

# EVOLUTION OF MATERIAL MATTERS

Alex Begg's 2024 Sustainability Report



ALEX BEGG GROUP

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# CEO Introduction

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At Alex Begg Group Limited, we firmly believe that our commitment to sustainability is both a moral obligation and a strategic imperative. We are acutely aware of the critical environmental challenges confronting our planet—from climate change and resource depletion to social inequalities and biodiversity loss. We are proud to share the steps we have taken to deliver on our mission to manufacture the most luxurious products in the most responsible way, the challenges we face, and our commitments for the future in our 2024 Sustainability Report.

Sustainability is embedded in every aspect of our operations, from purchasing certified yarn, upcycling offcuts and using renewable energy, to paying a living wage to all staff. This year, we have achieved significant milestones in our sustainability journey including our B Corp certification and our increase in certified Sustainable Fibre Alliance (SFA) cashmere and Responsible Wool Standard (RWS) wool. However, we also acknowledge areas where we have not made as much progress as we had hoped, notably energy and waste where we have not met all of the targets we put in place. Despite these setbacks, we remain committed to innovation and finding new ways to overcome these challenges and achieve our goals.

Transparency and accountability are cornerstones of our sustainability efforts, and we believe it is essential to provide our stakeholders with clear, honest updates on our progress, challenges, and achievements. This report is an embodiment of our commitment to open dialogue and continuous improvement. We invite you to join us in this crucial endeavour.

**Bruno Guillon** *Chief Executive Officer*

## 2024 Impact Highlights

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***Became a certified  
B Corp in May, 2024***

***Achieved Responsible Wool  
Standard and Sustainable  
Fibre Alliance certification in  
December 2024***

***1,648.75 hours volunteering  
for community initiatives***



## Our Organisation

Alex Begg Group Limited is the parent company of Alex Begg Inc., and controls the Begg x Co and Scott & Charters brands. Alex Begg Group is a global textile manufacturer that designs and manufactures luxury cashmere knitwear, accessories and homeware for the modern lifestyle with mills in Ayr on the west coast of Scotland and Hawick, 'The Home of Cashmere', in the Scottish Borders. As well as crafting collections for our own brand, Begg x Co, we also work with the world's most prestigious fashion houses. With generations of expertise, Alex Begg Group is synonymous with quality, care and attention to detail. Alex Begg Group employs over 200 people, and its products are sold worldwide.

## A Lindéngruppen Company



Our owner, Lindéngruppen AB, is a second-generation family business focused on sustainable and long-term development of industrial companies. Lindéngruppen's purpose is to "empower our companies to prosper and lead the transformation to a sustainable world".

The Group is unified by the belief that by being rooted in a clear purpose and long-term thinking, we are better able to build resilient and prosperous companies, while also making a difference and taking an active part in solving some of the major challenges facing our world. Each company is required to have a clear understanding of the topics that are most material to itself and the Group, and how these can be influenced and over time mitigated, or if positive, enhanced.



## Our B Corp Journey

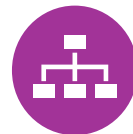
### Certified



### Corporation

Alex Begg Group became a certified B Corp on May 9th, 2024, a milestone that reflects our commitment to becoming a more sustainable and responsible business. The journey to certification required reflection on our own ambition and a cross-organisation contribution to meet our aim to certify as a B Corp.

Currently, B Corps are scored using the five impact areas in the current B Impact Assessment. Alex Begg Group's overall score is 81.4, broken down by each section below:



**Governance**  
15.1



**Workers**  
29.1



**Community**  
17.4



**Environment**  
16.2



**Customers**  
3.4

We are also recognised as having an "impact business model", Resource Conservation, which recognises the work we do to upcycle 100% of our offcuts. This upcycling programme is also an important part of our waste reduction approach and informs our efforts to understand how Alex Begg can be a part of the circular economy.

*"Achieving certification was a cross-organisation effort, with every part of the business engaged in understanding our impact and contributing to managing it. Since certifying, B Corp has been core to our continued effort to embed sustainability across our organisation. This approach to benchmarking and improving our social and environmental impact is deeply embedded and is making us a more resilient business."*

- Fiona MacDonald, Sustainability Manager

### Continuous Improvement

We aim to improve our impact between the three-year certification cycle, to build on the hard work and commitments to keep our mission in focus as we mature. In 2026 we will recertify under B Corp 2.0 standards, a substantially revised assessment against new set of minimum requirements. This is a game changer for the standards, so we have already actioned a plan to meet these new standards.



