CITY & ESSEX

Environmental · Social · Governance

ESG Report 2025

People. Planet. Partnerships.

Redefining Excellence Together

Inside this report

Contents

A concise, evidence-led view of how City & Essex creates value for people, places and the planet.

Highlights

2025 at a glance

Every decision we make is shaped by our commitment to People, Planet and Partnerships. These highlights show how that commitment translated into action during 2025.

People

16.1 hrs

Average learning and development completed per employee.

Planet

14.3% reduction

Carbon emissions intensity reduced by 14.3% compared with 2024, meaning we generated fewer emissions for every £ of business delivered.

Partnerships

2025 baseline

We established our partnership baseline, creating the benchmark for measuring long-term impact and collaboration.

Standards & Recognition

Our commitments are measured against independent standards and backed by respected accreditations.

Living Wage Foundation

ncz certified platinum

NATIONAL TOMs

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Foreword

Building momentum through responsible growth

As a family-owned, third-generation business, we believe the way we grow matters just as much as the results we achieve. Every day, we have an opportunity to create a positive impact for our people, our customers, the communities we work in and the environment around us.

This report marks an important milestone in our ESG journey. While we're proud of the progress we've made, we know there's more to do, and we're committed to learning, improving and creating lasting value as we grow.

As the business grows, our impact and therefore responsibility grows with it. We’re continuing to invest in our people, work more closely with customers and suppliers, and strengthen how we understand and reduce our environmental impact. That means better governance, clearer measures and greater accountability for the progress we make.

Cameron Watson-Azmi
Head of ESG · City & Essex

> “Our ambition is simple: to grow responsibly, deliver exceptional service and create lasting value for people, places and the planet.

How ESG is embedded

Our ESG commitments are supported by strong leadership, clear governance, reliable data and operational ownership, ensuring sustainability is embedded throughout our business.

Leading

Company leadership sets ESG priorities and reviews progress.

Governing

The ESG Steering Group oversees performance, reporting and accountability.

Measuring

Self-developed digital tools support ESG reporting and performance measurement.

Delivering

Dedicated KPI owners turn ESG priorities into everyday action.

Strategy

UN SDGs & our KPI framework

The SDGs are shown through the City & Essex People, Planet and Partnerships model, linking global goals to operational KPIs.

01 People

Investing in our people to build skills, ensure safety, and create belonging.

KPI focus

- Workforce ESG trained
- Wellbeing and skills activity
- National TOMs social value
- Inclusive opportunity

02 Planet

Driving improvement through innovation, ethical practice, and sustainable thinking.

KPI focus

- Total emissions and intensity
- Eco-product spend
- Electric fleet maintained
- Net zero operational carbon

03 Partnerships

Working together to create real-world impact for people and places.

KPI focus

- Supplier ESG vetting
- Joint customer initiatives
- Customer ESG dashboards
- Recognition and governance

Aligned SDGs

Assurance

Standards & Recognition

Good ESG reporting isn't just about celebrating progress. It's also about being transparent about our methods, the quality of our data and where we're still improving.

Our reporting is informed by recognised frameworks and independently validated standards that help us measure progress consistently and transparently.

Certified by a UKAS-accredited certification body

Recognised Real Living Wage Employer

Carbon reporting independently verified

Near-term emissions targets validated

Framework used to measure social value

What is included

People, Planet and Partnerships performance

Scope 1, 2 and 3 carbon emissions reporting

Case studies, strategic commentary and forward actions

How we report it

2025 Calendar-year operational performance

Social value calculated using the National TOMs framework

Evolving framework of KPIs designed to keep us aligned with our pillars

Continuous improvement

2024 Carbon Comparator rebaselined for consistency

2023 baseline retained as originally reported

Methodology notes are included where metrics are evolving

01

People

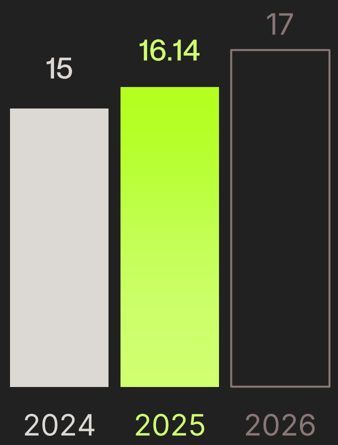
Our people are at the heart of our service. We invest in capability, wellbeing, inclusion and community impact.

