The Green Group

A fresh approach to laundry

ESG Report 2024-25

The Green Group

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Director's Statement

As we publish **The Green Group's 2024-25 ESG Report**, we are proud to reflect on the progress we have made in embedding sustainability, responsibility and integrity across our operations. This year not only marks two decades of service to our customers but also the beginning of a new phase in our journey—one where **environmental stewardship**, **social responsibility** and **governance excellence** stand firmly alongside operational performance as core priorities.

The challenges of our sector are well known. Laundry and textile services are resource-intensive, with heavy reliance on water, energy, and logistics. Yet, with innovation and commitment, these challenges can be turned into opportunities. Over the past year, we have invested in technologies that extend the life of textiles, reduce plastic use and improve energy efficiency. Our initiatives-such as eliminating **4.5 tonnes of single-use plastic annually**, installing an energy efficient ironing line and introducing RFID smart tracking systems-demonstrate how practical actions deliver measurable impact. Through our participation in the **Textile Services Association's "Pasha the Pillowcase"** campaign, we have also advanced circular economy practices across our sector.

Sustainability, however, is not only about the environment—it is about **people**. In 2025, we celebrated Housekeeping Appreciation Month, shining a spotlight on the "***unsung heroes***" of hospitality. We proudly supported **HIT Scotland's** Poets' Lunch, helping raise over **£70,000** to invest in future talent.

Our governance framework has also been strengthened. We achieved **PAS91 SSIP Gold accreditation** in **Health & Safety**, reaffirming our commitment to the highest standards of workplace protection. We welcomed *Sharon Laing* back to our leadership team as **Sales Director**, ensuring continuity and depth of expertise. Through active participation in the **UKHA** and **TSA**, and with recognition in publications such as **Laundry & Cleaning Today** and **Scottish Financial News**, we continue to demonstrate transparency, accountability, and leadership in our industry.

Looking ahead, we remain firmly committed to our long-term sustainability roadmap: **reducing Scope 1 and 2 emissions by 50% by 2030**, **halving our Scope 3 footprint by 2045**, and achieving **full carbon neutrality** across our value chain. These are ambitious but essential targets if we are to play our part in meeting the UK's Net Zero commitments and delivering the sustainable future our stakeholders expect.

We would like to thank our **employees**, **clients**, and **partners** for their trust and support. Our independent structure and customer-first culture give us the agility to act decisively, and together we will continue to accelerate the transformation of our industry—building a business that delivers quality and reliability today, while safeguarding the future for generations to come.

Board of Directors,

The Green Group

Introduction

Company Profile

The Green Group is Scotland's **largest independent commercial laundry** and **textile-rental business**. As we mark our **20th year of service**, we have refreshed our brand and renewed our operational focus to reflect the scale, technical capability and customer-first culture. The Green Group delivers tailored linen and laundry solutions across hotels, healthcare, and commercial customers throughout Scotland. Our independent structure allows greater flexibility, faster decision-making and a highly responsive service model that prioritises smooth daily operations for our clients.

We invest in automation and process technologies that raise quality and efficiency while reducing environmental impact. Recent investments include: RFID systems to extend textile life, improve stock transparency and cut replacement frequency delivering time and cost savings for customers, while supporting circularity and reducing our environmental burdens. Sustainability is a core element of our business model, underpinned by management systems aligned with **ISO 14001 (Environment)**, **ISO 50001 (Energy)**, and **EN 14065 (Textile Hygiene)**, and validated through our **EcoVadis rating**.

We are actively pursuing carbon neutrality and have several ongoing initiatives: wastewater heat recovery that has **reduced water consumption by 80%** in retrofit sites; piloting **electric vehicles and solar**; a goal to be **paper-free by 2027**; a target to **cut plastic use by 50% by Q3 2026**; and programs to repurpose unusable textiles to avoid landfill.

Environment

GHG Inventory

The inventory covers greenhouse gas **(GHG)** emissions for the reporting period **01 Aug 2024 - 31 Jul 2025** and has been prepared in accordance with the **GHG Protocol Corporate Standard** and **ISO 14064-1**. The organisational boundary is defined using the operational control consolidation approach.

Included emission sources:

Scope 1 (*direct*): On-site combustion (boiler) and fuel use from company-owned vehicles

Scope 2 (*indirect energy*): Purchased electricity for production and site operations. Location-based grid emission factors were applied for electricity.

