

A strong governance structure



ADAM CROZIER
CHAIRMAN

I am pleased to present the Board's report on the Company's compliance with the UK Corporate Governance Code. This year has been an extremely uncertain period as a result of the COVID-19 pandemic. The Board remains committed and focused on driving forward a strong corporate governance framework, while also taking the necessary steps to successfully navigate Whitbread through these unprecedented times.

COVID-19 response

Since the World Health Organisation declared the COVID-19 virus a pandemic back in March 2020, the hospitality industry has been presented with a unique set of challenges. During this time, we have taken a number of steps to ensure the safety of our customers and employees, while also supporting and leading management as they seek to make rapid decisions in an uncertain and challenging time in the industry.

It was important to the Board that the decisions made during this time aligned with the Company's purpose and values while also supporting our long-term growth strategy and practising good governance. In particular the Board closely reviewed health and safety arrangements for teams and guests and had a close involvement in the rights issue, the Green Bonds issuance, changes to Whitbread's revolving credit facilities and negotiations with the pension fund Trustee. The Executive Committee began meeting daily by video conference and twice a month for more formal meetings, also via video conference. This ensured we were available to respond rapidly to the ever-changing restrictions issued by the UK Government at its daily press briefings. The Board was provided with regular updates following these meetings.

In addition to this, the Company established the COVID-19 Working Group to ensure the effective operation of our business within the constraints of the restrictions issued in the UK and Ireland. The party consists of representatives from all functions of the business and meets on a weekly basis.

The swift response from our Board, Executive Committee and management team demonstrate the strength of the Group's strategy, risk management and leadership, while also providing an insight of our dedication to maintaining strong governance.

Further information on our overall response to the COVID-19 pandemic can be found on pages 4 and 5.

Our strong governance framework

The Board's primary objective is to create and maintain a strong governance structure in order to support the long-term success of the business and also generate lasting value for all our stakeholders. At Whitbread, we are committed to ensuring the Company's actions are in keeping with our culture, values and strategic goals. This is achieved by understanding the critical role that strong corporate governance plays.

In last year's corporate governance report we provided our first full review on our compliance with the 2018 Code. The new code provided the Board with an opportunity to reassess what good corporate governance meant to us and provides a new standard against which we measure ourselves. We continue to focus our governance on complying with the new provisions and applying the new principles introduced in this code. We hope to demonstrate throughout this report the Board's emphasis on issues such as Company purpose, culture, strategy and the relationships with shareholders and stakeholders.

With the exception of one provision, which is explained in more detail below, I am pleased to report that we have complied with the Code throughout the 2020/21 financial year. In the pages that follow we have set out how we have complied with the principles set out in the Code.

The one provision that we cannot report full compliance with this year is the new provision requiring that pension contribution rates for executive directors should be aligned with those available to the workforce. As discussed in last year's report, we are taking steps to bring us closer in line. The remuneration policy, approved in December 2019, is phasing the pension contribution of current executive directors by 10% from 25% to 15% over a period of three years. The provision for new executive directors was also reduced to 10%, which aligns with the workforce. We are committed to aligning contribution rates and will further review at the end of the policy period.

Further information on our executive pensions can be found in the remuneration report on page 89.

Culture and purpose

Whitbread's culture is underpinned by ensuring that our customers have a great experience, which we call the 'Customer Heartbeat', comprising:

- › Winning Teams;
- › Profitable Growth;
- › Force for Good; and
- › Everyday Efficiency.

This aligns with our purpose of providing sustainable long-term value for our shareholders while delivering a quality and value for money hotel experience to our customers. We aim to follow Whitbread's key values of being genuine, confident and committed to reach our goal of becoming the best budget hotel business in the world. This is accomplished by ensuring our teams are happy and engaged through training and progression opportunities and by continuing to develop our sustainability programme under Force for Good with the intention of enabling everyone to live and work well.

