



Working Responsibly

Our guiding principles

We have five guiding principles that inform the way we work with each other, support our franchise partners, and serve our customers and communities.



Click to see how our growth is powered by the ambition, talent, and dedication of our franchisees and employees.



We demand integrity

We are professional in everything we do and treat people with respect.



We empower people

We empower our people and expect them to take ownership of a situation and to be accountable for their actions and the results they generate.



We are fair

We consider that fairness and transparency are essential to creating high-trust working relationships with each other, and with our franchise partners, suppliers, and customers.



We challenge ourselves

We set high standards, are demanding of ourselves, prepared to challenge the norm and have a relentless focus on continuous improvement.



We work as a team

We place a huge amount of importance on teamwork between our colleagues and our franchise partners to create a dynamic business.



Working responsibly continued

Sustainability Policy

1. Purpose

Across all our businesses, we are committed to delivering excellent and efficient services to our customers. Our dedicated franchise partners and teams deliver approximately 1.5m jobs a year, having a positive impact on customers and the communities across the ten markets in which we operate.

Sustainability is at the heart of our business and our Sustainability Policy sets out the Group's commitment to operating responsibly, reducing the environmental and social impacts associated with our activities, offering employment and development opportunities, positively impacting the communities in which we operate and creating long-term value for our stakeholders.

Our approach is designed to support our franchise networks, direct operations, employees, customers and supply chain partners, while ensuring the long-term resilience and competitiveness of our business.

2. Scope

This Policy applies to:

- All Group companies.

- All directly employed staff.
- All franchise partners operating under the Group's brands.
- Contractors and suppliers working on our behalf.

Franchise partners are required to adopt and implement this Policy (or a local equivalent standard approved by the Group).

3. Sustainability framework

This is structured around four strategic pillars and one enabling pillar:

1. Safe, skilled and empowered people
 - Supporting health, safety, wellbeing, skills and development opportunities.
2. Responsible and resilient operations
 - Minimising environmental impact, improving efficiency and optimising service delivery.
3. Helping customers enhance value
 - Reduce downtime and waste, improve efficiency and value through timely, effective service.
4. Positive community impact
 - creating local employment, making a social and charitable contribution.
5. Robust governance & transparent reporting
 - Maintaining strong governance and accountability.

4. Our Commitments

People

We will:

- Maintain a safety-first culture and continuously improve incident prevention.
- Provide access to training and skills development pathways.
- Promote diversity, inclusion, equal opportunity and non-discrimination.
- Monitor working conditions and labour standards across the value chain.

Environment

We will:

- Measure, manage and seek to reduce greenhouse gas emissions.
- Improve route efficiency and adopt lower-emission vehicles where viable.
- Reduce waste and increase reuse and recycling.
- Ensure safe handling and disposal of chemicals, fluids and hazardous materials.

Customers

We will:

- Support customers in reducing downtime, resource loss and waste.
- Develop preventive maintenance and efficiency improvement programmes.
- Communicate sustainability benefits of our services clearly and credibly.

Governance & transparency

We will:

- Maintain Board oversight of sustainability strategy and performance.
- Set measurable targets and monitor progress.
- Ensure compliance with relevant legislation and industry standards.
- Publish transparent sustainability reporting.

5. Roles and responsibilities

- The Board provides oversight and approves sustainability strategy and targets.
- The Executive Team integrates sustainability into business planning and operations.
- Operational and Franchise Leaders implement the Policy locally.
- All employees and franchise partners are responsible for applying this Policy day-to-day.

6. Continuous improvement

In keeping with our philosophy of continuous learning and development, we are always looking for opportunities to improve our approach on our sustainability journey. This Policy will be reviewed annually to reflect changes in regulation, customer expectations, operational needs, and industry best practice.



Working responsibly continued

Sustainability framework

PILLAR 1: PEOPLE

Safe, skilled & empowered

We are committed to ensuring the health, safety and wellbeing of all individuals working for or on behalf of the Group. We support continuous skills development and a culture of respect, fairness and inclusion.

Focus areas:

- Zero harm safety programme (incl. leading indicators, not only RIDDOR outcomes)
- Standardised technician training & certification pathways (consistent across networks)
- Franchise partner and supplier labour standards (e.g., working hours, right-to-work)
- Diversity, inclusion and equal opportunity frameworks
- Wellbeing: fatigue management, mental health support for field teams

PILLAR 2: OPERATIONS

Responsible & resilient

We seek to minimise the environmental impact of our fleet, facilities and operational activities, reduce waste and resource use, and adopt practices that support long-term operational resilience.

Focus areas:

- Fleet: transition to low-emission vehicles where operationally practical
- Routing optimisation / telematics to reduce fuel use
- Efficient product usage (e.g., hoses, fittings, spares) to reduce waste
- Waste handling and recycling arrangements across franchise and direct sites
- Decarbonisation pathway and environmental management standardisation (e.g., ISO 14001 rollout where possible)

PILLAR 3: CUSTOMERS

Reducing downtime & waste

Our services help customers maintain safe and efficient operations. We aim to further enhance the value our services provide in preventing waste, improving resource efficiency and supporting customers' sustainability goals.

Focus areas:

- Quantify avoided waste (e.g., fluid loss prevented)
- Demonstrate how fast response reduces business downtime (energy waste & inefficiency)
- Offer preventive maintenance programmes
- Develop customer sustainability case studies to support bid processes

PILLAR 4: COMMUNITIES

Having a positive impact

We are committed to making a positive contribution to the communities we work in through the employment we create and services we provide. Both we and our franchise partners participate in a wide range of local community engagement and support activities.

Focus areas:

- Create meaningful local employment
- Strengthen local community partnerships and charitable contributions
- Paid volunteer days
- Operate as a trusted service provider

Enabling pillar: good governance & transparent reporting

We maintain robust governance, policies and performance data to support compliance, ethical conduct, and transparent reporting to stakeholders.

Focus areas:

- Minimum franchise sustainability standards
- Central policy suite: sustainability, modern slavery, whistleblowing, responsible tax, anti-bribery, supplier code of conduct

- Single ESG reporting data model (usable across countries and networks)
- Supplier ESG screening
- Alignment with appropriate reporting standards: TCFD, SECR, UK Sustainable Reporting Standards (when finalised)



Working responsibly continued

UN Sustainable Development Goals

At Franchise Brands, our commitment to working responsibly is aligned with the United Nations Sustainable Development Goals (“SDGs”). These goals provide a globally recognised framework for assessing the environmental, social, and economic factors that increasingly influence long-term business performance.

