

"Our commitment to sustainability at Johnsons isn't just about compliance, it's about doing what's right <u>and creating distinct value for our customers.</u>"

**Peter Egan** Chief Executive Officer

# **Our Sustainability Governance Framework**

Our approach to sustainability is underpinned by a robust governance framework, which ensures effective oversight of our strategy and its implementation, supported by policies and processes embedded throughout the Group.

#### **JSG Group Board**

Sustainability is managed at the highest level of the organisation. The Board endorses the sustainability strategy and receives updates from the Sustainability Committee.

#### Sustainability Committee

The Sustainability Committees purpose is to assist the Board through the provision of advice on sustainability strategy, compliance and performance. It sets the sustainability strategy and considers the associated costs, risks and opportunities.

#### JSG Group Management Board

Monitors implementation of the Board's sustainability strategy; and monitoring financial performance, business development and projects relating to sustainability.

#### Remuneration Committee

Assesses and makes recommendations to the Board regarding remuneration policy including, where relevant, appropriate sustainability objectives.

#### Audit Committee

Reviews any changes to the Company's risk profile, including in respect of sustainability and climate-related risk.

#### **Sustainability Pillars**

e framework that underpins our approach to sustainability and sets out our vision for a better future

#### **Our Family**

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



#### Our World

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



#### Our Integrity

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



#### **Our Communities**

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



#### **Policies and Additional Resources**

Group Sustainability policies, publications and other resources can be found at: jsg.com/about-us/sustainability/

UN Sustainable Development Goals Framework



# The Johnsons Way Sustainability Strategy

We have clear, measurable sustainability objectives aligned to our core business strategy, recognising that our long-term business success and sustainability are interdependent. We track these goals with performance indicators and regularly assess our progress. The Johnsons Way provides a long-term strategic approach to managing the Group's social and environmental impacts and responsibilities.

Sustainability Pillar	2024 Target and Focus Areas	2024 Performance and Highlights	Vision 2030 Goals	Vision 2030 Progress
Our Family By taking care of our Johnsons family and ensuring everyone feels that they belong, we will deliver a first-class employee experience every day.	Embedding sustainability into job roles. Businesses to develop ED&I action plans in alignment with the Group's ED&I Strategy.	<ul> <li>92% of employees completed sustainability training.</li> <li>Business level ED&amp;I action plans launched.</li> <li>86% average employee engagement score.</li> <li>Mandatory ED&amp;I training course launched.</li> <li>High employee retention rate maintained.</li> </ul>	An Effective ED&I programme. Developing the Johnsons Futures programme to provide life-long learning and career paths.	Since 2022, a mandatory ED&I training course has been rolled out, alongside the launch of business-level ED&I action plans. To date, 92% of employees have completed sustainability training, helping to embed sustainability into job roles. Plans to develop Johnsons Futures are ongoing.
Our World By reducing our natural resource consumption and completing the transition to a fully circular approach for our operations, we will protect and enhance our environment.	Reduce Scope 1 and 2 CO <sub>2</sub> e emissions intensity. Reduce water consumption intensity. Reduction of single use plastics purchased.	Scope 1 and 2 emissions intensity down 5% since 2023. Water use intensity down 8% since 2023. 93% of waste diverted from landfill in 2024.	Reduce Scope 1 and 2 CO <sub>2</sub> e emissions intensity by 40%. Reduce water consumption intensity by 25%. Reduce waste to landfill by 75%. Eliminate single use plastics.	Since 2022, we have made progress in reducing our environmental impact. Our Scope 1 and 2 CO <sub>2</sub> e emissions intensity has decreased by 11%, while water consumption intensity has dropped by 13%. We have established new baselines for plastic purchased (2023) and waste (2024). 93% of waste has been diverted from landfill.
Our Integrity By continuing to demonstrate our integrity and commitment to responsible business practices, we will position the organisation for future stability and growth.	Increasing the percentage of sustainable content in our products. Publishing our roadmap for sustainable content.	62% (2023: 56%) of cotton purchases were Better Cotton sourced. We are working with suppliers on recycled materials and biopolymers. Engaged with our top 20 suppliers to help understand how we can reduce carbon footprint within supply chain.	Fully sustainable core products as the preferred offerings. Ethical Business Conduct (internal and external).	In 2023-2024, we launched internal employee and supplier codes of conduct. We are also progressing towards a more sustainable procurement model and expanding our range of sustainable products. Additionally, new sustainable product initiatives have been introduced across the business, and we began sourcing BCI-certified cotton in 2020. We joined EcoVadis in 2024 to improve our supplier sustainability management.
Our Communities By further understanding the communities impacted by what we do, we can form better collaborative partnerships to support them as they grow and develop.	Delivering 3,000 employee volunteering hours. Increase our social value spend by 40%.	2,723 employee volunteering hours delivered. Generated £230,000 in Social Value. Renewed Neighbourly partnership group- wide for a second year.	Increase our social value spend as a % of revenue.	Since 2022, we have increased our social value spend as a % of revenue by 125%, reflecting a strong contribution to our local communities over time.

