Employee Engagement Manager
Johnsons Workwear



OUR WORLD

Protecting the climate and environment, now and in the future

“

With big impact comes big responsibility. That is why we are investing in becoming a greener business. We are focusing our actions on our decarbonisation journey, identifying further opportunities for us to be innovative in water usage and moving closer to a fully closed loop circular business model with our products and services.”



Paul Carr, Pillar Sponsor
Managing Director
Johnsons Workwear

2021 HIGHLIGHTS



PRODUCED OUR FIRST
Carbon emission
baseline



INTRODUCED
electric cars
into our fleet



SUCCESSFUL PILOT
demonstrated significant
water recycling

OUR WORLD

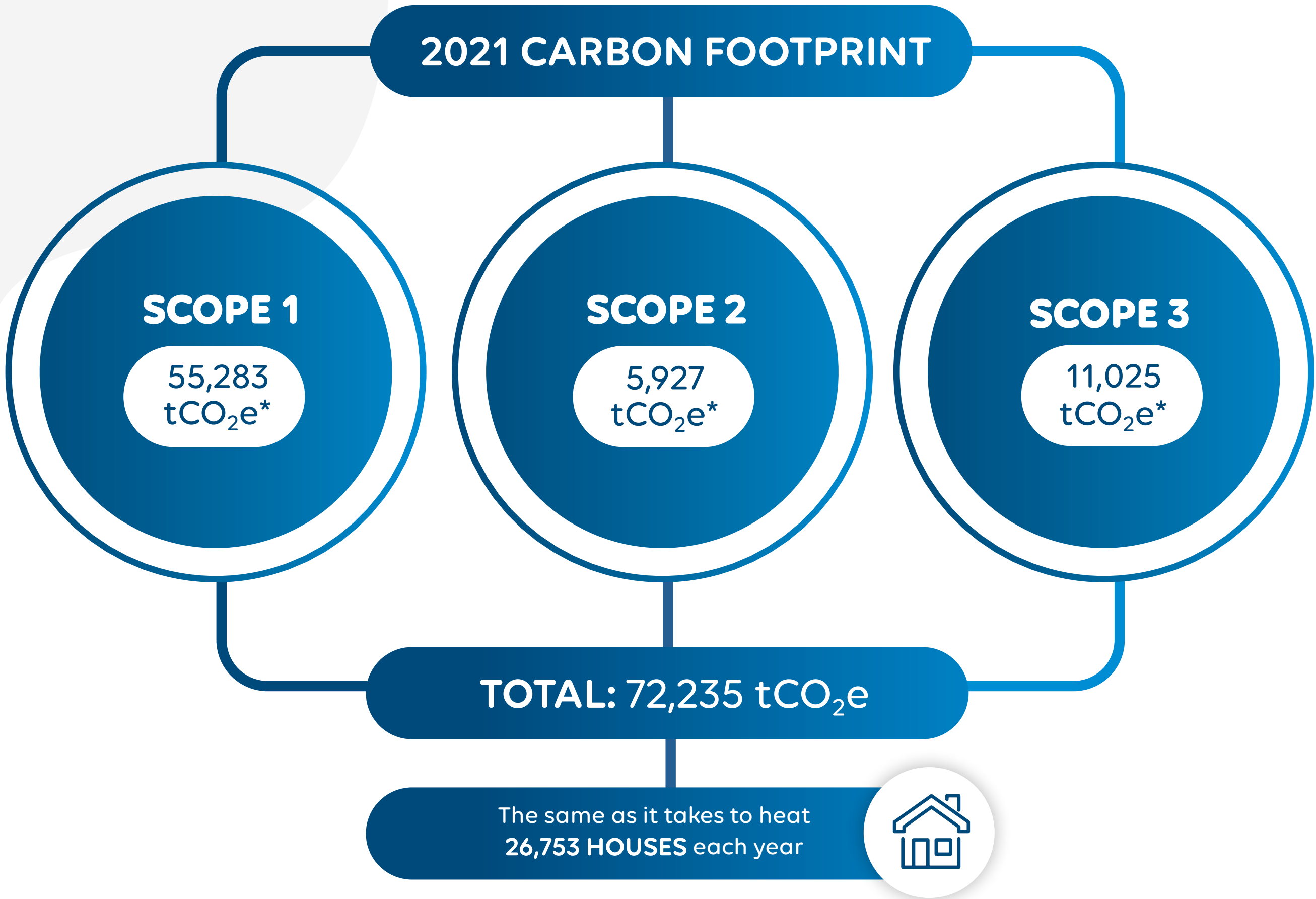
Tackling climate change

We know that we have a significant environmental footprint and we recognise that the emissions from our operations contribute to climate change. That is why, as part of The Johnsons Way, we want to reduce our carbon emissions to prevent further warming of the planet. Our ambitious targets for the World pillar include reducing our emissions intensity by 40% and transitioning our entire company car fleet to electric by 2030.

