



The  
**Johnsons**  
way

Change today. Change the future.

## Sustainability and Group Non-Financial Information Statement

Pages 28 to 44 constitute the Group Non-Financial Sustainability Information Statement for the Company (required pursuant to sections 414CA and 414CB of the Companies Act 2006 to the extent applicable to the Company by virtue of the Company's securities being admitted to trading on the market known as the Alternative Investment Market).

## 2023 Achievements at a Glance

- Achieved a **7% reduction** in our carbon intensity compared to 2022 performance.
- Reporting of our full **Scope 3 emissions baseline** for the **first-time**.
- Achieved a **6% reduction** in our water intensity rate compared to 2022 performance.
- Launched new Supplier Framework and actively engaged with **120 key suppliers**.
- **56%** of cotton purchases were **Better Cotton Sourced** which promotes more sustainable farming practices.
- **£180,000** total Social Value from JSG charitable giving and community activities, **increasing 124%** from 2022.
- Significant increase in volunteering hours from 129 in 2022, to 1,611 in 2023.
- **5,072** employees completed training across 82 specific health and safety courses, resulting in a total of almost **28,000 courses** completed.

# Sustainability

"Sustainability matters to us at Johnsons not only because it is the responsible way of operating but also because it is a differentiator for us and the service we offer to our customers."

**Peter Egan**



In 2023 we continued to demonstrate our commitment to sustainability across every area of our business. We have made excellent progress embedding our strategy, 'The Johnsons Way' into our every-day operations. During the year we have had a strong focus on understanding how we can better respond to the needs of our Johnsons family by improving awareness around ED&I and developing a long-term strategy to ensure we create an inclusive workplace and ensuring greater ownership and accountability within the individual businesses for data, specifically the Our World topics.

### Looking forward – our objectives and targets for 2024 and beyond

	Aim	2030 Target	2024 Focus Area
<p><b>Our Family</b></p>	By taking care of our Johnsons family and ensuring everyone feels that they belong we will deliver a first-class employee experience every day.	<p>An Effective ED&amp;I programme</p> <p>Developing the Academy to provide life-long learning and career paths</p>	<p>Embedding sustainability into job roles</p> <p>Businesses to develop ED&amp;I action plans in alignment with the Group's ED&amp;I Strategy</p>
<p><b>Our World</b></p>	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.	<p>Reduce Scope 1 and 2 CO2e emissions intensity by 40%</p> <p>Reduce water consumption intensity by 25%</p> <p>Reduce waste to landfill by 75%</p> <p>Eliminate single use plastics</p>	<p>Reduce Scope 1 and 2 CO2e emissions intensity by 3%</p> <p>Reduce water consumption intensity by 2%</p> <p>10% reduction of single use plastics purchased</p>
<p><b>Our Integrity</b></p>	By continuing to demonstrate our integrity and commitment to responsible business practices we will position the organisation for future stability and growth.	<p>Fully sustainable core products as the preferred offerings</p> <p>Ethical Business Conduct (internal and external)</p>	<p>Increasing the percentage of sustainable content in our products</p> <p>Publishing our roadmap for sustainable content</p>
<p><b>Our Communities</b></p>	By further understanding the communities impacted by what we do, we can form better collaborative partnerships to support them as they grow and develop.	<p>Increase our social value spend as a % of revenue</p>	<p>Delivering 3,000 employee volunteering hours</p> <p>Increase our social value contribution by 40%</p>

# Sustainability

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## The Johnsons Way – Our Strategic Approach

The Johnsons Way provides a long-term strategic approach to managing the Group's social and environmental impacts and responsibilities. It comprises of four "pillars" – Our Family, Our World, Our Integrity and Our Communities.

In 2023, we continued to demonstrate our commitment to sustainability across every area of our business. We have made excellent progress against our strategy and continue to embed the programme into everyday business to ensure we meet our Vision 2030 Goals. Moving forward, we are committed to ensuring our people are safe, feel valued and engaged, achieving a transition towards decarbonising our operations, reducing our environmental impact and providing social and economic support to our local communities.

## Selected 2023 Ratings and Benchmarks

We participate in several external sustainability reporting programmes including:

- Sustainability (where, for 2023, JSG has a "Low Risk" rating (score of 18));
- An annual disclosure via CDP (where, for 2023, JSG achieved a "B-" rating in the Climate Change disclosure and "C" in the Water disclosure);

Our engagement in these programmes enables us and our stakeholders to benchmark our sustainability performance and inform strategic decisions relating to sustainability, enabling the Group to communicate its commitment and identify opportunities for improvement.

## Our Sustainability Governance Structure



## Sustainability Committee

Sustainability is managed at the highest levels of the organisation by a committee of the Board, the Sustainability Committee (the 'Committee'), 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 Committee will also increase. The Committee's membership is comprised of the Group's Management Board (which includes the Company's Executive Directors) plus the Group's Head of Sustainability. The Committee is chaired by the CEO and reports into the Board. Whilst not members of the Committee, the Non-Executive Chair and the Independent Non-Executive Directors of the Company are also entitled to attend meetings of the Committee. 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 continued to actively develop action plans that enable us to translate our strategic aims and targets into tangible and measurable actions.

## Group Sustainability Team

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



## Our Family

### Our Family Achievements and Performance Summary

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)

Our number one priority is looking after the health, safety and wellbeing of our employees, visitors and others impacted by our operations.

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.

The Group has policies, procedures and standards in place, which are continuously updated, to ensure compliance with legal obligations and industry standards. H&S audits and risk assessments are undertaken across the Group annually, these checks are monitored and recorded with any observations dealt with promptly.

### Group H&S Policy

The Group H&S statement is updated at least annually and outlines our commitment to H&S and the responsibilities of individuals.