The Group uses the SDG framework as a strategic reference tool. It helps align sustainability initiatives with stakeholder expectations, and provides a consistent structure for communicating our approach to responsible and sustainable growth.

Our focus is particularly on SDG 3 (Good health and wellbeing), SDG 5 (Gender equality), SDG 8 (Decent work and economic growth), and SDG 11 (Sustainable cities and communities). These align with our core business and where we believe we can make an impact.

UN goal:

How we principally contribute:



Good health and wellbeing

- Employee assistance programme for all staff.
- Mental health first aiders training.
- Access to a range of health, wellbeing and lifestyle discounts.
- Highly developed health and safety processes and training.



Gender equality

- High proportion of females in our Support Centres: 56% in Metro Rod and over 60% in B2C.
- Leadership development opportunities for female managers.
- More females in management positions.



Decent work and economic growth

- Development opportunities, rewards and recognition.
- Share option scheme which covers 240 people.
- Create local employment in the community, fostering a culture of “giving back”.



Sustainable cities and communities

- High standards of quality and sustainability.
- Manage and commitment to reduce environmental impact.
- Accreditations and certifications.



Working responsibly continued

Social

A great working environment

Our people are at the heart of our business and our most valuable resource. They play a key role in supporting our franchisees and helping them to grow their businesses. We support our people in a number of ways, are always receptive to ideas and feedback and encourage them to get involved.

Gender pay gap

We reward our people fairly. This includes upholding equal pay. As part of our commitment to be an Employer of Choice we report on our gender pay gap. We are pleased to report our gender pay gap reduced to 12% (2024: 18%) and we are proud of the increasing number of women we have in management roles.

Share ownership

Our strong ownership culture is one of the keys to our success and 240 people in the Group, or 40% of employees, have share options.

12.4%

Gender pay gap

606

number of people
in the Group

Breakdown of our Group-wide employees

	Support Centres	DLO and Corporate Operations	Total	Male (%)	Female (%)
PIRTEK					
UK & Ireland	56	11	67	61%	39%
Germany & Austria	44	3	47	83%	17%
Belgium & Netherlands	16	33	49	12%	87%
France	–	74	74	92%	8%
Sweden	–	24	24	83%	8%
Total	116	145	261	81%	19%
WATER & WASTE SERVICES					
Metro Rod & Metro Plumb	109	–	109	44%	56%
Filta UK	12	22	34	59%	41%
Kemac	–	37	37	84%	16%
Willow Pumps	–	83	83	73%	27%
Total	121	142	263	61%	39%
FILTA INTERNATIONAL					
FILTA INTERNATIONAL	29	–	29	72%	28%
Total	29	–	29	72%	28%
GROUP					
B2C	13	–	13	40%	60%
AZURA	23	–	23	87%	13%
FRANCHISE BRANDS PLC	17	–	17	58%	42%
Total	53	–	53	66%	34%
Franchise Support Centres			265	57%	43%
DLOs and corporate operations			309	80%	20%
Azura			23	87%	13%
Franchise Brands plc			17	58%	42%
Total	319	287	606	71%	29%

* Full-time equivalent members of staff as at 31 December 2025.



Working responsibly continued

Some of the ways we create a great working environment

“Our collective success is rooted in the diverse strengths of our people, across all of our brands. Together, we create greater value.”

Julian Mason, Group Head of HR

“We are committed to drive engagement across our workforce by investing in people's career progression, embracing AI and creating a supportive wellbeing culture.”

Rupi Gill-Sodhi, Pirtek HR Manager



Keeping everyone informed and updated

- Implementing new and progressive HR communications strategy.
- Informal drop-in sessions and coffee mornings with management.
- All staff weekly calls, monthly briefings, staff lunches including with guest speakers.
- Using AI to deliver innovative group-wide communications.



Health and wellbeing

- Employee assistance programme access to counselling and occupational health and commitment to mental health first aiders.
- Health cash plans offering a wide range of benefits including access to virtual GP.
- Access to on-site gym facilities and a range of health, wellbeing and lifestyle discounts.



Making things easier

- A range of flexible working options and family friendly support which goes beyond legal compliance.
- Retail benefits and discounts to help with the cost of living.
- Free on-site EV car chargers. Training centre vans and pool cars available.
- In house recruitment – making applications easier.



Reward & Recognition

- Group wide share options.
- Incentives for sales referrals and cross selling.
- Long service awards. Employee of the month initiatives.
- Salary sacrifice schemes.
- Journey to paying the Real Living Wage across all businesses.



Making a difference

- Fostering a culture of “giving back”, from group charity events to paid volunteer days. Recognised as a brand that is an integral part of the fabric of our communities.
- Employee suggestions boxes.
- Partnering with a large range of charities Group-wide.



Personal and career development

- Innovative UK-based HR-information system.
- e-learning tools and training libraries.
- Leadership development, mentoring and coaching.
- Ladies networking and development activities.
- Cyber security training programme that helps handle and mitigate the challenges of cyber threats.



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Non-Financial and Sustainability Information Statement

Scope of this Statement

Franchise Brands plc is a UK-incorporated company with shares admitted to trading on the AIM market and had more than 500 employees during the year ended 31 December 2025. As such, we are required to report under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (the Regulations).

The disclosures we are required to make by the Regulations are set out in this section of the Strategic Report and relate to the Company and all of its subsidiaries, including those incorporated outside the UK.

Together with this section of the Strategic Report, the disclosures in the remainder of the 'Working Responsibly' section on pages 23 to 44 provide the disclosures required to be included in this Non-Financial and Sustainability Information Statement.

Climate change – overview

Following a period of very rapid growth, from our 2023 financial year onwards, we are reporting in line with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (the Regulations). However, we see this as much more than a compliance and disclosure exercise.

We have now set up the necessary governance to ensure that we can embed and track climate action across our business model. We have identified potential climate change-related risks and opportunities for our business and have assessed them from an impact perspective. We expect that these will evolve over the longer-term as those effects become more pronounced. We are already taking steps aimed at mitigating those risks and positioning the business to take advantage of the opportunities. We are improving our emissions data collection and are aiming to develop a credible and commercially viable decarbonisation pathway for the Group with associated metrics in place over the next two years.

The table opposite sets out the current status of Franchise Brands' climate-related reporting with the eight disclosures required by the Regulations.

