

Punch Taverns

CSR - Position Statements

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Corporate Social Responsibility

- As the largest pub company in the UK, Punch Taverns takes its corporate responsibilities to the wider community and the industry very seriously.
- We ensure that our support centre, our operators, field teams, General Managers and Partners share our commitment to local communities and the environment and we strive to be the employer of choice and the leader in our market.
- We continue to be active members of a number of industry bodies and work hard to ensure our company's voice is heard on all key issues.

Responsible Retailing

- As the UK's largest pub operator, with over 7,600 leased and managed houses across the UK, we recognise that customers visiting our venues expect a welcoming, safe and clean environment in which to relax and enjoy themselves.
- We take our responsibility towards drugs, gambling, smoking and excessive drinking seriously and have policies in place which ensure that all our Partners are fully equipped to operate their pubs responsibly and within the law. We are continuing to work closely with our Industry body, the British Beer and Pub Association (BBPA) on responsible retailing initiatives.

Alcohol and Social Responsibility

- The British Pub is one of the cornerstones of our heritage and plays a crucial role in bringing together and supporting our communities.
- We believe that well managed, licensed premises provide an important, safe and controlled environment for responsible adults to enjoy good drink, food and entertainment. Negative media reports and a plethora of ill thought through Government consultations and studies targeted at alcohol consumption are having an adverse effect on the on-trade pub business.
- We are fully aware of our duties to ensure that our pubs are well managed and run in a responsible manner, providing safe, welcoming facilities for the community. Throughout our leased and managed estates we continue to actively support initiatives such as Challenge 21 and local Pub Watch schemes. We also keep our Partners fully briefed on the importance of areas such as reducing noise nuisance, not serving drunks and operating in line with legislation.
- We will continue to work constructively with local authorities, police forces, government and industry bodies to raise standards across the industry.

The Off-Trade

- We are concerned that aggressive off-trade pricing will have a detrimental effect on the pub industry and we firmly believe that the pub offers a safe, controlled environment for responsible adults to enjoy good drink, food and entertainment.
- Media coverage is often targeted at a minority group of under age and excessive drinking behaviours in town centres, much of which is fuelled by the availability of cheap alcohol in the off-trade market. This exaggerated and negative portrayal of the industry should not drive Government policies, to the detriment of the great

British pub, where drinking is controlled in a regulated, licensed environment. Policies should be targeted at the cause of excessive alcohol consumption, disorderly behaviour and alcohol abuse, addressing the specific groups at risk, not society as a whole.

- We do not support the introduction of a minimum cost per unit. We believe that there is already too much legislation in place affecting our industry

Challenge 21 & Responsible Sales

- Every pub within the Punch Pub Company managed estate operates Challenge 21, and all employees are trained to ask customers who appear 21 or under for a recognised form of ID to prove their age before they are served an alcoholic drink.
- This scheme has been widely promoted to our leased estate, and now forms part of our annual due diligence check.
- We are Portman Group signatories and follow the industry guidelines on responsible pricing and drinks promotions within our managed estate. Managers are trained to ensure that they and their team are not selling alcohol to people who are drunk and how to manage difficult situations if they occur. We promote the same practices within our leased estate, advising our Partners to follow guidelines from the BBPA during their introductory training courses.
- We believe that the pub industry has done and continues to do a great deal with regards to responsible retailing. The on-trade provides a controlled environment in which alcohol is served and consumed and we believe that the off-trade should also behave more responsibly.

Commitment to the Environment

- We recognise our environmental responsibilities and continually explore new ways to minimise any negative impact of our working practices on the environment.
- In conjunction with the Carbon Trust and Enviros, we have embarked on a major, ongoing programme to reduce our carbon footprint by 17% by 2010 and increase energy efficiency within both our leased and managed businesses.
- A dedicated Carbon Team and Carbon Manager are in place to drive this programme.
- After a successful trial within our managed estate, we have introduced smart meters to monitor usage and reduce costs in all of our managed pubs. We have also replaced the majority of lightbulbs in our managed estate with energy efficient ones.
- We won 'Best Green Internal Communications Award' at the Green Awards 2008 for our 'How Big Is Your Carbon Footprint?' campaign to introduce cultural change programme
- We have been sharing what we've learnt with our leased pubs through our newsletter, area managers and a dedicated workshop. One of the biggest

benefits of energy control is reduced operating costs and many of our leased pubs are buying into cost saving activities such as fitting timers on electrical appliances and fitting insulation.

- We have also developed a one-day workshop for our leased Partners. We have been offering this course since July 2009 and 93 Partners have attended our first nine sessions. Our aim is for 1,000 Partners to attend this workshop by the end of 2010 and enjoy the associated benefits of cheaper overheads.

Licensing

- We have now completed the process of submitting applications for new licenses in Scotland, which went live in September 2009. We have utilised the experience gained from the introduction of the Licensing Act 2003 in England and Wales and provided full support for our Scottish Partners, including workshops and training.
- As in England and Wales, we are looking forward to an improved and closer working relationship with local licensing authorities and the Police in Scotland as a result of introducing the new licensing law.
- As we predicted, prior to the introduction of the new Act, longer trading hours have not encouraged excessive drinking or an increase in public disorder in or around pubs in England and Wales. Subsequent Police reports have demonstrated drops in recorded violent crimes, reinforcing the professional and responsible approach adopted by the pub industry. We have seen a shift in trading patterns with people drinking similar amounts but over a longer period of time. In some cases, pubs are also opening earlier to serve breakfast and morning coffee.

