# Sustainability

"We are tackling sustainability not because we have to but because it is the right thing to do."

Peter Egan, Chief Executive Officer of Johnson Service Group PLC





## 2022 Achievements at a Glance

Significant reduction in our carbon emission intensity rates (19% and 24% against revenue and weight processed respectively) when compared to our 2021 baseline

Achieved some 10% reduction in both water usage intensity rates when compared to our 2021 baseline

Successful completion of our first Employee Diversity Monitoring Survey

Published a refreshed and updated Equality, Diversity and Inclusion (ED&I) Policy

Determined the first group wide Waste Baseline

Refreshed Employee Code of Conduct

76% of "High-Risk" Tier 1 suppliers audited

Developed a new Supplier Framework and Guiding Principles

Published our Sustainable Purchasing Policy

£80,000 total Social Value from JSG charitable giving and community activities

**Delivered 129 Volunteering hours** 



### Our Family

Our World



Our Communit



## **The Johnsons Way**

The Johnsons Way was launched in February 2022 to provide a long-term strategic approach to managing the Group's social and environmental impacts and responsibilities and comprises of four "pillars" – Our Family, Our World, Our Integrity and Our Communities. Embedding the programme into everyday business is ongoing, however, during this period we have made some significant strides forwards to better understanding those impacts and laying robust foundations that will support our Vision 2030 goals.

## Governance

## Board Responsibility for Health, Safety and Environment (HSE) issues

The Board is aware of its responsibilities with regards to HSE impacts and receives regular reports on all relevant matters. Peter Egan, CEO, is the nominated Executive Director responsible for Health, Safety and the Environment.

## **Sustainability Committee**

Sustainability is managed at the highest levels of the organisation by the new committee of the Board whose purpose is to provide advice on sustainability strategy, compliance and performance; as we increase our focus on climate impact, the oversight, remit, and responsibilities of the Sustainability Committee are also likely to increase. This committee is chaired by the CEO and reports into the Board. Key responsibilities include:

- Monitoring Group compliance with legislation and radar scanning for new requirements.
- Overseeing periodic materiality assessment reviews to ensure the Group's material issues remain appropriate.
- Providing advice to the Board on strategic approach, sustainability performance and progress towards targets.
- Providing an advisory role to the Board on the Group's appetite and tolerance with respect to climate risks.

## Executive Pillar Sponsors and Pillar Working Groups

As part of our commitment to delivering the sustainability strategy and framework, each pillar has an Executive Sponsor who has been appointed by, and sits on, the Group Management Board. This allows for senior management leadership and ownership of the development and achievement of the strategic goals in each area. During the reporting period the pillar working groups have been actively developing action plans that will enable us to translate our strategic aims and targets into tangible and measurable actions.

## Head of Sustainability/Central Team

The Head of Sustainability retains day to day responsibility for managing the sustainability programme and ensuring all aspects are being progressed as required. They also act as a subject matter expert providing strategic guidance and support to the businesses, the pillar sponsors, the CEO and the Board.

During 2022 the team was extended to add a Sustainability Manager to broaden central capacity, provide support to the Head of Sustainability with embedding of the strategy and support to the Pillar Executive sponsors to deliver their objectives.



#### Our Family

## Sustainability Continued >



## **Our Family**

## 2022 Achievements at a Glance

- Successful completion of our first Employee
   Diversity Monitoring Survey
- Published a refreshed and updated ED&I Policy
- Refreshed our Purpose, Vision, Mission and Values and have begun to roll them out internally

We recognise that our people are key to the success of the Group and we value the contribution of each and every one of our employees. The Group's aim is to be the employer of choice in our industry through delivering a first-class employee experience every day for all our colleagues. **The Johnsons Family** means ensuring everyone feels that they are included and valued and that they belong, that all our colleagues have equality of opportunity and reward, that we support improved health and wellbeing in our teams and that we foster a positive culture with open and honest engagement and communication.

#### Health, Safety & Wellbeing (HS&W)

The health, safety and wellbeing of our colleagues, visitors and others impacted by our operations is a priority for us. The Board is aware of its responsibilities on all matters of HS&W and has nominated Peter Egan, CEO, as the Director responsible for such matters.

Health and safety (H&S) matters are a permanent agenda item at all Group and subsidiary board meetings. A summary report outlining the Group's activities is provided on a regular basis for Group board meetings, including up to date statistics relating to accidents and incidents that have occurred since the last report.

We have identified the following key trends in our 2022 accident types:

- Manual Handling 31%
- Cuts/Abrasions 25%
- Hit by Moving/Falling object 13%
- Slips & Trips 12%

To address these, we have undertaken a number of initiatives including furthering the development and implementation of mandatory H&S induction modules across the whole Group for both new and existing employees. We have also refreshed our H&S support information through the launch of a new online portal available for employees to access at any time.

Specific training packages to address identified areas for improvement have been rolled out.

The Group has a HS&W policy statement which outlines our commitments to maintaining and improving the health, safety and welfare standards throughout the Group. It is brought to the attention of all employees and copies are available upon request to all relevant parties.

The Group Board requires that all of our businesses implement a clearly defined HS&W policy that aligns with the overall JSG framework, formal HS&W procedures and safe systems of work that are relevant to their operations and risks.

## **HS&W Management Systems**

We consider health and safety management as an integral part of good management generally, rather than as a standalone system. In order to enable comparable reporting across the Group, each of our businesses are required to have a Safety Management System, appropriate to their operations, that is in accordance with the guidance contained within either the internationally recognised 'Occupational Health and Safety Assessment Specification' standard (OHSAS 45001) or the Health and Safety Executive's 'Managing for Health and Safety' guide (HSG65).

All new companies acquired by the Group undergo a stringent assessment of their existing Safety Management System in order to establish compliance with appropriate legislation and Group policy; any shortcomings are rectified, on a risk-based approach, as soon as is practicable.

The central group wide Technical Department was previously responsible for the HS&W management on a day to day basis, with their primary objective to ensure that safety standards are met. In September 2022, the Board created a new role of Head of Health and Safety for the Group. A restructure of the H&S Department was initiated and at the start of 2023 the newly formed team will transfer from their individual divisions to a JSG team, with Safety Managers supporting sites within four regions. This will require the recruitment of an additional team member.

The new team will continue to undertake annual assurance reviews of the safety management systems to ensure they are suitable, sufficient and fit for purpose. They are also responsible for horizon scanning to keep abreast of, and inform upon, new health and safety legislation and the completion of annual audits of all sites to ensure compliance with the relevant policies, procedures and system requirements. The results of all audits are presented to the Board.

All of our businesses have arrangements in place to consult with employees on matters which may affect their health and safety. The Group is in regular contact with regulatory bodies both directly, and via industry trade associations. The health and safety performance of each business is collectively benchmarked against other companies operating in similar business sectors.