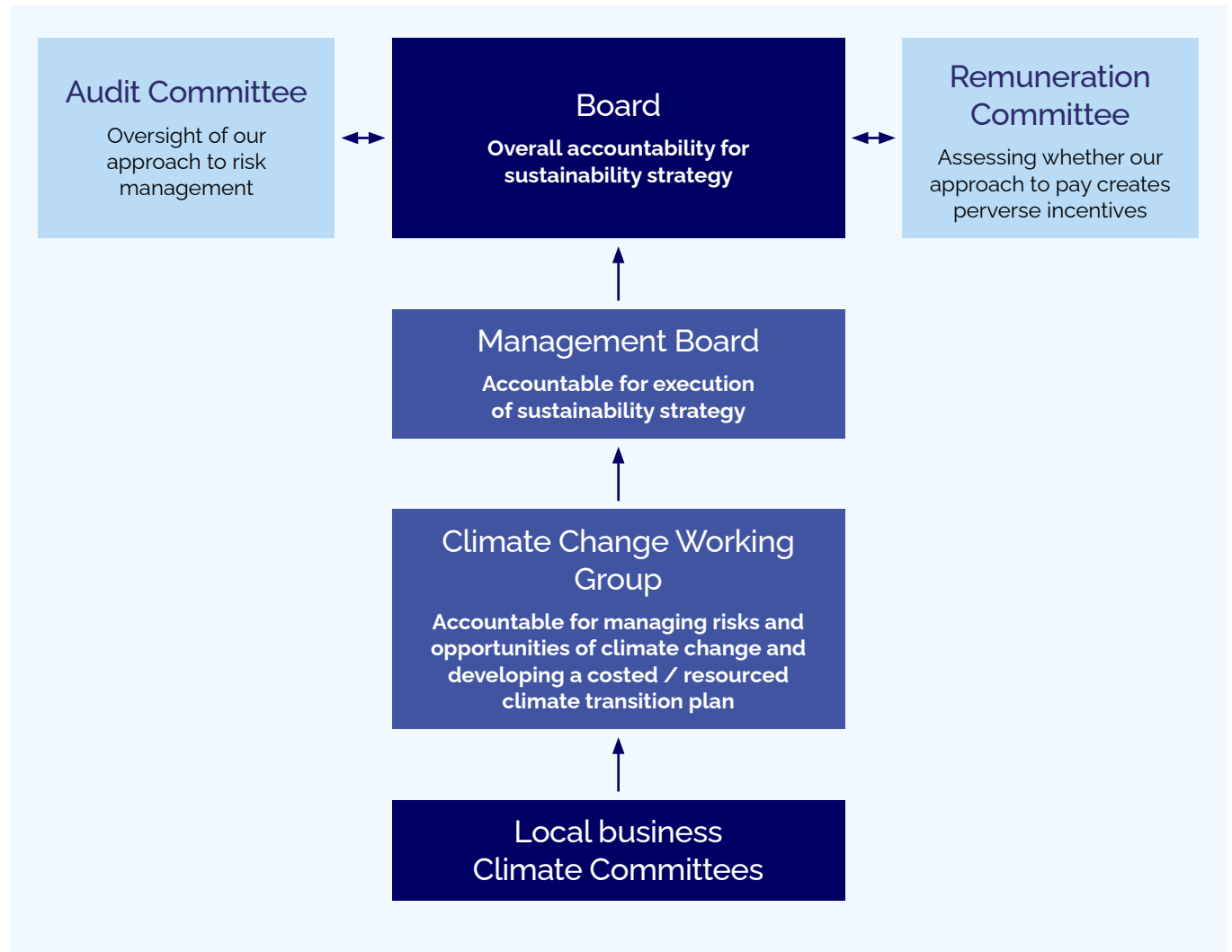
Required disclosure	Comment	See page
(a) Describe the Company's governance arrangements in relation to assessing and managing climate-related risks and opportunities.	We have met this requirement.	32
(b) Describe how the Company identifies, assesses and manages climate-related risks and opportunities.	We have met this requirement.	33
(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the Company's overall risk management process.	We have met this requirement.	33
(d) Describe the principal climate-related risks and opportunities arising in connection with the Company's operations, and the time periods by reference to which those risks and opportunities are assessed.	We have met this requirement.	34
(e) Describe the actual and potential impacts of the principal climate-related risks and opportunities on the Company's business model and strategy.	We have met this requirement.	34
(f) Provide an analysis of the resilience of the Company's business model and strategy, taking into consideration different climate-related scenarios.	We have met this requirement.	35
(g) Disclose the targets used by the Company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.	We had no targets set in the reporting year. Scope of work for 2026 includes developing appropriate climate-related targets.	35
(h) Describe the key performance indicators used to assess progress against the targets used to manage climate-related risks and realise climate-related opportunities.	We have KPIs in place and continue to develop appropriate KPIs to help us monitor and measure our performance.	36



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Governance

Climate change and the requirements of the Regulations have been considered by both the Board and the Management Board. Importantly, we treat climate change as an integral part of the strategy, risks and operations of the Group. A Climate Change Working Group ('Working Group') was created by the Board to consider the potential risks and opportunities for each of the Group's businesses. This is led by the Company Secretary, Rob Bellhouse, and comprises senior managers drawn from each of the Group's businesses. The composition of the Working Group was widened in 2025 to ensure that each of our major subsidiaries is represented. We are supported by external consultants who provide technical insights and know-how and support us on our climate change journey.





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Strategic approach

The Working Group leads and oversees our reviews of our climate-related risks and opportunities. We currently consider these under three different scenarios:

- **Delayed transition** (warming limited to 1.5-2.0°C by 2100, the Inter-governmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 2.6) – this is the scenario that would result if the international climate change response is delayed, requiring a very aggressive policy response starting in 2030.
- **Current policies** (3.1°C by 2100, IPCC RCP 4.5) – this is the scenario that will result if climate change continues on its current path, with no new material policy responses implemented.
- **No climate policies** (Close to 5.0°C by 2100, IPCC RCP 8.5) – this is the scenario that could result if major economic blocs reverse some or all of the measures that have been taken to date, and further exploit fossil fuels. It is sometimes referred to as a worst-case scenario.

These scenarios were chosen for our assessment of climate-related risks and opportunities as they represent the upside, central (current) and downside cases, respectively, for the possible trajectory of climate change.