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# 2024 HIGHLIGHTS

38% of employees are female

47% of employees have over five years of tenure

86% average employee engagement score

21,000 H&S training courses completed

92% of employees completed sustainability training We recognise that our people are key to the Group's success, and we value every employee's contribution. Our goal is to be the employer of choice in our industry by delivering a first class employee experience daily. The Johnsons Family ensures that everyone feels included, valued, and has a sense of belonging. We are committed to providing equality of opportunity and reward, supporting health and wellbeing, and fostering a positive culture of open and honest communication.

# Health, Safety and Wellbeing

The health, safety, and wellbeing of our employees, visitors, and all those affected by our operations are our priority. Health and safety (H&S) is a standing agenda item at all Group and subsidiary board meetings. A regular summary report, which includes up to date statistics on accidents, incidents and near misses is presented to the Group Board.

The Group has established policies, procedures, and standards that are regularly reviewed and updated to ensure compliance with legal requirements and industry best practices. Annual H&S audits and risk assessments are conducted across the Group, with findings carefully monitored and documented. Any issues or observations are promptly addressed to maintain a high standard of safety.

# **Accident Investigation and Reporting**

Following a review of accident investigation documentation, we introduced a new accident form on T100, our internal Health and Safety Management System. This digital form replaces a paper-based system and will improve report visibility and quality as well as identify measures to prevent future accidents. Almost 50% of reported injuries are categorised as minor, with almost 30% categorised as insignificant. The most common cause of near misses is behaviour related and, accordingly, we are working hard to provide additional education materials and training to our colleagues.

Looking ahead to 2025, the focus will be on delivering bespoke accident investigation training and practical workshops at all sites. The aim is to improve technical accident investigation skills using real life examples. In 2024, 21 safety alerts were issued across the Group following accidents, sharing lessons learned and providing good practice guidance to prevent similar incidents in the future.

Cage handling continues to be a leading cause of accidents and, as part of our ongoing commitment to safety, the Group has renewed its membership with the UK Material Handling Association for guidance on best practices. We have also engaged an external company to review manual handling practices across our operations, particularly focusing on cage handling. This collaboration will involve retraining employees throughout 2025 and 2026. As part of this, our own sites are being used for video capture of activities and proper handling techniques. The programme will also include 'train the trainer' sessions to equip employees with the skills to deliver the training to others. During 2024 we also delivered PUWER (Provision and Use of Work Equipment Regulations) training to almost 60 employees. This focuses on machinery safety to help employees conduct machinery safety risk assessments.

# Learning and Development

In 2024, we launched a new sustainability training package to promote greater awareness and support our employees' understanding of our sustainability strategy and programme, as well as JSG's core values, ensuring our employees fully understand our compliance and behavioural requirements. The package includes three courses, Equality, Diversity and Inclusion (ED&I), Code of Conduct and The Johnsons Way. Our goal is to ensure a culture of inclusion, ethical behaviour and sustainability across the Group. Both the ED&I and Code of Conduct courses were made mandatory. We are pleased to confirm that almost 17,000 sustainability training courses were completed by employees throughout 2024, representing 92% of employees.

JSG provides regular H&S training to ensure teams understand their roles and responsibilities with regards to H&S best practice. To date, 78% of employees have completed training. We also upskill General Managers and technical H&S personnel through mandatory training programmes. Over 21,000 H&S training courses were completed in 2024.

The Johnsons Hotel Linen business also launched a new learning management system, Linen Learn, to encourage voluntary learning by offering job specific learning paths and a new catalogue of self-development courses. Employees are automatically assigned relevant courses based on their job roles. To date, 1,835 courses have already been completed, and the business will continue the roll out of Linen Learn in 2025.

# **Employee Engagement**

We delivered a further employee engagement survey, which also included colleagues based in Corsham, Wexford and Naas for the first time, in the final quarter of 2024. The surveys were delivered by an independent specialist, meaning that the results remain anonymous and confidential. Our results show continued strong engagement, with an overall engagement score of 86% (2023: 85%), enablement score of 87% (2023: 86%), and empowerment score of 91% (2023: 92%).

Across the surveys, we scored highly in areas such as role clarity, teamwork, and manager support. Key themes for improvement include communication, recognition of achievements and career development opportunities. In a number of locations, we have already shared the general feedback and survey results through workshops and open discussions, focusing on how we can improve and implement changes. These workshops will continue throughout 2025.

# Gender Equity, Diversity and Inclusion

We began monitoring our diversity in 2022. All new starters complete a diversity survey as part of the onboarding process. This helps us gain a better understanding of the unique backgrounds within our workforce, allowing us to tailor our support, engagement, and development efforts to address the specific needs of ethnic groups that may require additional assistance.

Gender Equality	2024	2023
Gender Diversity of Board (Female %)	50%	43%
Gender Diversity of Supervisors (Female %)	41%	40%
Gender Diversity (Female %)	39%	41%
Senior Management Positions (Female %)	21%	27%
Employees over 45 (%)	44%	49%
UK Gender Pay Gap (%)	7.6%	9.9%
Ethnic Groups	2024	2023
White (%)	42%	47%
Black (%)	7%	5%
Asian (%)	13%	11%
Mixed/Multiple Ethnic Background (%)	3%	2%
Other Ethnic Groups (%)	1%	4%

#### Methodology

Prefer Not To Answer (%)

- 1. Data excludes Regency, Johnsons Ireland and Empire due to the timing of the survey delivery and acquisitions.
- 2. UK Gender Pay Gap is the difference in the hourly rate of pay (mean).
- 3. 'Prefer Not to Answer' refers to respondents who either selected that option or left the field blank. The Gender Diversity table excludes 'Prefer Not to Answer' and 'Other' categories.
- 4. Senior management is defined as Directors and General Managers only.

