

Whitbread Group PLC

Section 172 statement

Stakeholder engagement is an important area of focus for the Company and the wider Whitbread Group. We ensure that we have open communication with our various stakeholder groups, creating a mutually beneficial relationship, and we use information gained through these relationships to make informed judgements when making key decisions.

The directors understand the importance of their section 172 duty to act in good faith to promote the success of the Company. When making decisions, the interests of any key relevant stakeholders will always be considered by Whitbread's Executive Committee, including employees, suppliers, customers, investors, the community and the environment. Some examples of how the Executive Committee considers these groups during meetings and discussions include:

- As part of the monthly Key Performance Indicators (KPI) pack, the Committee considers data relating to customer feedback and team retention, as well as data on shareholders.
- The Group Finance Director gives details on recent shareholder discussions and qualitative feedback on specific concerns.
- The Group HR Director provides detail of relevant employee related matters.
- The General Counsel reports on key developments on the Force for Good agenda, including work in the Community, charitable fundraising, the environment, plastics and food waste.
- The Chief Executive reports on details of any relevant government interaction.

The Executive Committee also takes into consideration the long-term consequences for the whole Group, including the Company, and its stakeholders when making these decisions, making sure the Group conducts its business in a fair way, protecting its reputation and external relationships. Further information and examples of how Whitbread engages with key stakeholders can be found below.

Workforce engagement

Employee Forum

The Whitbread Employee Forum was established in 2018, with the intention to act as a formal workforce advisory panel to the Board. We chose this as our preferred approach as we believe that a collective voice enables the widest range of views to be heard from across the workforce. The purpose of the forum is to allow team members to be involved in shaping strategic plans and major decisions and give them the opportunity to set their own discussion topics with senior leaders.

Last year we held local and national meetings across Premier Inn, Restaurants and Support Centre, which were attended by the elected representatives and chaired by senior leaders and covered a range of important topics.

The Support Centre Employee Forum was engaged as the formal collective consultation partner during the organisational change proposals that impacted our Support Centre teams in spring 2019. The diverse thinking and input from the forum was invaluable. They ensured that the proposed structures were well considered and effective, whilst ensuring that those who were directly impacted by the changes were supported appropriately and consistently.

Within Restaurants, the forum raised the issue of feeding team members at work. They were concerned that the 'on shift' discount available at the time wasn't affordable for some colleagues. The forum was proactive in creating a proposal for the senior team, which has been accepted, is due for launch in late 2020 and offers all team members on shift the opportunity to purchase a meal for £2.50 from the value menu.

Pan-Whitbread Employee Forum

In January, we held the first Pan-Whitbread Employee Forum, which was chaired by Alison Brittain and held at Chiswell Court in Dunstable. The event was attended by 22 elected team member representatives from across the business, including housekeepers, chefs, front of house team members, Premier Inn and restaurant managers, and Support Centre team members, as well as

members of the Executive Committee. The two-way conversations between our customer-facing teams and senior leaders were highly valued by all, and it was clear that there is a shared passion to put the customer at the heart of everything we do, whilst providing great experiences for our Winning Teams and being a Force for Good within the communities in which we operate. Through Alison chairing our Pan Whitbread Employee Forum, we are ensuring that the views of a key stakeholder group are heard by the Board, and that they are taken into consideration during decision making at the highest level.

There were plans for Board members to meet representatives of the forum in April. However, this was postponed due to COVID-19. This meeting was going to be another important step in raising the profile of the forum at Board level and helping ensure that its views are taken into account in key decision making, so it will be rearranged for later in the year.

Speaking Out

For team members who prefer to raise any concerns confidently, and if they wish, anonymously, we have independent Speaking Out lines that are available to everyone, both in the UK and internationally.

Supplier engagement

Supplier engagement is extremely important to Whitbread. We undertake significant due diligence on our suppliers and we have a robust ethical audit programme to ensure all suppliers are working in line with our minimum standards.

There are a number of different ways that we engage with suppliers throughout the year, including:

Annual Whitbread Supplier Conference

- Separate events in the morning for different categories of suppliers covering category specific news and updates. Senior leaders from Whitbread attend as guest speakers and there are category specific supplier awards presented.
- Full supplier conference in the afternoon hosted by Nigel Jones, Group Operations and Transformation Director, with presentations from other members of the Executive Committee including Alison Brittain. There are opportunities for a Q&A, and the Whitbread Supplier of the Year awards are presented.
- Gala Charity Dinner in partnership with GOSH in the evening.

Quarterly or biannual meetings

Key strategic suppliers will have regular meetings with the relevant Procurement Manager and key business stakeholders as part of our Strategic Management framework to monitor performance, share information and identify mutually beneficial opportunities.

Community engagement

We have an excellent track record of engaging communities and stakeholders when designing and planning new Premier Inn hotels. It is not a tick box exercise for us – it's our first opportunity introduce our business and our business values to a new community who may not know us.

We consider the best way of engaging local communities when acquiring new sites, including at Director level. Our starting point is to follow the advice of Council planning officers when seeking planning permission for new hotels. In some locations we go well beyond this, working with expert consultants to map and engage with established groups, residents and businesses.

We make ourselves available face-to-face and online and take time to explain our business and the local benefits our hotels bring. We also continue to communicate beyond the planning process, working with our building contractors to ensure our neighbours know how construction work is progressing.

As our hotels near to completion, our new openings teams work with Jobcentre Plus to communicate the job opportunities with Premier Inn to local residents, and people currently out of work, education or training. Our ultimate objective is to recruit team members from the local area to work at new and extended Premier Inn hotels, and to work with those new team members to deliver meaningful community engagement before opening the doors.

Pension Trustee engagement

The Company is committed to maintaining its positive and constructive relationship with the pension scheme Trustee and to ensuring security of members' benefits in the pension scheme.

On an ongoing basis, a Whitbread representative attends the Trustee's Benefits Sub-Committee and the Funding & Investment Sub-Committee meetings. Attendance at the latter enables an understanding of any investment changes that are planned and, where appropriate, to provide a Whitbread view. In addition, the Group Finance Director attends a Trustee meeting annually to present, and answer questions on, the Group's annual results and its ability to meet its obligations to the pension scheme.

Customers

As part of our staff training, we emphasize the importance of engaging with customers throughout their experience. We also enable our customers to get up to date pricing information through emails and our website, and we carry out a number of guest satisfaction surveys.