The Working Group considered the risks and opportunities resulting from climate change under each of these three scenarios over three time periods:

- **Short-term** (2026-2028) – the period to the end of the Group's current strategic planning horizon.
- **Medium-term** (2029-2035) – this is highly relevant as 2035 is the date by which European vehicle manufacturers are currently expected to stop manufacturing vehicles with internal combustion engines. This is a key time horizon for us, as the delivery of van-based services forms the vast majority of the Group's business.
- **Longer-term** (2035-2050+) – the period when sustained physical risks from climate change are expected to become more acute.

Risk management

Risks and opportunities, both physical and transition, are a key element of the Working Group's discussions. Following a 'top-down' high level review undertaken by the Management Board members in late 2023, the Working Group has now completed two formal reviews of our climate-related risks and opportunities. Importantly, the most recent exercise involved the management teams of each of our main businesses to ensure that we captured a wider range of perspectives. This did not identify any new risks but did provide a deeper understanding of those risks.

More importantly, the businesses highlighted a number of potential opportunities over a range of time horizons.

In late 2024 we reviewed potential physical risks to the Group's operational sites linked to the impact of climate change. This identified that, of our current locations, only Filt's US site in Orlando is potentially at risk in the short to medium term. A mitigating action has already been put in place. Please see page 39 for more information. We have identified potential business opportunities arising from the physical risks associated with climate change. While these might offer an incremental benefit to certain of our businesses, the overall effect is not expected to be material for the Group.

The Working Group has also assessed climate change-related transitional risks and opportunities. The key issue we have identified is a risk arising from the transition from internal combustion engines (ICE) to electric vehicles (EVs). Following trials, we are concerned that the EVs currently available are not viable in our business for the reasons explained in the risk register on pages 37-39. The constraint on the future production of ICE vehicles is solely policy driven. As a result, either a technological breakthrough is required, or governments may need to relax their positions if the technological constraints cannot be overcome. While the UK currently retains 2035 as the deadline after which no ICE vans can be sold as new, the EU has

already relaxed its position somewhat, replacing the hard deadline with a longer-term emissions reduction target. Despite this, there is a near-term risk in the Netherlands, where some municipalities will remove the current exemption which allows Euro 6/VI ICE vehicles to travel into their cities on 31 December 2027 (though this is intended to be deferred for a further 12 months). Our preparations, with the intention of being able to meet that deadline, are underway. We continue to trial different manufacturers' electric vans to establish their viability in our business. In the short term, some franchises are trialling solar panels on their vehicle roofs to power the equipment used. This avoids engine idling, so improves energy efficiency and reduces emissions.

The main climate-related risks and opportunities that the Working Group has identified are discussed in the table on pages 37-39. These have been discussed with the Board. On the basis that the assumptions listed in that table are borne out in practice, the Working Group's conclusion, based on our current understanding, is that we do not expect that any of the risks or opportunities, whether physical or transition, will be financially material to the Group under the scenarios and time horizons considered.



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Our commitment to addressing climate change

In 2025 the Board approved an initial goal of achieving Net Zero emissions across Scope 1 and Scope 2 (which we refer to as 'in our own operations') by 2045.

To set a wider Net Zero goal, including our Scope 3 emissions, will require buy-in from our franchisees, both present and future, since the majority of carbon emissions

associated with our business activities arise from their vehicle fleets. We are already starting to improve our collection of data on Scope 3 emissions, which is detailed in the SECR information on page 40. While this is a material step forward, there is more that can and will be done during 2026.

The Working Group has agreed to use CO₂-equivalent emissions per job undertaken as our principal intensity metric, which will include Scope 3 data relating to the

vehicles we and our franchise partners use. We need to establish our confidence in the data for 2025, but assuming this is sufficiently robust, 2025 will become our base year. Tracking the reduction in this metric relative to 2025 will therefore become our key performance indicator in subsequent years. We have a number of opportunities to reduce the carbon intensity of our business which we are pursuing.

As we start to get better visibility of our Scope 3 emissions as a Group, we are committed to setting incremental reduction targets and Net Zero targets which are both credible and commercially viable.

The table below sets out the current status of our climate change programme in relation to each of the requirements of the Regulations:

Required disclosure	How do we address this?	Actions taken in 2025	Actions to be taken in 2026 and beyond
<p>Governance</p> <p>(a) A description of the Company's governance arrangements in relation to assessing and managing climate-related risks and opportunities</p>	<p>The Board is ultimately accountable for, and oversees, the Group's response to climate change.</p> <p>The Board has delegated a Climate Change Working Group, led by the Company Secretary, to provide the initial identification and assessment of climate-related risks and opportunities and, subsequently, to support local subsidiary management teams in managing those risks and opportunities.</p> <p>As we treat managing climate-related risks and opportunities as part of the normal process of running the business, oversight of these rests with the Management Board.</p>	<p>The Working Group was strengthened by adding members from two of our European businesses, one of which faces a near-term transition risk.</p> <p>The most recent review of climate-related risks and opportunities was led by the Working Group members and involved the management teams of each of our material subsidiary companies.</p> <p>The Company Secretary reported on the progress made by the Working Group to the Board in January 2025 and presented the main climate-related risks and uncertainties to the Board in October 2025, as part of a wider review of key environmental and social risks.</p>	<p>We believe that the current governance arrangements and approach remain appropriate and proportionate, given the climate-related risks and opportunities we have identified. We therefore expect to maintain our current approach for the foreseeable future.</p> <p>The Working Group has scheduled quarterly meetings throughout 2026 to create greater momentum in our response to climate change. The Board and Management Board will be provided with an update on all material matters discussed.</p> <p>Should any risks or opportunities be identified that require additional focus, we will adapt our governance arrangements accordingly.</p>



