

OUR CLIMATE-RELATED FINANCIAL DISCLOSURES 2026

PUNCH
PUBS & Co



Like every business, Punch Pubs & Co is subject to the effects of climate change.

Climate change presents both risks and opportunities for us, and each year we report on these via a series of climate-related disclosures.

This year, we make disclosures in relation to governance, strategy, risk management, and metrics and targets as indicated in the compliance summary table opposite.

DISCLOSURE SUMMARY

These voluntary disclosures are made in line with best practice and in the interest of our stakeholders. They are consistent with the Recommendations of the Taskforce for Climate related Financial Disclosures (TCFD, 2021) and relate to the period 01/08/2025 to 30/9/2026.

CFD area	CFD recommended disclosure	Framework alignment
Governance	Describe the board's oversight of climate-related risks and opportunities.	Full
Governance	Describe management's role in assessing and managing climate-related risks and opportunities.	Full
Strategy	Describe the climate-related risks and opportunities identified by the organisation over the short, medium and long term.	Full
Strategy	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	Full
Strategy	Describe the resilience of the organisation's strategy taking into consideration different climate-related scenarios, including a 2ºC or lower scenario.	Full
Risk management	Describe the organisation's processes for identifying and assessing climate-related risks.	Full
Risk management	Describe the organisation's processes for managing climate-related risks.	Full
Risk management	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Full
Metrics & targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Full
Metrics & targets	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and related risks.	Full
Metrics & targets	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance targets.	Full

CLIMATE SCENARIO ANALYSIS

OUR APPROACH TO CLIMATE SCENARIO ANALYSIS

If we want to prepare for climate change, we need to understand how it might affect us. Our climate scenario analysis involved looking at the risks and opportunities that might present themselves under a range of global emissions increases.

Our analysis was conducted at a workshop of representatives from across our business, including the Executive Team. Involving a range of stakeholders ensured the workshop considered climate-related risks and opportunities from multiple perspectives.

Stakeholders looked at three specific scenarios developed by the Intergovernmental Panel on Climate Change (IPCC), which combine Shared Socioeconomic Pathways (SSPs) with potential future greenhouse gas levels.

SSP1-1.9

- Assumes global warming reaches approximately 1.5ºC by 2100.

SSP2-4.5

- Assumes global warming reaches approximately 2.5ºC by 2100.

SSP3-7.0

- Assumes global warming reaches approximately 3.5ºC by 2100.

CATEGORISING RISK

We classified risks as physical, transitional, acute and chronic:

PHYSICAL Tangible risks resulting from the impact of climate change.	**TRANSITIONAL** Risks driven by the transition to a lower-carbon economy.
ACUTE Specific, event-driven climate-related risks (e.g., floods, wildfires, drought).	**CHRONIC** Risks that are a product of longer-term shifts in climate patterns (e.g., heatwaves, rising sea levels).

We further categorised transitional risks as follows:

TRANSITIONAL: MARKET-BASED Risks driven by changes in supply, demand, prices or guest preferences as the economy transitions to low-carbon models.	**TRANSITIONAL: POLICY & LEGAL** Risks stemming from new climate-related laws or regulations, or from associated litigation.
TRANSITIONAL: REPUTATIONAL Risks that are a result of changing stakeholder perceptions of an organisation's response to climate change.	**TRANSITIONAL: TECHNOLOGICAL** Risks arising from new, low-carbon technologies that make existing products less competitive.

CATEGORISING OPPORTUNITIES

As with risks, we categorised transitional opportunities as follows:

TRANSITIONAL: MARKET-BASED Opportunities arising from changing guest demand and market conditions, such as growing demand for low-carbon products.	**TRANSITIONAL: POLICY & LEGAL** Opportunities arising from new climate-related laws or regulations, such as grants or incentives to invest in renewable energy.
TRANSITIONAL: REPUTATIONAL Opportunities to enhance brand value and guest loyalty through credible climate action.	**TRANSITIONAL: TECHNOLOGICAL** Opportunities from the adoption of new, low-carbon technologies that improve efficiencies or enable new products.

KEY RISKS AND OPPORTUNITIES

We have identified the three most significant climate-related risks and opportunities in the following tables.

In addition to categorising the risk and opportunity, for each we have also identified:

- **Timeframe:** The predicted timeframe for the risk/opportunity occurring.
- **Financial impact:** The likely cost impact of the risk/opportunity occurring, using the following scale:
  - **Negligible (<500K)**
  - **Marginal (£500K-£999K)**
  - **Significant (£1M - £1.9M)**
  - **Major (£2M - £3M)**
  - **Catastrophic (>£3M)**

  Note: Each impact assessment assumes the worst-case outcome of the risk (pre-mitigation) or the most extreme outcome of the opportunity, post-realisation strategy.
- **Mitigation/realisation:** Steps which may help to reduce the likelihood or impact of a risk occurring or help increase the likelihood or impact of realising an opportunity.