2025 Results

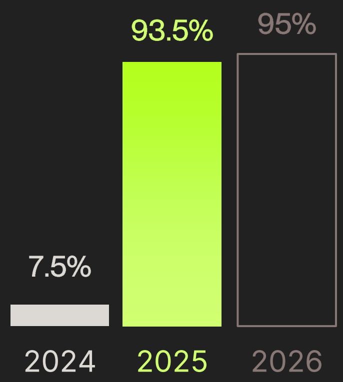
People performance, year on year

Tracking progress from our 2024 baseline through 2025 performance and into our 2026 ambitions.

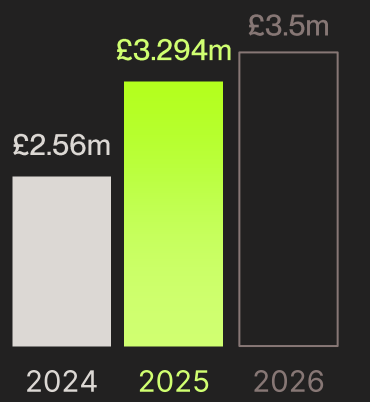
2025 actual · Change vs 2024 · Progress to 2026 ambition



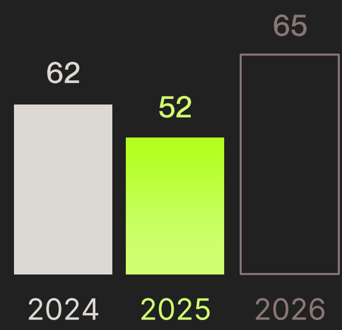
Average training hours per employee



Workforce with environmental awareness training



Social value delivered (National TOMs)



Community volunteering hours

Methodology

Environmental awareness reflects completion of a two-hour course delivered through iHasco. Social value is calculated using the National TOMs framework and is not independently verified. The 2025 figure includes NT1, which was not within the 2024 scope.

Wellbeing

Supporting our teams through rising costs

As living costs rose, we focused on fair pay, financial resilience and accessible wellbeing support.

Real Living Wage employer
Accredited pay above statutory minimums, helping protect take-home income against rising costs

Financial education via Stream
Budgeting tools, financial coaching and flexible access to earned wages, helping reduce reliance on high-interest credit.

Always-on confidential support
A helpline and wellbeing app for colleagues and their families, including guidance, mindfulness and member discounts.

Practical support when our people need it most

Our approach combines fair pay, financial resilience and confidential wellbeing support.

~ 25% EAP utilisation

Around a quarter of colleagues accessed EAP support during the year.

Impact

Creating measurable social value

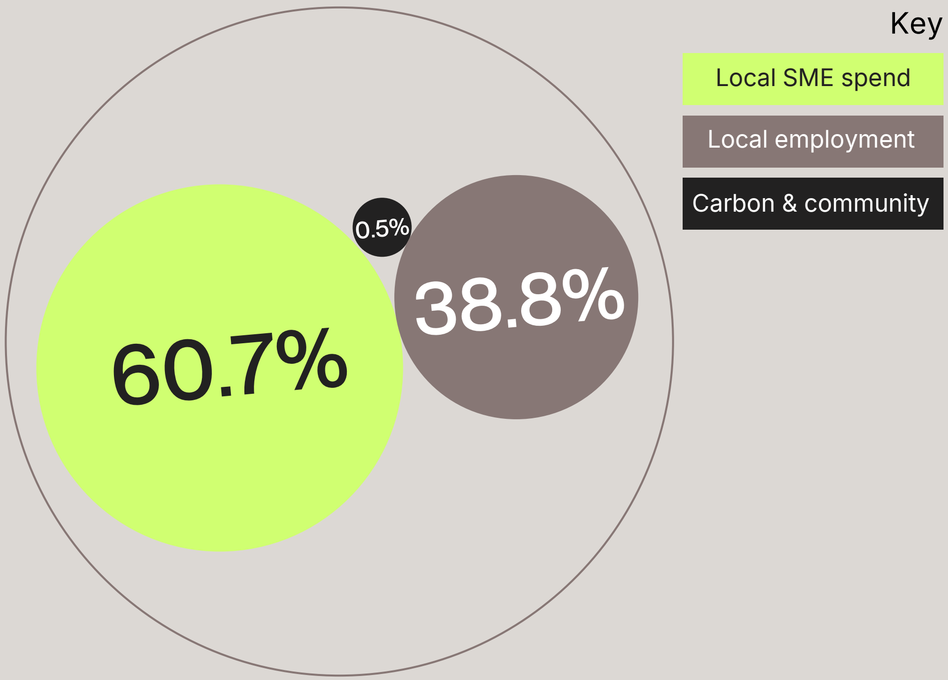
Social value measures the wider economic, environmental and community benefits we create through our operations.