The Technical Department will retain responsibility for the quality monitoring systems which operate throughout the business and maintain them in respect of new processes, equipment and standards. An ongoing review of other relevant accreditations that complement and support our business processes is also undertaken, an example being the continued implementation of ISO14001. Proactive management of Planned, Preventative Maintenance (PPM) is achieved via a pre-determined programme, ensuring all equipment is maintained to relevant safety and performance expectations. Capital investment projects are supported by providing expertise on utilities, energy management, labour efficiency and engineering management to ensure delivery to time and budget.

#### COVID-19

Specific duties with regard to managing COVID-19 are now largely in abeyance, however, there remains a general duty to manage the spread of all respiratory viruses within the business. The measures in place to combat the spread of the respiratory viruses will continue to operate at least in line with government and public health guidance.

### Equality, Diversity & Inclusion (ED&I)

During the period we refreshed and re-published a group wide Equality, Diversity & Inclusion policy which is available on our internal intranet, is displayed on site noticeboards and available on our website at jsg.com/ourfamily.

### **JSG Diversity Monitoring Survey**

In 2022 we launched our first group-wide diversity survey. Previously we have collected some identity information as part of the employee onboarding process, but not enough to fully understand the nuances of our diverse workforce. In order to better understand the make-up of our workforce we issued a survey consisting of seven entirely voluntary diversity questions to all employees across the organisation. This survey was designed to collect anonymised information about the ethnicity, nationality, religion, disability, sex, gender, and sexual orientation of our workforce.

The aim of the survey was to gain a greater understanding of the unique backgrounds of our workforce to enable us to tailor our support, engagement and development programmes towards the needs of specific groups who may need additional support – and set meaningful targets for the years to come.

The overall response to the survey was positive (overall response rate of 38%) and the aggregated and anonymised results have delivered us greater detail on the demographics of our workforce across seven of the nine protected characteristics in the UK. We need time to consider the data more fully and ensure our next steps take into consideration the needs of the groups and individuals that have been identified. To this end, the key recommendation from the report is that a Diversity Strategy is to be developed which will clearly outline the Group's approach to ensuring we deliver a workplace where all our people feel valued and equal.

We have included some selected highlights from the survey results below; further analysis and detail will be published in our Sustainability Report later in the year.

### **Gender Equality**

We wanted to take an inclusive approach to the gender questions we asked in the survey and therefore we asked which gender our workforce most identify with and a follow up of whether this is the same gender as they were assigned at birth. These questions combined provided valuable sets of data outside of the simple Woman/Man binary narrative.

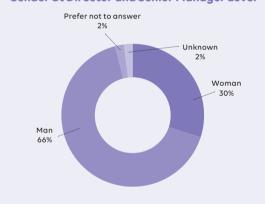
The question of gender identity has given us results that are broadly similar to those we have published previously with a generic split of **43% women to 50% men**. In addition, we also have 2% of our population that identify as non-binary.



Man 50% Woman

43%





#### Note

In each of the Diversity Survey charts, "unknown" refers to where the respondent left the answer blank. "Prefer not to say" was where the respondent selected that option from those provided.

This data set is very encouraging as it is the first evidence which suggests representation of women at leadership levels within the Group is higher than previously envisaged at 30%. As a result we have achieved the published 2030 target of 25% female representation at senior management level. We will consider moving forwards if we should now adopt a more stringent gender representation target or if we should address other areas of the diversity demographic.

## **Gender Pay Gap**

We report our Gender Pay Gap on an annual basis and our current and historical reports can be found on our website at www.jsg.com/gender-pay-gap. Please also see pages 107 to 108 of this report for more information on specific 2022 data.

## **Our Family**

#### Age

We are conscious that our workforce age profile is higher than the norm and we are actively addressing this as part of the development of the Our Family pillar. We know that to attract and retain the next generation of talent will require us to consider changes to our employee value proposition (EVP) and we are considering what this may involve.

Age split across



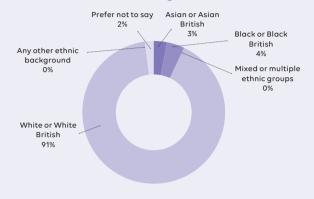
#### Ethnicity

The survey shows that the majority of our workforce identify as White (67%) however, the data also indicates that there are significant populations of those who identify as Asian (19%) and Black (5%) within our workforce.

It is worth noting that the ethnicity of our senior management group does not reflect this ratio and is almost exclusively made up of those who identify as white at 91%.



## Ethnicity of senior management



#### Culture & Engagement

Our newly refreshed Purpose, Vision, Mission and Values can be found on page 13.

During 2022 we completed an exercise to review and, where required, update these. Our previous Vision, Mission and Values have been in place for a number of years and we wanted to ensure they remained suitable and relevant to our business operations as well as resonating with our employees.

A working group led the exercise which included an informal consultation with a variety of members of our workforce. The general consensus was that the fundamental values across the business were sound but they needed some refreshing around language and translating existing expectations and behaviours into clear and concise values.

We are currently developing internal engagement and awareness materials in preparation for a formal launch of the refreshed Purpose, Vision, Mission and Values in the coming months. Longer term, the aim is to integrate these expectations and behaviours into the employee performance and development review processes.

#### **Employee communication and consultation**

Each business takes responsibility for fostering employee engagement through appropriately structured communications, training and incentive arrangements. Employee views are sought by management and taken into consideration when making decisions that may affect the employees' interests. A broader understanding of the Group and opportunities within it are made available to employees through a group wide magazine.

## **Our Family**

#### **Employee Engagement**

We have recently completed the annual employee engagement surveys in each of the businesses and for the first time we also surveyed employees in the Group Centre team. The summary findings can be seen below.

	Workwear	Hotel Linen	HORECA	Group Centre
Enablement Score	84%	82%	82%	86%
Engagement Score	81%	82%	85%	84%
Empowerment Score	91%	88%	88%	96%

Across the surveys we scored highly in areas such as employees knowing what is expected of them in their job (96-97%), understanding of how their job impacts the customer (96-99%) and employees feeling that they play a part in the success of the company (91-94%).

Key themes of opportunities for further improvement include the following:

- Leadership visibility and communication
- Continue to focus on wellbeing
- Focus on listening and communicating

The results of the surveys have been communicated to the senior management teams for each business and action plans to address the areas for improvement identified are currently being developed. This will also include the reinvigoration of employee focus groups with representatives from across all levels of the individual businesses to help ensure actions taken are relevant.

Nick Gregg is the Non-Executive Director responsible for Workforce Engagement. Whilst the Board is aware of the three methods of engagement specified in the Financial Reporting Council's 2018 UK Corporate Governance Code it is conscious that the methods specified are not the only ways of engaging with the workforce and that engagement through a range of both formal and informal channels may be more appropriate. Such additional or alternative channels may include, but not be limited to:

- meeting groups of elected workforce representatives;
- meeting future leaders without senior management present;
- visiting regional sites;
- inviting colleagues from different business functions to board meetings; and
- surveys.