We list other risks and opportunities identified through our scenario analysis in the appendix.



KEY RISKS

Risk Category	Risk Description and Impact	Timeframe	Financial Impact	Mitigation
Physical (Acute)	**Extreme weather events (e.g., flooding, wildfires, storms) cause operational disruption.** Extreme weather-related damage to pubs may lead to local/regional operational disruption and associated costs as pubs are closed, repaired or otherwise affected.	**Medium term** (1-3 years)	**Marginal (£500K-£999K)**	Property team to audit and identify pubs at high-risk and propose an action plan to mitigate disruption.
Physical (Chronic)	**The impact of increasingly extreme weather on our estate increases insurance costs.** According to global insurer Swiss Re, the increased frequency and intensity of extreme weather events will increase property insurance premiums by 22% (approx.) by 2040. Any Punch premises potentially exposed to extreme weather events will likely see an increase in insurance costs.	**Medium term** (1-3 years)	**Marginal (£500K-£999K)**	Assess susceptibility of current infrastructure to the effects of climate change. Analysis should further consider whether relocation (now or later), disposal or other action is reasonable, feasible and cost efficient.
Transitional (Policy & legal)	**Increased potential for climate-related litigation.** Inadequate preparation for disruptive climatic events can put key stakeholders (e.g., Publicans and Pub Partners) at risk of loss, damage or other inconvenience. Any perceived lack of support for these stakeholders (either in helping them prepare for disruption, comply with and/or manage the cost of complying with legislation, or in terms of deficiencies in coverage, mitigation or remediation) may increase the risk of litigation.	**Long term** (3-5 years)	**Significant (£1M - £1.9M)**	Ensure stakeholders receive sufficient information regarding business continuity plans (including policies, contingencies and responses) in the event of climate-related incidents. Clearly state the extent of organisational liability in relation to specific stakeholder groups. Ensure information is easily accessible to stakeholders and well-publicised.



KEY OPPORTUNITIES

Opportunity Category	Opportunity Description and Impact	Timeframe	Financial Impact	Realisation
Transitional (Technological)	**Lower energy costs.** Increased use of renewable energy, the expansion of energy efficiency initiatives and the harnessing of new technology can lower energy costs at our sites.	**Long-term** (3-5 years)	**Significant (£1M - £1.9M)**	Explore potential for implementing energy efficiency measures. Install renewable energies on site where possible.
Transitional (Market-based)	**Improved response to climate-related change and evolving ESG requirements.** By anticipating and gradually preparing for legislative change, the company can reduce the cost of ESG compliance compared with rushing to meet compliance deadlines. Additionally, considering climate-related risks as part of strategic and financial planning can ensure that Punch is better prepared for any future market shocks (e.g., extreme weather or pandemic-type events).	**Short-term** (0-1 years)	**Negligible (<500K)**	Assign the task of keeping up to date with climate-related and ESG regulatory developments to named member(s) of the business who should provide regular updates to senior management. Additionally, climate-related risks should be a scheduled agenda item for every Board/senior management meeting.
Transitional (Reputational)	**Increased ability to attract and retain talent.** Employees continue to want to work for organisations with values that align with their own and which are actively responding to climate change (e.g., Deloitte: Sustainability Signals). A strong, authentic and well-publicised sustainability strategy can help widen the potential talent pool and increase retention rates.	**Medium-term** (1-3 years)	**Marginal (£500K-£999K)**	Ensure sustainability strategy is clear and easily accessible for employees, our operators, the public and guests. Highlighting actions and initiatives that bring the sustainability strategy to life may help reinforce authenticity and drive positive engagement.



The Coach & Horses, Crewe

EVALUATING AND MANAGING RISK

We have added the risks identified as part of our scenario analysis to the company risk register. Additions to the register are made primarily at the discretion of the relevant business department.

We use a five-level scale to assess the financial impact of all risks on the register. As noted at 'Key risks and opportunities', these range from "negligible" to "catastrophic". We also assess the likelihood of that risk occurring using the following five-level scale:

- **Rare**
- **Unlikely**
- **Possible**
- **Likely**
- **Almost certain**

Climate-related risks are prioritised according to their impact and likelihood. For example, a climate-related risk assessed as being unlikely and having a marginal impact will be positioned as lower priority relative to a risk that also has marginal impact but is perceived as being likely.

Beyond these disclosures and our risk register, we address the material risks and opportunities presented by climate change in a number of ways:

Our business model places a strong focus on the relationships we build with our Publicans and Pub Partners, enabling us to engage across a wide range of issues, including climate change.

Governance of climate-related issues within Punch rests with the Executive Team (see boxout). This team has oversight of and responsibility for reviewing and approving reported information.