£3.294m **+29% YoY**
2024 - £2.56m

Social value created in 2025

The increase reflects an expanded National TOMs scope, including the introduction of local employment (NT1), which contributed £1.28m and was not reported in 2024.

Where social value was created



National TOMs breakdown

£1,998,487	**Economy / NT19** Spend with local SMEs in the supply chain	£1,280,216	**Employment / NT1** Local people employed or retained: 28 FTE
£12,424	**Community / NT29 + NT28** Volunteering + donations – 52hrs + £11,515	£3,651	**Planet / NT31 + NT31a** Scope 1, 2 & 3 carbon reductions 14.5 tCO_2e

Social value is calculated using the National TOMs framework and is not independently verified.
Local SME proximity is measured as within 10 miles from the City & Essex head office.

02

Planet

Our environmental story is about decoupling growth from impact, improving data quality and strengthening supplier engagement.

Performance

Carbon at a glance

Business growth continued in 2025 while absolute emissions remained broadly stable. This reduced the carbon associated with every £m of revenue, continuing the downward trend in emissions intensity.

14.3%

Reduction in emissions intensity

Less carbon for every £m of revenue

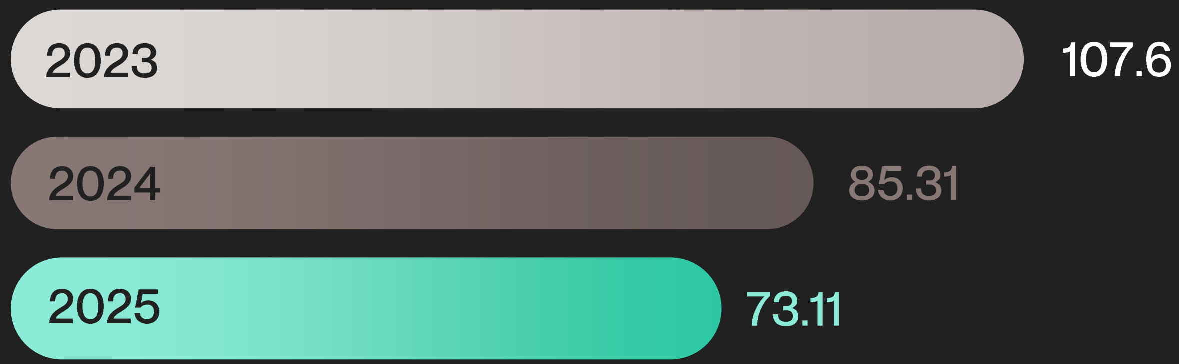
Metric	2024	2025	Change
Total emissions (tCO_2e)	2,154.51	2,140.02	**–0.67%**
Revenue (£m)	25.26	29.27	**+15.9%**
Intensity · tCO_2e / £m	85.31	73.11	**–14.3%**

Looking ahead

Our next focus is translating improved carbon intensity into absolute reductions as the business grows.

2026 target → Below 1,900 tCO_2e

Carbon intensity per £m revenue (tCO_2e / £m)