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Required disclosure	How do we address this?	Actions taken in 2025	Actions to be taken in 2026 and beyond
Risks and opportunities			
<p>(b) A description of how the Company identifies, assesses, and manages climate-related risks and opportunities</p>	<p>Identification and assessment</p> <p>This has been undertaken on a 'top-down' basis by the Management Board, supplemented by two 'bottom-up' reviews overseen by the members of the Working Group. The most recent of these also involved the management teams of each of our material subsidiary companies.</p> <p>Management of risks and opportunities</p> <p>Our local management teams have primary responsibility for managing risks within their businesses, which includes our response to the risks and opportunities associated with climate change. Importantly, local management includes many members of the Management Board, who are also business leaders.</p> <p>Please see page 51 for a description of how the Group manages risk.</p>	<p>The Working Group led an in-depth review of the climate-related risks and opportunities on a business-by-business basis. This considered a number of climate change scenarios and time horizons.</p> <p>The most recent review of climate-related risks and opportunities was led by the Working Group members and the management teams of each of our material subsidiary companies.</p> <p>The outcome of the most recent review of climate-related risks and opportunities will be reported to the Management Board and Board.</p>	<p>The Working Group will continue to develop our understanding of climate-related risks and opportunities by conducting further review exercises.</p> <p>We will also encourage local management teams to do the same, which should help to strengthen local accountability for managing these risks and opportunities.</p>
<p>(c) A description of how processes for identifying, assessing and managing climate-related risks and opportunities are integrated into the Company's overall risk management process</p>	<p>We have a policy framework in place for the timely identification, assessment and management of risk, which enables all categories of risk to be rated and compared directly.</p> <p>The process for the identification, assessment and management of climate-related risks and opportunities is therefore fully integrated within the Group's risk management framework.</p> <p>For further details of our approach to risk management, see page 51.</p>	<p>The Working Group used the Group's risk management framework to undertake a review of climate-related risks and opportunities. This did not identify any shortcomings in the process for the identification or assessment of risk, including climate-related risk.</p>	<p>We will continue to use the Group's risk management framework to undertake reviews of climate-related risks and opportunities.</p> <p>We will ask local subsidiary management teams to undertake reviews of these risks and opportunities as part of their normal reviews of business risk, to supplement and support the reviews by the Working Group.</p>



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Required disclosure	How do we address this?	Actions taken in 2025	Actions to be taken in 2026 and beyond
Risks and opportunities			
<p>(d) A description of (i) the principal climate-related risks and opportunities arising in connection with the Company's operations and (ii) the time periods by reference to which those risks and opportunities are assessed</p>	<p>We do not currently judge any of the identified risks and opportunities to be material to the Group, in terms of either the potential financial or environmental impacts.</p> <p>The identified climate-related risks and opportunities that we believe could become material to the Group are set out in the table on pages 37-39.</p> <p>The introduction to this Statement explains our definitions of the short, medium and long term and why we have chosen these time periods.</p>	<p>The Working Group led an in-depth review of the climate-related risks and opportunities on a business-by-business basis. This considered a number of climate change scenarios and time horizons.</p> <p>The most recent review confirmed our initial view that none of the climate-related risks and opportunities we have identified was, or was likely to be, material to the Group. The main risk that has the potential to become material relates to the transition from vehicles powered by internal combustion engines to electric motors, as explained in the introduction to this Statement.</p>	<p>The Working Group will continue to evolve and improve its understanding of the climate-related risks and opportunities for the Group.</p> <p>Specifically, we will continue to monitor the legal and regulatory environment around the transition from vehicles powered by internal combustion engines to electric motors, and the evolution in the capabilities of EVs.</p>
Business model and strategy			
<p>(e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the Company's business model and strategy</p>	<p>Our assessment of climate-related risks and opportunities has not identified any that have, or that we currently expect will have, a material impact on the business model or strategy of the Company or Group.</p> <p>The identified climate-related risks and opportunities that we believe could become material to the Group, and their potential impacts, are set out in the table on pages 37-39.</p>	<p>The Working Group has considered the impacts on the business model and strategy of the Company or Group, as explained in the introduction to this report.</p> <p>The work undertaken in the year confirms our initial view that the identified climate-related risks and opportunities are unlikely to have a material impact on the Group's business model and strategy.</p>	<p>Based on our evolving and improving understanding of climate-related risks and opportunities, we will continue to review whether these have, or could have, an impact on the Group's business model and strategy</p>



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Required disclosure	How do we address this?	Actions taken in 2025	Actions to be taken in 2026 and beyond
Business model and strategy			
<p>(f) An analysis of the resilience of the Company's business model and strategy, taking into consideration different climate-related scenarios</p>	<p>Our scenario analysis conducted in early 2026 indicates that our business model and strategy are resilient. Our businesses are diverse, both geographically and by business sector.</p> <p>Having considered the climate-related risks and opportunities in a range of scenarios over various time horizons, we do not currently believe that any of these will be material to the Group. Based on our current understanding, we believe that the Company's business model and strategy will continue to be resilient.</p>	<p>The Working Group has assessed climate-related risks and opportunities under various scenarios and time horizons, as explained in the introduction to this report.</p> <p>The risk identification and assessment work undertaken to date confirms our initial view that the Company's business model and strategy are likely to be resilient in each of the scenarios considered.</p>	<p>We will continue to refine our understanding of our climate-related risks and opportunities. A focus for this work will be whether these have, or could have, a material impact on the resilience of the Company's business model and strategy.</p>
Targets, metrics and KPIs			
<p>(g) A description of the targets used by the Company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets</p>	<p>We are currently using our Scope 1, 2 and 3 emissions data as the key metric in this area. We intend to set a target restricting the growth in our GHG emissions in our own operations (excluding future acquisitions) to a rate lower than that of the growth of the business (the latter most probably measured in terms of system sales).</p> <p>In January 2025 the Board approved a goal of achieving Net Zero emissions across Scopes 1 & 2 by 2045. We are currently refining the route to achieving Net Zero, which will include identifying and setting milestones for that journey.</p> <p>It is likely that the GHG intensity metrics and the milestones for our journey to Net Zero will form part of our revised targets.</p>	<p>In January 2025 the Board set a long-term goal of achieving Net Zero emissions across Scopes 1 & 2 by 2045.</p> <p>In October 2025 the Board agreed which environmental and social risks it regarded as 'key' to the Group. This included one climate-related risk, being the transition risk relating to the move from internal combustion engines to electric vehicles.</p>	<p>The Working Group intends to use CO₂-equivalent emissions per job undertaken as our principal intensity metric.. (which will include Scope 3 data relating to the vehicles we and/or our franchisees use) and track this relative to a baseline year, most likely 2025.</p> <p>Given that we are at an early stage of our carbon-reduction journey and are still improving our Scope 3 data collection mechanisms, it has not possible to set any targets at this stage. However, this task is a near-term priority</p>