Scope 3 (*selected*): Purchase goods & services (materials/ supplies), waste handling (treatment/ disposal) and employee commuting (average travel assumptions).

Excluded (this year)

Upstream/ downstream transport, business travel, and use/disposal of sold products are excluded this baseline year due to data limitations. A broader **Scope 3** assessment will be developed in subsequent reporting cycles as supplier and activity data become available.

Figure 1: Green Group Emission Contribution 2024
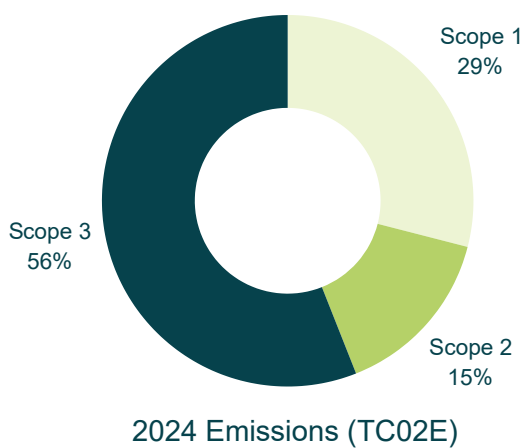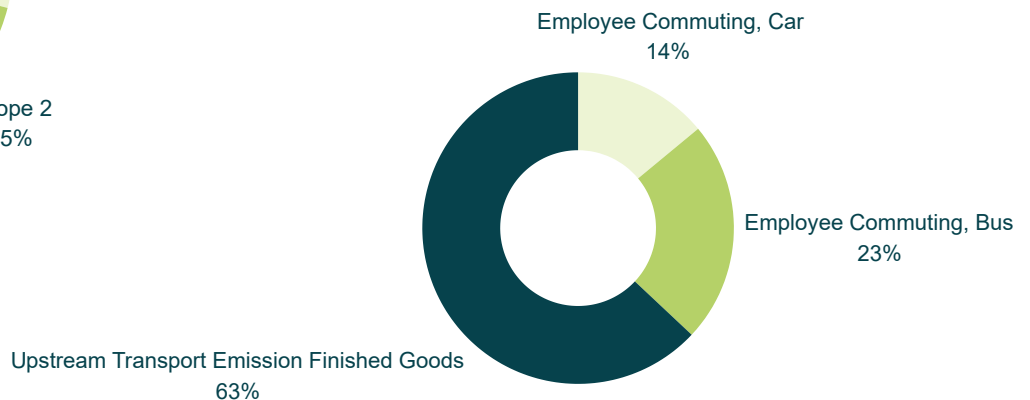
Scope 1
29%

Scope 3
56%

Scope 2
15%

2024 Emissions (TC02E)

Figure 2: Category 3 emissions contribution by activity, in Percentage

Employee Commuting, Car
14%

Employee Commuting, Bus
23%

Upstream Transport Emission Finished Goods
63%

GHG Inventory

Table 1: Greenhouse Gas Inventory 2024

Category (ISO 14064-1:2018)	Scopes (GHG Protocol)	2024 (tCO$_2$e)
Category 1: Direct emissions (tCO$_2$e)	Scope 1	1267
Category 2: Indirect emissions from imported energy (market-based method) (tCO$_2$e)	Scope 2	142
Category 3: Indirect emissions from transportations (tCO$_2$e)	Scope 3	156
Category 4: Indirect emissions from products used by organisations (tCO$_2$e)	Scope 3	551

The 2024/25 reporting year **(August 1, 2024 - July 31,2025)** will serve as the base year for The Green Group's greenhouse gas (**GHG**) reduction targets. This baseline inventory covers **Scope 1** and **Scope 2** emissions in full and provides the foundation for tracking progress towards our **2045 Net Zero commitment**.

This base year will remain valid for our targets unless there are significant structural changes to our organisational boundary (e.g. major acquisitions, divestments, or changes in operations). In such cases, we will re-evaluate our GHG inventory and reset the base year to ensure accuracy and consistency with international best practices.

The organisational boundary has been defined using the operational control approach, meaning all operations under The Green Group's direct control are included in this inventory. The reporting year, 2024, is positioned as the baseline year for ongoing monitoring and future reduction initiatives.