# Purpose & Stakeholder Governance

Sustainability is firmly embedded with our company strategy and values, actions and behaviours. Our sustainability plan is aligned with the Group level Value Creation Model, resourced and approved at Board level.

As well as company level B Corp certification, our manufacturing sites are both certified to ISO 50001, and our site in Ayr is certified to ISO 14001 and ISO 9001. In 2024, both sites also became certified for Responsible Wool Standard and Sustainable Fibres Alliance processing. This means that we are able to manufacture certified material and have increased traceability of our supply chain, an crucial part of achieving our mission.

## **Double Materiality Assessment**

As a Lindénggruppen company, we will be accountable to the Corporate Sustainability Reporting Directive from the European Union. Notwithstanding the 'omnibus proposal' at the time of writing this report, part of the directive includes conducting a Double Materiality Assessment, aligned with the European Sustainability Reporting Standards to establish our priority impact topics.

Our Double Materiality Assessment was conducted at Lindénggruppen level to include all Group companies, assessing our material impacts from two perspectives:

- Impact materiality ('inside-out'): How our operations and value chain affect people and the environment
- Financial materiality ('outside-in'): The risks and opportunities these impacts pose to our business

The assessment considers our entire value chain, i.e. it includes upstream and downstream value chain in addition to our own operations and stakeholder interviews were included in the evaluation of the Group impacts.



The material impact topics from our 2024 double materiality assessment are below:

AREA	TOPIC	EXPLANATION
Environment	Climate change adaptation	Alex Begg has a global value chain which is vulnerable to disruptions from weather events and temperatures caused by climate change.
	Scope 1 GHG Emissions	Decreased Scope 1 GHG emissions are important for Alex Begg to meet its sustainability objectives and B Corp certification requirements.
	Scope 2 GHG Emissions	99% of Alex Begg's electricity is from renewable sources (solar panels and REGO).
	Scope 3 GHG Emissions	As the majority of the business's emissions sit in Scope 3, it is imperative for the business to fully measure this impact and set reduction targets.
	Energy	As a weaving and knitting company, energy is critical to the crafting of products.
	Pollution of water	While Alex Begg is compliant with Scottish Water effluent requirements, water pollution is a significant issue for the entire textile industry.
	Water consumption	Water consumption as defined in the ESRS is not significant for Alex Begg. However, as Alex Begg uses animal fibres, water consumption has a greater impact in the upstream value chain.
	Water withdrawals	While both manufacturing sites are located in low-risk water areas according to the WRI, the company aims to reduce its overall water withdrawal as part of manufacturing improvements. Water withdrawal is also significant for the upstream value chain of the textile industry.
	Water discharges	Effluent discharge is significant for the textile industry. Alex Begg remains compliant with Scottish Water discharge limits.
	Resource inflows, including resource use	Alex Begg's major inflow materials are bio-based yarns, which are increasingly from SFA and RWS certified sources.
	Resource outflows related to products and services	Alex Begg produces premium products that are durable and repairable. The products are made of natural fibres for long term use and not made to be thrown away or designed for disposability.
	Waste	Waste is one of the key environmental impacts of the textile industry. Alex Begg does not send any waste to landfill, and 100% of textiles offcuts are upcycled.