WHAT WE DID IN 2021

In 2021, 67% of our direct emissions came from natural gas used in our industrial boilers. A smaller part of our carbon footprint (around 8%) was related to our electricity consumption across our sites and offices in 2021. Our total consumption went down by 12% from 2020 to 2021. These decreases are largely due to the periods and timing of intermittent Covid-19 related lockdowns during the two years.

Consisting of some 750 vehicles overall, we have a large commercial fleet but also over 230 company cars in 2021. Our emissions from our fleet are up 11% year-on-year. As for gas and electricity, this is partly due to the period and timing of intermittent COVID-19 related lockdowns during the two years but also as a result of a more detailed data set in 2021.



*As we have been measuring our scope 1 and 2 carbon emissions for several years, this data is more robust than our scope 3 carbon emissions. We measured our scope 3 emissions for the first time in 2021 and as such we expect our data to mature over time. This year, our scope 3 includes carbon emissions from business car mileage, T&D and well-to-tank losses only. It does not include inventory, our supply chain or embedded carbon.





OUR WORLD

Tackling climate change

WHAT WE ARE DOING IN 2022

In terms of tackling our direct emissions from gas, we are developing a specific asset register that helps us identify our priorities for reducing the emissions intensity across the portfolio. Our main focus is to improve efficiency through investment because at the moment it is not possible to replace gas with a more renewable energy source. We are exploring opportunities to change our electricity supply to a greener energy source and investigating if we can generate more of our own renewable power on site through solar or wind.

We are redefining the company car policy to include more electric options. Including current orders, we expect, by the end of 2022, over 25% of our company car fleet will be electric or hybrid cars. We are also increasing the number of charging points at our sites to facilitate this policy.

Our larger commercial fleet vehicles remain fuel based as there are not yet any long-distance electric options available. However, we continue to monitor the developments around other sources of fuel such as biofuels for this group of vehicles.

TREADING MORE LIGHTLY

“

We currently have one site in our estate where we have solar panels on the roof. I always get asked whether we are going to roll that out everywhere. The challenge we face is that we need a lot of energy to create the power needed for our laundry services. At the moment, solar power alone cannot provide that and we need to innovate to use other emerging energy sources such as hydrogen.”



Jon Cooper
Operations Director
Johnsons Hotel Linen

OUR WORLD

Reducing our environmental impacts

Whilst we rely on water being readily available to wash textiles for our customers now, more than ever, it is becoming a precious resource that we need to preserve. That is why we are targeting a reduction in our water consumption intensity of 25% by 2030. We are also mindful of the waste we produce and, accordingly, aim to have reduced waste to landfill by 75% and eliminated all single use plastics by 2030.

WHAT WE DID IN 2021

We are already careful with water at Johnsons. Although we do not operate in places of high or very high water stress, we do what we can to reduce and re-use our water. In 2021, we measured our water footprint for the first time: 1.7 million cubic metres – enough to fill 680 Olympic sized swimming pools. We designated one site for a pilot project around water recovery (see the case study from Shaftesbury on the next page). We are also careful with our water discharge. We meet all local authority and Environment Agency regulations around the composition of the water we discharge after use.

When it comes to waste, our biggest task is establishing our baseline. In 2021, we started but did not complete this task as it was more complex than anticipated. We also initiated conversations with customers and suppliers on how we can adjust our processes to reduce waste across the value chain.

WHAT WE ARE DOING IN 2022

The water recovery technology remains in place permanently at our Shaftesbury site (see case study on the next page) and we are in the process of identifying how and where we can roll this out further. Working with the same supplier, we are now also planning a pilot project to test new technology that removes our water discharge completely.

From a waste point of view, we will continue working to establish our first baseline and to identify opportunities to move away from wasteful packaging.



1,726,915
m³ water
consumed in
2021.



That's enough water
to fill **680 OLYMPIC**
SWIMMING POOLS.

OUR WORLD
Reducing our
environmental
impacts



CLOSING THE WATER LOOP

“

In 2021, we started a pilot project at our Shaftesbury site around closing the loop on water consumption. In partnership with one of our trusted suppliers, we trialled new technology that treats the processed water so it is able to be re-used in our laundry multiple times. Supported by the Carbon Trust, this pilot was a success, obtaining significant water recovery.

This is a great example of what we can achieve when we work in partnership with our suppliers. The pilot has proven that the investment delivers real impact and I am confident that we will see this technology rolled out further.”



Alan Mulholland

Operations Director, South
Johnsons Hotel, Restaurant & Catering Linen



SIGNIFICANT
WATER RECYCLING
from pilot project



OUR INTEGRITY

Staying a partner of choice for customers & suppliers

“

In an increasingly transparent world, we must continue to behave ethically at all times and ensure that our suppliers and customers do the same. It is our aspiration to work with partners who have the same long term sustainability goals as ourselves so that we can deliver long lasting change across the industry.”



Helen Wood, Pillar Sponsor
Managing Director
Johnsons Hotel Linen

2021
HIGHLIGHTS



KEY PARTNER
In end of life textile
recycling
pilot



IDENTIFIED
Tier 1 suppliers
for audit



STARTED
Code of conduct
review



OUR INTEGRITY

Being a role model

As one of the market leaders in our sector, it is crucial that Johnsons is seen by our customers, suppliers and other stakeholders as a role model with the highest ethical standards. As part of The Johnsons Way, we intend to review all of our ethics based policies and develop suitable and appropriate training packages to ensure our colleagues fully understand our compliance requirements.