Currently, 24% of our workforce represents ethnic minority groups, 34% chose "Prefer Not to Answer," and 42% identify as White, making it the largest proportion. In terms of senior management, 63% are White, which does not reflect the diversity of our overall workforce. To address this, we are actively developing succession planning. This includes targeted training, development, and the internal promotion of individuals from diverse backgrounds, alongside efforts to widen the talent pools we attract into the business.

As part of our efforts to promote ED&I throughout the business and build a culture that is inclusive to all, our businesses launched ED&I action plans, we also delivered a mandatory ED&I training course in 2024, which 93% of our employees have completed.

The Group has a policy ensuring that individuals with disabilities, whether registered or not, are considered for employment, training, career development, and promotion based on their aptitudes and abilities. We have procedures in place to ensure this commitment is upheld across our businesses. If an employee becomes disabled during their employment with us, we make every effort to retrain them according to their abilities.

We report our UK 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 98 to 99 of this report for more information.

34%

31%



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# 2024 HIGHLIGHTS

5% reduction in carbon intensity compared to 2023

8% reduction in water intensity compared to 2023

93% of non-hazardous waste diverted from landfill

New internal and external assurance processes are in place for certain environmental data

in CDP Climate Disclosure

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in CDP Water Disclosure

The environmental impacts of our activities predominantly arise from waste disposal, water and energy consumption, and carbon emissions. We are placing greater emphasis on our environmental responsibilities and are committed to minimising resource use and emissions where feasible.

# **Changes to Baseline Year**

In 2024, we established a new baseline for our waste data, which we are reporting for the first time. This follows the implementation of enhanced waste data management processes across the Group, aligned with our circular economy strategy. As disclosed last year, during our internal assurance process for 2023, we identified irregularities and inconsistencies in the 2023 and 2022 waste data. Accordingly, improved and standardised processes and procedures were developed and rolled out across the Group, together with training, in order to ensure accurate reporting in 2024 and thereafter.

We have also worked to ensure full integration of businesses acquired in 2023 into our performance reporting from 1 January 2024. 'Empire', which was acquired in September 2024 and now forms part of Johnsons Luxury Linen, is not included in our 2024 data, due to its acquisition date, but will be fully integrated in 2025. The integration includes embedding appropriate data capture, recording, and reporting processes for the current and next reporting year. We have also implemented a new internal assurance process, and, for the first time, certain environmental data in the 2024 Annual Report and Accounts has received limited third-party assurance. The independent assurance statement can be found on page 42.

# Water

Water is an important component in enabling us to provide our services to our customers and we recognise our reliance on a secure and consistent supply of quality fresh water. Across our operations, we source water from various supplies, including the main water grid, private and leased boreholes, and other fresh water sources. We discharge effluent within permitted limits, either directly to mains sewers or through other approved methods. Once water has been extracted, we strive to utilise it as many times as possible prior to discharge, in order to reduce our overall use and, in turn, impact on the environment. Robust systems are in place across all sites to actively monitor water abstraction, usage, and discharge, ensuring compliance with all relevant legal requirements.

#### Water Performance Summary

Water Use	2030 Target	2024	2023	Variance
Abstracted (m <sup>3</sup> )	N/A	2,337,597	2,296,679	2%
Weight (tonnes Processed)	N/A	348,980	316,790	10%
Revenue (£m)	N/A	508.0	455.0	12%
Intensity Metric – m³ per tonnes processed	5.759	6.698	7.250	(8%)
Intensity Metric – m³ per £m revenue	4,317	4,603	5,047	(9%)

#### Methodology

- 1. Water reporting period: 1 January 2024 to 31 December 2024.
- 2. Weights and revenue data used to calculate intensity rates in line with Group's reporting calendar.
- 3. 2024 data excludes 'Empire' due to timing of acquisition. 2023 data excludes 'Celtic' and 'Regency' due to timing of acquisition.

In 2024, we have seen positive progress toward our goal of reducing water usage intensity by 25% by 2030. Notwithstanding the increased weight processed in 2024, the volume of water abstracted decreased by 2% compared to 2023, while the intensity metrics have improved significantly - water use per tonne processed decreased by 8%. These improvements reflect our ongoing efforts to conserve more water across our operations.

### Waste

The Group generates waste including plastics, packaging, general waste, end of life textiles and other industrial materials. We have robust processes in place to ensure that each site manages its waste in compliance with relevant regulations. In managing waste, we follow the waste hierarchy, prioritising the avoidance or reduction of waste generation. Where possible, we focus on reusing, repurposing, recycling or recovering waste. As a last resort, we dispose through incineration without energy recovery or landfill.

#### Waste Performance Summary

We have implemented new waste data management processes across the Group, enabling us to report these datasets and set a new baseline in our 2024 report.