AREA	TOPIC	EXPLANATION
Social	Secure employment	Alex Begg's Code of Conduct states that the company shall comply with all applicable laws and regulations that relate to their activities in the countries in which they operate. Alex Begg does not utilise zero-hours contracts.
	Working time	Alex Begg has annualized hours in production, working four days a week in the start of the year. From May onwards they ramp up as July, August and September are peak months.
	Adequate wages	Alex Begg is a Living Wage Employer, which is an important aspect for staff retention and helps in view of local competition.
	Work-life balance	A healthy work-life balance for employees is important to Alex Begg, and the company has a number of policies to support this balance.
	Health and Safety	All Alex Begg's activities must be conducted with respect for employee health and safety. All employees shall be provided with a safe and healthy working environment. Alex Begg takes appropriate action to prevent workplace accidents or illnesses.
	Gender equality and equal pay for work of equal value	All employees must be treated equally, have equal opportunities, and not be subjected to discrimination based on ethnic or national origin, creed, skin colour, gender, marital status, sexual orientation, religion, political opinion, nationality, social origin, disability or union membership.
	Training and skills development	Manufacturing luxury knitted and woven products is an artisanal craft. Therefore, robust training and skills development are imperative for Alex Begg.
	Diversity	Alex Begg's Code of Conduct states that the company promotes diversity and equality and that all employees must be treated equally, have equal opportunities and not be subjected to discrimination.
	(i) Secure employment, (ii) working time, (iii) adequate wages, (iv) social dialogue, (v) freedom of association, (vi) collective bargaining, (vii) work-life balance & (viii) health and safety	Labour rights is a key issue in the fashion industry and increased focus is put on managing issues in the supply chain. Alex Begg's Supplier Code of Conduct requires suppliers to adhere to laid out standards. Suppliers shall support and respect the protection of internationally proclaimed human rights, such as the Universal Declaration of Human Rights, within the sphere of their influence. Suppliers shall not be complicit in human rights abuses, neither do they tolerate working conditions or treatment that conflict with international laws and practices.
	(i) Child labour / Forced labour, (ii) adequate housing, (iii) water and sanitation & (iv) privacy	Alex Begg's suppliers are not considered to have significant risk for incidents of child labour, young workers, or any forced or compulsory workers. Alex Begg conducts desktop audits and supplier visits. Risks related to forced or child labour should be lowered as Alex Begg moves towards 100% certified fibre.

AREA	TOPIC	EXPLANATION
Governance	Corporate culture	Alex Begg sends out a survey on corporate culture once per year to whoever is employed at the time. The survey is sent out in the busiest period of the year and forms the eNPS score which is reported to Lindéngruppen. B Corp certification also sets expectations for corporate culture.
	Protection of whistle-blowers	Alex Begg has a whistleblowing policy which ensures that any concerns raised are sent to an independent third party. Employees are encouraged to raise concerns about malpractice or corruption, without fear of reprisal. All whistleblowing allegations will be investigated promptly and thoroughly.
	Animal welfare	Animal welfare is extremely important as almost all yarn purchased by Alex Begg is derived from animal fibres.
	Prevention and detection including training and incidents	Alex Begg's Code of Conduct clarifies the expectations on all their employees and, among other things, sets forth that they have zero tolerance for corruption.





# Our Strategy

## Value Creation Model

As active owners, Lindéngruppen empower their businesses to reimagine value creation with a broader perspective, as demonstrated by their Value Creation Model (VCM). Lindéngruppen believe that the role of business is not solely to generate profit, but to act as a force for good within a broader ecosystem. The Value Creation Model is a crucial tool for promoting holistic value creation within the Group. It is increasingly used by Alex Begg and will be further integrated into our strategy and operations.

By including economic, environmental and social considerations when measuring value, Lindéngruppen aims to:

- Drive transformation and contribute to a sustainable world.
- Make more informed and responsible business decisions and optimise resource use.
- Create stakeholder value and more meaningful dialogue.
- Better understand the risks and opportunities of our business.
- Promote accountability and transparency.
- Inspire others by demonstrating leadership in value creation.

During 2024, a cross-company taskforce was set up to develop the model with the aim of further embedding it in the ways of working across the Group companies to enable and empower them to create ownership and engagement. As a result of the taskforce's work, a roadmap with actions to be executed during 2025/26 was developed together with a number of methodology improvements, including ESRS alignment and equity-based inclusion of Höganäs. 2024 is the first time we reported according to the new methodology.



## Governance: Progress & Commitments

IMPACT TOPIC	2024 TARGETS	PROGRESS	2025 TARGETS
Purpose & Stakeholder Governance	Undertake CSRD compliant Double Materiality Assessment	We took part in a group level double materiality assessment	Use the material impacts to develop a strategy to manage impacts

## Next Steps

Our priority material impacts will inform our strategic approach to sustainability for the next 3-5 years. In 2025 we will develop a roadmap of actions and disclosures, consolidated with B Cop 2.0 standards and those actions required to meet the new minimum requirements.

In addition, we will align our stakeholder governance with B Corp 2.0, which are the new performance standards from B Lab that will be published in 2025. This will include aligning our purpose with our commitment to make a meaningful positive impact on society and the environment, implementing a public stakeholder grievance mechanism, and a responsible marketing and communications policy.

## Career Development

In 2024 we delivered fewer internal promotions due to the challenging economic context and maintaining a flat structure. However, we increased the training provided by focusing on cross-skilling our staff.