WHAT WE DID IN 2021

All our colleagues are made aware of our Code of Conduct as well as other policies such as our anti-bribery policy. In addition, senior management sign an annual statement of compliance and those that are involved with supplier selection provide declarations of interests. We also have policies in place around modern slavery and anti-human trafficking.

In 2021, we completed a review of our Code of Conduct and assessed what policies, documentation and training modules are currently in place across our businesses.

WHAT WE ARE DOING IN 2022

It is our aim to launch an updated Code of Conduct that will be applicable to all our businesses in 2022. We will then follow up with both suggested and mandatory training, dependent on specific job roles, to ensure colleagues fully understand our compliance requirements.

We will also enhance our communication around our ethics based policies through a range of employee communications, including an induction on our intranet 'Vision+'.



EMBEDDING ETHICAL BEHAVIOURS

“

Behaving in the right way has always been part of who we are at Johnsons. However, we realise that we can better promote ethical behaviour if we improve our communications and offer more training. Rather than a one-size-fits-all approach, we want to make sure that different job roles receive tailored training.”



Danielle Roberts
Group Management Accountant
Johnson Service Group PLC

**CODE OF
CONDUCT**
revised by
2023.



OUR INTEGRITY

Working with customers & suppliers

The success of our brand relies upon our reputation for behaving ethically and having partners who do so too. Regulation has increased and the expectations of businesses has changed significantly over recent years. That is why we are stepping up our collaboration with both customers and suppliers with the aim of developing a Supplier Framework and a Code of Conduct for our customers. From a service point of view, we also want to have positioned fully sustainable core products as the preferred option by 2030.

WHAT WE DID IN 2021

We are committed to establishing long-term, open and fair relationships with our suppliers and we believe that there is scope for further benefits, from both a financial and environmental point of view, by approaching our procurement more strategically and ensuring that our suppliers operate ethically. In 2021, the Group committed to implementing and enforcing effective systems and controls to confirm that its supply chain is aware of, and is actively addressing, its environmental, social and governance risks and impacts.

We serve a range of organisations from small owner managed enterprises to large multinational brands across a multitude of industries and we want to be seen as a partner by our customers, not just a supplier. Building on our membership of the Better Cotton Initiative, we kicked off a pilot project with another industry association in 2021 that brings us closer to customers and suppliers (you can read about that in the case study on the next page).

WHAT WE ARE DOING IN 2022

We have started work on developing a Supplier Framework, which will be piloted with a group of Tier 1 suppliers. It is our ambition to ensure that these suppliers are audited by Johnsons to check their compliance with our expectations.

We are also developing a Customer Code of Conduct to ensure that we meet their expectations and engage them to work together on our sustainability attributes, principles and objectives.

OUR INTEGRITY
Working with
customers & suppliers



ONLY 50%
of textiles purchased in the UK
each year are accounted for
once they reach their end of life.

SCALING END-OF-LIFE TEXTILE RECYCLING



Whilst products used in our industry are durable, they are not indestructible. After intensive use, some products cannot go back into the main product line. New technology now allows us to separate end-of-life products made from polycotton and polyester into useful components that can be re-used.”

The TSA launched a pilot project with the aim to explore such possibilities. Johnsons played an important role in leading the way and working together with other operators to make this happen. Their expertise and enthusiasm for this project have been vital in helping us collaborate toward a fibre-to-fibre solution for our industry.

We estimate that there are 7,000 tons of textiles purchased in the United Kingdom every year, but we only know what happens with 50% of this once they reach their end of life. Thanks to the support from Johnsons we now have suppliers, textile service companies and customers around the table to ensure that we make our industry more circular.



Shyju Skariah
Director of Programmes & Projects
Textile Services Association



OUR COMMUNITIES

Changing local communities for the better, nation-wide

2021
HIGHLIGHTS



RAISED £73K
For community
investment



PROVIDED
£5k in-kind
donations



DELIVERED
100 volunteering
hours

“

Providing the tools and opportunities for our employees to support the issues that are important to them is a big part of our giving back programme.”