Waste Disposal	2024 Baseline
Waste to landfill (%)	7%
Waste diverted from landfill (%)	93%
Total Waste (kgs)	5,641,229
Total Non-Hazardous Waste (kgs)	5,446,545
Total Hazardous Waste (kgs)	194,684

#### Methodology

1. Waste reporting period: 1 January 2024 to 31 December 2024.

2. Data excludes 'Empire' due to timing of acquisition.

Our goal is to reduce waste to landfill by 75% by 2030 and, in alignment with our approach towards a circular economy, we have successfully transitioned to a single waste management provider for the majority of our UK operations. This provider has committed to ensuring that none of their waste is sent to landfill, with the majority being recycled. This has resulted in only 7% of our waste being sent to landfill during the reporting period. Our Workwear business has fully transitioned to a single provider for end of life textile management and, in HORECA, we are exploring new technologies and partnerships to help develop innovative solutions for textile recycling.

#### **Plastics**

In 2024, and to align with our long-term goal of the elimination of unnecessary single use plastics by 2030, we set a new target to reduce single use plastics purchased by 10%.

#### **Plastics Purchased Performance Summary**

Plastics Purchased	2024	2023	Variance
Total Plastic Purchased (kgs)	1,085,731	953,785	14%
Weight (tonnes Processed)	348,980	316,790	10%
Intensity Metric - kgs plastic purchased per	3111	3 011	70/
tonnes processed	3.111	5.011	3%

#### Methodology

1. Plastics purchased reporting period: 1 January 2024 to 31 December 2024.

- Single use plastics are defined as: shrink film, shrink wrap, plastic bags, plastic cage tags and pallet plastic wrap. Cages, cage covers and any other hard reusable plastic are excluded.
- 3. Data excludes 'Empire' due to timing of acquisition.

For 2024, a 10% reduction in single use purchased plastics, set by the Board, was not achieved. This was largely due to the 2023 baseline not including the Celtic Linen business, that was acquired in August 2023, whilst the 2024 performance data does. When setting the target, it was anticipated that initiatives to reduce purchases across the rest of the Group would offset Celtic Linen's use, the latter being relatively high due to the nature of its healthcare customers often mandating the use of plastics for hygiene control reasons. Unfortunately, those initiatives were delayed in their rollout such that they did not offset the usage in Ireland. It is worth noting that excluding the Celtic Linen data would have resulted in a modest 4% decrease in plastic purchases. Looking ahead, we remain committed to reducing plastic purchases and are exploring further opportunities to reduce in line with our sustainability target.

### **Energy Consumption and Carbon Emissions**

Our goal is to reduce CO<sub>2</sub>e intensity for Scope 1 and 2 emissions by 40% by 2030. While this is not yet a net zero commitment, we believe this target is both realistic and achievable at this stage of our low carbon transition and management journey. After working with third party consultants to review our governance approach and identify decarbonisation opportunities, we began reviewing our overall governance structure to enable to establishment of a new carbon steering group in 2025. This group will focus on key workstreams, including the development of a decarbonisation transition roadmap, covering Scope 1, 2, and 3 emissions. As part of this process, we plan for the roadmap to align with the Science-Based Targets initiative (SBTi) and the goals of the Paris Agreement to limit global warming to 1.5°C.

### Improving Scope 3 Reporting

We published our Scope 3 emissions baseline (2022) in our third Sustainability Report in 2024, following collaboration with third party carbon consultants. They helped us develop a spend based analysis for our initial disclosure, converting annual spend with individual suppliers into emissions data. In 2024, we began engaging with our largest Scope 3 emitters in the supply chain to further refine our approach and have commenced the gathering of more accurate data to better understand how we can reduce our carbon footprint across the supply chain.

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# GHG Emissions and Streamlined Energy and Carbon Reporting (SECR)

As mandated by UK legislation, the table below discloses our energy use, associated GHG emissions (Global GHG Protocol Scope 1 and Scope 2), intensity ratios, previous figures, and methodology. JSG has voluntarily decided to include operations from the Republic of Ireland, relating to the purchase of Celtic Linen in August 2023. While we are only required to disclose data for our UK-based operations, the table includes both our UK and Ireland operations for the 2024 reporting year. Carbon emissions reported voluntarily from the Republic of Ireland total 7,145 tCO<sub>2</sub>e, representing 7% of the total Scope 1 and 2 Emissions (SECR). Energy consumption attributable to the Republic of Ireland totals 38,316,270 kWh, also representing 7% of the total energy consumption.