Following the completion of the Employee Engagement surveys across the Group, the Board intends that Nick will attend a number of employee focus groups during 2023 in order to hear and discuss further the ideas and concerns of the workforce.

### **Going Forward**

We are in the process of launching our refreshed Purpose, Vision, Mission and Values through a variety of methods including awareness training and Sustainability Roadshows. Further to the diversity survey we intend to develop a Group wide strategy to identify key opportunities for improvement and roll out diversity training across the business.

## **Our Family 2023 Objectives**

Vision 2030 Target	2023 Objectives
An Effective ED&I programme	<ul> <li>Diversity Awareness training</li> </ul>
	<ul> <li>Group Wide ED&amp;I strategy</li> </ul>
Developed the Academy to provide life-long learning and career paths	<ul> <li>Review and Update Purpose, Mission and Scope of the Johnson Academy</li> </ul>



## **Our World**

## 2022 Achievements at a Glance

- 19% and 24% reduction in our carbon emission intensity rates (against revenue and weight processed respectively) when compared to our 2021 baseline rates
- Achieved a 10% reduction in both water usage intensity rates when compared to our 2021 baseline rates
- Determined our first group wide Waste Baseline
- Implementation of Site Sustainability Management Plans across the whole Group portfolio

## **Energy Consumption and Carbon Emissions**

As part of our refreshed approach to sustainability we have set ourselves what we consider to be a challenging carbon reduction target – to achieve 40% reduction in our  $CO_2e$ intensity by 2030. We are conscious that this is not a net zero commitment however, we are in the early stages of our low carbon transition and management journey and believe it is realistic and achievable. We are also aware that our current emissions data, and this target, do not yet address our wider Scope 3 emissions including those of our supply chain and of our product inventory; we have committed this year to furthering our understanding of this area.

The Group is required to report, in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, its energy use and carbon emissions for the financial year ended 31 December 2022. As allowed by the legislation, and in order to allow for sufficient time to compile the data and complete the reporting, the annual period used to calculate energy use and emissions was set as the 12 months ended 30 September 2022.

The Group has applied an 'operational control' approach to define its emissions boundary and scope. This approach captures emissions associated with the direct operation of all sites, plus company-owned and leased transport. The information used to compile the report was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019. Emissions have been calculated using conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope. The most significant omission continues to be that of our Scope 3 supply chain emissions, which we intend to include in next year's report.

## Scope 1 and 2

## 2022 Group Energy and Carbon Emissions

During 2022 we implemented regular performance monitoring and reporting which indicated that there were challenges with our energy and carbon data. Due to this a decision was taken to complete a recalculation of our baseline year (2021) and adopt new methodologies for our 2022 carbon year reporting. The key changes to our carbon calculations are:

- As we continued to experience ongoing challenges with obtaining timely invoices from our energy suppliers, we decided to adopt a different methodology by utilising primary data consisting of actual consumption data from meter readings.
- The weight processed factor that we are using to calculate one of the intensity ratios was being calculated using historical and legacy data sets therefore these calculations were adjusted and refreshed to be more appropriate.
- For the intensity ratios in 2021 we used revenue and weight data sets that were aligned with the financial reporting year (calendar year) however, we have adjusted these to now reflect the carbon reporting year (October – September). During normal operations this may not have any significant impact however, due to the recent years being heavily impacted by COVID-19, we felt this alignment would more accurately provide normalising factors that aligned with the energy consumption and carbon emissions.

Johnson Service Group's greenhouse gas emissions, reportable under SECR for the reporting year 2022, were **94,458 tonnes CO2e**.

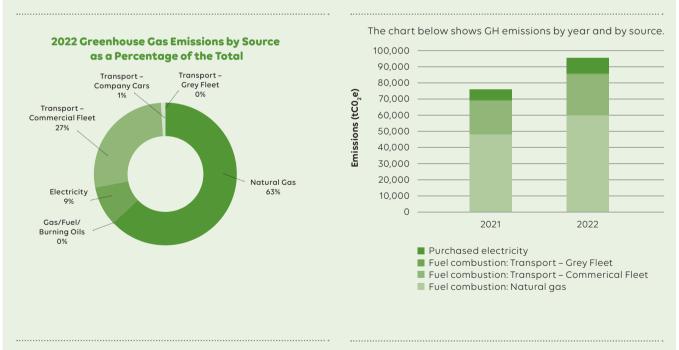
Our absolute greenhouse gas (GHG) emissions were 26% higher than in the previous year. These emissions include all material Scope 1 and Scope 2 emissions required to be disclosed by legislation, plus some additional Scope 3 emissions included voluntarily.

Emissions due to gas are up 23% when compared to the previous reporting period. Emissions due to commercial transport increased by 29%, and emissions for purchased electricity have increased by 34%. The primary reasons for such significant increases are due to the business returning to more "normal" operation following the two previous years being heavily impacted by COVID-19. Both of our intensity metrics have actually decreased year on year.

Emissions source	2022	2021	Share (%)	YoY Variance (%)
Emissions source	2022	2021	Share (%)	YOY Variance (%)
Fuel combustion: Natural gas	59,580	48,627	63%	23%
Fuel combustion: Gas oil	0	30	0%	-100%
Fuel combustion: Burning oil	50	15	<1%	240%
Fuel combustion: Transport - Commercial fleet	25,343	19,678	27%	29%
Fuel combustion: Transport - Company cars	670	453	1%	48%
Fuel combustion: Transport - Grey fleet	46	134	<1%	-66%
Purchased electricity	8,860	6,616	9%	34%
Total emissions (tCO2e)	94,548	75,553	100%	25%
Revenue (£m) <sup>*</sup>	368.00	238.80		79%
Intensity: (tCO2e per £m)	256.92	316.39		-19%
Weight processed (tonnes)*	304,325	184,243		65%
Intensity: (tCO₂e per weight processed (tonnes))	0.311	0.410		-24%

Please note that the 2021 emissions previously reported have been corrected to the above figures in line with our new data collection methodology. All 2021 data in subsequent tables and graphs have also been updated. The revenue and weight processed stated above are for the 12 month period to 30 September 2022.

The chart below shows GHG emissions by source for 2022, where emissions from natural gas (63%), commercial fleet (27%) and electricity (9%) dominate.



Total energy consumption across the Group has increased by 26% during 2022; it should be noted that this increase is similar to that seen in our greenhouse gas emissions and can be primarily attributed to a return to more "normal" operations following COVID-19.