The Group H&S Team consists of four Regional Safety Managers under the leadership of the Group Head of Health and Safety who reports to the CEO. Additionally, all sites have one team member role dedicated to H&S matters.

Since further expanding the central H&S resource, in 2023, improvements have continued to be made to accident investigations, risk assessments and management of incidents.

Looking forward, the plan for 2024 aspires to make further improvements by:

- Reviewing our current risk assessment documentation to identify potential improvements.
- Improving data collection for accident statistics to allow better performance tracking.
- Reviewing key procedures and policies to clarify requirements.
- Upskilling site General Managers and H&S personnel by enrolment on relevant H&S training programmes.
- Establishing new auditing procedures to enable continuous improvement.
- Focussing on fire safety management and machinery risk improvements.

### HS&W Management Systems

We consider H&S 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).

The Technical Department are responsible 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, where approximately 33% of our sites are certified. 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.

### Safety Performance

Incident reporting procedures are maintained, and all employees are encouraged to report accidents and near misses to ensure measures are put in place to prevent similar incidents from happening again and any additional safety procedures are implemented where applicable.

Fewer accidents occurred in 2023 than in 2022. The increased reporting of near misses year on year reflects a greater awareness across the Group, enabling the implementation of improvements to prevent accidents before they occur.

Accident types in 2023 followed a similar trend to the previous year:

Accident types	2023	2022
Cuts/Abrasions	29%	25%
Manual Handling	26%	31%
Slips & Trips	15%	12%
Hit by Moving/Falling Object	11%	13%

### Health, Safety, and Environmental Training

During 2023, the Learning and Development teams improved training visibility and tracking. We provided regular training to ensure our teams understand their roles and accountabilities in HS&W practices.

# Sustainability

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## Our Family

5,072 employees completed training across 82 specific health and safety courses, resulting in a total of almost 28,000 courses completed. These included mandatory courses and non-mandatory courses such as Fire Safety, Manual Handling and Chemical Handling and Spillage Training.

In 2024, the H&S Team will deliver bespoke training on risk assessment and accident investigation. Additionally, we regularly update H&S policies, procedures and templates which employees can access anytime on our Group wide intranet portal.

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

We are committed to promoting ED&I throughout the business to build a culture that is inclusive to all, actively values difference, ensures everyone is treated fairly and is free from unlawful discrimination.

In 2023 we developed a Group wide ED&I Strategy to identify key opportunities for improvement and set out our plans for the coming years. This ED&I Strategy will be translated into business level tactical action plans during 2024 to enable our teams to fully understand the steps we need to take to allow our employees to feel included and valued.

To promote greater awareness and understanding of the ED&I topic we have developed a short training course that will be mandatory for all employees and we intend to launch this in early 2024.

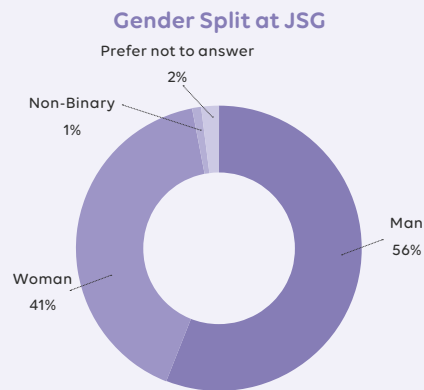
The Group has a policy that disabled persons, whether registered or not, shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities. We have procedures in place to ensure this commitment is enacted across our businesses. If an employed person becomes disabled during their employment with us, we make every effort to ensure that they are retrained according to the abilities.

### JSG Diversity Monitoring

In 2022, we launched our first Group-wide diversity survey. Moving forward, as part of the onboarding process for all new employees, we now issue a questionnaire 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 to set meaningful targets. In each of the diversity survey charts "Prefer Not to Answer" refers to where the respondent has selected that option from those provided or left the option blank.

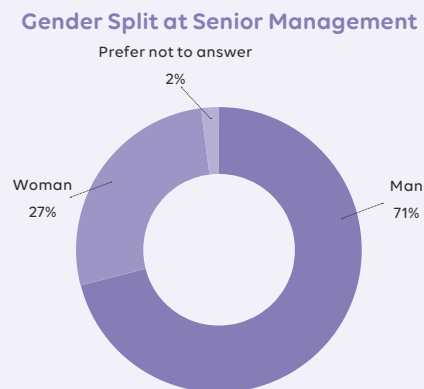
### Gender Equality

The question of gender identity has given us results that are broadly similar to those we have published previously with a gender identification split of **41% women to 56% men**. In addition, we also have 1% of our employees that identify as non-binary.



### Gender at Director and Senior Manager Level

We have achieved the published 2030 target of 25% female representation at senior management level. We will carefully consider whether to 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](http://www.jsg.com/gender-pay-gap). Please also see pages 111 to 112 of this report for more information on specific 2023 data.

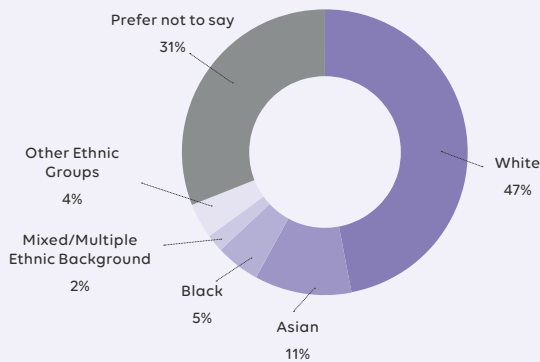
## Our Family

### Ethnicity

The survey shows that the single biggest ethnic group within our workforce identify as White (47%). However, the data also indicates that there are significant populations of those who identify as Asian (11%) and Black (5%) within our workforce.

