

## CORPORATE GOVERNANCE

## Nomination Committee report



**ADAM CROZIER**  
CHAIRMAN, NOMINATION COMMITTEE



#### Membership of the Nomination Committee and meeting attendance

Name of director	Meetings attended and eligible to attend
<b>Adam Crozier (Chairman)</b>	<b>3/3</b>
<b>David Atkins</b>	<b>3/3</b>
<b>Richard Gillingwater</b>	<b>3/3</b>
<b>Frank Fiskers</b>	<b>3/3</b>
<b>Chris Kennedy</b>	<b>3/3</b>
<b>Deanna Oppenheimer</b>	<b>3/3</b>
<b>Susan Taylor Martin</b>	<b>3/3</b>
<b>Horst Baier</b>	<b>1/1</b>

Under normal circumstances, the Nomination Committee meets at least twice per year. However, given that all non-executive directors are now members of the Committee and that the three executive directors are eligible to attend by invitation, a number of issues that would normally have been dealt with at a Committee meeting were discussed instead at a full Board meeting. The table above includes Board meetings at which Nomination Committee issues were discussed.

**This year we were pleased to welcome Horst Baier to the board as a new independent non-executive director and member of the Audit Committee.**

#### Role of the Committee

The role of the Nomination Committee is to review the Board composition and to plan for its refreshment as applicable. The Committee is also responsible for evaluating the directors on an annual basis, striving for a balance of skills, knowledge, independence, experience and diverse representation to allow for it to operate effectively, and ensuring there is no undue reliance on any one individual.

#### Responsibilities of the Committee

The Committee has specific responsibilities on behalf of the Board and these are detailed below:

- to regularly review the structure, size and composition of the Board (including balance of skills, independence and diversity), and make recommendations to the Board;
- to consider succession planning for the Board and to determine the skills and experience required for future Board appointments;
- to identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- to evaluate the balance of skills, knowledge, experience and diversity required prior to making an appointment to the Board and, on the basis of this evaluation, to prepare a role description outlining the capabilities required for a particular appointment;
- to keep the leadership needs of the Company under review, both for executive and non-executive directors with a view to ensuring the continued ability of the Company to effectively compete;
- keep up-to-date with strategic issues and commercial changes affecting the Company and the market in which it operates;
- to ensure that, on appointment to the Board, non-executive directors receive a formal letter of appointment setting out the time commitment in respect of the role;
- to annually review the time required from non-executive directors and to ensure that a performance evaluation is undertaken to determine if non-executive directors are spending sufficient time to fulfil their duties;
- for the appointment of a Chairman, to prepare a job description including the time commitment expected. A proposed Chairman's other significant commitments should be disclosed to the Board before appointment and any changes reported to the Board as they arise; and
- review the results of the annual Board evaluation that relate to the composition of the Board.

#### Diversity and Inclusion

The Board believes that diversity in many forms is critical to the effectiveness of the Board and to the Company's continued success, which is why we have made a commitment to put diversity at the core of our business agenda with an aim to become the most inclusive hospitality business.

Our Executive Committee are sponsors of Whitbread's approach to diversity and inclusion across Whitbread.

There is a Diversity and Inclusion strategy now in place, which was created in line with industry standards to ensure we are focusing on the right areas.

### Listening to our teams

We are committed to deepen our understanding of what inclusion means to those who work at Whitbread, to ensure that everyone feels respected and represented. One initiative, alongside leading D&I consultancy Green Park, was to do some deep dive listening across all parts of the business around how inclusive we are, with a particular focus on ethnicity. Areas such as leadership, promotion and progression, and barriers were covered in confidential sessions that allowed team members from across the UK to express how Whitbread supported them to be themselves in the workplace. This feedback was then reported back to our Executive Committee, and helped form the Diversity and Inclusion strategy.

### Female representation

We are proud that women who work at Whitbread continue to be successful at all levels in our organisation, including senior levels where:

- we have over 35% female representation in our Whitbread Leadership Forum (our top c100 roles);
- we have a female CEO; and
- we have over 64% female representation in our total workforce.

We reported in January 2020 a gender pay gap of 13.23%, which is being driven by the majority male representation in our senior leadership team, and majority female representation in our customer-facing roles. You can find the full report on our website: [www.whitbread.co.uk](http://www.whitbread.co.uk).

To achieve our gender ambition, our focus will be on specific functions. We have followed the Hampton-Alexander recommendation and are now achieving a 30% representation overall at senior leadership level. Our next action is to ensure that there is 30% female representation in every leadership team across the Company.

### Ethnic representation

We are at a much earlier stage of maturity in our thinking around ethnicity across the business. In operations, we often represent the communities that we are part of; however, at a leadership level we are not as representative as we aspire to be. Using our Diversity and Inclusion strategy, we will spend 2020 reviewing key areas of importance here such as inclusive resourcing, inclusion training for line managers and leaders, alongside collecting representation data, so that we can measure our progress.

### Setting targets

Our internal targets are reflective of our ambition for inclusivity across all areas of diversity, but specifically focusing on gender and ethnicity targets, and our Executive Committee will have individual and collective accountabilities around Diversity and Inclusion, demonstrating our ongoing commitment to a healthy representation in our most senior roles.

### Succession planning

The Committee annually evaluates the balance of skills, experience, independence and knowledge on the Board, preparing a description of the role and capabilities required for a particular appointment. A matrix of the skills and competencies of the current Board is mapped against the skills and competencies the Committee believes will be required in the future. The process, which is also used when the Board is considering new appointments, along with the Board's policies and objectives on Diversity and Inclusion, help the Committee succession plan and develop a diverse pipeline. Following the 2020 Board evaluation, one of the Committee's focuses this year will be to consider the Board's experience in relation to F&B and technology.

We use external search consultants to engage and identify a number of candidates, ensuring equal representation, aligned with the role and capabilities required for the appointment. For the appointment of Horst Baier in November 2019, we used Russell Reynolds Associates, an independent consultancy which has no other links to Whitbread or any directors.

Once a new director has been appointed, they receive a tailored induction which helps introduce them to the business. After Horst joined in November 2019, he met with a variety of senior leaders across the business, and visited various Whitbread sites across the UK and Germany, including Premier Inns, Hub by Premier Inn and Bar+Block.

### Our approach to the annual re-election of directors

As required by the Code, all directors will be subject to re-election at the next annual general meeting (AGM). During the year, I completed the individual performance review of each non-executive director in respect of their contribution and time commitment to the Company. All directors are proposed for reappointment at this year's AGM.

Details setting out why each director is deemed to be suitable for reappointment, and how their contribution continues to be important to the company's long-term success, will be included with the AGM papers circulated to all shareholders.



**Adam Crozier**  
Chairman, Nomination Committee  
21 May 2020

### MAIN ACTIVITIES DURING THE YEAR

In 2019/20, the Committee's main activities have included:

- the appointment of Horst Baier;
- Board succession planning;
- the re-election of directors at the 2019 annual general meeting; and
- a review of the Committee's effectiveness and its terms of reference.