The Board usually assesses and monitors the Company's culture by making regular visits to Whitbread's hotels and restaurants and taking the opportunity to meet and speak to team members. Unfortunately, this has not been possible this year but the Board is excited to get back into the business when it's safe to do so. The Board relies on the regular reports from the executive team, particularly the Chief Executive and the Group HR Director, both of whom are members of the Board. The Group HR Director provides input specifically on employee issues, employee satisfaction surveys, which include questions on culture, and reports from the Employee Forum. Culture is also addressed at the strategy day, and through recruitment decisions to senior positions, including for the new HR Director, where cultural fit was discussed by the Board. The Board has re-committed to the purpose as being fit for the current environment. Regular reports are produced for the Board by functions across the Group to enable the Board to satisfy itself that the purpose is being met.

The Board

The Board is committed to regularly reviewing the skills, experience and knowledge that it has in place as well as those that can be added. It is part of the Nomination Committee's role to regularly review the structure, size and composition of the Board. This helps ensure there is a balance of skills, knowledge, independence and diversity around the table.

In April 2021, Susan Taylor Martin retired from the Board after completing nine years. Deanna Oppenheimer also stepped down from the Board in December 2020.

On 1 March 2021 the Board was pleased to welcome Fumbi Chima and Kal Atwal as new independent non-executive directors fulfilling the need recognised in last year's Board evaluation for technology and digital experience. Fumbi is skilled in digital transformation strategy in high-growth environments, with a great understanding of overall strategic planning and technology. Kal has a substantial amount of digital and marketing experience; she played a central part in driving strategic growth and scaling of the business in her previous role. Fumbi and Kal bring an invaluable mix of skills and will provide a breadth of knowledge to the Board.

As a Board, we believe we have put in place a strong non-executive team with a wide range of skills, knowledge and experience to help assist the Company in pursuing its strategic objectives.

Board evaluation

It was highlighted in last year's Board evaluation that directors wanted to focus on succession planning and diversifying Board experience. As mentioned above, there was exciting progress in this area with the appointment of two new non-executive directors joining the Board in March. However, succession planning has become less of a priority during the exceptional year we have experienced.

The Board and its main committees participated in an internal evaluation during the current year. The results of the review have produced some opportunities for improvement, and a refocus of recommendations made in last year's evaluation:

- › Further focus on succession planning for the CEO, executive directors and wider senior leadership teams.
- › Emphasis on training and development.
- › Evolving the strategy for a post-COVID world and exploration of how technology can be used to support this.

Overall, the results were very positive. They were reported to the Board by the Company Secretary in March and discussed thoroughly to ensure a full understanding.

Further information on the Board evaluation and areas for focus in the year ahead can be found on page 76.

Our stakeholders

The Board has always ensured that it considers the impact of its decisions on all our various stakeholders, but even more so now following the recent focus on s172. It is important to understand the views of our stakeholders in order to build constructive relationships. For example, we consider the views of our wider workforce through the use of the Whitbread Employee Forum and 'Our Voice' representatives which gives our employees an opportunity to shape strategic plans and major decisions. In addition to this, as Chairman I hold governance meetings each year with major shareholders to listen to their views and any issues they may have.

Further information on our stakeholder engagement can be found on pages 56 and 57.



Adam Crozier
Chairman
26 April 2021

The UK Corporate Governance Code 2018

The UK Corporate Governance Code 2018 is the standard against which we measure ourselves. It is issued by the Financial Reporting Council (FRC) and is available to view on their website, www.frc.org.uk

Further information on our compliance with the Code can be found in the table below:

Section 1: Board leadership and company purpose		See page
A	Effective and entrepreneurial board to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society	
B	Purpose, values and strategy with alignment to culture	
C	Resources for the company to meet its objectives and measure performance. Controls framework for management and assessment of risks	
D	Effective engagement with shareholders and stakeholders	
E	Consistency of workforce policies and practices to support long-term sustainable success	
	Chairman's statement	6 and 7
	Strategic report	1 to 67
	Board engagement with key stakeholders	56 and 57
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	Audit Committee report	80 to 84
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Section 2: Division of responsibilities		See page
F	Leadership of board by chair	
G	Board composition and responsibilities	
H	Role of non-executive directors	
I	Company secretary, policies, processes, information, time and resources	
	Board composition	72 and 73
	Key roles and responsibilities	71
	Information and training	77
Section 3: Composition, succession and evaluation		See page
J	Board appointments and succession plans for board and senior management and promotion of diversity	
K	Skills, experience and knowledge of board and length of service of board as a whole	
L	Annual evaluation of board and directors and demonstration of whether each director continues to contribute effectively	
	Board appointments and succession planning	87
	Board composition	72 and 73
	Diversity, tenure and experience	72 to 77
	Board, Committee and director performance evaluation	76
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Section 4: Audit, risk and internal control		See page
M	Independence and effectiveness of internal and external audit functions and integrity of financial and narrative statements	
N	Fair, balanced and understandable assessment of the company's position and prospects	
O	Risk management and internal control framework and principal risks company is willing to take to achieve its long-term objectives	
	Audit Committee report	80 to 84
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Section 5: Remuneration		See page
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Q	Procedure for executive remuneration, director and senior management remuneration	
R	Authorisation of remuneration outcomes	
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Board responsibilities

The Board is responsible for the long-term success of the Company and ensures that there are effective controls in place which enable risk to be assessed and managed. All Board members have responsibility for strategy, performance, risk and people.

The Chairman and Chief Executive have clearly defined roles which are separate and distinct. The specific duties and division of responsibilities between the Chairman and Chief Executive have been agreed by the Board and are set out below, together with information on the roles of the Senior Independent Director, the executive directors, the non-executive directors and the Company Secretary.

CHAIRMAN

- › Leadership of the Board and setting its agenda, including approval of the Group's strategy, business plans, annual budget and key areas of business importance
- › Maintaining appropriate contact with major shareholders and ensuring that Board members understand their views concerning the Company, especially on governance
- › Ensuring a culture of openness and debate around the Board table
- › Leading the annual evaluation of the Board, the committees and individual directors
- › Ensuring, through the General Counsel, that the members of the Board receive accurate, timely and clear information

CHIEF EXECUTIVE

- › Optimising the performance of the Group
- › Day-to-day operation of the business
- › Reviewing and proposing strategy
- › Ensuring effective communication with shareholders and employees
- › The creation of shareholder value by delivering profitable growth and a good return on capital
- › Ensuring the Company has a strong team of high-calibre executives, and putting in place appropriate management succession and development plans
- › Leading and motivating a large workforce of people

SENIOR INDEPENDENT DIRECTOR

- › The Senior Independent Director provides a sounding board for the Chairman and supports him in the delivery of his objectives. The Senior Independent Director is available to shareholders if they have concerns which the normal channels have failed to resolve, or which would be inappropriate to raise with the Chairman or the executive team. He also leads the annual evaluation of the Chairman on behalf of the other directors.
- › The Senior Independent Director can be contacted directly or through the General Counsel.

EXECUTIVE DIRECTORS

- › The executive directors are responsible for the day-to-day running of the business and for implementing the operational and strategic plans of the Company

NON-EXECUTIVE DIRECTORS

- › The non-executive directors play a key role in constructively challenging and scrutinising the performance of the management of the Company and helping to develop proposals on strategy

COMPANY SECRETARY

At Whitbread the General Counsel is also the Company Secretary. The duties performed in the Company Secretary element of his role include the following:

- › Advising the Board on legal matters, corporate governance and Board procedures
- › Arranging and minuting the Board and committee meetings

- › Providing support to the Chairman, the Chief Executive and the Board Committee Chairs
- › Enabling and supporting communication between directors and senior management to the Board and committees

BOARD OF DIRECTORS

We believe that it is vital for the Board to include a diverse range of skills, backgrounds and experiences, to enable a broad evaluation of all matters considered and to contribute to a positive culture of mutual respect and constructive challenge.

The mix of skills and experience represented on the Board is outlined below.