The ethnicity of our senior management group, 80% of which identifies as white, does not reflect our general ethnic mix and we are therefore actively developing and implementing detailed succession planning, including training, development and internal promotion of individuals from diverse backgrounds, together with understanding how we can widen the talent pools that we attract into the business.

Representation of ethnic groups at JSG



### Employee communication and consultation

Each JSG 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 range of newsletters, magazines and intranet pages.

### Employee Engagement

Our commitment to Employee Engagement, fostering a positive work environment and improving employee wellbeing has continued throughout the year. Across the Group, engagement focal groups and networks are in place to roll out relevant initiatives applicable to each business and site. These include provision of treats and food events such as ice cream, pizza and BBQs; training, awareness and lunch and learn type briefings on a wide range of non-work related topics, additional non-contractual benefits such as baby boxes, free sanitary products, birthday cards and gifts and formalised reward and recognition schemes.

We were delighted that the results from the latest Employee Engagement surveys showed a positive trend and an overall improvement on the previous year. A further survey will be undertaken in the final quarter of 2024 and will also be rolled out to our new colleagues at Celtic Linen and Regency.

The annual employee engagement surveys results can be seen below:

	Workwear	Hotel Linen	HORECA	Group Centre	Average
Enablement Score	84%	86%	90%	86%	86%
Engagement Score	81%	85%	89%	84%	85%
Empowerment Score	91%	89%	93%	96%	92%
Response Rate	81%	88%	74%	88%	83%

Across the surveys we scored highly in areas such as employees knowing what is expected of them in their job, understanding of how their job impacts the customer and employees feeling that they play a part in the success of the company.

Key themes of opportunities for further improvement include the following:

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



# Sustainability

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## Our World

### Our World Achievements and Performance Summary

#### Energy Consumption and Carbon Emissions

When we launched The Johnsons Way, our refreshed approach to sustainability, we set ourselves a challenging carbon reduction target – to achieve a 40% reduction in our CO<sub>2</sub>e 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 intend to publish a more detailed Decarbonisation transition roadmap, including our full Scope 1, 2 and 3 emissions plus any new targets in the near future.

JSG has adopted an 'operational control' approach to delineate the Group's emissions boundary and scope. This method encompasses emissions directly associated with the operational activities of all sites, as well as company-owned and leased transport. The data used for compiling the report adheres to the methodology outlined in the UK Government's Environmental Reporting Guidelines for 2019. Emission calculations are based on conversion factors provided by the UK Government, and in accordance with the Greenhouse Gas Protocol. There are no significant omissions within the mandatory reporting scope.

For the first time this year we have also undertaken a complete calculation of our wider Scope 3 emissions in addition to the best practice areas previously disclosed. This includes both upstream and downstream emissions, for our chosen baseline year of 2022. These results will be further analysed over the coming months to fully understand the impacts of our value chain and a more detailed Scope 3 decarbonisation roadmap will be published in due course.

The JSG Carbon year for this reporting period runs from 1 October 2022 to the 30 September 2023 and both the weights and revenue data used to calculate intensity rates have been adjusted to reflect those periods. This means that the revenue stated in this section will not align with that stated in the rest of this Annual Report.

#### Changes to Reporting Boundaries, Scopes and Baseline Year

Through robust internal reporting and audit processes, we identified anomalies within the 2023 energy and carbon data that we were compiling which, in turn, led us to review the data previously reported. That process, which included a thorough review of our data collection, recording and reporting processes, together with an alignment of data ownership and accountability, has culminated in us restating our 2022 data.

As part of this process, we have also changed our Scope 1 and Scope 2 emissions baseline year from 2021 to 2022. There are a number of reasons for this, including:

- We have enhanced our reporting and review processes for 2022 onwards.
- 2021 remains a very abnormal year for the business due to the impact of COVID. The data for the two years since has reinforced that this was not a representative reflection of "normal" business and therefore the carbon emissions are not appropriate for a baseline.
- The JSG Scope 3 baseline, which has been calculated this year, is based on the 2022 carbon year. Whilst not mandatory to align the baseline years across all scopes, it is logical to do so at this time to ensure consistency and transparency of reporting moving forwards.

At the same time, we have revisited our published carbon reduction commitments and believe this to be an ideal opportunity to clarify what our 2030 targets represent, particularly to ensure ongoing transparency as we move away from referencing the 2021 data.

We have publicly stated our intention to reduce our CO<sub>2</sub>e intensity for Scope 1 and Scope 2 emissions by 40% by 2030. We define this as all Scope 1 and Scope 2 emissions plus the emissions from our grey fleet which, although are Scope 3, are mandated by UK legislation to be included in our Streamlined Energy and Carbon Reporting ('SECR') disclosures. In previous data disclosures, we reported our full calculated carbon inventory intensity comprising all of our Scope 1 and Scope 2 emissions together with a small amount of best practice aspects of Scope 3 emissions, e.g. grey fleet mileage, transmission and distribution (T&D) and well to tank (WTT) losses associated with Scope 1 and Scope 2 energy consumption. This figure has then been used to calculate the intensity rate and demonstrate progress towards our stated targets.

Whilst we will continue to report the totality of emissions calculated in the following section of the report, progress towards our stated 2030 target will be adjusted in alignment with our restated data.

Our adjusted 2030 Scope 1 and 2 carbon intensity target is as set out in the table below.

Table 1 JSG 2030 Scope 1 and Scope 2 Carbon Intensity Target

Scope 1 and 2 Intensity Rate	2030 Target
tCO <sub>2</sub> e/T Weight	0.205

## Our World

### 2022 Carbon Emissions Restatement

The table below shows the data that was reported last year and our restated dataset.