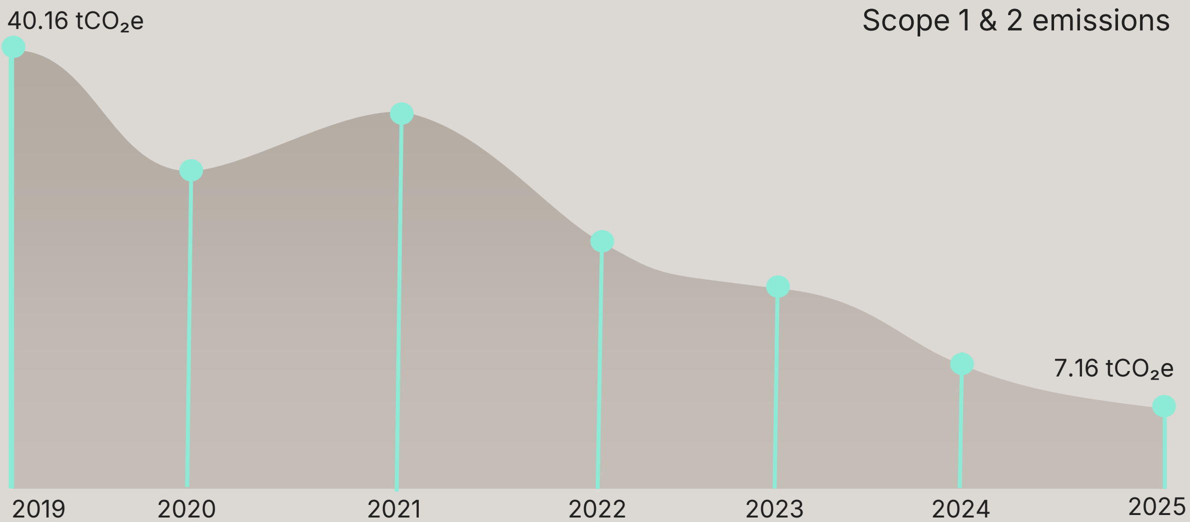


Journey

Net zero pathway to 2040

Our net zero journey began with establishing our carbon baseline in 2019. Since then, we've made significant progress in reducing the emissions we directly control, creating a strong foundation for our long-term ambition to reach net zero by 2040.

Scope 1 & 2 emissions



82.2%

Reduction in scope 1 & 2 emissions

Near-term target validated by the SBTi

Near-term targets validated by the SBTi under the SME route, which covers Scope 1 and 2.

Progress against our target

We have exceeded our 2030 reduction pathway five years ahead of schedule.

2019 baseline	40.16 tCO_2e
2030 target (75% reduction)	10.04 tCO_2e
2025 actual	**7.16 tCO_2e**

Our five-step approach

01
Measure

Annual full-scope footprint through NCZ, with clearer data-quality notes.

02
Reduce

Operational efficiency, fleet electrification and lower-impact product choices.

03
Engage

Suppliers and clients asked to improve carbon evidence and joint action.

04
Validate

Increase supplier-specific carbon reports and product-level evidence.

05
Neutralise

Only after reduction: address residual emissions credibly and transparently.

Next Challenge

From operational carbon to value chain emissions

Having significantly reduced the emissions we directly control, our greatest opportunity now lies within our value chain. With Scope 3 accounting for almost all of our footprint, our focus is shifting to better data, stronger supplier engagement and lower-carbon procurement.

The bigger picture

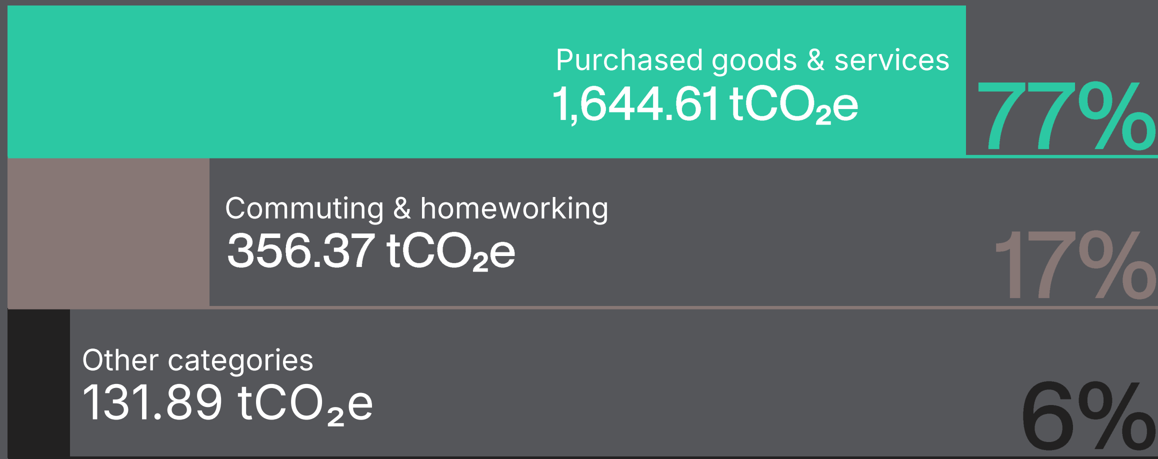
99.7% 2,132.87 tCO_2e

Scope 3

0.3% 7.16 tCO_2e

Scope 1 & 2

Where our scope 3 emissions sit



2026 priorities

01 - Improve supplier-specific carbon reporting
02 - Increase product-level carbon evidence
03 - Refine sustainable product categorisation
04 - Embed carbon reporting into supplier contracts