Working responsibly continued

Required disclosure	How do we address this?	Actions taken in 2025	Actions to be taken in 2026 and beyond
<p>Targets, metrics and KPIs</p> <p>(h) A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities, and of the calculations on which those KPIs are based</p>	<p>The Group measures and reports on a wide range of energy consumption and associated GHG emissions, in line with the Greenhouse Gas Protocol, as required by the Streamlined Energy and Carbon Reporting Regulations (SECR). This report is on pages 40-44.</p> <p>We have been measuring and reporting Scope 1 and 2 emissions and estimating and reporting our Scope 3 emissions for a number of years. We expect this will continue to be the bedrock of our reporting.</p> <p>As noted opposite, we have agreed an intensity metric which we intend to use as a KPI, to enable the energy intensity of our business to be tracked year-on-year, so we can monitor progress against the targets that we intend to set.</p>	<p>We started to improve the breadth and quality of data used in estimating the Scope 3 emissions relating to the vehicles used in our seven franchise networks by the almost 600 franchise partners through whom our services are delivered.</p> <p>This data has been included in the SECR report on pages 40-44.</p>	<p>The key task in the short-term is to further refine our measurement of the Scope 3 emissions relating to our franchise partners' operations.</p> <p>As noted under (g) above, we intend to use CO₂-equivalent emissions per job undertaken as our principal intensity metric. This will be calculated by dividing total CO₂ emissions (including an assessment of Scope 3 data relating to the vehicles we and our franchise partners use) by the number of jobs completed in the year, tracked relative to a baseline year, most likely 2025.</p> <p>This will provide us with a means of ensuring that we use carbon responsibly as we pursue our goals of growing the Group's business.</p>



Working responsibly continued

Materiality and Resilience

Following a 'top-down' high level review undertaken by the Management Board members in late 2023, the Working Group has now completed two formal reviews of our climate-related risks and opportunities. Importantly, the most recent exercise involved the management teams of each of our main businesses in this process to ensure that we captured a wider range of perspectives. The time horizons and climate change scenarios we considered, and the reasons for choosing these, are explained on page 31.

Based on our current understanding, none of the risks or opportunities we have identified are believed to be material to the Group at this time, under any realistic scenario. For the purposes of our risk management framework, in financial terms we regard "materiality" as being 1% of Group Adjusted EBITDA, so approximately £350,000.

The risks and opportunities identified that could have the potential to become material to the Group are as follows:

Risk description	Likely impact and effect	Time horizon	Climate change scenario(s)	Assumptions	Possible mitigations
Risk					
No new vehicles powered by internal combustion engines (ICE) are permitted to be sold in the UK after 2035, and the availability of ICE vehicles in the EU will be severely curtailed from that date (transition risk)	<p>Our business is largely the provision of essential, mainly reactive, van-based services. Our initial trials of electric vehicles (EVs) suggest that:</p> <ul style="list-style-type: none"> EVs cannot carry the loads typically found in our, or our franchisees', vans over a range that makes them a practicable alternative to ICE. EV tankers (used in Metro Rod and Willow Pumps) cannot run for the length of time needed, or support the range required. EV charging times are not compatible with the response times which form a key part of our customer service proposition, especially in Pirtek Europe. <p>For these reasons, our interim conclusion is that the electric vehicles (EVs) currently available do not provide a viable alternative to ICE vehicles.</p>	M/L	Current policies Delayed transition	<p>The constraint on the future availability of ICE vehicles is solely policy driven.</p> <p>Either a technological breakthrough is required for EVs to be a viable alternative, or governments will need to relax their positions if the operational constraints cannot be overcome.</p>	<p>We are working with motor industry contacts to gain insights from vehicle manufacturers and other industry sources into the likely future development of EV vans and commercial vehicles and share in their understanding of the evolution and development of government policy.</p> <p>We and our franchise partners will remain reliant on ICE vehicles for the foreseeable future. We have considered alternative fuels that could reduce the carbon footprint of our current fleet such as hydrotreated vegetable oil fuel or hydrogen. However, these do not appear to be operationally or economically viable alternatives at this time.</p>



Working responsibly continued

Risk description	Likely impact and effect	Time horizon	Climate change scenario(s)	Assumptions	Possible mitigations
Risk					
Bans on any ICE vehicles entering Zero Emission Zones (ZEZ) in certain town centres, with some Dutch cities implementing this from 1 January 2028 or 2029 (transition risk)	Where our customers are located in a ZEZ, or the van would need to cross this, we will not be able to use any ICE vehicle from 2028, although this may be extended by one year. While EV range is not a material issue in a geographically compact country such as the Netherlands, our initial trials of a small EV highlighted that this could not carry the full range of tools and hoses/fittings. As a result, our 'first time fix' percentage declined and the customer suffered extended downtime.	S	Current policies Delayed transition	The cities involved will not relax their policy change. We will be able to identify a viable EV to service work in the ZEZs.	We will continue trials, to seek to identify a larger EV capable of carrying the full payload of tools, hoses and fittings. We and/or our franchise partners will need to install EV charging points at every depot to ensure that the EVs needed to access relevant city centres can be kept fully charged.
Introduction or extension of carbon pricing, which could arise primarily in the form of increased fuel costs or road pricing, including the extension of Low Emission Zones (transition risk)	Due to the franchised nature of the vast majority of the Group's businesses, we do not judge that the increase in operating costs will prove to be material to the Company, although it could affect our franchisees' returns and ultimately our business model and strategy.	M/L	Current policies Delayed transition	While national and local governments may seek to increase the costs of using ICE vehicles, there will be a natural ceiling for those costs to avoid causing harm to their economies.	We are already implementing operations management software which includes 'plan my day' functionality designed to minimise driving times and distances. The possible use of EVs and/or alternative fuels could also help mitigate the effect of carbon pricing. We will continue trials of EVs and use our insight into the future evolution of EVs (or other alternative technologies) and government policy.