Scope 1 & 2: We will measure and report these emissions annually to evaluate our progress against absolute reduction targets.

Scope 3: While uncertainties and data gaps exist in this year's Scope 3 accounting, we are committed to improving data quality, collection processes, and coverage in subsequent years. Over time, this will allow for a more accurate assessment of our value chain impacts and integration of Scope 3 into our long-term reduction strategy.

Periodic evaluation: The Board of Directors will review progress against targets annually, ensuring accountability and that reduction actions remain aligned with both business growth and global climate goals.

Materiality Assessment

The objective of this process was to identify, prioritise and validate the **Environmental**, **Social** and **Governance** (**ESG**) topics most significant to our operations, long-term value creation and stakeholder trust. The assessment also provides the foundation for our disclosures under recognised frameworks such as **CSRD** and **GRI Standards**, while guiding our carbon reduction roadmap.

The assessment followed a structured process:

- Issue identification from internal sources (emissions report, operational processes) and external references (GRI 2021, ISO 14068-1, UK Net Zero Strategy, SEPA requirements, peer benchmarks).

- Stakeholder engagement with management and external consultants, scoring each issue by business impact and stakeholder importance.

- Scoring and mapping onto a Materiality Matrix, highlighting the most significant issues for immediate action and long-term planning.

Key Material Issues

From the analysis, the following issues ranked highest:

Table 2: Key Findings of Materiality Matrix

| Rank	Material Issue	Reason for High Score
1	Energy & Carbon Emissions (Scope 1-3)	Direct link to operating costs, UK Net Zero commitments, and customer procurement requirements
2	Water Use & Wastewater Treatment	Core to laundry operations, high stakeholder concern over water stewardship and compliance
3	Chemical Use & Microfibre Pollution	Emerging regulatory focus (e.g., EU textile strategy), reputational risk
4	Employee Health, Safety & Training	Key workforce issue, necessary for operational excellence
5	Circular Economy & Textile Reuse	Growing client expectations, waste reduction potential

Materiality Assessment

Further relevant areas of importance identified included **community engagement** and **governance transparency.**

The results directly inform our sustainability roadmap, prioritising carbon reduction, water conservation, safe chemical management and workforce well-being. They also guide our alignment with the **UN Sustainable Development Goals (SDGs)** most relevant to our sector.