Why product improvements aren't yet fully reflected

Spend-based carbon calculations may not fully reflect the environmental benefit of lower-impact product choices. Improving supplier-specific data is therefore a priority for 2026.

Commuting emissions extrapolated from employee travel survey data (99 responses).

Spotlight

The practice behind the numbers

Progress against our Planet KPIs comes from practical decisions made across the business.
Here, we look at three of those decisions and the governance that keeps progress under review.

2

ESG Steering Group meetings

2026 target: Quarterly meetings

Our ESG Steering Group brings senior leadership together to challenge ESG performance, review material issues and turn insight into clear actions.

Senior leadership represented
KPI performance and data reviewed
Actions assigned to named owners

72%

Eco product spend

49% in 2024 → 75% aim for 2026

We have increased our use of Jangro's ntrl range, combining effective cleaning performance with a lower-impact approach to everyday cleaning.

100% recycled plastic containers
Formulated with plant-derived ingredients
Manufacturer states production is carbon-neutral

39%

Recycled uniforms

16% in 2024 → 45% aim for 2026

We've introduced recycled polyester across our uniform range, reducing reliance on virgin materials while maintaining durability and performance.

~1.2 tCO_2e avoided vs virgin polyester
~6,900 kWh of energy avoided
~equivalent to 20,000 water bottles diverted

Uniform savings are indicative estimates and are not independently verified: based on 1,093 recycled items (≈547 shirts at 0.25 kg and ≈546 trousers at 0.45 kg) and published emissions and energy factors for virgin and recycled polyester.

Spotlight

Waste intelligence powered by ThinkGreen

ThinkGreen gives us and our clients site-level waste data, helping us understand material flows, improve segregation and provide clearer waste reporting for our customers.

1,368 t

Of waste monitored through ThinkGreen in 2025

277,344

Individual waste weighings captured across participating datasets.

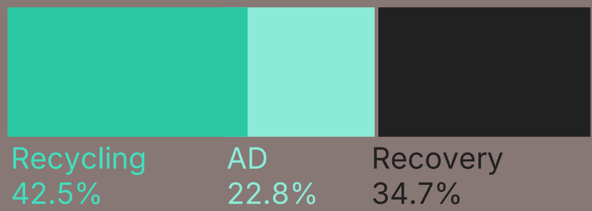
Landfill outcome

No waste was recorded as sent to landfill within the 2025 dataset.

Treatment route split

65.3%

Recycling + AD rate



2026 improvement focus

Moving around 65 t from recovery into recycling or anaerobic digestion could increase the combined rate to around 70%, subject to site audits.

Largest streams

General waste	475.5 t
Food waste	276.9 t
Mixed recycling	238.0 t
Glass	124.7 t
Cardboard	111.1 t

What the data tells us

General waste remains the largest stream, making improved segregation the clearest practical opportunity.

Note: site coverage varies. Carbon equivalencies, contamination and sustainability score excluded pending methodology validation.

03

Partnerships

We are formalising internal integrity, supplier engagement and collaborative client relationships through clearer governance and more deliberate KPIs.

2025 baseline

Partnerships at a glance

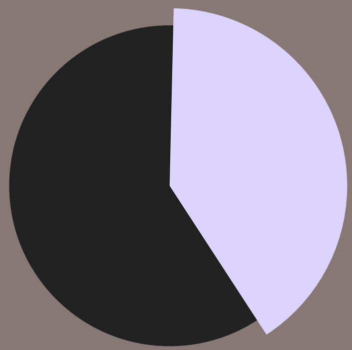
2025 establishes our baseline for formal partnership KPIs, strengthening governance, supplier accountability and the shift from informal collaboration to measurable performance.