Donald Smith, Pillar Sponsor

Managing Director
Johnsons Hotel, Restaurant & Catering Linen



OUR COMMUNITIES

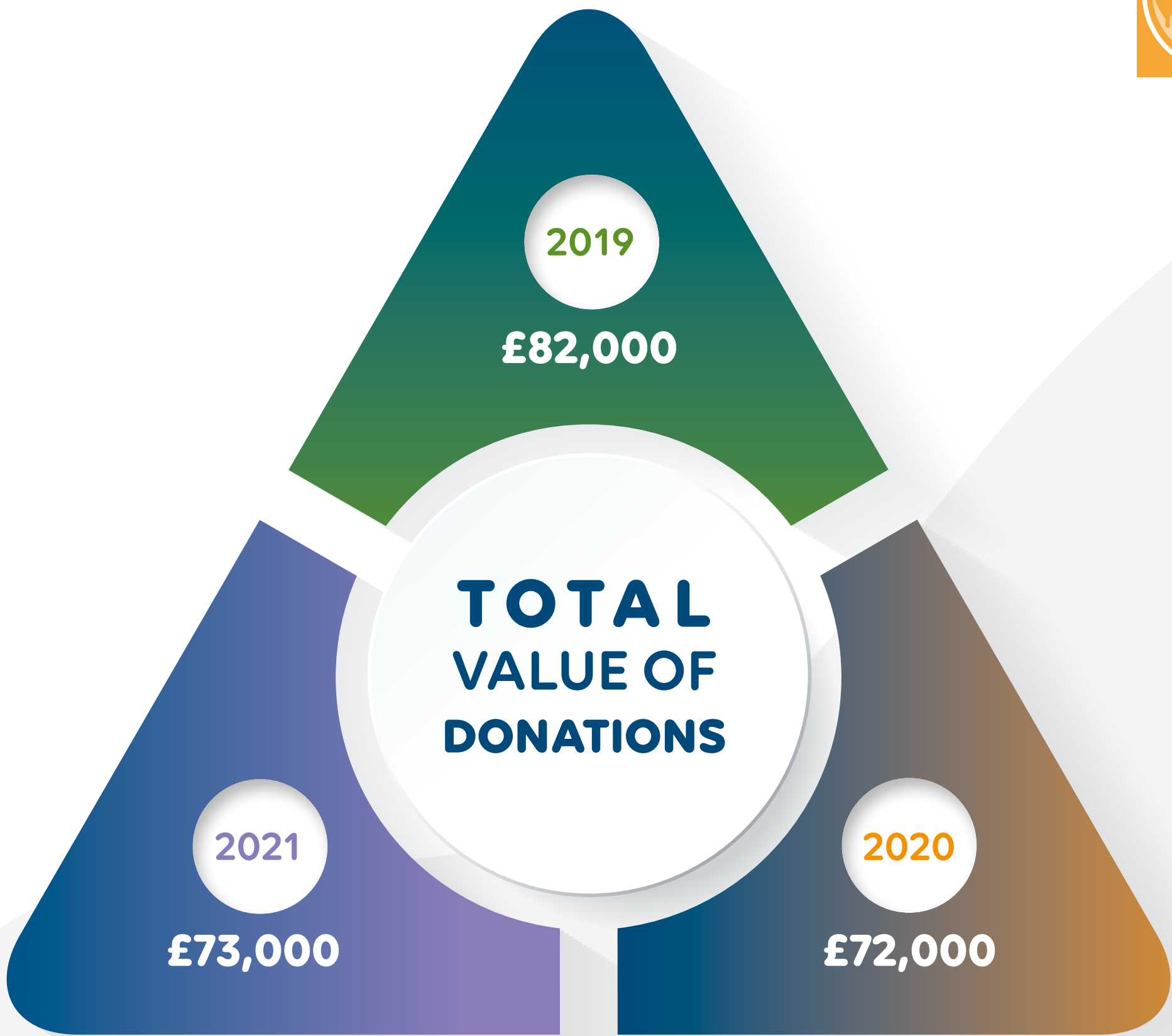
Supporting community organisations and charities

As a large multi-site national employer, engaging and fostering good relations within the communities where we operate is an integral part of our culture. We can, and should, be making a real difference to community organisations and charities that operate where our colleagues live and work. In the aftermath of the COVID-19 pandemic, we realise more than ever that community organisations and charities are doing important work in our local communities. As part of The Johnsons Way, we want to continue to support our colleagues with fundraising and develop collaborative partnerships across our business towards 2030.

WHAT WE DID IN 2021

In 2021, our sites supported community organisations and charities across the length and breadth of the country. Overall, around 75% of our sites had some kind of community activity. The Johnsons Family raised over £6,000 for their chosen local charities, whilst the company provided a further £67,000 to support those in need.

We also provided £5,000 in-kind support. This takes many shapes and forms such as supplying linen for events free of charge, washing garments for homeless shelters and donating unused products to community groups.



WHAT WE ARE DOING IN 2022

Our focus to date has been on supporting our colleagues in raising funds in response to the war in the Ukraine. We coordinated a “Wear it yellow and blue” campaign across our businesses and matched the funds raised by the Johnsons family. We will continue to support our colleagues in raising funds for community organisations and charities.

OUR COMMUNITIES
Supporting
community
organisations
and charities



OUR LONG-TERM PARTNERSHIP WITH HIT SCOTLAND

“

Hospitality Industry Trust (HIT) Scotland is an industry charity that focuses on providing learning experiences for those studying or working in our sector. It offers opportunities to people to broaden their skills through its global scholarship programme.

Johnsons has supported HIT Scotland for over a decade. Our cumulative support has now reached over £30,000. We became a main sponsor of HIT in 2021. We are working to identify where the need is highest amongst the people they support and where Johnsons can make a valuable contribution. This year, three members of the wider Johnsons family will be climbing Kilimanjaro with an aim to raise at least £10,000.”