The Executive Team has reviewed these climate-related financial disclosures. Twice each year, the Executive Team also reviews and, if necessary, approves additions/amendments to the company risk register. Once each year the register is then reviewed and approved by the Board.

Climate-related risk management filters down through the company with each Executive member overseeing their department's risks.

The Punch Executive Team comprises:

- **Chief Executive Officer**
- **Chief Financial Officer**
- **Chief Financial Strategist**
- **Managing Director**
- **Group People Director**
- **Group Projects Director**
- **Marketing & Communications Director**
- **Group Property Director**
- **Commercial Services & Procurement Director**
- **Group Strategy & Commercial Director**

Specific initiatives to address identified climate-related risks are driven by the Doing Well, By Doing Good Team and Pineapples with Purpose, our planet-focused working group. Details of ongoing work to tackle climate change and its consequences are featured in the annual Punch Promise, our sustainability report.



METRICS AND TARGETS

The principal targets used by the organisation to manage climate-related risks and opportunities are based on an assessment of the sustainability topics which are most material to us.

Conducted in 2025, the materiality assessment surveyed a range of Publicans, Pub Partners, investors, employees, strategic suppliers, and guests about the topics they felt were most important to and for our business.

Supported and given context by the Sustainable Development Goals, which have played a fundamental role in our sustainability-related target setting in recent years, the materiality assessment has enabled us to set a number of new targets augmented by two environmental targets retained from previous years.

One of these is specifically climate related:

Strategic Objective	Target	Status	Progress
We will reduce our Scope 1 & 2 emissions by 80% by 2032 and achieve net zero by the end of 2040.	We will reduce energy consumption in our Pub Partnership pubs and at our Support Centre by 30% by the end of 2028.	Retained	Currently achieving circa 20% through smart technology.

Additionally, two new targets will help mitigate identified climate-related risks and realise identified opportunities (see 'Key Risks', 'Key Opportunities' and 'appendix'). These are:

Strategic Objective	Target	Status	Progress
We will source sustainably and ethically from our suppliers.	We will prioritise local British suppliers and continue to only use 100% MSC-certified fish and British meats sourced to recognised assurance standards, whilst working towards 80% of our meat, fish and fresh vegetables coming from suppliers within the UK and Ireland by 2027.	New	We continue to prioritise local British suppliers, using 100% MSC-certified fish and British meats sourced to recognised assurance standards. 69% of our top 50 products are currently sourced from the UK and Ireland.
We will source sustainably and ethically from our suppliers.	We will ensure that a minimum of 15% of all Pub Partnerships main menu dishes are plant-based by 2027.	New	Currently 10-11%.

We closely monitor and report on our progress against these and our other targets, which maintains focus on addressing our identified climate-related risks.

Our Scope 1, 2 and 3 emissions :

Scope 1: 6,115 tCO2e (-9% vs FY23)

Scope 2: 4,533 tCO2e (location-based: -20% vs FY23)

Scope 3: 77,133 tCO2e (-1% vs FY23)

Total: 87,781 tCO2e (-3% vs FY23)

APPENDIX

The following pages detail all other material opportunities and risks that we identified through the scenario analysis process.

OPPORTUNITIES

Opportunity Category	Opportunity Description and Impact	Timeframe	Financial Impact	Realisation
Transitional (Market-based)	**Sustainable products and services may generate additional revenue.** Offering guests more sustainable products and enhancing the sustainability of current offerings (i.e., by offering products that support a well-evidenced positive social or environmental impact) may drive revenue.	**Medium-term** (1-3 years)	**Marginal (£500K-£999K)**	Conduct research to understand guest appetite for more sustainable products. Also, ensure any products sold as "more sustainable" than existing offerings are backed by evidence (e.g., lower carbon footprint).
Transitional (Market-based)	**Greater operational efficiency.** By planning for the increased frequency and severity of climatic events the company can strengthen its operational resiliency and limit damage, with knock-on benefits for organisational efficiency and brand reputation.	**Long-term** (3-5 years)	**Marginal (£500K-£999K)**	Ensure contingency plans cover as broad a range of extreme climatic scenarios as possible, so operations are less susceptible to the unexpected. Investigate any operational efficiencies that can be made in response to the increasing frequency and severity of storms, floods, heatwaves, etc.
Transitional (Market-based)	**Access to new markets.** Leverage the increased sustainability of the company's offering to entice more environmentally and sustainability-conscious consumers to choose Punch's products/services.	**Long-term** (3-5 years)	**Marginal (£500K-£999K)**	Conduct research to identify what Publicans/ Pub Partners/guests/ the general public care about in terms of sustainability in relation to pubs. Ensure findings are incorporated into the company's sustainability and general business strategy.