2025 partnership KPIs

44.9%

Of supplier spend covered by our signed supply chain charter

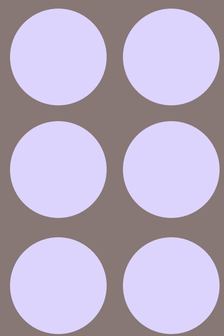
2026 target: **60%**



6

Joint customer ESG initiatives

2026 target: **10**



Governance commitments

1. ESG policy review with quarterly board oversight
2. Centralised carbon & social-value data capture
3. Internal audit framework for sustainability
4. ESG training embedded across all levels
5. Near-term science-based targets validated by the SBTi

Governance

Turning commitments into accountability

Governance turns our commitments into action through clear policies, defined ownership, and transparent accountability pathways.

Internal integrity

Our policy framework sets clear expectations for how we conduct ourselves, make decisions and manage risk, with a named owner and formal review cycle for every policy.

→ Ethics & conduct · Anti-bribery · Fraud prevention
Conflicts of interest · Data protection

Raising concerns

Colleagues have confidential routes to raise concerns, supported by defined processes and protection against retaliation.

Independent assurance

Our management systems are certified by a UKAS-accredited certification body and independently audited across quality, environment and health & safety.

44.9% Of supplier spend covered by our Supplier Sustainability Charter

Measured by spend to focus engagement where our purchasing influence is greatest.

2025 baseline → 60% target for 2026

Responsible supply chain

Our Supplier Sustainability Charter sets out the environmental, social and ethical standards we expect from the businesses we work with, creating a clear framework for engagement and accountability.

— Sustainability Charter introduced
— ESG standards embedded in supplier contracts
— 2026: 60% of supplier spend covered
— Next: Supplier sustainability risk assessment

ISO 9001 · ISO 14001 · ISO 45001

Accountability

KPI scorecard

A consolidated view of our 2025 performance against baseline, targets and 2026 ambitions

Pillar · KPI		2024	2025 target	2025 actual	2026 aim
People	Average training hours / employee	15	16	16.14	17
	Environmental awareness training	7.46%	50%	93.51%	95%
	Social value (National TOMs)	£2.56m	-	£3.294m	£3.5m
	Community Volunteering Hours	62	-	52	65
Planet	Total carbon footprint (tCO_2e)	2,154.51	-	2,140.02	<1,900
	Scope 1 & 2 reduction vs 2019	62.44%	-	82.2%	-
	Eco product spend	48.8%	55%	72.1%	75%
	Recycled uniforms	15.9%	20%	38.9%	45%
	Fleet electrification	100%	100%	100%	100%
Partnerships	Supplier charter coverage (by spend)	New	-	44.9%	60%
	Internal ESG steering group meetings	New	-	2	4
	Joint Customer ESG Initiatives	New	-	6	10

- = no formal annual target set

Looking ahead

2026 priorities

The targets and priorities that will guide our progress in 2026.

Key 2026 targets

People

Increase learning and volunteering activity while maintaining high environmental awareness.

17 hrs	Training / employee
95%	Environmental training
£3.5m	Social value
65 hrs	Volunteering

Planet

Reduce absolute emissions while improving supplier-specific carbon data.

75%	Eco product spend
<1,900 tCO_2e	total emissions

Partnerships

Extend ESG expectations through our supply chain and increase collaboration with clients.

60%	Supplier charter coverage
10	Joint customer ESG initiatives

Looking ahead

Five-year roadmap to 2030

How better data, stronger governance, procurement and collaboration build the pathway towards our 2040 net zero ambition.

The next five years are about turning carbon reporting into a practical decarbonisation programme.

2026

Define & govern

Establish KPI definitions, methodologies, and supplier data requirements.

Definitions

2027

Improve evidence

Increase supplier-specific carbon data and validate product sustainability claims.

Evidence

2028

Embed procurement

Use supplier ESG scorecards, product evidence and carbon data in procurement choices.

Procurement

2029

Scale collaboration

Expand customer initiatives, site-level ESG dashboards and supplier improvement plans.

Collaboration

2030

Review pathway

Assess progress against SBTi milestones, Scope 3 quality and the 2040 pathway.

Checkpoint

Redefining Excellence Together

Thank you to our colleagues, customers, suppliers and partners for the trust and collaboration that continues to drive our progress.