Stephen McNally
Operations Director, North
Johnsons Hotel, Restaurant & Catering Linen

OUR COMMUNITIES
Unlocking
the value of
community work

Our support for community needs and charities goes beyond fundraising. Engaging our people to volunteer helps to unlock more value for both the charity and for the volunteer. That is why we are working to refresh our volunteering approach to better facilitate how our colleagues use their time efficiently and to keep track of it and, by 2030, we want to have increased our social value spend as a % of revenue.



UNLOCKING
MORE VALUE



Increase
social value
spend,
BY 2030

WHAT WE DID IN 2021

Across the business, 98 hours of volunteering were recorded in 2021. One of the regular volunteering events is a beach clean-up that Johnsons Hotel Linen undertook in 2021. This helps keep the beaches in Pwllheli clean and reduce the amount of plastic pollution in the landscape. We also run activities that focus on specific work-related skills. For example, one of our Workwear sites made an educational video for a local special education college.

WHAT WE ARE DOING IN 2022

We want to provide increased opportunities for our colleagues to volunteer in their local communities and our ambition is to put in place a commitment and framework to enable this. Our focus for 2022 is to develop a comprehensive volunteering approach across our businesses and sites and we expect to collaborate with a strategic partner to support their activities.

MAKING POSITIVE IMPACTS



“

I think that it is a real measure of Johnsons' commitment to the community that we are supporting our colleagues in their efforts to give back to and help their local communities through volunteering.

Allowing our colleagues to take time out during normal working hours to support those charities and groups that are important at a local level, demonstrates our recognition of the importance of making positive impacts in communities across the country.”



Tim Mayes
Sales and Marketing Director
Johnsons Hotel, Restaurant & Catering Linen



OUR OUTLOOK AND PERFORMANCE DATA

Driving forward change in sustainability



FURTHER DEVELOP
Our baseline
data



LAUNCH
Additional environmental
pilot projects



PROMOTE
Volunteering
in the community

“

We are in a strong position
to accelerate our progress
on sustainability. I am very
excited about the future.”



Alexandra Brennan
Head Of Sustainability
Johnson Service Group PLC

OUR SUSTAINABILITY STRATEGY

Looking ahead



We laid the foundations for rapid progress on sustainability in 2021 with an ambitious strategy and a strengthened sustainability team. Having launched The Johnsons Way in early 2022, the focus is now on translating promises into actions as we move towards 2030. Here are our key objectives for the years ahead.



OUR FAMILY

- We want to launch our first Johnsons Diversity Survey to develop a better baseline of the demographics across our business.
- We are keen to develop a refreshed approach to fostering a diverse workplace and an inclusive culture.



OUR INTEGRITY

- We want to launch our refreshed Code of Conduct to raise the awareness amongst all our colleagues in the Johnsons Family.
- We intend to develop and launch our Supplier Framework around sustainability to 75% of our Tier 1 suppliers.



OUR WORLD

- We want to complete our first baseline on our waste data across our business. We also aim to further improve the completeness of our scope 3 emissions.
- We aim to develop decarbonisation plans for our energy and water consumption to help us achieve our reduction commitments.



OUR COMMUNITIES

- We want to launch a more coordinated approach to our charity partnerships across the business, providing tools that sites need to develop them.
- We aim to develop a strategic volunteering policy and programme that supports our people and the community organisations and charities we support.

OUR SUSTAINABILITY STRATEGY

Looking ahead

OUR APPROACH TO SUSTAINABILITY

- We want to further strengthen our baseline and our data measurement by implementing more structured and robust reporting processes.
- We also want to raise awareness of the importance of our sustainability data so that we can accelerate the frequency of our measurement and reporting.



DRIVING SUSTAINABILITY FORWARD



I am very proud of the enormous strides we made in 2021 on sustainability at Johnsons. Our work on materiality and The Johnsons Way reflect the shift towards a more strategic approach to managing our impacts. I am pleased to continue to make a contribution to this through supporting our Board, management and people across businesses, functions and sites. There is strong support across all levels of the business to accelerate our progress on this journey. We are only limited by our ambition!”



Alexandra Brennan
Head Of Sustainability
Johnson Service Group PLC

OUR APPROACH TO DISCLOSURE

About this report

This is our first Sustainability Report, published in Q3 2022. This report is published alongside our 2021 Annual Report to give a more complete picture of our sustainability impacts and a view of our strategy going forward. We intend to publish a Sustainability Report annually.

WHAT INFORMATION WE INCLUDED

This Report reflects our performance on sustainability in the year from 1 January to 31 December 2021. This is also our baseline year. Following our financial reporting cycle, all data relates to that year. The Report also includes references to activities deployed in the first 6 months of 2022 but no data from that year is included in this Report.

We include information from all our sites and companies where we have operational and financial control: a full list can be found in our [Annual Report & Accounts](#). It also does not include any acquisitions made in the reporting year because we will not have been able to integrate those new additions so quickly in our measurement and reporting processes.