		2024	% Share	2023	Variance
	Energy Consu	mption (kWh)			
Natural Gc	35	399,993,359	73%	371,787,456	8%
Gas/Fuel/E	Burning Oils	1,118,618	0%	253,160	342%
Electricity		50,530,422	9%	45,312,647	12%
Transport -	– Commercial Fleet	91,267,230	17%	90,388,967	1%
Transport -	- Company Cars	1,960,276	1%	2,242,547	(13%)
Transport -	– Grey Fleet	934,120	0%	539,555	73%
	Carbon Emis	ssions (tCO <sub>2</sub> e)			
Scope 1	Company Facilities	73,443	N/A	68,077	8%
	Company Vehicles	20,674	N/A	21,532	(4%)
Scope 2	Grid Electricity	10,508	N/A	9,409	12%
Scope 3	Business Travel	236	N/A	131	80%
	Upstream Transportation and Distribution	925	N/A	814	14%
	Fuel and Energy Related Activities	17,562	N/A	16,559	6%
	Purchased Goods and Services	24,737	N/A	40,0171	N/A
Capital Goods		10,832	N/A	4,4011	N/A
	Water	353	N/A	189 <sup>1</sup>	N/A
Waste Water		354	N/A	465 <sup>1</sup>	N/A
	Waste Generated in Operations	324	N/A	4511	N/A
	Upstream Leased Assets	-	N/A	1,282 <sup>1</sup>	N/A
	Investments	-	N/A	71	N/A
	Annuc	Il Totals			
Total Energ	gy Consumption (kWh)	545,804,025	N/A	510,524,332	7%
	e 1 and Scope 2 Emissions (SECR)				
(Market-based) (tCO <sub>2</sub> e)		104,861	N/A	99,149	6%
Total Scope 3 Emissions (tCO <sub>2</sub> e)		55,323	N/A	64,316 <sup>2</sup>	(14%
Total GHG	Emissions within assurance scope (tCO <sub>2</sub> e)	123,348 <sup>3</sup>	N/A	116,522	6%
	Scope 1 and Scope 2 Emissi	ons (SECR) Intensity Metri			
0	nnes processed)	346,613	N/A	312,028	11%
Intensity M	$1 \text{ etric} - t \text{CO}_2 \text{ e per tonnes processed}$	0.302	N/A	0.318	(5%)
Intensity M	letric 2030 Target – tCO <sub>2</sub> e/tonnes processed	0.205	N/A	N/A	N/A

Note 1. Referenced Scope 3 emissions represent the 2022 baseline year. We did not calculate Scope 3 emissions for these categories for 2023.

Note 2. Total includes Scope 3 baseline year data and Scope 3 data for 2023.

Note 3. Total excludes all Scope 3 data except upstream transport & distribution, business travel, and fuel & energy-related activities. All other Scope 3 data was calculated independently by a consultant.

# Methodology

- 1. JSG has adopted an 'operational control' approach to define the Group's emissions boundary and scope.
- 2. Carbon year reporting period: 1 October 2023 to 30 September 2024.
- Weights and revenue data used to calculate intensity rates have been adjusted to reflect the period in (2) above and, as such, differ from those stated in the rest of the report.
- The data adheres to the methodology outlined in the UK Government's Environmental Reporting Guidelines for 2019.
- 5. The methodology for calculating JSG's emissions footprint follows the Greenhouse Gas Protocol: Corporate Accounting Standard.
- Emission calculations are based on conversion factors provided by the UK Government and published in 2024.
- 7. Scope 3 emissions are calculated using a spend based analysis with emissions estimated based on annual spend converted into emissions using globally recognised proxy conversion factors.
- Grey Fleet, which sits within Business Travel category, is technically a Scope 3 emission; however, it is mandated by UK legislation to be included in the SECR disclosures as part of Scope 1 and Scope 2 emissions.
- 9. Data excludes 'Empire' due to timing of acquisition.
- The Gas/Fuel/Burning Oils increase attributed to recent acquisitions, where these sites rely on these resources as a contingency.

# **Energy Efficiency Actions**

Across the Group, we have developed a model to identify potential energy and carbon savings in plant and equipment maintenance. This model allows for standardised forecasting of potential  $CO_2$  e emission reductions. Additionally, we are required to comply with ESOS (Energy Saving and Opportunities Scheme) regulations, which involve conducting multiple energy audits across our facilities to identify energy efficiency opportunities. Some examples of the energy efficiency actions we completed in 2024 include:

- Continuation of electric vehicle deployment across company cars, site vehicles and commercial vehicles.
- Transition to the use of hydrotreated vegetable oil (HVO) fuel in select commercial vehicles.
- Strategic investments to upgrade ageing, and often inefficient, machinery.
- Transitioning from fluorescent lighting to LED lighting.
- Lowering wash temperatures, where possible.
- Recovering and repurposing waste heat.

# Energy Saving and Opportunities Scheme (ESOS)

During 2024, the Group was required to complete a submission to the UK Government portal in compliance with the Energy Opportunities and Savings Scheme (ESOS). Key findings from the audits and analysis are outlined below.

The work to achieve ESOS compliance has identified energy savings opportunities, and we plan to continue developing a robust process to reduce wasted energy. This includes monitoring energy consumption, setting targets, regularly reviewing and implementing behavioural, operational and or investment led measures to improve energy performance. Additionally, we will report on these improvements to engage stakeholders, support reputational goals, and enable ongoing ESOS Compliance.

We are required to publish an action plan providing our approach to managing these findings on the Government portal by March 2025. Continued :



# 2024 HIGHLIGHTS

622% (2023: 56%) of cotton purchases were Better Cotton Sourced

Working with suppliers on recycled materials and biopolymers

Engaged top 20 suppliers contributing most to our scope 3 emissions

Employee Code of Conduct training launched

JSG recognises that growth, change and delivering on our financial objectives and targets are essential for the Group's success. At the same time, we are committed to operating responsibly through strong ethical practices and governance. We acknowledge that our indirect activities are diverse, and meaningful change requires sharing our values and behaviours across the value chain, working in partnership with our customers and suppliers.