Figure 3: Materiality Matrix

Materiality Matrix – The Green Group

Our SDG Commitments
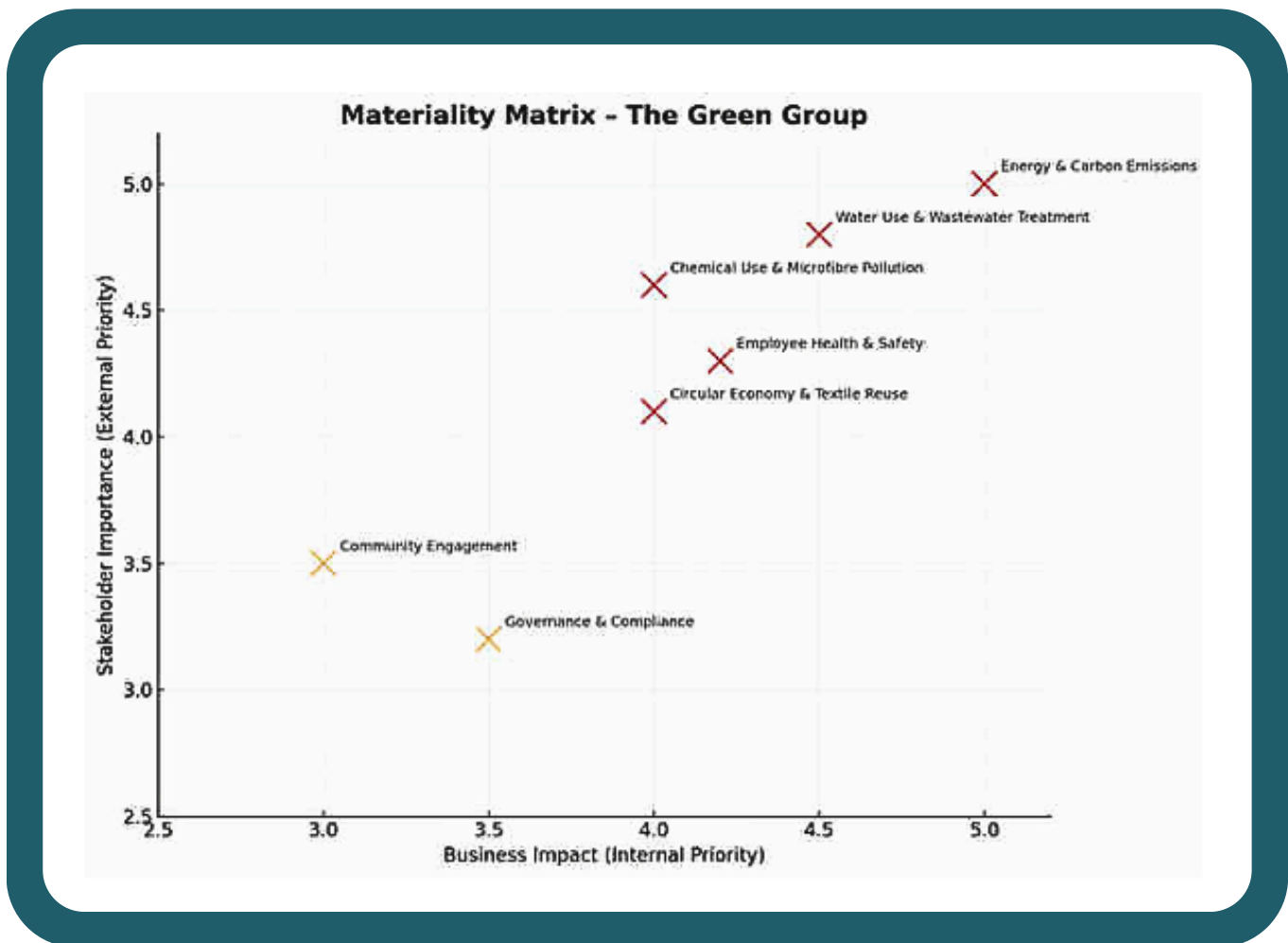
SUSTAINABLE DEVELOPMENT GOALS

Based on existing practices and certifications, the company's activities are already supporting the following SDG's:

SDG 3- Good Health and Well-being (Social)

We prioritise the safety and health of our employees and clients by maintaining strict hygiene standards, providing occupational health support, ergonomic workstations, and infection-prevention wash cycles.

SDG 5- Gender Equality (Social)

Through our strengthened Equality & Diversity Policy, we ensure equal opportunities in hiring, training and promotion, fostering a workplace free from discrimination.

SDG 6- Clean Water and Sanitation (Environmental)

Our advanced wastewater heat recovery systems and water efficiency initiatives have reduced water consumption by up to 80%. Compliance with wastewater discharge standards further safeguards local water ecosystems.

SDG 7- Affordable and Clean Energy (Environmental)

We hold ISO 50001 certification and actively promote energy efficiency through boiler upgrades, LED lighting, and the use of energy-efficient washing equipment.

SDG 8- Decent Work and Economic Growth (Social)

Policies such as the Equal Opportunities Policy, Anti-Bullying & Harassment Policy and Health & Wellbeing Policy ensure safe and fair working conditions.

Our SDG Commitments

SDG 12- Responsible Consumption and Production (Environmental)

Efforts to extend textile life through RFID systems, reduce plastic consumption, and repurpose unusable textiles align with sustainable production and consumption patterns.

SDG 13- Climate Action (Environmental)

We conduct annual GHG inventories and have committed to reducing emissions across Scopes 1-3, with a target of Net Zero by 2045.

SDG 16- Peace, Justice and Strong Institutions (Governance)

Through the Ethics & Business Integrity Policy and Anti-Slavery and Human Trafficking Policy, we uphold human rights, anti-corruption, and transparency across its operations and supply chain.

SDG 17- Partnerships for the Goals (Governance)

We collaborate with suppliers, recyclers, and clients to create shared value, driving innovation in sustainable laundry and cleaning solutions.

Social

Welfare & Diversity

Employee welfare, diversity and equal opportunities are central to our operations and embedded into our policies, practices and culture. Our **Health and Wellbeing Policy** ensures that the physical and mental wellbeing of our staff is protected. This includes: proactive risk assessments for occupational hazards such as heat exposure and manual handling, provision of appropriate PPE, regular breaks and hydration opportunities, and access to occupational health advice. Mental health is equally prioritised through open recognition, and flexible work arrangements where feasible.