Table 2 JSG 2022 Scope 1 and 2 Emissions Restatement

	2022 Reported Data	2022 Restated Data
Total Emissions (tCO <sub>2</sub> e)	94,548	111,480
Weight (T Processed)	304,325	277,122
Revenue (£m)	368	368
tCO <sub>2</sub> e per tonnes processed	0.311	0.402
tCO <sub>2</sub> e per £m revenue	256.92	302.93

### 2023 Energy Consumption

In the carbon reporting year 2023, Johnson Service Group's energy consumption amounted to 510,524,332 kilowatt hours (kWh). The total energy consumption for the year 2023 has experienced a 4.7% increase compared to 2022, as detailed in the table below.

It should be noted that a proportion of this increase is related to the acquisition of the Regency business in February 2023. Celtic Linen, which was acquired by the Group on 31 August 2023, is excluded from the figures due to its short period of ownership during the carbon reporting year, ending 30 September 2023.

Table 3 JSG Energy Consumption by year (kWh)

Emissions Source	2023	Share (%)	Restated 2022	% Annual Change
Natural Gas	371,787,456	72.8%	356,837,711	4.2%
Gas/Fuel/ Burning Oils	253,160	0.0%	181,984	39.1%
Electricity	45,312,647	8.9%	43,227,996	4.8%
Transport – Commercial Fleet	90,388,967	17.7%	84,276,308	7.3%
Transport – Company Cars	2,242,547	0.4%	2,610,185	(14.1%)
Transport – Grey Fleet	539,555	0.1%	585,243	(7.8%)
Total consumption (kWh)	510,524,332	100.0%	487,719,427	4.7%

### 2023 Greenhouse Gas Emissions

The Group's greenhouse gas emissions for the period were 116,522 tonnes of CO<sub>2</sub>e. This reflects a 4.5% increase compared to the previous year. These emissions encompass all our Scope 1 and Scope 2 emissions plus Scope 3 emissions mandated by SECR legislation, along with the best practice Scope 3 emissions included voluntarily for transmission & distribution and well-to-tank losses.

Table 4 JSG Greenhouse Gas Emissions by source and year (tonnes CO<sub>2</sub>e)

Emissions Source	2023	Share (%)	Restated 2022	% Annual Change
Natural Gas	79,242	68.0%	76,235	3.9%
Gas/Fuel/Burning Oils	80	0.1%	55	45.9%
Electricity	10,195	8.7%	9,124	11.7%
Transport – Commercial Fleet	26,192	22.5%	25,027	4.7%
Transport – Company Cars	682	0.6%	877	(22.3%)
Transport – Grey Fleet	131	0.1%	162	(19.1%)
Total emissions (tonnes CO <sub>2</sub> e)	116,522	100.0%	111,480	4.5%

The split of total reported emissions by scope is shown in the table below.

Table 5 2023 Total JSG GHG Emissions by Scope

Emissions Scope	2023 (tCO <sub>2</sub> e)	Share (%)	Restated 2022 (tCO <sub>2</sub> e)	% Annual Change
Scope 1	89,609	76.9%	86,085	4.1%
Scope 2	9,409	8.1%	8,369	12.4%
Scope 3	17,504	15.0%	17,026	2.8%
Total emissions (tCO <sub>2</sub> e)	116,522	100.0%	111,480	4.5%

Scope 1 emissions, constituting 76.9% of the total, predominantly arise from the combustion of natural gas at our sites and fuels used in commercial vehicles. The remaining Scope 1 emissions originate from company car transport, burning oil, and fuel oil usage. There was a 4.1% increase in Scope 1 emissions compared to 2022.



# Sustainability

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## Our World

Scope 2 emissions, stemming from purchased electricity and electricity for electric vehicles, contribute 8.1% to the total. These emissions have increased by 12.4% from 2022, driven by a rise in consumption as well as the increase in the grid average emissions factor. Our Scope 2 emissions are location based only.

Scope 3 emissions, for the purposes of this section, include grey fleet business mileage plus the best practice reporting of transmission and distribution (T&D) and well to tank (WTT) losses associated with our energy consumption.

### Greenhouse Gas Scope 3 Emissions

During the reporting period we have been working with third-party carbon focused consultants to develop a methodology for calculating our full Scope 3 greenhouse gas emissions.

Scope 3 emissions are those that we do not have direct control over, but which are part of the value chain of our products, services and operations. The Group has adopted a spend based analysis for this first disclosure whereby the annual "spend" with individual suppliers forms the basis of the initial calculation. This amount is then converted into emissions using globally recognised and accepted average conversion factors for economic spend in different industries and geographies.

We have chosen to use 2022 as the baseline year for our full Scope 3 calculation. The specific spend period is 1 October 2021 to 30 September 2022, which aligns with our adjusted Scope 1 and Scope 2 baseline year. This baseline does not include the Regency or the Celtic Linen businesses as they were not part of the Group during the baseline year. However, their data will be included going forwards as we continue to report ongoing performance.

Table 6 Scope 3 Emissions by Category for the JSG Baseline Year 2022

GHG Category	Total Emissions (tCO2e)	% Scope 3 Emissions
Category 1 – Purchased goods and services	39,990	87%
Category 2 – Capital goods	4,401	10%
Category 8 – Upstream leased assets	1,282	3%
Category 4 – Upstream transportation and distribution	27	–
Category 6 – Business travel	26	–
Category 15 – Investments	7	–
Category 5 – Waste generated in operations	–	–
Total	45,733	100%

Whilst the spend based methodology is accepted under the GHG Protocol, the global standard for calculating carbon emissions, it is acknowledged that it produces an estimated figure due to its reliance on averages and proxy values. The next phase of our Scope 3 transition plan will involve engagement with those suppliers identified as having the greatest impact on our emissions to refine their data. We will also begin to engage with them more closely on how we can support them to reduce their emissions.