# Managing our Supply Chain

The Group is committed to responsible sourcing practices and ensuring sustainability across our supply chain. To formalise this approach, we issue a Sustainable Purchasing Policy and Guiding Principles of Supplier Conduct to all new suppliers during onboarding, clearly outlining compliance expectations. We require our suppliers to implement anti-slavery and anti-human trafficking policies and cascade them to their own suppliers.

Our standard contracts also mandate compliance with the Modern Slavery Act 2015, covering working conditions, health safety and wellbeing, no child labour, non-discrimination, fair remuneration, working hours, and freedom from forced labour.

### Supplier Assessment

Historically, we have conducted regular supply chain audits via the Sedex platform, focusing on issues such as modern slavery. The Group remains fully compliant with all relevant legislation and regulatory requirements, ensuring we act responsibly and ethically in our day-to-day business operations.

During the reporting period, the Group launched a new supply chain sustainability assessment programme, using the EcoVadis platform. This platform enables us to assess the relative risk of our suppliers compared to their database of over 130,000 global companies in over 180 countries. We will use this tool to enhance supply chain sustainability management going forward.

Our first action was to identify and add 20 of our key suppliers to the portal, representing the highest emitters in our Scope 3 Emissions. These suppliers also represent some 45% of our total supply chain spend. Moving forward, we intend to begin gathering details from our remaining suppliers to upload into EcoVadis for evaluation, with an initial focus on our higher risk and critical suppliers. Our ultimate intention is to have a full mapping of our supply base to enable us to make more informed decisions in the long term.

Ahead of launching EcoVadis in 2024, we audited 36% of our Tier 1, 2 and 3 medium and high risk suppliers, as well as high value, suppliers through our own internal formal Group Supplier Social Audit. Topics included modern slavery, and equality and diversity. With our EcoVadis plans now in place, we aim to audit even more suppliers as we move through 2025.

# **Responsible Sourcing**

We are a proud member of the Better Cotton Initiative, committing 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".

We contact our suppliers to gather data on the textiles purchased throughout the year. This enables the Group to calculate the proportion of sustainable content, including Better Cotton (BCI), recycled content, and other certified materials in our products. During the reporting year, the volume of Better Cotton sourced as a percentage of our overall cotton purchases was 62% (2023: 56%).

# **Sustainable Textiles Transition**

Our Workwear division has successfully sourced and trialled a processable and reusable bag that meets our standards for durability and functionality which, from June 2024, has been rolled out to eliminate single use plastic bags for our industrial use garments.

In the Republic of Ireland, we have been successful in implementing unwrapped deliveries, eliminating plastic wrapping, to a leading five-star hotel and are expanding this where other customer facilities allow.

We continue to increase the percentage of sustainable content in our product offerings by working with suppliers on recycled materials and biopolymers. We are currently developing a Sustainable Content roadmap to outline how we intend to achieve this goal.

# **Ratings and Standards**

We participate in several external sustainability reporting programmes:

- Sustainalytics (where, for 2024, JSG has an improved "Low Risk" rating (score of 16.7));
- An annual disclosure via CDP (where, for 2024, JSG improved its scores a 'B' rating in the Climate Change disclosure and 'B-" in the Water disclosure);
- The Business in the Community (BiTC) Responsible Business Tracker, on a bi-annual basis;
- EthiFinance (where, for 2024, JSG has a score of 49).

We will also use EcoVadis to assess our sustainability performance. In 2024, we completed our registration and plan to take steps to begin the process of completing our EcoVadis rating during the first half of 2025. Continued >



# **2024 HIGHLIGHTS**

2,723 employee volunteering hours delivered

£230,000

773 charities and **organis**ations supported

Renewed Neighbourly partnership Group-wide for a second year Supporting our communities is integral to 'The Johnsons Way', with a strong tradition of charitable activities like education, volunteering, fundraising and sponsorship. The Group recognises the need for meaningful action and we maintained this ethos in 2024.

### **Social Value Performance**

2024	2023	Variance
24,000	20,000	20%
71,000	40,000	78%
134,000	118,000	14%
230,000	178,000	29%
0.0464%	0.0383%	21%
	24,000 71,000 134,000	24,000         20,000           71,000         40,000           134,000         118,000           230,000         178,000

Note 1. Figures have been rounded to the nearest thousand (£).

### **Benefiting our Communities**

In 2024, total social value increased by 29%, reaching £230,000, up from £178,000 in 2023. This total includes £67,000 donated by the Local Communities Initiative, which forms part of the total donated by JSG. We also saw employees raise £42,000 through fundraising efforts. Additionally, we achieved a 77% increase in in-kind donations and a 24% increase in volunteering value (£24,000). Overall, social value as a percentage of revenue grew by 21% since 2023 and 125% since 2022, reflecting a strong contribution to our local communities.

The number of organisations we supported in 2024 almost doubled when compared to 2023, increasing from 388 to 773, through financial donations, in-kind donations and volunteering.