Working responsibly continued

Risk description	Likely impact and effect	Time horizon	Climate change scenario(s)	Assumptions	Possible mitigations
Risk					
Group operating premises in areas at risk from the effects of climate change (physical risk)	<p>In the short term, Filta's offices and warehouse in Orlando, Florida are at risk from tropical cyclones, extreme heat, changing precipitation patterns and changing air temperature.</p> <p>In the longer term, certain of our, or our franchisees', locations in the UK, Belgium and the Netherlands could be at risk from rising sea levels, if coastal defences are not bolstered.</p> <p>Other sites could become 'at risk' in the most extreme climate change scenarios.</p>	S/L	Delayed transition	National and local governments will take steps to protect their major centres of population and economic activity from any rise in sea levels.	<p>Filta have already opened a second warehouse location in Las Vegas and could relocate from the Orlando site if required.</p> <p>The Orlando-based staff can all work remotely whenever required.</p>
Opportunities					
Climate change results in more frequent and/or more pronounced weather events, or a general change in local climates, which leads to an increase in demand for the Group's services (physical risk)	<p>Pirtek may see a benefit from longer or hotter weather, as hydraulic hoses used outdoors perish more quickly in these conditions.</p> <p>Metro Rod may see a benefit from longer periods of wet weather, as these reveal drains that have become blocked.</p> <p>Metro Plumb may see a benefit from longer periods of cold weather, as this may lead to burst pipes.</p> <p>In all of the cases above, there could be a switch from reactive work to planned or preventative work which may affect the overall demand for the Group's services.</p>	M/L	Delayed transition	No material assumptions.	We track system sales and monitor trends in the business very closely, so would be able to alert our franchise partners to the need to have larger numbers of engineers and technicians available to support any longer-term increases in customers' requirements.



Working responsibly continued

Environmental

Priorities in 2025

Approach and performance

We acknowledge the significant environmental risk posed by climate change and are committed to reducing our environmental impact. In 2025 the Board approved an initial goal of achieving Net Zero emissions across Scope 1 and Scope 2 (which we refer to as 'in our own operations') by 2045.

Actions taken in 2025

We strengthened our Change Working Group by adding members from two of our European businesses. The members led a review of climate-related risks and opportunities involving the management teams of each of our material subsidiary companies. For the second year we have voluntarily collected and analysed emissions from our franchise partners. Improving on 2024, we have collected and analysed emissions from 38 franchise partners (2024: 21) who accounted for 11% (2024: 9%) of Group System sales.

Activities planned for 2026

Focus on factors which minimise the environmental impact of our fleet, facilities and operational activities, reduce waste and resources. These including route optimisation using technology and efficient product usage (e.g., hoses, fittings, spares) to reduce waste.

For further information see pages 29-39.

Franchise Brands plc Streamlined Energy and Carbon Reporting 2025

Franchise Brands plc has reported scope 1, 2 and 3 greenhouse gas (GHG) emissions in accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR).

This SECR report reflects the period 1 January 2025 – 31 December 2025. The previous year's data for 1 January 2024 – 31 December 2024 have also been included in this report to allow for year-on-year comparison.

Methodology

Responsibilities of Franchise Brands plc and 51toCarbonZero

Franchise Brands plc was responsible for the internal management controls governing the data collection process. 51toCarbonZero was responsible for the data aggregation, GHG calculations and the resultant emissions statements.

Greenhouse gas emissions were calculated according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. This standard is internationally accepted as best practice.

Scope and subject matter

The report includes sources of environmental impacts under the operational control of Franchise Brands plc In 1 January 2025 – 31 December 2025. This includes all offices that meet the mandatory reporting requirements.

- * Location-based electricity (Scope 2) emissions use the average grid fuel mix in the region/country where the electricity was purchased and consumed. For SECR, location-based is mandatory.
- ** Market-based electricity (Scope 2) emissions use fuel mix that is specific to the purchased electricity's supplier and tariff. Where supplier-specific fuel mix data is absent, UK National Grid's residual fuel mix was used, in accordance with the GHG Protocol. For SECR, market-based is optional.



Working responsibly continued

GHG Sources Included in the Process

GHG Protocol Category	Data Source
Scope 1: Fuel used in company vehicles, natural gas (boilers), diesel for electricity generation, other fuels	<ul style="list-style-type: none"> - Natural gas consumption was provided as kWh or m3 at all sites excepting those where no utility bill information was available. These sites were charged in a single bill across all utility consumption with no separation and were unable to provide the total bill amount. - Company owned vehicle travel was provided in one of two ways. Either by litres of fuel consumed or distance travelled split by vehicle fuel type. Where car size information was unavailable the UK government 2025 average car size factor for the fuel type was used. - Litres of both fuels were converted to kWh using 2025 conversion factors calculated by DEFRA.
Scope 2: Purchased electricity *	<ul style="list-style-type: none"> - Companies provided their 2025 annual electricity consumption in kWh. - As with natural gas consumption some sites were excluded due to lack of data availability. Electricity was charged to these sites within a single utility charge where the specific energy consumption was unable to be disaggregated and the total utility spend was unavailable.
Scope 3: Fuel used for business travel in employee owned or hired vehicles	<ul style="list-style-type: none"> - Many Franchise Brands' companies utilise leased or employee-owned vehicles for business travel. - Expensed mileage in employee-owned or lease vehicles was reported in spend, fuel consumption (litres) and distance travelled by vehicle type. The reimbursement rate of 45p per mile was utilised to convert the spend to distance, which was then converted into kWh using 2025 conversion factors calculated by the UK Government. Activity data was converted directly into kWh using the 2025 UK government conversion factors. - Companies reported fuels used in leased vehicles either in a spend format or in litres. When the data was only provided in a spend format, the average fuel price per litre in 2025 was used to convert the spend into litres. In 2025 the average petrol price at the time of this report was 135.1p/litre in the UK. - Litres were converted to kWh using 2025 conversion factors provided by the UK Government.

* Dual reporting of electricity emissions have been presented in line with the GHG Protocol. Location- based electricity emissions use the average grid fuel mix in the region/country where the electricity was purchased and consumed – for SECR, location-based is mandatory. Market-based electricity emissions use where provided the supplier's tariff-specific intensity factor and fuel mix, and where this is unavailable, the local grid's residual fuel mix intensity factor is used.