Training Hours Breakdown	2023	2024
Average number of training hours per employee	16	23
Average number of training hours per female employee	14	26
Average number of training hours per male employee	18	17

## Civic Engagement & Giving

Engagement with the local community around both of our manufacturing sites is important to Alex Begg because we are a big employer in the community and therefore knitted into the people and landscape. In 2024, we donated 1,648.75 hours of staff time to community activities, such as fundraising through the annual Kiltwalk, building a garden space for one of our charity partners, and sharing presentations with local schools.

We helped to fundraise and donated in-kind £17,387 to a range of charities picked by our staff:

Charity	Donations/Fundraising
Newton Primary	£600.00
Aberlour children's charity	£3,350.00
Cancer Research UK	£3,000.00
Sentier D'Action	£1,665.00
Ayrshire Hospice	£1,131.50
Mental Health Foundation	£26.00
Border Women's Aid	£1,543
Business Beats Cancer	£5,251.28
Butterfly Event	£640.01
The Princes Trust	£180.68
<b>Total</b>	<b>£17,387.47</b>

## Engagement & Satisfaction

We prioritise employee engagement and satisfaction as key indicators of our workplace culture and overall sustainability. We utilise the Employee Net Promoter Score (eNPS) from our annual staff survey as a primary metric to gauge these factors. In addition to the eNPS, we conduct a comprehensive analysis of the broader survey data to identify areas for improvement and recognise our strengths.

### Challenges and Results

The year 2024 presented significant challenges for our workforce:

1. A business reorganisation in early 2024 led to some redundancies.
2. Market instability contributed to increased job insecurity amongst employees.

As a result, our eNPS score experienced a substantial decline, dropping from +4 in 2023 to -10 in 2024. This decrease reflects the impact of these challenges on employee sentiment and highlights the need for targeted interventions.

### Moving Forward

Recognising the importance of workplace culture in our new standards, we are committed to reversing this trend. Our action plan includes:

- Increasing meaningful dialogue with employees through various channels
- Implementing targeted initiatives to address areas of concern identified in the survey
- Enhancing transparency around business decisions and future plans
- Investing in employee development and wellbeing programmes

By focusing on these areas, we aim to rebuild trust, improve job satisfaction, and foster a more resilient and engaged workforce in alignment with the new B Corp standards.







## Case Study: The Textile Industry Challenge

The challenges facing the UK textile industry, such as an aging workforce, skill shortages, and increasing global competition, have made it essential to adapt. In response to these pressures, Alex Begg Group has prioritised long-term solutions, with a particular focus on nurturing the next generation of technical and business leaders through its apprenticeship program.

### Why Focus on Apprenticeships?

The apprenticeship program exists to provide hands-on, real-world experience while offering structured technical training. By investing in apprentices, we create a pipeline of skilled workers who are committed to the company's future. Additionally, apprentices bring new perspectives and creative problem-solving approaches to help the company modernise its processes and operations.

### Apprenticeship Projects and Initiatives

In 2024, several key projects demonstrated the value of Alex Begg Group's apprenticeship program in driving both innovation and operational improvements.

William, Mechanical Engineering Apprenticeship: preparation for annual safety inspections, installation of flow meters on the scouring tubs, and streamlining the organisation and efficiency of maintenance projects.

Jamie, Mechanical Engineering Graduate Apprenticeship – Knitwear: decommissioning of Bently Cotton knitting frames, and learning the mechanics of Shima Seiki and sewing machines to improve efficiency and reduce machine downtime for maintenance.

Rachel and Liall, Tuner Apprenticeship Development: Specialist training in Belgium, providing a deeper knowledge of the new Picanol looms, becoming lead technicians in the mill for these new looms. Loom efficiency modelling allows the technical team to analyse loom performance and improve processes and asset management to improve overall efficiency and expand operational capacity.

*"The training in Belgium was incredibly insightful. I learned not only the technical aspects of the machines but also gained the confidence to pass this knowledge on to my colleagues. I feel much more capable and excited to apply what I've learned to improve our operations."*

- Rachel

*"The opportunity to train with Picanol in Belgium was invaluable. It deepened my understanding of the machines I work with daily and helped me learn more about other weaving machines. The connections I made and the knowledge I gained will be incredibly beneficial to my development and to the team."*

- Liall

Ian Rogers, Warping and Technical Lead, also praised their growth:

*"Liall and Rachel took on the challenge of international training without hesitation. This training is crucial to their development and to the team's success in operating and maintaining the new Picanol looms. The insights they've gained are already paying off, and they're becoming key contributors to our technical team."*

Through the apprenticeship program, Alex Begg Group is successfully developing the next generation of leaders who are equipped to face the challenges of a rapidly changing textile industry.