ADAM CROZIER

CHAIRMAN



Date of appointment to the Board: April 2017
Date of appointment as Chairman: March 2018

Age: 57

Experience:

Adam was Chief Executive of ITV plc from 2010 to 2017. Prior to that, Adam was former Joint Chief Executive of Saatchi & Saatchi, Chief Executive of the Football Association and then Royal Mail Group. From 2017 to March 2020, Adam was Chairman of Vue International, a multi-national cinema company. From 2017 to March 2020, Adam was Chairman of Vue International, a multi-national cinema company.

External appointments:

- › ASOS (Non-executive Chairman)
- › Great Ormond Street Hospital Discovery Appeal (Trustee)
- › Kantar Group (Chairman)
- › Sony Corporation (non-executive Director)



ALISON BRITTAIN

CHIEF EXECUTIVE

Date of appointment to the Board: September 2015

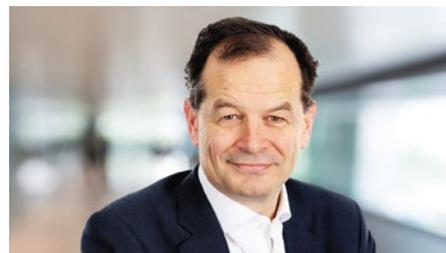
Age: 56

Experience:

Alison joined Whitbread from Lloyds Banking Group, where she was Group Director of the Retail Division, with responsibility for the Lloyds, Halifax and Bank of Scotland retail branch networks, remote/intermediary channels/products and the business banking and UK wealth businesses. Prior to joining Lloyds Bank, Alison was executive director at Santander UK PLC. She previously held senior roles at Barclays Bank, was a Member of the Prime Minister's Advisory Group and non-executive director of Marks & Spencer Plc. Alison was named Business Woman of the Year 2017 in the Veuve Cliquot awards and was awarded a CBE in the 2019 New Year Honours list.

External appointments:

- › Prince's Trust Council (Deputy Chair)
- › Experian PLC (non-executive Director)



NICHOLAS CADBURY

GROUP FINANCE DIRECTOR

Date of appointment to the Board: November 2012

Age: 55

Experience:

Nicholas joined Whitbread in November 2012 as Group Finance Director. He previously worked at Dixons Retail PLC, in a variety of management roles, including Chief Financial Officer from 2008 to 2011. Nicholas also held the position of Chief Financial Officer of Premier Farnell PLC, which he joined in 2011. Nicholas originally qualified as an accountant with Price Waterhouse.

External appointments:

- › Land Securities Group PLC (non-executive director)



LOUISE SMALLEY

GROUP HR DIRECTOR

Date of appointment to the Board: November 2012

Age: 53

Experience:

Louise joined Whitbread in 1995 and has held the position of Group HR Director since 2007. During her time at Whitbread, Louise has held a variety of key transformation and HR roles across the Whitbread businesses, including HR Director of David Lloyd Leisure and Whitbread Hotels & Restaurants. She previously worked in the oil industry, with BP and Esso Petroleum. Louise is an alumna of the Cambridge Institute of Sustainability Leadership and has experience of leading timely evolutions to sustainability strategies.

External appointments:

- › DS Smith Plc (non-executive director)



RICHARD GILLINGWATER

SENIOR INDEPENDENT DIRECTOR



Date of appointment to the Board: June 2018

Age: 64

Experience:

Richard is Chairman of both Janus Henderson plc and SSE plc and serves as a Governor to the Wellcome Trust. Richard is a highly experienced executive and has spent much of his career in corporate finance and investment banking with Kleinwort Benson, BZW and Credit Suisse First Boston, before he moved out of banking and became Chief Executive of the Shareholder Executive, and then Dean of Cass Business School.

External appointments:

- › Janus Henderson plc (Chairman)
- › SSE PLC (Chairman)
- › The Wellcome Trust (Chair of the Investment Committee)



FRANK FISKERS

INDEPENDENT NON-EXECUTIVE DIRECTOR



Date of appointment to the Board: February 2019

Age: 59

Experience:

Frank is a highly experienced executive with a solid background in the global hospitality industry. He has held senior roles with The Radisson Hotel Group and Hilton Hotels Worldwide, and was CEO of Scandic Hotels for eight years, taking the company public in 2015.