Further granular level detail on our energy consumption can be seen in the table below which details consumption by emissions source. All emissions sources increased except for Grey fleet which is the smallest contributor to our energy consumption. Natural gas consumption has increased by 23%, commercial fleet by 29% and electricity by 47%.

## **Our World**

Emissions Source	2022	2021	Share (%)	YoY Variance (%)
Natural gas	278,880,562	226,689,164	68%	23%
Gas oil	0	102,888	0%	-100%
Burning oil	167,704	49,392	<1%	240%
Transport – Commerical Fleet	85,332,180	66,851,331	21%	28%
Transport – Company Cars	2,651,982	1,174,703	1%	126%
Transport – Grey Fleet	184,819	545,406	<1%	-66%
Electricity	41,974,888	28,625,659	10%	47%
Total consumption (kWh)	409,192,135	324,038,543	100%	<b>26</b> %

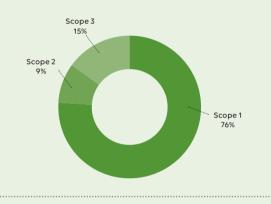
## **Greenhouse Gas Emissions by Scope**

It is standard protocol to define greenhouse gas emissions by scope:

- Scope 1: direct emissions arising from activities on site, including combustion of fuels to heat buildings, the use of fuel in company owned/controlled vehicles, refrigerant gas leaks, and use of industrial gases.
- Scope 2: indirect energy emissions from purchased electricity, heat, or steam
- Scope 3: indirect emissions such as those associated with the transmission and distribution losses of electricity, grey fleet transport and well-to-tank losses.

2022 Emissions by Scope can be seen in the chart below

#### 2022 Greenhouse Gas Emissions by Scope



The split of reported emissions by scope in both 2021 and 2022 is shown in the table below.

Greenhouse Gas Emissions by Scope	2022	2021	Share (%)	YoY Variance (%)
Scope 1	72,050	57,755	76	25
Scope 2	8,132	6,078	9	34
Scope 3	14,366	11,720	15	23
Total emissions (t Co₂e)	94,548	75,553	100	25

The figures in the table above include all material Scope 1 and 2 emissions, plus Scope 3 emissions for employees' own vehicles used for business purposes, purchased electricity related transmission and distribution (T&D) losses and gas consumption associated "well-to-tank" losses all of which are considered best practice.

Scope 1 emissions together are the largest contributor to emissions as they make up 76% of the total and they are primarily associated with the combustion of natural gas and fuels used in commercial vehicles. The remaining Scope 1 emissions come from company car transport as well as fuel usage for emergency boiler power generation. Scope 1 emissions have increased by 25% when compared with 2021, which aligns with the increase in natural gas consumption (kWh) by 23%. The majority of the Group's gas usage comes from our operational sites and with the previous year being largely affected by Covid-19 when all sites were not all operating at full capacity.

Scope 2 emissions come entirely from purchased electricity and emissions from this source contribute 9% of the total. Scope 2 emissions have increased by 34% when compared to 2021. This increase is due to the fact that the consumption (kWh) from electricity at the Group increased by 47%, however as the conversion factor from electricity kWh to tonnes CO<sub>2</sub>e continues to decrease year on year (due to the electricity grid mix getting greener) the difference between consumption and emissions is more pronounced. As for Scope 1 emissions, consumption will have been impacted by COVID-19 site closures therefore this increase is logical once sites returned to more normal operations during this reporting period.

Scope 3 emissions make up the remaining 15%. These have come from transmission and distribution losses from purchased electricity supplies and grey fleet transport. Well-to-tank losses have also been included for natural gas supplies, gas oil supplies and commercial fleet and company car fuel usage where volume data was available for conversion.

## Scope 3 Emissions Calculation, identification and management

During 2022 we have been working with third-party energy consultants, to further understand and develop an approach and methodology for our Scope 3 emission calculations. The intention is that this plan will define the scope and boundaries of the Scope 3 Emissions Calculation Project (what types of energy sources will be included), its timeline for implementation and the methodology intended for each aspect of the scope.

We anticipate that there will be a 3-phase approach to the calculations:

- Product emissions the emissions associated with all the stages of life cycle of the products we offer to our customers and includes the raw material production, product development and manufacture and end of life management. There are currently no approved proxy values for our industry, therefore this will potentially require a combination of values from other similar industries (e.g. the fashion retail industry has approved proxy values for some garment production) plus significant collaboration with our supply chain (and their supply chains) to more fully understand their emissions.
- Scope 3 emissions associated with our operations this is anything relating to our business operations that we do not have direct control over and will, for example, range from the emissions generated in the production and delivery of the equipment and chemicals we use in the plants, to emissions associated with our waste management and water usage, to those associated with our non-textile product purchases such as office supplies etc.
- **Embodied carbon across our fixed facilities** this aspect covers all emissions that arise from the manufacturing, transportation, installation, maintenance and disposal of the building materials used across our estate.

### **Carbon Intensity Ratios**

To allow for year on year comparison moving forward the absolute  $CO_2e$  totals have also been normalised using two relevant quantifiable factors to create two specific intensity ratios. The first intensity ratio calculated for the Group is tonnes of carbon dioxide equivalent (t $CO_2e$ ) per £million of revenue and the second is tonnes of carbon dioxide equivalent (t $CO_2e$ ) per tonnes weight processed.

As part of the recalculation exercise we have completed, both factors have been adjusted to align with the carbon year (October – September). The logic for the re-alignment is that due to the considerable differences in quarterly volumes and revenue through the COVID-19 period, continuing to use calendar reporting year datasets would result in significant disparity between emissions and the normalising factors. The table below shows that we have achieved a year on year decrease in our **tCO<sub>2</sub>e per £m intensity of 19%** and a **24% reduction in our tCO<sub>2</sub>e per tonnes processed intensity**. It is probable that these results are impacted by a combination of greater accuracy in data and improved operational efficiency as the business returned to more normal volumes. As a result, it is highly unlikely that annual reductions of this magnitude will be replicated prospectively.

Intensity Ratio	2022	2021
tCO₂e per £m	256.92	316.39
tCO₂e per tonnes processed	0.311	0.410

## Energy Efficiency and Carbon Emissions Initiatives and Recommendations

During the reporting period we implemented the following energy efficiency initiatives:

- Implemented energy management plans at all sites across the Group's estate
- Developed a central energy asset register to enable a full overview of the energy sources and equipment to be undertaken
- Completed high level carbon training with relevant site based managers
- Refreshed energy efficiency training at across operational sites
- Committed to several capital expenditure projects including boiler replacement and energy equipment replacement
- Continued to transition to electric vehicles (EVs) across our company car fleet
- Engaged consultants to undertake on site renewable energy generation (PV/Wind) feasibility studies

## **Metrics and Targets**

'**The Johnsons Way**' sets out our 2030 Vision roadmap to achieving a transition towards decarbonisation. We have publicly stated our intention is to reduce our  $CO_2e$  intensity for Scope 1 and 2 emissions by 40% by 2030.