RISKS

Risk Category	Risk Description and Impact	Timeframe	Financial Impact	Mitigation
Physical (Acute)	**Extreme weather events and global shocks lead to uncertain market conditions.** National and international climate events impact the price of energy, goods and utilities, and increase the likelihood of supply chain disruption.	**Medium-term** (1-3 years)	**Significant (£1M - £1.9M)**	Hold regular reviews/risk assessments to understand the susceptibility of different areas of the business to the changing cost of energy, goods and other impacts. Make recommendations based on best/worst-case scenarios.
Physical (Chronic)	**The risk of flooding, wildfire, erosion and other ground conditions increases the need to relocate assets.** Relocating offices and other assets may increase resilience and reduce exposure to physical, climate-related risks, but at increased financial, time and resource costs.	**Long-term** (3-5 years)	**Significant (£1M - £1.9M)**	Analyse the susceptibility of the current infrastructure to these effects and consider whether relocation is reasonable and feasible, or if disposal is required.
Physical (Chronic)	**Decreased productivity due to prolonged heatwaves.** Heatwaves can reduce productivity and increase absenteeism across company premises (offices, warehouses, kitchens etc). Combating this (e.g., by installing climate control systems) may increase operational costs.	**Medium-term** (1-3 years)	**Marginal (£500K-£999K)**	Assess effectiveness of existing cooling techniques across the estate. Where insufficient, introduce cost-effective technologies to ensure premises are well-equipped to cope with heat events.
Physical (Chronic)	**Increasingly extreme weather leads to supply chain disruption.** In addition to the immediate potential for heatwaves and floods to disrupt supply chains, the heightened risk of consequential effects (e.g., wildfires and energy disruption), can also affect distribution of supplies. Prolonged events may require the company and supplier partners to cut back on use of power for a period, compounding supply delays.	**Medium-term** (1-3 years)	**Significant (£1M - £1.9M)**	Diversify suppliers to protect business continuity in case of disruption. Consider increasing stock levels to meet guest needs during prolonged disruptions.
Transitional (Technological)	**Implementing energy efficiency measures increases costs.** Assessing pubs' energy efficiency, moving to low carbon transport, and implementing improvement measures (upgrading boilers, installing cellar cooling, air conditioning, on-site renewables, double glazing etc.) all involve cost, particularly in the near-term when a technology is new and less widespread.	**Short-term** (0-1 years)	**Significant (£1M - £1.9M)**	Ensure energy efficiency measures already installed across the estate are in use, then review their effectiveness to ensure ROI before any further rollout.

RISKS

Risk Type	Risk Description and General Impact	Timeframe	Financial Impact	Mitigation Strategy
Transitional (Technological)	**Adoption of renewable energy increases costs.** Implementing renewable energy measures brings increased upfront costs, although these should be mitigated in time by lower fuel, energy and operating costs.	**Medium-term** (1-3 years)	**Significant (£1M - £1.9M)**	Reduce operational energy demand by employing energy efficiency measures. As part of implementation considerations, weigh ROI of installing renewable energies now against the cost of delay.
Transitional (Market)	**Demand for less sustainable goods and services reduces.** A continued shift towards more environmentally conscious, less impactful products and services could result in a fall in demand for certain current products and services.	**Long-term** (3-5 years)	**Marginal (£500K-£999K)**	Ensure the company offers an increasingly (and objectively) sustainable offering and ensure marketing promotes the increased sustainability.
Transitional (Market)	**Offering more sustainable alternatives increases costs.** Altering current offerings to make them more sustainable could incur higher costs as products/materials with lower environmental impact may attract a premium.	**Medium-term** (1-3 years)	**Significant (£1M - £1.9M)**	Research a broad base of alternatives when sourcing more sustainable products. Choose options that are measurably more sustainable than previous and/or alternative products but which are not more expensive (or, at least, not unreasonably so).
Transitional (Reputational)	**Poor ESG performance reduces demand for goods and services.** Poor performance (or poor perceptions of performance) in relation to ESG at Punch may reduce demand for products and/or demand among external stakeholders to work with Punch.	**Long-term** (3-5 years)	**Marginal (£500K-£999K)**	Ensure adequate tracking and fulfilment of ESG targets/strategy. Publicise progress to a range of stakeholders including guests, supplier partners and investors.
Transitional (Reputational)	**Poor ESG performance increases employee attrition and damages ability to recruit.** Evidence from Deloitte and others continues to show the importance of sustainability on recruitment and retention. Poor ESG performance (or the perception of poor performance) may hinder Punch's ability to retain and attract talent, leading to higher recruitment and salary costs.	**Medium-term** (1-3 years)	**Marginal (£500K-£999K)**	Ensure positive ESG performance is shared, both internally and externally. When hiring, if appropriate, include information on the organisation's commitment to sustainability in job descriptions and ensure ESG is part of onboarding.



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