The Scope 3 calculation and analysis has identified that almost 90% of these emissions are produced by 20 high energy emitting suppliers and we intend to engage directly with these suppliers over the next 12 months to further understand and refine the figures. A significant majority of these suppliers are related to the textile products that we purchase (53%) followed by the detergents and chemicals we use in our operations at 18%. The remaining suppliers that make up the top 20 include those who provide plant and equipment, packaging solutions and commercial fleet vehicles.

Table 7 Top 20 Suppliers producing almost 90% of Scope 3 Emissions by Procurement Category

Procurement Category (Level 1)	Total Emissions (tCO2e)	% Scope 3 Emissions
Textiles Products	24,397	53%
Consumables	8,105	18%
Plant Maintenance and Capital	4,852	11%
Logistics	2,689	6%
Emissions Sub Total (tCO2e)	40,043	88%

### Energy and Carbon Metrics and Targets

- *TCFD Disclosure (G): A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.*
- *TCFD Disclosure (H): A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.*

'The Johnsons Way' sets out our 2030 Vision roadmap to achieving a transition towards decarbonisation. We have publicly stated our intention to reduce our CO2e intensity for Scope 1 and Scope 2 emissions by 40% by 2030. We define this as all Scope 1 and Scope 2 emissions plus the emissions from our grey fleet which, although are Scope 3, are mandated by UK legislation to be included in our SECR disclosures.

This reduction will require actions which may include conversion to greener energy sources, phased transition to electric vehicles where practical, working with our suppliers on more sustainable sourcing methods and further capital investment in our business.

## Our World

To allow for year-on-year comparison moving forward the absolute CO<sub>2</sub>e totals have been normalised using two relevant quantifiable factors to create two specific intensity ratios; it is these ratios that we use to monitor our performance and progress towards the 2030 target. The first intensity ratio calculated for the Group is tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) per tonnes weight processed and the second is tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) per £million of revenue.

To ensure full transparency we have calculated intensity rates for our full 2023 Greenhouse Gas emissions in addition to the Scope 1 and Scope 2 emissions that we have published a reduction target against.

We can report that we have achieved a year-on-year decrease of 7% in the Scope 1 and Scope 2 tCO<sub>2</sub>e per tonnes processed intensity while the intensity metric of tCO<sub>2</sub>e per £ million revenue has decreased by 13%.

A similar intensity rate reduction can also be seen when we expand the emissions to include our best practice Scope 3 datasets. It is anticipated that moving forward this reduction may not be replicated exactly once we integrate our full Scope 3 data into the absolute total.

Table 8 Scope 1 and Scope 2 Intensity Rates

	2023	2022	% Annual Change
Total SECR Compliant S1 & S2 Emissions (tCO <sub>2</sub> e)	99,149	94,616	4.8%
Revenue (£m)	442.6	368.0	
Weight (t)	312,028	277,122	12.6%
tCO <sub>2</sub> e per tonnes processed	0.3178	0.3414	(6.9%)
tCO <sub>2</sub> e per £m	224.0	257.1	(12.9%)

Table 9 JSG Total Greenhouse Gas Intensity Rates

	2023	2022	% Annual Change
Total JSG GHG Emissions (tCO <sub>2</sub> e)	116,522	111,480	4.5%
Revenue (£m)	442.6	368.0	
Weight (t)	312,028	277,122	12.6%
tCO <sub>2</sub> e per tonnes processed	0.3734	0.4023	(7.2%)
tCO <sub>2</sub> e per £m	263.2	302.9	(13.1%)

### Energy and Carbon Initiatives

- *TCFD Disclosure (G): A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.*

In addition to the review of energy and carbon related data across the Group, during the reporting period we also undertook a number of energy and carbon efficiency initiatives. These include:

- The development of a consistent model to identify potential energy and carbon savings within plant and equipment maintenance and capital expenditure plans to allow for standardised forecasting of potential CO<sub>2</sub>e emissions savings.
- Inclusion of sustainability and particularly energy and carbon related requirements within the Group capital spend documentation and approval process.
- Completion of a desktop feasibility study on the practicality and potential emissions reductions by adding solar panels across the estate.
- Completion of a trial of Hydrotreated Vegetable Oil (HVO) fuel across a selection of vehicles in the business. The trial was largely successful however the increased cost of HVO at this time makes the business case for switching challenging. We continue to work on this aspect of our emissions reduction plan.

### Water Management

Water is an essential component of the service we provide to our customers and therefore we are aware that we have a heavy reliance on the availability of a secure and consistent supply of quality, fresh water. Across the estate we abstract water from a variety of sources including the main water grid supply, private and leased boreholes and other sources of fresh water. We discharge effluent within permitted limits directly to mains sewers and also via other accepted means.

We have robust systems in place to ensure all our sites actively monitor the water they are abstracting, using and discharging to ensure it complies with the relevant legal conditions.

Water data is reported in alignment with the majority of the Group's reporting calendar and as such is for the period 1 January 2023 – 31 December 2023. As such the weight and revenue data in this section will differ from that in the energy and carbon section. It should also be noted that data includes performance in the Regency business but does not include any data from the Celtic Linen business due to the timing of the acquisition.

### Restatement of 2022 Water Data

As stated previously, our internal reporting and audit processes identified anomalies within the 2023 energy, carbon and water data which, in turn, led us to review the data previously reported. This process culminated in us restating our 2022 data.

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## Our World

The table below shows the data that was reported last year and our restated dataset.