Our targets comprise targeted actions including conversion to renewable electricity and electric vehicles where practical, working with our suppliers on more sustainable sourcing methods and further capital investment in our business. We set ourselves a number of objectives to support our ambitions around carbon reduction which included the implementation of mandatory Energy Management Plans at all sites.

#### **Decarbonising our Fleet**

As indicated in our last report, we updated our Company Car policy at the start of 2022 to include a selection of both fully electric and hybrid options. These remain optional for employees in the scheme at this time however we have seen a significant uptake of these models and at the end of 2022 nearly 20% of the fleet had transitioned over to electric vehicles (EVs).

## **Our World**

In addition, we have undertaken a number of trials of smaller commercial EVs across the Group. Whilst these pilots have largely proved successful there still remain significant challenges to electrifying our commercial fleet including financial, availability and suitability constraints.

We have also completed a significant trial of alternative fuel solutions for our HGV commercial fleet. The trials and investigations are ongoing but the switch to HVO fuels is showing promising early results and we will continue to explore this option during the coming months.

#### Task Force on Climate Related Financial Disclosures ("TCFD")

The TCFD has developed a framework to assist companies in more effectively disclosing climate related risks and opportunities through their existing reporting processes. As an AIM listed company, it is not yet mandatory for the Group to report against the TCFD framework. We accept that climate change is a principal risk posing potential challenges to us and are therefore aligning our processes to reflect the requirements of the framework.

We made an initial disclosure in our previous Annual Report detailing the requirements that we were confident of having available and sufficient evidencable information for. We continue to implement a transition plan to ensure we are able to provide further and more detailed disclosures as required. The table below provides a summary of how we have disclosed against the framework in this 2022 Annual Report:

TCFD Category	TCFD Requirement	2022 Disclosure
Governance Describe the board's oversight of climate- related risks and opportunities.		<b>Full Disclosure</b> Structure, Scope and responsibilities of the Risk and Sustainability Committees, the Executive Pillar Sponsors and the work undertaken by the pillar working groups to translate strategy into tangible actions. Description of the Risk Management Process and how this is overseen at the highest levels.
	Describe management's role in assessing and managing climate-related risks and opportunities.	<b>Partial Disclosure</b> Description of the Risk Management Process and how this enables identification and analysis of climate related risks. We have not yet completed a review of the processes for all the businesses therefore specific risks and associated management/mitigation processes not available in this cycle.
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<b>Partial Disclosure</b> The Priority Risks identified by the Group has a single generic climate and energy related risk. We intend to strengthen our processes to better identify specific climate related risks however we have not have completed this process for this reporting cycle.
	Describe the impact of climate- related risks and opportunities on the organisation's businesses, strategy, and financial planning.	No Disclosure
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	No Disclosure

TCFD Category	TCFD Requirement	2022 Disclosure
Risk       Describe the organisation's         Management       processes for identifying and         assessing climate-related risks.		<b>Partial Disclosure</b> Description of the Risk Management Process and how this enables identification and analysis of climate related risks. We have not yet completed a review of the processes for all the businesses therefore specific risks and associated management/mitigation processes are not available in this cycle.
	Describe the organisation's processes for managing climate-related risks.	Partial Disclosure Description of the Risk Management Process and how this enables identification and analysis of climate related risks. We have not yet completed a review of the processes for all the businesses therefore specific risks and associated management/mitigation processes are not available in this cycle.
	Describe how processes for identifying, assessing, and managing climate- related risks are integrated into the organisation's overall risk management.	<b>Partial Disclosure</b> As above, provision of further detail on how climate risks are identified within the business level risk management processes is intended. We have not yet completed a review of the processes for all the businesses therefore specific risks and associated management/mitigation processes not available in this cycle.
Metric and Targets	Disclose the metrics used by the organisation to assess climate- related risks and opportunities in line with its strategy and risk management process.	Partial Disclosure Description of the Risk Management Process and how this enables identification and analysis of climate related risks. We have not yet completed a review of the processes for all the businesses therefore specific risks and associated management/mitigation processes are not available in this cycle.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<b>Full Disclosure</b> Caveated. Improvements made to the data collation processes and methodology requiring recalculation of previous year's data and baseline for Scope 1 and 2 emissions.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<b>Partial Disclosure</b> Targets for Scope 1 and 2 emissions disclosed plus contextualisation of how performance is monitored and reported, including providing year on year data comparisons.

### Water Management

During 2022 we implemented regular sustainability performance monitoring and reporting which indicated that there were some areas of concern with our water data. Due to this a decision was taken to complete a recalculation of our baseline year (2021) and adopt new methodologies for our 2022 reporting year. The key changes to our water usage calculations are:

- As we continued to experience ongoing challenges with obtaining timely invoices from our water and utility suppliers, we decided to adopt a different methodology utilising primary data consisting of actual consumption data from meter readings.
- The weight processed factor that we are using to calculate one of the intensity ratios was being calculated using historical and legacy data sets which were no longer appropriate for some areas of the business therefore these calculations were adjusted and refreshed.

Johnson Service Group's absolute water abstraction for the reporting year 2022 was **2,196,058** M<sup>3</sup>. The adjusted baseline water consumption figure for 2021 is 1,716,751 M<sup>3</sup> therefore our absolute consumption was 28% higher in 2022 than in the previous year. It is likely that as for our energy consumption and carbon emissions this increase can be primarily attributed to a return to more "normal" operations following COVID-19.

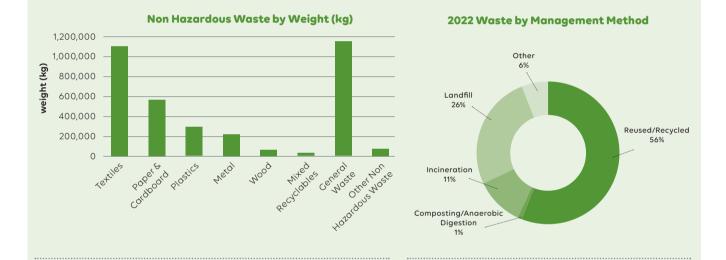
#### Water Intensity Ratios

To allow for year on year comparison moving forward the absolute water M<sup>3</sup> totals have also been normalised using two relevant quantifiable factors to create two specific intensity ratios. The first intensity ratio calculated for the Group is volume of water used (M<sup>3</sup>) per £million of revenue and the second is volume of water used (M<sup>3</sup>) per tonnes weight processed.

## **Our World**

The table below shows that we have achieved a year on year reduction in our M<sup>3</sup> per £m intensity of 10% and a 9% reduction in our M<sup>3</sup> per tonnes processed intensity. As stated above, in relation to our carbon emissions intensity ratios, it is probable that these results are impacted by a combination of greater accuracy in data and improved operational efficiency as the business returns to more normal volumes. As a result, it is highly unlikely that reductions of this magnitude will be replicated in 2023 and beyond.