# Volunteering

In 2024, we continued our successful partnership with Neighbourly which has now been extended to encompass the whole Group, including our operations in Republic of Ireland. Our employee volunteering efforts totalled 2,723 hours across 94 activities. Through these efforts, our businesses made positive contributions to community organisations, such as food banks and community centres. We have received great feedback on the impact these activities had on both the volunteers and the organisations they supported, including food preparation, garden maintenance, and administration support.

# **Group Non-Financial and Sustainability Information Statement**

This section of the Strategic report constitutes the Group Non-Financial and Sustainability Information statement to comply with the Companies (Strategic Report) (Climate Related Financial Disclosure) Regulations 2022.

The table below sets out the information that we voluntarily disclose in line with the requirements under sections 414CA and 414CB Companies Act 2006 and where it can be found in this annual report ('AR&A'). Further disclosures, including Group policies and standards, can be found on our website at **www.jsg.com**.

Reporting Requirement	Policies and standards which govern our approach	Relevant information necessary to understand our business and its impact
JSG Employees	Various HR related policies Code of Ethics & Business Conduct Group H&S Policy Group Bribery & Anti-Corruption Policy Group Whistleblowing Policy Group IT & Security Policy Anti-Facilitation of Tax Evasion Policy Group Sustainability Policy Group Equity Diversity and Inclusion Policy UK Gender Pay Gap Report Share Dealing Code	AR&A Pages 16 to 17 AR&A Pages 28 to 42 Third Annual Sustainability Report
Social Matters	Code of Ethics & Business Conduct Group Sustainable Purchasing Policy Group Employee Volunteering Policy Group Sustainability Policy Guiding Principles of Supplier Conduct Guiding Principles of Customer Conduct	AR&A Pages 16 to 17 AR&A Pages 28 to 42 Third Annual Sustainability Report
Human Rights	Code of Ethics & Business Conduct Group Bribery & Anti-Corruption Policy Group Sustainable Purchasing Policy Group Sustainability Policy Modern Slavery Statement Guiding Principles of Supplier Conduct Guiding Principles of Customer Conduct	AR&A Pages 16 to 17 AR&A Pages 28 to 42 Third Annual Sustainability Report
Anti-corruption and anti-bribery matters	Various HR related policies Code of Ethics & Business Conduct Group Bribery & Anti-Corruption Policy Group Whistleblowing Policy Anti-Facilitation of Tax Evasion Policy Fraud Prevention Policy Share Dealing Code	AR&A Pages 16 to 17 AR&A Pages 28 to 42 Third Annual Sustainability Report
Environmental Matters	Group H&S Policy Group Sustainable Purchasing Policy Group Sustainability Policy	AR&A Pages 16 to 17 AR&A Pages 28 to 42 Third Annual Sustainability Report
Principal risks and impacts on business activity	N/A	AR&A Pages 28 to 42 Third Annual Sustainability Report
Description of business model	N/A	AR&A Pages 28 to 42 Third Annual Sustainability Report
Non-financial key performance indicators	N/A	AR&A Pages 28 to 42 Third Annual Sustainability Report

# Sustainability Related Risk

The Board is responsible for managing risks across the Group, including sustainability risks. Climate change and energy costs are key risks, with mitigation measures such as site investments, energy efficient technologies and energy-saving initiatives in place.

As a business, climate change is critical for us and our stakeholders. We are committed to improving energy efficiency and reducing greenhouse gas emissions. However, rising energy costs and potential levies remain concerns. Failure to move towards net zero emissions could harm our brand and affect our ability to operate. Risks are identified and mitigated through the Group's risk management process as detailed on pages 43 to 49.

All operational sites follow ISO 14001 guidelines to manage environmental issues and ISO 9001 for quality management systems, with many sites formally certified.

Continued >

# Task-force on climate-related financial disclosures (TCFD)

As part of our commitment to transparency and sustainability, we align our reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD framework helps us better understand the financial implications of climate change on our business and communicate this information to our stakeholders.

The below scenarios were developed using resources including the UK Climate Change Committee's "The Adaptation Committee's Independent Assessment of UK Climate Risk (2021)". A 1.5°C temperature rise is expected by the mid 2030's regardless of any mitigation (IPCC 2023 Synthesis Report). It is expected this will lead to increasing extreme weather including precipitation and flooding. 2035 represents a realistic and reasonable limit for the Group's long term risk scenario planning and so a temperature increase of 1.5°C by 2035 was considered for all scenarios below:

