

TRSA Operator Member ESG Measurement Survey Results

August 2023

Purpose

This survey report presents evidence from spring and summer 2023 of TRSA members' preparedness to promote their companies' Environmental, Social and Governance (ESG) virtues. Compilation of this data is among the first steps in TRSA serving as the primary resource for members regarding ESG.

ESG became more prominent as publicly traded companies around the world, particularly in Europe, were facing increasing investor and regulator scrutiny of their ESG practices. Some larger buyers of our industry's services, concerned about how their suppliers' ESG affects their own, began to ask more about their linen, uniform and facility services' ESG. A handful of TRSA members had published ESG reports, but the majority had not yet undertaken substantive ESG programs or extensive tracking and reporting.

Instead of a benchmarking study, the survey was more of a gap analysis comparing current industry activities and measurement to potential future desired performance. The survey used a checkbox/multiple-choice questionnaire gathering a high-level view of the range of responding organizations' practices. No statistics or formulas were involved. Questions asked if the company deployed a particular ESG-related practice (yes-no) and if the practice's impact was measured (quantified). *Not how* it was measured *nor the actual* quantification. Just whether it had been tracked.

Practices covered were:

- Sustainability culture
- Supplies' end-of-life (recycling, repurposing, textile waste)
- Wastewater and water conservation (pretreatment, fresh/reused water sources)
- Energy (traditional and renewable sources, vehicle fuel)
- Conservation (water heat, lighting, route, chemistry)
- Diversity, equity, and inclusion
- Gender/ethnicity
- Employment
- Supply chain
- Quality control
- Corporate governance

Some 50 TRSA member organizations responded to this call for them to assess what ESG tactics they were deploying and tracking. Responding individuals were asked for their contact information and about the company's primary customer industry market(s). But no proprietary information was requested, and responses were kept confidential. All but one respondent identified themselves, testifying to the exercise's value for comparing results with peer companies, as such identification was required for respondents to receive these results.

TRSA leaders would review the results to gauge the industry's ESG progress and determine what TRSA could do next to ensure members received high-value information to guide their corporate ESG evolution.

Results Summary

Environmental

- Sustainability culture (reduce, reuse, recycle, repurpose, recover) as indicated by corporate policy and procedure is strong. Measurement of policy impacts lags somewhat.
- Respondents' practices are consistent with general business and consumer trends for typically recycled materials; generally, volume is not tracked.
- Of the industry's four typical wastewater pretreatment practices, chemical treatment is most common. Most respondents who use this technique measure volume treated.
- In assessing fuels used and electricity sources for laundry operations, most respondents measure what they use, including from sources less commonly used.
- For fleet vehicle fuel, diesel is preferred to gasoline. Use of four alternative fuels indicates minimal adoption of these.
- Among 10 energy conservation practices in plant operations, three are used almost unanimously by respondents. For all practices, less than half of respondents who deploy them measure their impact.

Social

- Of 14 diversity, equity and inclusion practices, three were most common, reflecting assignment of responsibilities for communicating and managing DEI.
- Identifying race and gender representation in management levels and business functions is not a majority practice.
- Regarding employee/community relations, respondents nearly unanimously have employee complaint systems and support charitable organizations. A near majority has collective bargaining agreements.
- Surveys are the most common means of determining employee satisfaction but nearly half of respondents inquire in performance evaluation.

Governance

- Safety training is overwhelmingly the most common type of training for which companies track work hours. A near majority or majority of respondents track six more types of training in this manner.
- Written codes of conduct for employees are used nearly unanimously but only a minority have such a code for suppliers or require suppliers to have their own such codes.
- Measures of product quality and customer satisfaction are used nearly universally.
- Most respondents have a Board of Directors. Most commonly represented are company shareholders. Most do not track Board members' gender or race.