Intensity Ratio	2022	2021	% Variance
M <sup>3</sup> per £m	5,694	6,326	-10%
M <sup>3</sup> per tonnes processed	7.216	7.940	-9%



## Waste Management

Across the Group a significant volume of waste is generated including plastics and other packaging, general waste, end of life textiles and other industrial wastes. We have robust processes in place to ensure each site manages their waste in accordance with applicable regulations.

During 2022 we adopted a standardised and consistent methodology for calculating total volumes of all wastes generated by volume and by disposal route. This baseline has provided a more granular understanding of our waste and how we currently manage and dispose of it.

Key highlights from the baseline include:

- Total of 3,916 tonnes of waste generated across the Group
- 1,011 tonnes sent to landfill (26% of the total)
- 2,905 tonnes diverted from landfill (74% of all waste)
- 1,100 tonnes of textile waste was generated with over 750 tonnes being recycled
- 304 tonnes of plastics generated with 73% going to landfill

#### **Textiles Circularity Transition Plan**

Textiles are finally becoming part of the circular bioeconomy. We are currently working with several parties to identify sustainable options for managing our end of life textiles.

Currently, only a negligible proportion of the global production of clothing and textiles is recycled, the vast majority is either incinerated or sent to landfill. Our baseline data has indicated our recycling percentage is fairly high at around 68% however much of this is a single recycle into wipers that are then disposed of via traditional methods.

### **Looking Forward**

We are now confident in the data we are using to monitor and assess our performance across the Our World impact areas. The coming months will be focussing on refining and finalising our long-term strategic approach across several key areas including transition to decarbonisation; water reduction; improved management of end of life textiles and looking to understand our wider biodiversity impacts and how we can manage and mitigate these.

## **Our World 2023 Objectives**

Vision 2030 Target	2023 Objectives
Reduce Scope 1 and 2 CO <sub>2</sub> e emissions intensity by 40%	<ul> <li>40% of the Group company car fleet has transitioned to EV</li> </ul>
	<ul> <li>5% reduction compared to 2022 performance across Scope 1 and 2 CO<sub>2</sub>e intensity</li> </ul>
Reduce water consumption intensity by 25%	<ul> <li>2% reduction of water intensity compared to 2022 performance</li> </ul>
Reduce waste to landfill by 75%	<ul> <li>Reduction of all waste to landfill by 5% based on 2022 baseline</li> </ul>
	<ul> <li>Reduction of plastics sent to landfill by 5% compared to 2022 baseline</li> </ul>

We are currently undertaking a number of feasibility projects that may enable us to return recycled cotton fibres into the textile manufacturing process. At the same time we are also exploring methods for recycling our polyester based products into content that could be used by industry, for example as insulation by the motor industry.

Whilst in the early stages all our pilot projects are providing promising results. We are aiming to be in a position to formally develop our management approach and strategy for end of life textiles across the Group during the coming year.

#### **Our Integrity**

## Sustainability Continued >

## **Our Integrity**

## 2022 Achievements at a Glance

- Refreshed Employee Code of Conduct
- 76% of High-Risk Tier 1 suppliers audited
- Developed a new Supplier Framework and Guiding Principles
- Developed new Customer Guiding Principles
- Published a new Sustainable Purchasing Policy
- Launched the Flex Collection in Johnsons Workwear

### **Responsible Business Practices**

JSG recognises that growth, change and profit are good for the Group and that they are necessary for a business to survive. At the same time, we also understand that we must ensure we always operate in a responsible way through the employment of strong ethical practices and governance.

We also accept that our indirect activities are wide and varied and that effective change will only be possible by cascading and supporting the sharing of our values and behaviours into our value chain and working in partnership with our customers and suppliers.

#### **Employee Code of Conduct**

As part of our commitment to ensure our employees behave with the highest ethical standards, we developed a new Employee Code of Conduct (The Code) during 2022. This document sets out the requirements and guidelines on expected behaviours for all employees to act with honesty, integrity and fairness to others to ensure the Group meets the highest standards of conduct in business dealings. The Code, which encompasses a high level overview of each of the Group's more detailed policies, including the Code of Ethics, is available on our internal intranet system and hard copies can be obtained from Human Resources teams.

On joining the Group, whether by way of acquisition or otherwise, all employees will be made aware of these standards and procedures to ensure compliance is achieved. Senior employees are also required to sign an annual statement of compliance with the Code of Ethics.

During the coming year we will develop appropriate training packages to ensure all colleagues fully understand our compliance and behavioural requirements. We have identified specific groups within our operations who are more at risk to potential exposure in these areas and an additional training package will be developed for them.

The Group's anti-bribery policy sets out how employees must act to ensure that our zero-tolerance approach to bribery and corruption is upheld. As part of the Group's commitment to ethical trading standards a declaration of interests in suppliers is required to be undertaken by all employees who are considered to be influential with regards to the ordering of goods or services from suppliers. The purpose of the declaration is to ensure that there is complete clarity of interest between the parties to a transaction and that the independent judgment of employees is not impaired. Group employees, agents and other representatives are prohibited from giving or receiving money or gifts which could be construed as bribes. The policy does not prohibit normal and appropriate hospitality (given or received) to or from third parties, nor does it prohibit giving or accepting gifts of low monetary value as long as it does not influence, or have the appearance of influencing, an employee's objectivity or decision-making.

The Group is committed to a culture of openness, honesty and accountability and believes that it is fundamental that any concerns our employees have about the Company can be raised without fear of victimisation. A dedicated and confidential Whistleblowing service is available to employees should anyone wish to report perceived improprieties. Reports can be made via a dedicated telephone number and email address or in writing to the Non-Executive Directors via the Company Secretary. The Whistleblowing policy is displayed at all sites and is also available on our internal intranet system. It provides examples of ethical wrongdoing including bribery, corruption, fraud, dishonesty and illegal practices which may endanger employees or other parties.

Arrangements are in place to ensure that any reports are followed up and the appropriate action taken.

#### **Group Modern Slavery Statement**

We publish our Modern Slavery Statement annually on our website at www.jsg.com/modern-slavery-statement.

We are committed to implementing and enforcing effective systems and controls to confirm that slavery and human trafficking is not taking place anywhere in our supply chain or in any part of our business. We fully acknowledge our responsibility to respect human rights as set out in the International Bill of Human Rights and we are also committed to implementing the United Nations Guiding Principles on Business and Human Rights throughout our operations.