Table 10 JSG 2022 Water Data Restatement

	2022 Original	2022 Restated
Abstracted (M3)	2,196,058	2,219,845
Weight (T)	304,325	289,072
Revenue (£m)	385.7	385.7
M3/T Processed	7.216	7.679
M3/£m	5,694	5,755

### 2023 Water Usage

Johnson Service Group's absolute water abstraction for the reporting year 2023 was 2,296,679M3. This represents a small increase of 3% from the previous year, partly as a result of acquiring Regency in February 2023.

We have adopted the same approach for water intensity rates as for carbon emissions. The first intensity ratio calculated for the Group is volume of water used (M3) per tonnes weight processed and the second is volume of water used (M3) per £million of revenue.

The table below shows that we have achieved a year-on-year reduction in our M3 per tonnes processed intensity of 6% and a 12% reduction in our M3 per £m intensity. It should be noted that the revenue intensity is likely to have been favourably impacted by the price increases implemented across the Group during the period.

Table 11 2023 JSG Water Usage

	2023	2022	Annual Change
Water Abstracted (M3)	2,296,679	2,219,845	3.5%
Weight Processed (T)	316,790	289,072	9.6%
Revenue (£m) <sup>1</sup>	455.0	385.7	
M3/T Processed	7.250	7.679	(5.6%)
M3/£m Revenue	5,047	5,755	(12.3%)

Note 1: Excludes Celtic Linen revenue.

### Water Stress Analysis

Security of water supply is crucial to the long-term sustainability of the Group and as such a decision was made to undertake a water stress analysis of the Group estate using the WRI Aqueduct Water Risk Atlas Tool. This tool uses a customisable global atlas to evaluate how water risk (and water stress) may affect operations (at watershed level). The baseline water stress and baseline water depletion indicators are based on a global dataset developed by the World Resources Institute and are also available as risk indicators in the WWF Water Risk Filter.

This analysis was completed prior to the acquisition of Celtic Linen and, as such, includes data for the UK only. We intend to extend this analysis to include the Republic of Ireland in the coming months. This analysis has **determined we are operating in a region that has a "Low - Medium Water Stress Label (10-20%)"**. Longer term we will undertake detailed analysis at individual site level to determine those areas which may have a higher stress risk and ensure that we have a robust action plan in place to mitigate any potential risks.

### Water Management Metrics and Targets

- *TCFD Disclosure (G): A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.*
- *TCFD Disclosure (H): A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.*

'The Johnsons Way' sets out our 2030 Vision towards greater responsibility towards the use of our natural resources and as part of this we publicly stated our intention to reduce our water usage intensity by 25% by 2030.

We intend to achieve this goal through a number of targeted actions including improved process efficiencies, review of existing and planned equipment maintenance, refurbishment and replacement, active engagement with related suppliers to identify new opportunities through research and development and further capital investment in innovative water technology across the business.

As with our energy and carbon performance data, to allow for year-on-year comparison, the absolute water M3 totals have been normalised using the same two relevant quantifiable factors to create the water usage intensity ratios.

Intensity Rate	2030 Target	2023 Performance
M3/T Processed	5.759	7.250
M3/£m	4,317	5,047

### 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. We also apply the waste management hierarchy when dealing with the waste we generate. Our priority is to avoid or minimise waste generation first, then look to re-use, re-purpose, recycle or recover the waste where possible and lastly disposal by incineration without energy recovery and landfill.

## Our World

During the internal assurance process outlined earlier in the report, we identified irregularities and inconsistencies in the waste data we were collating for 2023, as well as data previously reported for 2022. Following a detailed investigation and analysis, the business has decided not to report these datasets this year. We intend to continue to work with all the businesses across the Group to ensure suitable and sufficient waste data capture, recording and reporting processes are fully embedded to allow us to reinstate performance data reporting next year. In the interim we continue to implement a number of initiatives to improve how we physically manage the waste we are generating through our operations. These are summarised below.

### Reduction of Waste to landfill

During the reporting period we began a phased transition to a single waste management provider for the majority of waste generated through our UK operations. Our partner has committed to ensuring that none of their waste is sent to landfill with the majority being recycled; any remainder being sent for incineration with energy recovery.

### Elimination of Single Use Plastics

We have begun to engage with both our suppliers and customers on this topic to understand more about the needs and scope for removal of the plastic packaging currently used whilst still maintaining required levels of cleanliness and hygiene.

As a first step in our transition towards removal of plastics from our operations, from 2024 all our plastic / polythene packaging will have a minimum of 30% recycled content. Whilst this is a strong step forward, we continue to actively explore options for full elimination of single use plastics. Across the businesses, we have been trialling biodegradable and compostable alternatives with mixed results. We are also exploring how we could replace some of our customer packaging needs with re-usable bespoke laundry hampers.

### End of Life Textiles

We continue to work with our industry body, the Textile Services Association (TSA) to recycle end of life textiles from our HORECA division through their "Infinite Textiles" programme which sends linen from across the hospitality sector of the industry for recycling into fibre which is then re-integrated into new textile products. In addition, we are exploring other options to repurpose and recycle these waste products via other routes.

In our Workwear business we undertook a phased transition to a single provider of workwear end of life textile management, Race Recycling. Through this arrangement, from 2024 all our workwear end of life garments will be managed via this provider, with the majority being recycled and the remainder that are not suitable for recycling being sent for incineration with energy recovery.



# Sustainability

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## Our Integrity

### Our Integrity Achievements and Performance Summary

#### 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 that 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

Our Employee Code of Conduct (the 'Code') 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 additional training 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 Group 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](http://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 and Ireland 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 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 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.