Health and Safety

- As a responsible operator, one of our key priorities is to ensure that we always deliver a high quality experience to our customers. We have comprehensive health and safety processes in place in all of our managed pubs, which include independent audits of our kitchens, to ensure that the highest standards are delivered.
- A key element of the Operational Excellence programme within the managed business, and one delivered this year, was a complete review of our health and safety policy and procedures. We have reset the bar for operating and maintaining the very best standards with regard to food hygiene, fire safety and risk and all of our General Managers have had their responsibilities clarified. Health and safety is now one of our biggest commitments and external auditors will review our estate, on an ongoing basis, to ensure we deliver consistently high standards.
- Our leased customers receive a Risk Box which provides all of the tools and information they require to assess and manage risk within their operation and train their teams.

Smoke Free Pubs

- We were well prepared for the ban in both the leased and the managed estates and the majority of our Partners have coped well with the changes and we have seen non smokers and families returning to our pubs.
- We invested over £10m across the estate to ensure that our pubs and Partners were ready ahead of the ban, with the right skills and facilities to minimise the inevitable impact of such a significant piece of legislation.
- We welcomed the decision to include the Smoking Ban as a material change in circumstances with regard to Business Rates and are supporting our leased customers who have been dramatically impacted to ensure that their rates are reassessed
- Since the smoking ban, food has become increasingly important to the success of our pubs and we have responded in our leased business with a dedicated catering development team delivering individual and specific support to our Partners which ensure they have a profitable, competitive food offer.
- In January, we introduced Table Top, a simple food offer which enables Partners with little or no catering experience or facilities to compete in their local market selling the top five British pub menu favourites. Table Top Specials has also been added to allow Partners to provide a range of complementary dishes and sides.

Drugs

- We operate a no tolerance approach to drug taking in our outlets and we work closely with our Partners and General Managers to ensure they are kept fully up to date on all areas of legislation relevant to running a pub.
- In relation to the general drug issue, awareness is an integral part of our Partner training programmes. This covers the law, updated drug classifications and advice on preventative and control measures.
- The aim is to help Partners and managers make every effort to control and prevent the supply and use of drugs on their premises. Our Business Relationship Managers and Business Development Managers are also fully trained so they can offer suitable advice and support for Partners and General Managers.
- We will continue to educate our Partners and pub managers about any preventative or control measures they may wish to take in their pub.

Healthy Options

- We are committed to championing healthier dishes within our managed pubs and work with the FSA guidelines and targets to proactively offer our customers great choice and great quality from our accredited supplier base.
- As a result, our dishes have no genetically modified ingredients or Mono Sodium Glutamate. We became involved in the FSA salt reduction plan in 2005 and all

new menu items meet FSA targets. Since summer 2007 our frying oil has been free of Trans Fats.

- Menus at the premium end provide a focus on provenance, seasonality and fresh produce.
- We continue to take our responsibility to serve great quality and great value to our customers very seriously and look to provide a broad choice of recognisable, nutritious and wholesome dishes. Our main meals deliver value for money and the right balance of protein, carbohydrate and a minimum of 80g of vegetables or salad.
- Families are very important to our managed pubs and we have developed a healthy children's menu which encourages kids to eat a balanced meal.
- In an industry first, we've also added a nutritional table to give parents greater guidance.
- We have limited the use of artificial colours, flavours, sweeteners and preservatives in all of our dishes and removed them from all our Pick N Mix and children's meals sections
- The expertise amassed over many years in the Punch Pub Company business is being passed to our leased estate through regionally appointed Catering Executives who are working with our Partners to develop their food offers.

The Pub is the Hub

- A high proportion of our leased and managed estates are community pubs and form an integral part of local life. On average, they each host at least 1 club or team which means a huge number of people getting together every week in our pubs to share in a communal activity. They also provide valuable local jobs, which include flexible shift work.
- It's a great loss to the community when a rural or village pub closes and we fully support the drive to save the great British pub.
- We support the Pub is the Hub scheme that encourages local pubs to deliver improved services and facilities. Such schemes have seen our pubs provide hot school dinners for local children, open Post Office counters, open grocery stores and sell fresh produce over the bar.

Supporting Good Causes

- Our pubs are great fundraisers, generating £millions every year for local good causes. As well as the cash contribution they deliver an immeasurable amount of support in providing meeting places, venues and sponsorship in many different forms.
- During the last year we have adopted a local approach to our corporate support of charities and good causes and have established the Punch Community Spirit Project (PCSP). From the end of 2007 onwards, all of our Head Office fundraising which includes a summer BBQ for staff and their families, a Christmas Ball and other events has been pooled into this one worthy project. Community groups

and charities from within a 15 mile radius of Burton are invited to apply for funding and four times a year our Committee meets to allocate the cash we've accumulated.