All new employees are subject to pre-employment checks to confirm their identity and eligibility to work in the UK prior to them starting work within the Group. Information is provided to all employees on their statutory rights including sick pay, holiday pay and any other benefits they may be entitled to by virtue of their employment. We pay all directly employed labour at least the living or minimum wage, as appropriate. Where recruitment agencies are used, we ensure they comply with all legal requirements. These procedures collectively help to address our on-going commitment to protect our employees' human rights and the elimination of all forms of forced and compulsory labour.

We expect our suppliers to have suitable anti-slavery and anti-human trafficking policies and processes within their businesses and to cascade those policies to their own suppliers. As part of our continued efforts to ensure

## **Our Integrity**

compliance with these requirements we have developed a robust supplier framework, which includes clear requirements and expectations that are set out in our new Guiding Principles on Supplier Conduct and which apply across all stages of our contractual relationship.

Our standard supplier contractual terms and conditions include a provision requiring suppliers (and each of their sub-contractors) to comply with the Modern Slavery Act 2015. The standards we expect will address a broad spectrum of working conditions including fair remuneration, working hours, no child labour, respect, non-discrimination, health, safety and wellbeing, as well as freedom from forced labour.

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chain and our business, all Directors have been briefed on the subject and we provide training to relevant employees. Through this training, as well as through Group wide internal communications, all employees are encouraged to identify and report any potential or actual wrongdoing that they consider to be negligent, improper or illegal via a dedicated and confidential Whistleblowing hotline, which is available 24 hours a day.

## Approach to Sustainability Related Risk Management

The Board has overall accountability for ensuring that risk is effectively managed across the Group and this also includes those risks relating to sustainability. Climate change and energy costs is identified as a principal risk to the Group and mitigation identified includes investing in sites, installing the latest technologies and ensuring energy efficiency measures are utilised.

Climate change is important to us as a business and to our stakeholders and we are committed to energy efficiency improvement and reducing our greenhouse gas emissions, however, there remains the potential for us to see increases in both the cost of energy as well as the potential introduction of associated levies or taxation. Failure to appropriately demonstrate that, as a business, we are committed and moving towards net zero carbon emissions could negatively impact our brand and also impact our ability to operate and/ or remain relevant to our customers and consumers.

As part of our action plan towards reporting more fully under TCFD we are reviewing our approach and methodologies for risk identification and assessment to ensure they are appropriate and fit for purpose.

Potential areas of risk are identified through the Group's risk assessment programme and mitigated wherever possible. Each business undertakes quantitative audits which enable a measure of sustainability improvement to be made. For more information on our risk management approach and processes please refer to page 47.

### **Environmental Risk Management and ISO 14001**

ISO 14001 is the international standard that specifies requirements for an effective environmental management system. It provides a framework that an organisation can follow, to identify and address environmental issues, control impacts, ensure legal compliance and monitor performance. All of our operational sites are required to have procedures in place that align with the requirements of the standard and a number of them are formally certificated to ISO 14001.

In a similar vein, all our operational sites are required to align their quality management systems with ISO9001 to ensure we are able to consistently provide products and services that meet our customer and local regulatory requirements. A number of our sites are formally certificated to the standard.

#### **Social Risks Identification and Management**

As reported last year, we identified that it would be beneficial to the Group to implement a bespoke Supplier Framework that has been designed to more suit our needs, supplier operations and geographical locations and potential risks. During the reporting period this was developed and approved internally. We intend to fully launch this new Framework with our supply partners over the coming months.

As part of the Framework, we have also implemented more formal and standardised supplier sustainability auditing and have become a member of the Sedex community to support the completion of compliance audits. During the period we completed sustainability audits on over 75% of our high-risk Tier 1 suppliers.

## **Our Customers**

We serve a range of organisations from small owner managed enterprises to large multinational brands across a multitude of industries; however, our offering is always tailored to the needs of our customers. Our customer service teams are always on hand to meet the needs of our customers and, each year, we undertake customer satisfaction surveys from a sample of our existing customers as well as potential customers across our markets.

Everything we do starts with the aim of delivering a differentiated customer experience to generate value and create loyalty and we work hard to ensure a real focus on delivering the right quantity, at the right time and with no surprises for our customers.

We are committed to developing long term relationships with our customers and identifying opportunities for greater collaboration on sustainability innovation and initiatives. To support these aims, we have developed a new suite of Guiding Principles for Customer Conduct which sets out our aims and how we envisage working with our customers moving forwards.

### **Our Suppliers**

Our suppliers provide products and services that assist us in executing our strategy. Consequently, they are a vital part of our value chain and, because of our size, we are often a vital part of theirs. We are committed to establishing long-term, open and fair relationships with our suppliers.

The Board fully supports the standards set out within the Prompt Payment Code ('PPC') in respect of all suppliers. The main features of the PPC are that payment terms are agreed at the outset of a transaction and are adhered to; that there is a clear and consistent policy that bills will be paid in accordance with the contract; and that there are no alterations to payment terms without prior agreement. Further details are set out within the Directors' Report.

## **Our Integrity**

During the reporting period, we developed a new Supplier Framework, including a specific sustainable purchasing policy, a clear set of expectations and requirements as set out in the Guiding Principles for Supplier Conduct and standardised onboarding processes.

Both Sets of Guiding Principles can be found on our website here: www.jsg.com/about-us/sustainability/our-integrity

#### **Sustainable Purchasing**

JSG is committed to transitioning to an even more sustainable procurement model and has committed to increasing the volume and variety of sustainable products we offer to our customers. As part of this process, during the reporting period we published our new Group Sustainable Purchasing Policy that sets out sustainable purchasing objectives in line with our published Vision 2030 targets. These are:

- To comply with all relevant legislation and regulatory requirements and ensure we always act responsibly and ethically in our day-to-day business operations
- To promote, encourage and facilitate sustainable awareness and behaviours amongst our value chain, including our suppliers, customers and business partners
- To transition towards procurement of more sustainable products and services, with the aim of having fully sustainable core products as our preferred offering by 2030
- To continue to measure our sustainability performance and increase transparency of our metrics
- To include sustainability related criteria when evaluating offers from potential suppliers and monitor the sustainability performance and behaviours of existing suppliers
- To move towards greater weighting of sustainability considerations for all commercial decisions including customer partnerships

This policy can be found on our website here: <a href="https://www.jsg.com/about-us/sustainability/our-integrity">www.jsg.com/about-us/sustainability/our-integrity</a>

## **Better Cotton Initiative (BCI)**

Johnson Service Group continues to be a proud member of Better Cotton and is committed to supporting the improvement of cotton farming practices globally.

Better Cotton is sourced via a chain of custody model called mass balance. This means that Better Cotton is not physically traceable to end products, however Better Cotton Farmers benefit from the demand for Better Cotton in equivalent volumes to those we "source".

During the reporting year the volume of Better Cotton sourced as a percentage of our overall cotton purchases was 52%. This is a significant increase from 27% in 2021.