Our **Equal Opportunities Policy** underlines our commitment to fairness and non-discrimination. All employees, regardless of age, gender, race, disability, religion or sexual orientation, are treated with dignity and respect. This extends to every aspect of employment including recruitment, training, promotions, benefits and grievance handling. Managers and employees share responsibility for implementing this policy and breaches are addressed through formal disciplinary processes.

To strengthen workplace culture, the **Anti-Bullying and Harassment Policy** establishes a zero-tolerance approach to intimidation, harassment, or exclusion. The company recognises bullying and harassment in all its forms—from verbal abuse to cyber-bullying—and has implemented clear reporting channels and disciplinary measures to ensure employees are protected. We also prioritise continuous learning through our **Training Policy Statement**, which emphasises upskilling, mentoring and structured development across all levels of the workforce. Partnerships with education providers support apprenticeships and career pathways, while records of training are systematically maintained according to industry standards.

Figure 5: Gender Comparison

Female
40%

Male
60%
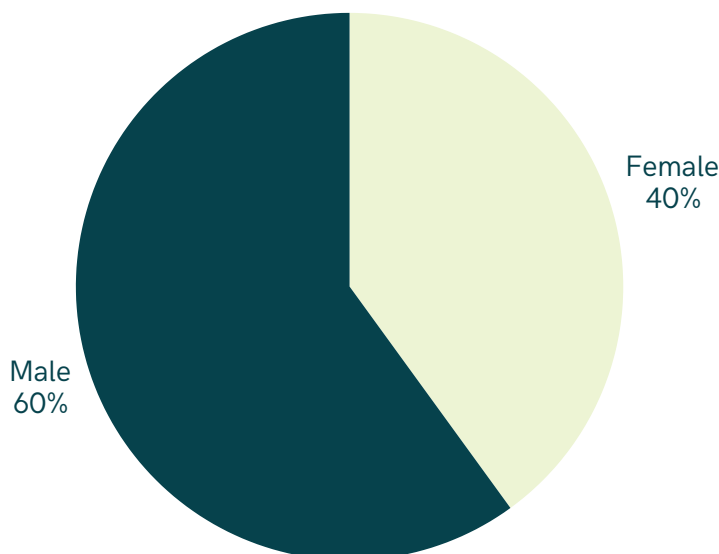
Safety & Human Rights

The Green Group places the **highest importance** on **safeguarding the health, safety, and fundamental rights of its employees and contractors.** Our approach is guided by international frameworks, UK legislation and recognised management system standards.

Our **Health and Safety Policy** is aligned with **ISO 45001:2018** and **The Health and Safety at Work Act 1974**, and commits us to providing safe methods of work, safe access to facilities, welfare provisions, and ongoing hazard organisation, with management oversight and employee participation key to preventing incidents. The company takes a zero-tolerance approach to unsafe practices and ensures continuous improvement of safety performance through annual reviews, audits and training.

We also recognise our responsibility to protect human rights across our value chain. **The Anti-Slavery and Human Trafficking Policy** reflects compliance with the **Modern Slavery Act 2015** and commits the company to a zero-tolerance approach to forced labour, servitude and trafficking. This includes conducting supplier due diligence, requiring evidence of compliance (e.g. codes of conduct, certifications) and implementing Slavery Statement, approved by the Board, discloses progress transparently.

To reinforce ethical practices, employees and suppliers are encouraged to use the **Whistleblowing Policy** to confidentially report concerns about labour rights, modern slavery, or unsafe conditions. Training and awareness programs ensure staff, particularly in procurement and HR, understand the risks of modern slavery and are equipped to prevent it in daily operations.

These commitments ensure The Green Group maintains a safe working environment, protects the dignity and rights of workers, and upholds international human rights standards in both its direct operations and supply chain.

Our Initiatives

Housekeeping Appreciation Month

In 2025, The Green Group celebrated **Housekeeping Appreciation Month**, spotlighting teams at partner hotels including **Holiday Inn Strathclyde, Garfield House, and Pipers' Tryst**. These campaigns recognised housekeepers as the "*unsung heroes*" of hospitality, strengthening relationships with clients and showcasing our respect for frontline staff.