When we acquire or divest a company that will change our baseline materially (i.e. more than 5%) we will restate our performance data. As this is our first reporting year, all data included has not been re-stated. This Sustainability Report is not externally assured. Our approach to assurance is to assess on a yearly basis whether the data and statements need be assured.

HOW WE BUILT OUR BASELINE

This Report includes information on a range of sustainability metrics for the year 2021, which is our baseline. We are aware that any baseline is a first attempt at measuring certain performance points and that inevitably over time more information becomes available and/or gaps in data collection are addressed.

Our baseline for the year 2021 has been developed in early 2022 and is based on the data that is relevant for The Johnsons Way and what in the first instance, we were able to collect. We are confident that over time we can expand our data disclosure as we get better at collection and measurement internally.

HOW WE CALCULATED OUR DATA



Our water withdrawal includes all our businesses, sites and operations including the Lilliput (Dunmurry) Limited acquisition: this is included in our 2021 baseline.



Our carbon inventory was measured from 1 October 2020 to 30 September 2021. It includes all divisions, sites and operations excluding Lilliput (Dunmurry) Limited. Our GHG emissions inventory includes all six greenhouse gases, translated into the CO₂ equivalent. We followed the World Resource Institute (WRI) Greenhouse Gas Reporting (GHG) Protocol. We had no biogenic CO₂ emissions during the reporting year. We used the Defra emission factors and GWP data to calculate our emissions. We used the operational and financial control approach to consolidate our inventory.

HOW WE PRODUCED THIS REPORT

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards (2021) core option. In developing this Report we followed the GRI Reporting Principles for defining report content. GRI Standards represent the most widely used sustainability reporting framework in the world today. GRI principles informed our reporting approach: materiality, stakeholder inclusiveness, sustainability context and completeness. We include a [GRI Report Index](#) in the appendices. As this is our first-time reporting along GRI Standards, we recognise that we do not yet have a fully complete disclosure.

Due to our business model, the activity and accounting metrics included in the Sustainability Accounting Standards Board (SASB) Standard for 'apparel, accessories and footwear' companies are largely not applicable to us. Whilst we do not include a [SASB Report](#) in our appendices, the Standard has informed this Sustainability Report.

We are supportive of the objectives of the Taskforce for Climate-related Financial Disclosures (TCFD). We included reference to the TCFD in our [Annual Report](#). As this is our first-time reporting along the [TCFD standard](#), we appreciate we do not have a fully complete disclosure.



CORE DATA TABLE

Our performance summarised

We measure our progress on The Johnsons Way with a set of key performance indicators (KPIs). These metrics help us assess our performance and identify opportunities to improve. As this is our inaugural Sustainability Report, the performance table reflects our baseline year 2021. We are aware that there are sustainability metrics that we would like to see included here in the future, that we do not yet (fully) measure. So it is our intention to expand this table every year.



SUSTAINABILITY PERFORMANCE TABLE

	Metric	Unit	2021
FINANCIAL	Total Revenue	£m	271.4
	Adjusted EBITDA	£m	67.9
	Profit for the year	£m	6.6
OUR FAMILY	Gender Diversity	Percentage	43% Female
	Gender diversity of the board	Percentage	20% Female
	Gender diversity in management	Percentage	29% Female
OUR WORLD	Scope 1	tCO ₂ e	55,283
	Scope 2	tCO ₂ e	5,927
	Scope 3	tCO ₂ e	11,025
	Emissions Intensity	tCO ₂ e per £m	266.2
	Water Consumption	m ³	1,726,915
	Water intensity	m ³ per £m	6,363
OUR COMMUNITIES	Fundraising by staff	£	6,051
	Donated by JSG	£	67,872
	In-Kind Donation	£	5,071
	Staff Volunteering	Hours	98.5

OUR MEMBERSHIPS

We are a member of the Better Cotton Initiative, Business in the Community, Textile Services Association, European Textile Services Association, UK Hospitality and Association of Catering Excellence.



JSG is a proud member of Better Cotton Initiative and is committed to improving cotton farming practices globally.

OUR SUSTAINABILITY
STRATEGY

Aligning with the SDGs

The Sustainable Development Goals (SDGs) were developed by the United Nations to set the global sustainable development agenda until 2030. Whilst they apply mostly to nation states, companies like Johnson Service Group can make a valuable contribution.

IDENTIFYING PRIORITY IMPACTS

[Our material issues](#) and [sustainability strategy](#) touch on many of the SDGs. Our approach is to focus on those where we believe we will have the greatest impact.



OUR FAMILY
SDG Alignment

3 GOOD HEALTH AND WELL BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

We support our Family's physical and mental health and wellbeing.

We work to increase our diversity – crucially to 25% female representation in management – and the inclusivity of our culture.

We provide market-comparable remuneration and benefits in our roles.

We provide opportunities for lifelong learning as part of career development.

OUR INTEGRITY
SDG Alignment

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We aim to launch a Supplier Framework to enhance compliance in our supply chain.

We have a Code of Conduct and train everyone on compliance.