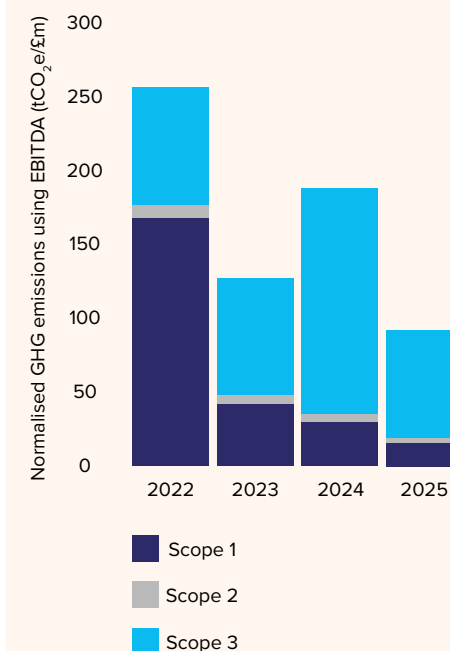


Working responsibly continued

	2022	2023	2024	2025	Change 2024-2025 %
Annual Energy Consumption (kWh)					
Electricity	587,263	937,241	1,074,624	942,064	(12%)
Gas	168,610	1,184,788	529,660	202,672	(62%)
Transport fuel	11,417,733	11,128,595	21,056,765	10,800,598	(49%)
Other Fuels	20,700	40,634	36,060	36,644	(1%)
Total	12,194,306	13,291,258	22,697,109	11,981,978	(47%)
Annual GHG Emissions (tCO₂e)					
Scope 1					
Combustion of Gas	31	217	97	38	(61%)
Mobile Combustion	2,523	1,021	929	504	(46%)
Combustion of Heating Oil	5	10	9	9	1%
Scope 2					
Purchased Electricity – Location-Based	138	193	202	150	(26%)
Purchased Electricity – Market-Based	252	345	394	306	(22%)
Scope 3					
Category 6: Business Travel in Employee – Owned Vehicles	437	1,626	5,093	2,626	(48%)
Category 3: Upstream emissions from purchased fuel and energy – Location-Based	777	748	306	183	(40%)
Category 3: Upstream emissions from purchased fuel and energy – Market-Based	783	780	344	204	(41%)
Total – Location-Based	3,912	3,814	6,636	3,502	(47%)
Total – Market-Based	4,031	3,999	6,866	3,688	(46%)
Intensity Ratio (tCO₂e/£ EBITDA)					
EBITDA £M	15.26	30.15	35.12	35.24	0.4%
Intensity Ratio: tCO₂e / £ Million Adjusted EBITDA – Location-Based	256.34	126.50	188.95	99.36	(47%)
Intensity Ratio: tCO₂e / £ Million Adjusted EBITDA – Market-Based	264.13	132.64	195.14	104.39	(46%)

Methodology: GHG Protocol Corporate Accounting and Reporting Standard.

Franchise Brands' year-on-year normalised GHG emissions by scope



Franchise Brands' year-on-year normalised GHG Emissions, split by Scope. Emissions have been normalised by Adjusted EBITDA.



Working responsibly continued

	UK	EUROPE	USA	Total
Annual Energy Consumption (kWh)				
Electricity	508,664	339,673	93,727	942,064
Gas	3,532	199,140	–	202,672
Transport fuel	6,316,875	4,483,723	–	10,800,598
Other Fuels	36,544	–	–	36,544
Total	6,865,615	5,022,536	93,727	11,981,878
Annual GHG Emissions (tCO₂e)				
Scope 1				
Combustion of Gas	1	37	–	38
Mobile Combustion	504	–	–	504
Combustion of Heating Oil	9	–	–	9
Scope 2				
Purchased Electricity – Location-Based	90	25	35	150
Purchased Electricity – Market-Based	237	34	35	306
Scope 3				
Category 6: Business Travel in Employee – Owned Vehicles	1,276	1,350	–	2,626
Category 3: Upstream emissions from purchased fuel and energy – Location-Based	159	16	8	183
Category 3: Upstream emissions from purchased fuel and energy – Market-Based	182	14	8	204
Total – Location-Based	2,030	1,429	43	3,502
Total – Market-Based	2,200	1,436	43	3,679
Intensity Ratio (tCO₂e/£ EBITDA)				
EBITDA £M	35.24	35.24	35.24	35.24
Intensity Ratio: tCO₂e / £ Million Adjusted EBITDA – Location-Based	57.61	40.54	1.21	99.36
Intensity Ratio: tCO₂e / £ Million Adjusted EBITDA – Market-Based	62.43	40.75	1.21	104.39

Methodology: GHG Protocol Corporate Accounting and Reporting Standard.





Working responsibly continued

Energy Efficiency and Carbon-Saving Measures

Pirtek

- Pirtek UK relocated to new, modern and eco-friendly office facility.
- Pirtek UK Support Centre fleet now 89% electric, with remaining 11% vehicles hybrid/petrol. Germany using eco-electricity power supply following new office premises.
- Full energy saving automated lighting system at Pirtek UK training centre and corporate franchises.
- Solar panels being trialled on mobile service units to negate the need to have the van engine running to power the equipment. Inverters on board for power tool charging.
- Solar panels on Pirtek Belgium corporate centre.

Water & Waste Services division

- Electric Mercedes vans are being trialled by Metro Plumb Kemac to lower emissions and fuel use.
- Energy efficient measures at the Metro Rod & Metro Plumb Support Centre which will improve efficiency and reduce energy consumption: new heating system and LED lighting.
- Solar panel installation is being assessed to reduce grid use and energy costs.
- Trees planted increased to 5,764 which is approximately 70-85 tonnes per year of CO₂ absorbed once they are fully grown.

Fllta International

- Acquires blocks of solar energy for Orlando Support Centre.

B2C division

- Continuing trials with EV vehicles.
- Trailing AI Meta Glasses to reduce the need for in person support – reducing travel and associated carbon costs.

Voluntary streamlined Energy and Carbon Reporting 2025

Introduction

Franchise Brands has volunteered for the second time to report emissions from franchise partners for a more comprehensive impact of the Group's environmental impact. Improving on 2024, we have collected and analysed emissions from 38 franchise partners (2024: 21) who accounted for 11% (2024: 9%) of Group System sales.

Voluntary SECR

	2024	2025	Change %
Annual Energy Consumption (kWh)			
Electricity	145,765	195,345	34%
Gas	77,266	48,769	(37)%
Transport fuel	5,523,432	10,553,260	91%
Total	5,746,463	10,797,374	88%
Annual GHG Emissions (tCO₂e)			
Scope 1			
Combustion of Gas	15	9	(39%)
Mobile Combustion	0	0	0%
Scope 2			
Purchased Electricity – <i>Location-Based</i>	30	35	15%
Purchased Electricity – <i>Market-Based</i>	678	91	34%
Scope 3			
Category 6: Business Travel in Employee-Owned Vehicles	1,719	3,000	75%
Category 3: Upstream emissions from purchased fuel and energy – <i>Location-Based</i>	12	15	23%
Category 3: Upstream emissions from purchased fuel and energy – <i>Market-Based</i>	19	24	27%
Total – Location-Based	1,776	3,058	72%
Total – Market-Based	1,821	3,124	72%

Methodology: GHG Protocol Corporate Accounting and Reporting Standard.