HIT Scotland Poets' Lunch Support

The Green Group proudly supported **HIT Scotland's Poets' Lunch** fundraising event, which raised over **£70,000** to develop the next generation of hospitality talent. This contribution reinforces our belief that thriving industries depend on continuous investment in people and skills development.

Employee Recognition

The Green Group believes that recognising and celebrating our employees is central to a positive workplace culture. From acknowledging birthdays to spotlighting engineering excellence (such as the achievements of *Jimmy Gordon),* our internal recognition initiatives reinforce morale, loyalty, and our values or respect and teamwork.

Governance

Governance Structure & Oversight

The Green Group maintains a robust governance framework to ensure **accountability**, **transparency** and **long-term sustainability performance**. Oversight of Environmental, Social and Governances (ESG) issues rests with the Board of Directors, supported by senior management and designated ESG & Procurement Teams.

Key elements of governance structure include:

- **Board Accountability:** The Board approves ESG policies, including the ESG Policy, Sustainable Procurement Policy, Health and Safety Policy and Anti-Slavery and Human Trafficking Policy. It also reviews annual progress reports, including the Modern Slavery Statement and GHG Inventory.

- **Management Oversight:** Responsibility for day-to-day implementation of ESG measures is delegated to senior managers, who oversee compliance with management systems aligned with ISO 14001, ISO 45001, ISO 27001, and EN 14065 standards.

- **Policy Integration:** ESG principles are embedded across core policies, including the Ethics & Business Integrity Policy, Information Security Policy and Equal Opportunities Policy. Together, these policies establish minimum standards that align with UK legislation, EU regulatory frameworks, and international conventions (e.g UN Guiding Principles on Business and Human Rights)

- **Risk Management:** A structured approach to risk is maintained, with periodic information security risk assessments, occupational health and safety audits and sustainability risk assessments for suppliers. Risks are documents, mitigated, and reviewed annually to ensure resilience.

- **Training & Awareness:** Governance is reinforced through continuous training programs, ensuring staff understand their obligations on health and safety, anti-bribery, human rights and environmental compliance.

This structure ensures that governance is not only a compliance exercise but also a **mechanism for continuous improvement** and **alignment** with emerging legal and stakeholder expectations.

Ethics & Compliance

The Green Group upholds the **highest ethical standards** in its operations, guided by the **Ethics & Business Integrity Policy** and related frameworks.

The following principles are integral to the compliance system:

- **Business Integrity:** The Green Group enforces a zero-tolerance approach to bribery, corruption, tax evasion, conflicts of interest to act in accordance with the Bribery Act 2010, the Prevention of Corruption Acts and relevant anti-money laundering regulations. Corporate hospitality and gifts are strictly regulated to avoid undue influence.

- **Human Rights & Labour Standards:** Compliance with the Modern Slavery Act 2015 is central. A formal Anti-Slavery and Human Trafficking Policy ensures due diligence across supply chains, supplier audits, and corrective action plans. The Green Group does not tolerate forced labour, child labour, or discriminatory practices, in line with the Universal Declaration of Human Rights.

- **Supplier Responsibility:** Through the Sustainable Procurement Policy, suppliers are bound by a Supplier Code of Conduct that mandates fair Labour practices, safe working conditions, emissions disclosure and ethical business conduct. Non-compliance triggers corrective action plans or contract termination.

- **Information Security & Confidentiality:** The Green Group implements an ISO 27001- aligned Information Security Management System (ISMS). Periodic risk assessments, corrective action tracking, and staff awareness programs protect sensitive information and ensure compliance with data protection regulations (e.g. GDPR).

- **Transparency & Reporting:** The Green Group publishes its progress through reporting channels such as the Modern Slavery Statement, GHG Inventory, and future Sustainable Procurement Progress Reports. Reports are structured to be assurance-ready for independent verification under CSRD and ISO 14064-3.

Through this framework, ethics and compliance are not limited to internal operations but extend across the value chain, reinforcing stakeholder trust and supporting alignment with **EcoVadis**, **CSRD**, and **international best practice**.

2025 Updates

PAS91 SSIP Gold Accreditation

In 2025, Green Group achieved Gold accreditation under the PAS91 SSIP Health & Safety framework. This independent recognition demonstrates our strong governance culture and ensures that workplace safety standards meet and exceed both legal and industry expectations.