## Our Integrity

### Digitalisation and Cyber Security

The Group IT Team ensures compliance with security policies and regulations, safeguarding user and customer data while ensuring business continuity. Led by the Group IT Director, our cyber security strategy prioritises the prevention, detection, and response to evolving threats. Investments in multi-layered defence systems and ongoing training initiatives reinforce our resilience against cyber-attacks.

Key Initiatives:

- Information Security Training: We issue regular communications to raise awareness of our security policy, and our state-of-the-art cyber security training platform enables employees to mitigate risks effectively.
- In 2023, 11 courses covering critical cyber security topics were completed by 80% of employees, with tailored content addressing emerging threats.
- Simulated Phishing Tests: We conducted five tests which resulted in a low phish-prone rate of below 5%, outperforming the industry standard.
- Audit and Risk Assessment: We leverage industry frameworks such as the NIST Framework and Cyber Essentials certification, our IT management system has successfully received full compliance for the third time.
- Annual risk assessments are completed, and ongoing monitoring ensures proactive risk management and data protection, helping identify any potential vulnerabilities.

### Approach to Sustainability Related Risk Management and TCFD

- *TCFD Disclosure (A): A description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities.*
- *TCFD Disclosure (B): A description of how the company identifies, assesses, and manages climate-related risks and opportunities.*
- *TCFD Disclosure (C): A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process.*

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 are identified as principal risks 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.

Potential areas of risk are identified through the Group's risk assessment programme and mitigated wherever possible. For more information on our wider risk management approach and processes please refer to pages 45 to 51.

### Risk and Opportunities Scenarios

- *TCFD Disclosure (Di): A description of the principal climate-related risks and opportunities arising in connection with the company's operations, and (Dii) the time periods by reference to which those risks and opportunities are assessed.*

The following scenarios were developed after consulting a number of resources, including the UK Climate Change Committee's report to government "The Adaptation Committee's Independent Assessment of UK Climate Risk (2021)". The most useful references, however, are provided in the text in each of the following risk sections to be clear where the information was sourced from.

A 1.5°C temperature increase is expected by the mid-2030s regardless of any mitigation taken now (IPPC Climate Change 2023 Synthesis Report). It is expected that this will increase the frequency of extreme weather events, including localised flooding and precipitation. For now, 2035 represents the limit of JSG's long term risk scenario planning so the same scenario of a temperature increase of 1.5°C by 2035 was considered for all four temperature increase scenarios.

### Climate Related Opportunities

- *TCFD Disclosure (E): A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy.*

The Group appreciates that we need to reduce our Scope 1 and Scope 2 carbon emissions through increased energy efficiency at each site, investment in appropriate plant and equipment and transitioning to renewable energy supply such as Power Purchase Agreement (PPAs). These actions will provide the opportunity to not only reduce our carbon emissions in line with our stated goals, but also future proof the business against possible energy supply issues, rising energy costs and the avoidance of future carbon tax costs.

The Group also recognises the opportunity for the business to continue to promote our services as a commercially viable alternative to existing and prospective customers who will be faced with similar energy and carbon emissions concerns.

### Acute Physical Risk Scenarios

#### Flood (coastal, fluvial or precipitation)

All JSG site locations were assessed to determine if their location falls into the flood plain of local rivers or tidal surges using a coastal screening tool to identify areas of the UK below 0.1m above sea level. The detailed dataset is currently being analysed internally and the main results summarised in the table which shows the total number of sites across the group that could be at risk of storm surges.

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## Our Integrity

Table 1: Overall Exposure:

Risk Factor	Current	1.5°C
Number of sites at risk of flood (coastal or fluvial) that could result in damage to the site, or emergency relocation.	17	17

### Disruptive weather events

Severe weather events are becoming increasingly common as the impact of climate change is felt across the globe. For the UK this includes flash floods, storm surges, prolonged periods of unusually high summer temperatures resulting in localised fires.

There is anecdotal evidence that adverse weather has already disrupted the ability of our staff to travel, deliveries of new materials/products from our supplies and deliveries of products and services to our clients.

### Response/Resilience to Acute Physical Risk:

- *TCFD Disclosure (F): An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios*

Insurance covers the cost of damage to physical locations subject to the terms of insurance policies. Increased extreme weather events is likely to increase the cost of JSG's corporate insurance considerably by 2040. Further analysis is ongoing to understand exactly how the group may be impacted.

We intend to implement processes and procedures to ensure that flood risk assessment and extreme weather event analysis is incorporated into all the following processes:

- Building lease renewals and new site plans
- Mergers and Acquisition activity
- Annual Facilities Risk Assessments

### Chronic Physical – Sea Level rise

We can expect prolonged heatwaves, sea level rise, loss of species & biodiversity, disruption to global transport and supply chains. The World Economic Forum state that global average sea level has risen more than 10cm since 1992. Human-caused sea level rise is 10 times that of natural sea level rise. The sea is also rising faster – with the global average rise speeding up from 2.5mm a year in the early 1990s to 3.9mm a year over the last decade.

The NASA Sea level tool predicts that by 2040 there will be a 0.14 – 0.18m sea level rise in the UK and Europe based on a 1.5 degree temperature increase. The four temperature increase scenarios have been assumed to have a 1.5 degree rise by 2035, so a single scenario in terms of sea level rise has been assessed.

A coastal screening tool was used to compare areas of UK where JSG sites are located and those below 0.1m above sea level. This analysis allowed us to determine that none of the Group's current UK sites would be impacted directly from the sea level rises projected for these scenarios, however we are still to complete the analysis for the recently acquired sites in the Republic of Ireland.