We work with customers and suppliers to make the circular, sustainable choice the preferred choice.

OUR WORLD
SDG Alignment

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

We aim to reduce our carbon emissions intensity by 40% and green our commercial fleet and company cars.

We want to reduce our water consumption by 25% and reduce waste to landfill by 75%.

Working with our customers, we aim to enhance recycling of end-of-life garments.

We want to eliminate all single-use plastic products across our sites.

OUR COMMUNITIES
SDG Alignment

3 GOOD HEALTH AND WELL BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We contribute to economic growth in our communities through our focus on social value in the value chain.

We work in partnership with our communities, raising funds together with our Family.

APPENDIX 1

Global Reporting Initiative content index

For readers that want to compare our sustainability performance against our peers, we include this appendix.

The Global Reporting Initiative (GRI) is an independent standards-setting organisation that supports reporting standards for companies to identify, manage and communicate sustainability information to their stakeholders. This 2021 GRI Content Index is our first disclosure pursuant to the GRI standards, and as such, our disclosures on these topics will evolve and mature with time.

GRI guidelines consist of universal standards, topic-specific standards and sector-specific standards. This inaugural report includes the universal standards (2021) as well as the most material topic-specific standards (2016-2020). There is no sector-specific standard that is applicable to us. As this is our first disclosure, we are not able to respond to each metric and where not, we've explained why we are not fully compliant. For more information on GRI, visit www.globalreporting.org

All data covers the period of 1 January to 31 December 2021 and is as at 31 December 2021 unless otherwise noted. Our emissions inventory is from 1 October 2020 - 30 September 2021. Our data includes all of Johnson's wholly owned entities, divisions and sites except acquisitions made in the reporting year.

GRI STANDARD NUMBER	DESCRIPTION	2021 RESPONSE
GENERAL DISCLOSURES		
ORGANISATIONAL PROFILE (2016)		
102-1	Name of the organisation	Sustainability Report: Introducing the Johnson Service Group family [page 4]
102-2	Activities, brands, products, and services	Sustainability Report: Introducing the Johnson Service Group family [page 4]
102-3	Location of headquarters	Sustainability Report: Introducing the Johnson Service Group family [page 4]
102-4	Location of operations	Sustainability Report: Introducing the Johnson Service Group family [page 4]
102-5	Ownership and legal form	Sustainability Report: Introducing the Johnson Service Group family [page 4]
102-6	Markets served	Sustainability Report: Introducing the Johnson Service Group family [page 4] Sustainability Report: Becoming more circular as a business [page 5]
102-7	Scale of the organisation	Sustainability Report: Our performance summarised [page 30] Sustainability Report: Introducing the Johnson Service Group family [page 4]
102-8	Employees by Employment Contract - by Gender	These metrics are not available because it is of inadequate quality to report.
102-9	Supply chain	Sustainability Report: Becoming more circular as a business [page 5]
102-10	Significant changes to the organisation and the supply chain	Sustainability Report: About this report [page 29]
102-11	Precautionary Principle or approach	Sustainability Report: Turning promises into action [page 9]
102-12	External initiatives	Sustainability Report: Our performance summarised [page 30]
102-13	Membership of association	Sustainability Report: Our performance summarised [page 30]
STRATEGY (2016)		
102-14	Statement from senior decision-maker	Sustainability Report: Welcome from the CEO [page 3]
102-15	Key impacts, risks and opportunities	Annual Report: Principal Risks & Uncertainties [page 46-52]
ETHICS AND INTEGRITY (2016)		
102-16	Values, principles, standards and norms of behaviour	Annual Report: Strategic Review [page 12]
GOVERNANCE (2016)		
102-18	Governance structure	Sustainability Report: Turning promises into action [page 9]
STAKEHOLDER ENGAGEMENT (2016)		
102-40	A list of stakeholder groups engaged by the organization	Annual Report: Strategic Review [page 15]
102-41	Collective bargaining agreements	Annual Report: Strategic Review [page 35]
102-42	Identifying and selecting stakeholders	Annual Report: Strategic Review [page 15]
102-43	Approach to stakeholder engagement	Annual Report: Strategic Review [page 15]
102-44	Key topics and concerns raised	Annual Report: Strategic Review [page 15]