Case Study: Aberlour, Scotland’s children’s charity

Ross, the newest addition to our apprenticeship team and has already made a strong impact. He built a professional rapport within our mentorship program, which we are trialling with the apprentices as a group. Ross and the Ayr apprentice team raised funds for Aberlour, a local charity that provides respite care for children and young people with learning disabilities, autism, and complex physical or health needs.

As part of this initiative, the team organized a quiz night and managed a project to transform a garden space for the children. Their efforts resulted in raising over £1,850, which went towards the creation of a new gazebo and other enjoyable additions for the children. Ross and the team’s dedication and leadership in this project exemplifies the values of teamwork and community engagement that we strive to cultivate within our apprenticeship program.

People: Progress & Commitments

IMPACT TOPIC	2024 TARGETS	PROGRESS	2025 TARGETS
Engagement and Satisfaction	+10 eNPS score Maintain or improve our eNPS score from 2023.	Did not achieve.	+5 eNPS
Career Development	Measure and report our skills gap.	40% of roles identified as critical to the business.	Develop robust training plans for critical roles.
Civic Engagement and Giving	3 charitable activities for fundraising. Support our local charity partners with activities to raise funds. Engage with local schools to provide support with learning materials for children.	Achieved. Worked with local charity Aberlour, raising funds through a quiz night and developing a garden space for the children.	Commit to donating £5,000 to charities.

Next Steps

At Alex Begg, we are committed to fostering an inclusive and diverse work environment that contributes meaningfully to just and equitable communities across all social identities. We recognize the historical and ongoing systems that sustain inequality among systematically disadvantaged groups, and we are dedicated to adopting intentional plans to address these issues within our organization and value chain. As well as implementing a workplace culture action plan, we will write an equity, diversity and inclusion action plan in 2025, including but not limited to:

- Implementing further inclusive hiring practices
- Rolling out diversity and inclusivity training across all levels
- Collecting data on gender identity to inform a workplace culture action plan
- Increase our mentoring opportunities
- Developing and implementing an inclusive language and ethical content guide.



This section of our report focuses on our materials, innovation and supplier relationships. Certified fibres play a crucial role in promoting sustainability and ethical practices in the textile industry. These standards ensure that fibres are produced in a manner that respects animal welfare, environmental conservation, and social responsibility, contributing to a more responsible and ethical textile sector. We are constantly seeking to innovate for our customers – trialling, testing and developing new products and processes for their requirements and giving them more sustainable options.

Materials Innovation

We expanded our supply range of fibres, such as introducing Responsible Alpaca Standard certified fibres. For this development, we created a specific alpaca-fibre woven product in collaboration with a key customer to facilitate their expansion into a target market, whilst also trialling other new structures and finishes to fully explore the innovative potential of this fibre.

We launched a technical exploration of the causes of pilling, which is a measurable expression of wear and tear on cashmere. As part of this project, we delved into several key influencing factors including our internal process steps, and worked on yarn supply and specification in partnership with our spinners. This led to the launch of a raw material that would give us improved quality performance. External quality testing on the suite of trials has proven the theory, giving us a pathway to extend the longevity of a broad range of our products as we apply the learnings more widely.

Percent of certified and recycled yarn purchased	83%
Percent of product developments designed with one or more sustainable attributes	62%

Supply Chain Management

Supply chain traceability is of increasing importance in understanding the environmental and social impact of the supply chain and promoting responsible practices. We have been working with our yarn suppliers to move to certified sources of wool and cashmere. In 2024, we became certified for Sustainable Fibre Alliance (cashmere) and Responsible Wool Standard (wool) processing and will continue to grow our products made with certified fibre in 2025.

We have quarterly meetings with our primary yarn suppliers at our manufacturing site in Ayr. These meetings facilitate greater communication and transparency between Alex Begg and our supply chain partners. While we already had good and longstanding relationships with our suppliers, the frequency and consistency of these meetings has strengthened our partnerships. We also conduct periodic visits to our suppliers.