### Response/Resilience to Chronic Physical Risk:

- *TCFD Disclosure (F): An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios*

Rising sea level has been a risk factor for the southern and eastern English coastline for many years and is addressed by local and national government adaptation plans through the investment in technology advances in flood defences and building resilience. Our current site locations are well prepared for the impact of localised flooding in terms of emergency response plans.

As stated previously, we intend to ensure that relevant processes and procedures are in place across relevant business activities which include sea level rise risk assessment and extreme weather event analysis is incorporated into all. Whilst currently we do not foresee that sea level rise will directly impact our existing locations, we remain cognisant of the complexity and cost for any planned relocation to alternative sites that have not yet been assessed. This is something we will ensure is included within our future planning processes.

### Chronic Physical – Temperature Rise

Prolonged periods of extreme heat will place additional requirement for energy for cooling our locations and equipment. JSG's long-term planning and risk assessment time scale is 10 years, for this reason only the 1.5°C scenario has been modelled for Temperature rise.

### Financial Impact – Energy Consumption

It is expected that our energy consumption could increase by circa 10% in the next 10 years because of increased temperatures alone, mostly for increased cooling requirements.

### Financial Impact – Cooling Equipment Upgrades

A 1.5°C increase in temperature coupled with extended periods of extreme heat is likely to require cooling equipment upgrades at a number of existing locations. The financial cost has not yet been fully assessed however we anticipate this could be material.

## Other Sustainability Related Risk Management

### Environmental Risk Management and ISO14001

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.

## Our Integrity

### Social Risks Identification and Management

We have formalised our approach to supplier sustainability management through a bespoke Supplier Framework that has been designed to be satisfy our needs, supplier operations and geographical locations and potential risks. During the reporting period we launched this new framework with our existing supplier base and have actively engaged with 73 high risk key suppliers.

We continue to undertake formal audits of our supply chain via the Sedex platform on topics such as modern slavery and equality and diversity. During the period we completed sustainability audits on 73% of our most high risk and high value Tier 1, 2 and 3 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. In the reporting period we have actively engaged with a number of our largest key accounts across the Group to begin to share learning and best practice on the topic and set the foundation for long a term sustainability partnership.

### 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.

During the reporting period, we fully launched our 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. We are actively engaging with our key and high risk suppliers around this topic and expect to expand this to wider categories of suppliers over the next year.

The Supplier Guiding Principles can be found on our website here: [www.jsg.com/about-us/sustainability/our-integrity](http://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: [www.jsg.com/about-us/sustainability/our-integrity](http://www.jsg.com/about-us/sustainability/our-integrity)

### 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 56%. This is a slight increase from 52% in 2022.

### 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 by 2030 in line with our stated targets. During the coming months we aim to develop a Sustainable Content roadmap to clearly demonstrate how we intend to achieve this goal.





# Sustainability

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## Our Communities

### Our Communities Achievements and Performance Summary

Supporting our communities is embedded into The Johnson's Way with a strong history of supporting charitable activity including education, volunteering, fundraising and sponsorship opportunities. The Group recognises the need to take meaningful action and we continued to stay true to this ethos in 2023. We exceeded all expectations by significantly increasing our total social value figure by 124% from 2022 and, therefore, more than doubled the positive impact made by the Group.

Please note social value does not include employee fundraising.



### Charitable and In-Kind Donations

Some of the notable charitable donations from 2023 included:

- The total of direct donations to charity across the business totalled **almost £120,000**. There were **388** charities that received donations in 2023 including national organisations such as Andy's Man Club and the Fashion and Textiles Children's Trust, as well as local good causes such as the Tree of Hope and Perth Autism Support from our sites in Clacton, Essex and Perth, Scotland.
- Within this total, we proudly donated almost £68,300 to support 143 charities, community groups and good causes. These donations were made through our Local Communities Initiative, where employees nominate and vote on causes within their communities.

- JSG also provided in-kind donations to the value of **£40,000** to numerous good causes across the UK. For example, our Southall site donated towels to the local homeless shelter and also donated 175 chef jackets to West London College and to Hub International for culinary education. Our Leeds site regularly donated mixed linen bundles to support Homeless Hampers with new housing. These activities prolong the lifecycle of our products, so that they can provide comfort and practical support for even longer.

### Local Communities Initiative

The Local Communities Initiative is our Group-wide charity programme to further support the proactive activities of our employees throughout the year. Each of our sites 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. Our focus predominantly supports four distinct categories: disadvantaged groups, health & wellbeing, educational support and animal welfare.

### Employee Volunteering and our Neighbourly Partnership

The Group understands that our workforce has skills available that can have a huge benefit to charities and good causes. Employee volunteering can also provide the workforce with opportunities for personal development, new skills development and team building within teams and a wider group. In 2022, we launched a new partnership with Neighbourly, a volunteering platform provider who has enabled us to connect our employees in the HORECA business with live volunteering opportunities across the UK. We intend to roll this partnership out to the whole Group over the coming year and support this with a formalised Employee Volunteering Policy for UK employees.

- With the support of Neighbourly, our employee volunteering hours increased exceptionally from 129 in 2022, to **1,611** in 2023.
- Employees volunteered to support environmental projects, disadvantaged groups, health & wellbeing, educational support and animal welfare.
- Volunteering activities included maintaining the Community Link's therapeutic garden in West Cornwall, painting and decorating Shaftesbury Youth Club in Dorset and providing administrative support to the Army Cadet Force in Essex. These practical and skills-based activities are an important aspect of providing support to our local communities.
- We provided support to **70** activities across England, Wales and Scotland, resulting in almost £20,000 of social value generated for communities close to our sites.
- As part of this total, our partnership with Neighbourly facilitated volunteer efforts from 332 employees in our HORECA business, creating social value that benefited 15,000 people in communities close to our sites.