GRI STANDARD NUMBER	DESCRIPTION	2021 RESPONSE
REPORTING PRACTICE (2016)		
102-45	Entities included in the consolidated financial statements	Sustainability Report: About this report [page 29]
102-46	Defining report content and topic Boundaries	Sustainability Report: About this report [page 29]
102-47	List of material topics	Sustainability Report: Identifying what's important to us [page 7]
102-48	Restatements of information	Sustainability Report: About this report [page 29]
102-49	Changes in reporting	Sustainability Report: About this report [page 29]
102-50	Reporting period	Sustainability Report: About this report [page 29]
102-51	Date of most recent report	Sustainability Report: About this report [page 29]
102-52	Reporting cycle	Sustainability Report: About this report [page 29]
102-53	Contact point for questions regarding the report	Sustainability Report: Backpage
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report: About this report [page 29]
102-55	GRI content index	Sustainability Report: Appendix 1 [page 32]
102-56	External assurance	Sustainability Report: About this report [page 29]
MANAGEMENT APPROACH (2016)		
103-1	Explanation of the material topic and its Boundaries	Sustainability Report: About this report [page 29]
103-2	The management approach and its components	Sustainability Report: About this report [page 29]
103-3	Evaluation of the management approach	Annual Report: Audit Committee Report [page 80]
TOPIC-SPECIFIC DISCLOSURES		
303: WATER AND EFFLUENTS (2018)		
303-3	Water withdrawal	Sustainability Report: Reducing our environmental impacts [page 16]
304: BIODIVERSITY (2016)		
304-3	Size of all habitat areas protected or restored	Whilst this topic is material to our business, we do not yet have metrics of adequate quality to report. We are aiming to start this work in 2023.
305: EMISSIONS (2016)		
305-1	Gross Direct (Scope 1) Emissions	Sustainability Report: Tackling climate change [page 14] Sustainability Report: About this report [page 29]
306: WASTE (2016)		
306-2	Waste by type and disposal method	Whilst this topic is material to our business, we do not yet have metrics of adequate quality to report. We are in the process of finalising our baseline in 2022.

GRI STANDARD NUMBER	DESCRIPTION	2021 RESPONSE
308: SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)		
308-1	New suppliers that were screened using environmental criteria	Sustainability Report: Working with customers & suppliers [page 20]
401: EMPLOYMENT (2016)		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report: Engaging our people effectively [page 12]
403: OCCUPATIONAL HEALTH & SAFETY (2018)		
403-1	Occupational health & safety management system	Annual Report: Strategic Review [page 34]
404: TRAINING & EDUCATION (2016)		
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report: Engaging our people effectively [page 12]
405: DIVERSITY & EQUAL OPPORTUNITY (2016)		
405-2	Ratio of basic salary and remuneration of women to men	Annual Report: Directors' Remuneration Report [page 106-107]
413: LOCAL COMMUNITIES (2016)		
413-1	Operations with local community engagement, impact assessments and development programmes	Sustainability Report: Supporting community organisations and charities [page 23]
414: SUPPLIER SOCIAL ASSESSMENT (2016)		
414-1	New suppliers that were screened using Social criteria	Sustainability Report: Working with customers & suppliers [page 20]

APPENDIX 2

Taskforce for climate-related financial disclosures report

The Taskforce for Climate-Related Financial Disclosures (TCFD) was created by the Financial Stability Board (FSB) to develop recommendations on the types of information that companies should disclose to support investors, lenders and insurance underwriters in appropriately assessing and pricing climate change-related risks.

This report references the recommendations published in 2017. In the United Kingdom, where our shares are listed on the Alternative Investments Market (AIM) section of the London Stock Exchange (LSE), both the government and the Financial Conduct Authority (FCA) have taken steps to bring reporting in line with the TCFD framework mandatory for listed companies. Accordingly, in preparing our TCFD Report, and in order to ensure that we are following best practice, our work has been informed by the October 2021 guidance on climate reporting provided by the LSE as well as by the latest observations from the TCFD itself as set out in its 2021 Status Report.

As an AIM listed company, we are not currently required to report against the TCFD framework. However, we recognise that climate change is a significant risk to our business and our entire chain of suppliers and customers. That’s why in the Annual Report & Accounts 2021 we included our first disclosures that are relevant to the TCFD framework. As this is our first year of responding to TCFD, we acknowledge that our disclosures are not fully compliant; they will grow and mature over time and we’re developing a transition plan to facilitate this.

All data covers the period of 1 January to 31 December 2021 and is as at 31 December 2021 unless otherwise noted. Our emissions inventory is from 1 October 2020 to 30 September 2021. Our data includes all of Johnson’s wholly owned entities, divisions and sites except acquisitions made in the reporting year.



GOVERNANCE	
Describe the Board’s oversight of climate-related risks and opportunities	Annual Report: Sustainability Committee [page 31] Annual Report: Risk Management [page 46]
Describe the management’s role in assessing and managing climate-related risks and opportunities	Annual Report: Risk Management [page 46]
STRATEGY	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Annual Report: Risk Management [page 52]
Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy and financial planning	As this is our first disclosure, we are not currently able to disclose the impact of climate-related risks and opportunities.
Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	As this is our first disclosure, we are not currently able to disclose the resilience of the organisation’s strategy.
RISK MANAGEMENT	
Describe the organisation’s processes for identifying and assessing climate-related risks	Annual Report: Risk Management [page 46]
Describe the organisation’s processes for managing climate-related risks	Annual Report: Risk Management [page 46]
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management	Annual Report: Risk Management [page 46]
METRICS AND TARGETS	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management approach	Annual Report: Risk Management [page 52] Annual Report: Sustainability [page 37]
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Annual Report: Sustainability [page 39]
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Annual Report: Sustainability [page 37]

OUR INAUGURAL SUSTAINABILITY REPORT

Changing today, changing the future



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JOHNSON
Service Group PLC



The
Johnsons
way

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