The company operates in alignment with **ISO 9001**- quality management principles, CFA accreditation requirements. **EN 14065- (RABC) hygiene guidelines**, and **ISO 14001**- environmental management standards.

Leadership Update

In **2024**, *Sharon Laing* returned to the business as **Sales Director**, bringing continuity and deep industry expertise to our leadership team. This appointment strengthens governance through experienced oversight and demonstrates succession planning in practice.

Future

Carbon Reduction Plan

The UK government's Net Zero Strategy requires all businesses to progressively reduce their GHG emissions to reach **Net Zero by 2050**. The Green Group can contribute to this goal by following a phased decarbonisation pathway that addresses direct operations (Scope 1 & 2) and the wider value chain (Scope 3).

Near-Term Actions

Our Immediate focus is on reducing emissions from day-to-day operations and engaging our value chain.

- Transitioning our delivery fleet to electric or low-emission vehicles.
- Improving operational efficiency with boiler upgrades, insulation and LED retrofits.
- Sourcing 100% renewable electricity via green tariffs or Power Purchase Agreements.
- Partnering with suppliers on low-carbon materials and services.
- Expanding recycling, reuse, circular textile measures.
- Encouraging greener commuting through carpooling, public transport support, and remote work.

Targets by 2030

- Cut Scope 1 & 2 emissions by 50%
- Reduce Scope 3 emissions by 25%

Long-Term Actions

Our final stage will embed carbon neutrality across the value chain.

- Establish a supplier engagement program aligned with science-based targets.
- Shift procurement to circular and low-carbon products.
- Introduce advanced waste-to-resource systems to minimise landfill contributions.
- Offset residual emissions with certified carbon removal projects, such as afforestation and Direct Air Capture.

Targets by 2045

- Achieve near-zero Scope 1 & 2 emissions
- Halve Scope 3 emissions from 2024 levels.
- Deliver full carbon neutrality across Scopes 1,2 & 3.

Carbon Reduction Plan

Our Net Zero Commitment

By **2045**, The Green Group will operate as a **fully carbon-neutral business**, embedding sustainability into every aspect of our decisions and operations while continuing to deliver high-quality, low-impact services for our customers.

Year	Scope 1 (tCO$_2$e)	Scope 2 (tCO$_2$e, location-based until 2029, renewables 2030)	Total Scope 1 & 2 (tCO$_2$e)	Notes
2024	1,267	142	1,409	Baseline
2025	1,154	118	1,272	Start pilot EV vans, energy efficiency
2026	1,042	95	1,137	Add more EV vans, partial boiler upgrade
2027	930	71	1,001	Green electricity contracts (partial)
2028	817	47	864	Heat pump trial, >50% fleet EV
2029	705	24	729	Renewable PPAs (70-80%)
2030	633	~0	633	100% renewable electricity
2035	400	~0	400	Electrify boiler fully
2045	~0	~0	~0	Net Zero achieved

Future Path & Commitments

While The Green Group has taken important first steps in identifying our material ESG issues and establishing our baseline greenhouse gas (GHG) inventory, we recognise that our sustainability journey is still at an early stage. We are transparent in acknowledging that our current ESG performance is not yet industry-leading; however, our refreshed brand renewed operational focus provide the right foundation to accelerate progress. Our **independent structure** and **customer-first culture** allow us to respond quickly to both operational and sustainability priorities, which we see as essential for remaining competitive in a sector that is evolving under the UK's Net Zero targets and increasing stakeholder expectations.

In the coming year, we will strengthen our ESG management by developing clear KPI's and measurable targets for our highest-ranking material issues. This includes a greater focus on **reducing energy** and **carbon emissions** (Scopes 1-3), **enhancing water efficiency** and **wastewater treatment**, and implementing **safe and sustainable approaches to chemical use**. We are also preparing to address emerging challenges such as **microfiber pollution** and **textile circularity**, aligning with both regulatory developments and our clients' expectations. Beyond environmental performance, we will reinforce our investment in employee health, safety and training—recognising that a **skilled** and **supported workforce** underpins **operational excellence**. These actions will guide us towards embedding ESG principles more deeply into our operations, ensuring steady and meaningful progress year-on-year.

Thank You

For more information about The Green Group,
visit **www.green-group.uk**

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