In 2024 we continued rolling out supplier self-assessments, covering environmental, social and governance topics. Supply chain partners are also accountable to our Supplier Code of Conduct. We have annual reviews with our suppliers, covering topics such as performance, communication, and quality over the course of the year.





Product: Progress & Commitments

IMPACT TOPIC	2024 TARGETS	PROGRESS	2025 TARGETS
Materials innovation	Develop new recycled products for the Begg x Co collection	Successfully developed two new recycled products for the AW25 Begg x Co collection	Review performance of products in the market
Supply chain management and traceability	Get both manufacturing sites certified for Sustainable Fibre Alliance and Responsible Wool Standard processing	Both sites passed the SFA and RWS audits	Develop a strategy to increase manufacturing with certified yarn.

Next Steps

We are dedicated to increasing the percentage of certified and recycled yarns in our products to reinforce our commitment to sustainability. To do this we need to review the performance in the market of our recycled products.

Successful product developments using recycled cashmere have resulted in a woven stole and coordinating knitted beanie being selected for Begg x Co’s AW25 collection. The products have been shown to our wholesale customers and are intended to launch online and at our Burlington Arcade store in August 2025.

We have continued trials to replace polyester stitcher thread with more sustainable options, including wool and lyocell. Early trials have proved successful, and further trials and the route to full rollout will be conducted in 2025.

Traditionally, Alex Begg Group’s woven products have been soft accessories and homeware. However, we are looking to expand our product categories to include products with increased functionality. Innovation within wovens has recently explored how to improve product performance in accessory weights, in turn giving our product greater longevity.

These learnings have opened up opportunities to develop specifically into new product categories.



## Climate Action

The textile industry has a global supply chain. Climate action is included in our Double Materiality Assessment, and we will be setting Net Zero targets in 2025.

### Energy use and Greenhouse Gas Emissions

Category	Unit	2023	2024
Purchased Natural Gas	kWh	1,541,785	1,561,082
Purchased Non-Renewable Electricity	kWh	6,097	9,401
Purchased Renewable Electricity	kWh	1,138,315	967,619
Self-Generated Solar	kWh	32,348	30,484
Total Energy	kWh	2,718,545	2,568,587
Reduction of Energy Consumption Year on Year	%	10	6

2024 saw a reduction of total energy consumption of 6% compared to 2023.

In 2024, we also estimated the emissions for: upstream transportation and distribution for yarn deliveries; fuel and energy related activities; and waste generated in operations. The addition of these categories means that our reported Scope 3 emissions in 2024 have significantly increased compared to our 2023 baseline. To enable comparability, we have applied the same methodology to calculate Scope 3 data for 2023 for the same categories as 2024. The reported 2023 data for NOx and SOx have been updated to the revised calculation methodology.

- S1 & S2 Location: Reduced 5% in 2024 compared to 2023
- S1 & S2 Market: Increased 2% in 2024 compared to 2023

Category	Unit	2023	2024
Direct (Scope 1) GHG emissions	T CO2e	287	292
Energy indirect (Scope 2) GHG emissions (market)	T CO2e	1	2
Energy indirect (Scope 2) GHG emissions (location)	T CO2e	237	202
Other indirect (Scope 3) GHG emissions	T CO2e	949	818
Nitrogen Oxides (NOx)	kg	356	348
Sulphur Oxides (SOx)	kg	30	26





## Environmental Stewardship & Circularity

### Water Management

Our location in Scotland takes advantage of the soft water available for finishing our products, and while the WRI Aqueduct tool has shown that both of our sites are located in low water risk areas, we still aim to improve our water efficiency and manage our consumption responsibly. Therefore, at the end of 2024, we ordered flow meters for our scouring tubs to better understand our water impact. The meters were installed before the New Year and will enable us to not only analyse our water usage but also make improvements. Our 2023 water data have been updated based on revised methodology for calculating water discharge and consumption.

Water Category	Unit	2023	2024
Water withdrawal	m3	39,044	29,174
Water discharge	m3	13,794	10,782
Water consumption	m3	25,251	18,392

Reduced water withdrawal year on year	25%
Reduced water discharge year on year	22%
Reduced water consumption year on year	27%

### Waste Management

The fashion industry produces approximately 92 million tonnes of textile waste annually. For many years, Alex Begg Group has not sent any waste, whether general waste or offcuts to landfill. Our non-recyclable waste is disposed of by incineration with energy recovery, and while we do our best to use all material resources in our process, the nature of weaving and knitting results in some production waste. However, we no longer consider this material a waste, but a part of our business model. Our 2023 recycling tonnage has been updated to reflect our revised calculation methodology.