Risk Category	Risk Description	Potential Impact	Response/Resilience/Opportunity
Acute Physical Risk: Flooding & Disruptive weather events	17 JSG sites are potentially at an increased risk of flooding from coastal, fluvial, or precipitation resulting in damage to site or emergency relocation.	Damage to site, emergency relocation, disruption to operations, increased insurance cost.	<ul> <li>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:</li> <li>Building lease renewals and new site plans</li> <li>Mergers and Acquisition activity</li> <li>Annual Facilities Risk Assessments</li> </ul>
Chronic Physical Risk: Sea Level Rise	Sea level rise projected between 0.14-0.18m by 2040, affecting JSG sites below 0.1m above sea level.	Long-term risk to site integrity, potential need for relocation, operational disruptions, and increased cooling requirements.	None of JSG's UK sites would be impacted directly from the sea level rises, however, we are still to complete the analysis for the acquired sites in the Republic of Ireland and the recently acquired Tottenham. 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, and that these are incorporated into our risk management approach.
Chronic Physical Risk: Temperature Rise	Rising temperatures expected to increase energy consumption by 10%, mostly for cooling requirements, over the next 10 years.	Increased operational costs due to higher energy demand, and requirements to upgrade cooling equipment.	The financial cost has not yet been fully assessed however we anticipate this could be material if it were to be implemented across our entire estate. We intend to continue conducting site energy efficiency assessments and planning any strategic equipment upgrades.
Opportunity: Renewable Energy Supply	Opportunity: Decentralised, low carbon energy supply: Investment in plant equipment and transitioning to renewable energy supply such as Power Purchase Agreement (PPAs).	Opportunity: Reduction in Scope 1 and 2 emissions, lower long- term energy costs, future proofing against rising energy costs and carbon taxes.	The Group 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.

# **TCFD Disclosure Table**

The table below provides insights into how we identify, assess, and manage climate-related risks and opportunities. Our disclosures are structured around the four key pillars of the TCFD framework, which also support compliance with Climate-related Financial Disclosures (CFD).

Disclosure reference in 2024 Annual Report and Accounts ('AR&A')/Third Annual Sustainability Report ('SR')		Summary of our alignment with the Task Force on climate-related Financial Disclosures (TCFD)
Governance		
Board's oversight	AR&A Page 58 SR Page 8	Oversight of sustainability and climate-related risks and opportunities are managed at the highest level within JSG. We have created a dedicated Sustainability Committee which is chaired by the Group CEO and which reports into the PLC Board. The permanent members of the Sustainability Committee include the JSG Group Management Board plus the JSG Head of Sustainability. The Board and Committee is responsible for the Company's strategy and organisation as well as advising on financial and non-financial reporting, compliance and performance.
Management's Role	AR&A Page 28 SR Page 8	The Board, Sustainability Committee and Sustainability Pillars are responsible for executing the Sustainability Strategy and translating the strategy into tangible actions including our pathway towards decarbonisation.
Strategy		
Climate-related risks and opportunities	AR&A Page 49 AR&A Page 49	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.
Impacts of climate- related risks and opportunities	AR&A Page 49	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
Resilience of the organisation's strategy	AR&A Page 40	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
Risk Management		emissions could negatively impact our brand and also impact our ability to operate and/ or remain relevant to our customers.
Processes for identifying and assessing climate- related risks	AR&A Page 43	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 43 to 49 in our 2024 Annual Report and Accounts.
Processes for managing climate- related risks	AR&A Page 44	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
organisation's overall energy supply issues, rising energy costs an		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.
risk management		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.
		For more detail, please refer to page 40 in our 2024 Annual Report and Accounts.
Targets		
Targets used to man- age climate-related risks, opportunities and performance	AR&A Page 29	We review both our annual and Vision 2030 targets for achieving planned GHG emissions reductions monthly, quarterly and annually to understand how our activities are performing and enable us to provide a year-on-year data comparison to help us mitigate and adapt to climate risk.

For the purpose of Sustainability Reporting, our baseline years are as follows:

Data	<b>Baseline Reporting Year</b>	Recent acquisitions not included in baseline year
People	2021	Regency, Celtic Linen, Empire
Safety	2022	Regency, Celtic Linen, Empire
Training	2023	Regency, Celtic Linen, Empire
Engagement	2021	Regency, Celtic Linen, Empire
Equity, Diversity and Inclusion	2022	Regency, Celtic Linen, Empire
Water	2022	Regency, Celtic Linen, Empire
Waste	2024	Empire
Plastics	2023	Celtic Linen, Empire
Energy and Carbon Scope 1,2	2022 <sup>1</sup>	Regency, Celtic Linen, Empire
Scope 3 Emissions	2022 <sup>1</sup>	Regency, Celtic Linen, Empire
Sustainable Textiles	2021	Regency, Celtic Linen, Empire
Supply Chain	2022	Regency, Celtic Linen, Empire
Social Value	2021	Regency, Celtic Linen, Empire

Note 1. Calculation: 1 October 2021 to 30 September 2022

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# **Jacobs 2024 Assurance Statement**

# Jacobs

#### Independent Assurance Summary 2024

Jacobs U.K. Limited ('Jacobs') has conducted assurance of selected sustainability data from Johnson Service Group PLC's ('JSG') annual report and accounts for the financial year ended 31 December 2024.

The assurance was undertaken in accordance with two standards; limited assurance was provided using the International Auditing and Assurance Standards Board's International Standard on Assurance Engagements 3000 (ISAE 3000 (Revised)), and moderate assurance was provided using AccountAbility's AA1000 Assurance Standard (AA1000AS v3).

The Jacobs assurance team has identified no material concerns with the select baseline and 2024 sustainability performance data (note that the assurance does not cover Scope 3 2024 data). In addition, JSG has demonstrated adherence to the AA1000 Accountability Principles (2018) of Inclusivity, Materiality, Responsiveness, and Impact.

The assurance statements detail the key findings and conclusions, scope and methodology, and can be found on JSG's website.

Jacobs U.K. Limited Manchester

3 March 2025