#### **Sustainable Textiles Transition**

In addition to investigating opportunities to better manage our textile waste, we are also committed to working with our supply partners to develop long term sustainable and circular solutions for product design and manufacture. In addition to being a member of Better Cotton, we are also working with suppliers on products containing other sustainable content such as recycled content and bio polymer. Our aim is to be able to provide fully sustainable core products in the coming years.

#### **Flex Collection**

During the reporting period and in partnership with one of our key suppliers, our Workwear brand launched the first product line made with fully sustainable fabric – the Flex Collection. The fabric is manufactured from a blend of 100% renewable and recycled fibres, including BCI cotton and recycled and renewable polyester. The circular nature of the recycled polyester means that we can start to contribute to reducing the use of petroleum manufactured products across the globe. There is also some carbon reduction in the amount of energy consumed during the laundering process as lower temperatures are used.

We are working with our supplier to increase the Flex range and continue to work with all our partners to identify more opportunities for expansion of sustainable material in our workwear product offerings.

#### **Looking Forward**

2022 was a consolidation year for much of the Our Integrity activities developing policies and foundational approaches to ensuring responsible and ethical business practices. Over the coming months we will look to engage further with our stakeholders, both internal and external, to roll out the new Employee Code of Conduct awareness training, the Supplier Sustainability Framework and the Guiding Principles on Customer Conduct.

### **Our Integrity 2023 Objectives**

Vision 2030 Target	2023 Objectives
Fully sustainable core products as the preferred offerings	<ul> <li>Group wide strategy for transitioning to sustainable materials across our product ranges</li> </ul>
Ethical Business Conduct (internal and external)	Employee Code of     Conduct training
	<ul> <li>Roll out the new Guiding Principles for Supplier and Customer Conduct</li> </ul>
	Principles for Supplier



## **Our Communities**

## 2022 Achievements at a Glance

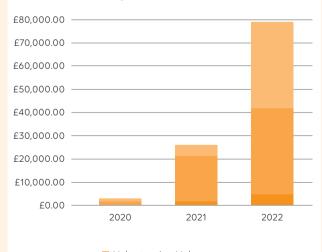
- £80,000 total Social Value from JSG charitable giving and community activities
- 129 Volunteering hours
- Commenced partnership with Neighbourly to support our employee volunteering activities in the HORECA business

### **Charitable and In-Kind Donations**

Johnsons has a strong history of charitable activity and we continued to stay true to this ethos in 2022. Following two intense years of the Covid-19 pandemic, many people across the UK started 2022 at an economic disadvantage because of loss of livelihoods. The demand on social welfare charities further increased as a result of soaring energy prices. The Group recognises the need to take meaningful action to support our local and international communities during these times of hardship and our social value output peaked in Q4 2022 with the increase in charitable activities around the festive period.

Please note social value does not include employee fundraising monies.

### Johnson Service Group Social Value Growth by Year 2020-2022



Volunteering Value
 Donated by Johnson Service Group
 In-kind Donation Value

Some of the notable charitable donations from 2022 included:

- The total of direct donations to charity across the business totalled **almost £38,000**. Charities to receive donations in 2022 included national organisations such as Macmillan and the Hospitality Industry Trust, as well as local good causes such as the Vale Pantry near Sturminster Newton.
- JSG provided in-kind donations also to the value of almost £38,000 to numerous good causes across the UK. For example, our Bourne site donated linen to Three Counties Dogs Home, our Clacton-on-Sea facility donated to the City Mission homelessness charity, and our Lancaster site regularly donated to the Morecambe Food Bank. These activities prolong the lifecycle of our products, so that they can provide comfort and practical support for even longer.
- Notably, our London Linen Southall site also donated over 800 chef jackets to The Clink Charity, which provides additional social value of enabling prisoners to develop professional culinary skills and work experience as part of the Clink Prison Restaurants open to the public. This initiative also supports rehabilitation and peaceful reintegration of ex-offenders back into public life.



#### **Local Communities Initiative**

To further support the proactive activities of our employees throughout the year, in November 2022 JSG launched a new Group-wide charity programme, the "**Local Communities Initiative**". Through the Local Communities Initiative, each of our sites will allocate £500 per quarter to donate to a local good cause. These charities are nominated by employees and voted on by everyone, ensuring that the donations will go to an organisation that is meaningful and impactful to those in the local area. We look forward to reviewing the results of this programme as we progress into 2023.

## **Employee Volunteering**

The Company understand that the skills our workforce can have huge benefit to charities and good causes and therefore this year we put extra focus into supporting our colleagues to donate their time through volunteering; increasing our overall employee volunteering hours by 31% compared to the previous year.

## **Our Communities**

- In 2022 we enabled **129 hours** of employee volunteering which generated £4,000 of social value for communities across the UK and Ireland.
- Our employees donated their time to numerous good causes including restoring the children's playground at the John McNeill Opportunity Centre in Wiltshire, and litter picking as part of a beach clean-up near our Pwllheli facilities. These physical activities are an important aspect of providing practical support to our local communities when and where they are most in need.
- During the reporting period we launched a partnership with Neighbourly, a volunteering platform provider who has enabled us to connect our employees with live volunteering opportunities across the UK. Throughout 2023 our employees in the HORECA division will have access to the Neighbourly platform to browse and book onto local volunteering opportunities with ease. We look forward to collating the results of this partnership in 2023.

## **Neighbourly partnership**

An integral part of The Johnsons Way is ensuring that we positively impact our local communities. We believe that giving our employees the opportunity to volunteer their time to help good causes is one way of providing meaningful and effective support to communities local to our operations.

In 2022 our HORECA division teamed up with a business called Neighbourly to help devise, launch and manage a nationwide volunteering programme. Through smart matching technology, Neighbourly connect businesses that want to donate time, money or products with local causes that need it most, thereby building long lasting relationships.

Through the collaboration with Neighbourly, our employees have been able find and access opportunities to work with a wide range of good causes across the UK. In addition, Neighbourly have helped our business by sourcing appropriate opportunities and managing and reporting back on all employee volunteering activity including measuring social impact value.

### **Looking Forward**

We are conscious that the Group could, and should, be doing more to support those communities that are impacted by our direct operations and those of our global supply chain. We have identified a number of areas for us to focus on this year and these include developing a formalised employee volunteering policy setting time and monetary targets for our social value activities.

#### Our Communities 2023 Objectives

Vision 2030 Target	2023 Objectives
Increased our social value spend as a % of revenue	<ul> <li>Formalise volunteering policy</li> </ul>
	<ul> <li>500 employee volunteering hours to be completed during paid time</li> </ul>
	<ul> <li>Increase total amount to be donated (direct financial donations) by JSG to good causes to £120,000</li> </ul>
	<ul> <li>Full roll out of the new JSG Local Communities Initiative</li> </ul>