Waste Category	Unit	2023	2024
General waste	Tonnes	18.44	26.06
Special waste	Tonnes	1.91	2.71
Recycling	Tonnes	32.37	31.33

## Case Study: A sound night's sleep on upcycled offcuts

Addressing systemic waste issues in the fashion industry requires collaborative partnerships, as no single entity can tackle the challenges of overproduction, inefficient recycling, and consumer behaviour alone. In the luxury fashion market, unsold stock is often destroyed to maintain exclusivity, contributing significantly to textile waste and environmental harm, which underscores the need for joint efforts across brands, governments, and consumers to drive circular economy practices.

While we previously upcycled a small amount of our textile offcuts, in 2022 we developed a partnership with Harrison Spinks, a luxury mattress manufacturer in Leeds, UK. The purpose of this partnership was to create a business model for our textile offcuts to Harrison Spinks for use in their mattresses. This partnership continued through 2023 and in 2024 we upcycled 100% of our offcuts. Harrison Spinks estimates that they save an average of 2 tonnes of CO<sub>2</sub>e per year, the equivalent of driving a car 6,000 km, by switching from virgin cashmere to the offcuts supplied by Alex Begg. These partnerships contributed to our Resource Conservation Impact Business Model during our B Corp certification, as we could demonstrate upcycling offcuts made a material difference to Alex Begg and to our partners.

*"Working with Alex Begg over the past couple of years has been great for Harrison Spinks Beds, we are always looking for new ways to upgrade our materials to more responsibly sourced alternatives. The fact that this material is diverting waste from incineration but also has a super luxurious feel is amazing for our sustainable luxury brand"* – Emma Linney-Taylor, Sustainability Manager, Harrison Spinks.

We will continue to work with Harrison Spinks and other partners in 2025, upcycling 100% of our offcuts and developing our circular economy strategy aligned to the new B Corp impact topic on Environment and Circularity.



## Environment: Progress & Commitments

IMPACT TOPIC	2024 TARGETS	PROGRESS	2025 TARGETS
Climate Action	<p>Continue to reduce Scope 1 and 2 emissions</p> <p>Set 2023 as the new baseline year Continue to upcycle production offcuts through partnerships</p>	<p>Reduced overall Scope 1 and 2 location emissions by 5%, although did not reduce overall Scope 1 and 2 market emissions. Upcycled 100% of offcuts</p>	<p>Put energy sub metering in place</p> <p>Develop science- based aligned targets</p> <p>Develop a carbon transition plan</p>
Environmental Stewardship and Circularity	<p>Set 2023 as the new baseline year for general waste and recycling Improve reduction of water consumption.</p> <p>Install water submetering in scouring tubs</p>	<p>New baseline implemented for measuring progress Submeters were installed at the end of 2024 for commissioning in early 2025</p>	<p>Develop plans for a circular economy strategy to align with the new B Corp standards.</p> <p>Meet or exceed baseline targets Gather 6 months of data from the submeters and review our water targets and strategy for reduction.</p>

## Next Steps


In 2025, we will move our remaining non-renewable electricity contracts over to green electricity contracts, set science-based targets and develop a climate transition plan in line with B Corp 2.0, the new performance standards. We will assess if there are biodiversity sensitive areas near our operations and develop our work to address our environmental impacts into a plan to further integrate the principles of circularity into our product development.

Furthermore, we will review our collective actions such as multistakeholder collaborations and thought leadership to make sure we are contributing to at least two initiatives. Under the Human Rights impact topic, we will review our policies and processes to ensure we have a process for collecting, prioritising and escalating information an actual and potential negative human rights impacts.





## About This Report



This impact report aligns with B Lab's requirement for a public annual impact report. This update does not have external assurance. All progress has been transparently communicated against company-agreed targets and performance indicators. The Company does not engage in lobbying.

Visit [www.alex-begg.co.uk/sustainability](http://www.alex-begg.co.uk/sustainability) for more information or contact Fiona MacDonald, Sustainability Manager, email: [fionamacdonald@alexbegg.com](mailto:fionamacdonald@alexbegg.com)



# ALEX BEGG GROUP

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As a sign of our commitment to the circular economy, we have had this report printed on paper manufactured using waste from textile processing (15%) and recycled paper (40%).