External appointments:

- › Shurgard Self Storage SA (non-executive director)
- › EQT (Industrial Adviser)
- › RAK Hospitality Holding LLC (non-executive director)

Key

(A) Audit Committee (N) Nomination Committee

(R) Remuneration Committee

● Chairman

○ Committee member



CHRIS KENNEDY (A) (N)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of appointment to the Board: March 2016

Age: 57

Experience:

Chris is Chief Financial Officer of ITV plc, which he joined in February 2019. Prior to this, Chris held roles with Micro Focus International plc, ARM Holdings plc, and easyJet plc, having previously spent 17 years in a variety of senior roles at EMI.

External appointments:

- › ITV plc (Chief Financial Officer)
- › The EMI Group Archive Trust (Trustee)
- › Great Ormond Street Hospital Trust (Trustee)



FUMBI CHIMA (A) (N)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of appointment to the Board:
March 2021

Age: 46

Experience:

Fumbi is a Global Chief Information Officer, adept at digital transformation strategy in high-growth environments across a range of industries. Fumbi is currently Executive Vice-President and Chief Information Officer at BECU, having previously served as Chief Information Officer at adidas, Fox Network Group, Burberry, Walmart Asia's business operations and American Express global corporate technologies.

External appointments:

- › BECU (Chief Information Officer and Executive Vice-President)
- › Africa Prudential (Independent Director)
- › Women at Risk International Foundation (director)
- › The Azek Company (board member)



KAL ATWAL (N) (R)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of appointment to the Board: March 2021

Age: 49

Experience:

Kal has over 13 years' executive committee experience at BGL Group Limited, where she played a central role in driving the strategic growth and scaling of the business, in particular as the founding managing director of comparethemarket.com. Kal serves as a non-executive director of Royal London Group, WH Smith plc and Admiral Financial Services Ltd and was also Chair of SimplyCook prior to its sale to Nestlé, where she remains as a Board Adviser.

External appointments:

- › Admiral Financial Services Ltd (non-executive director)
- › Royal London Group (non-executive director)
- › WH Smith PLC (non-executive director)
- › SimplyCook Ltd (Board Adviser)



HORST BAIER (A) (N)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of appointment to the Board:
November 2019

Age: 64

Experience:

Horst is a highly experienced executive with more than 20 years' background in the leisure industry. He was for eight years the Chief Financial Officer of TUI AG, the London-listed Anglo-German leisure travel group until the end of September 2018. During his time as board member of TUI AG, Horst played an important role in TUI's transformation from a tour operator to a global provider of holidays operating 380 leisure hotels and 17 cruise ships.

External appointments:

- › Bayer AG (member of the supervisory board)
- › DIAKOVERE GmbH (member of the supervisory board)
- › Ecclesia Holding GmbH (member of the supervisory board)
- › Hotel San Francisco S.A. (Consultant)
- › Riu Family (Consultant)



DAVID ATKINS (A) (N) (R)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of appointment to the Board: January 2017

Age: 55

Experience:

David was Chief Executive and executive director of Hammerson plc from 2009 to December 2020, former Chairman and executive board member of the European Public Real Estate Association (EPRA) and past President and a former committee member of Revo (formerly BCSC).

External appointments:

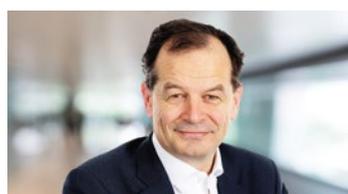
- › British Property Federation (committee member)
- › Reading Real Estate Foundation (director and Trustee)
- › OCS Group Ltd (non-executive director)

BOARD EXPERIENCE

	Number of directors
Consumer/retail	6
Travel and hospitality	6
Digital	6
Corporate transformation	7
Financial	9
International	5
Commercial property	4
People	8
Corporate social responsibility	6



ALISON BRITTAIN
CHIEF EXECUTIVE



NICHOLAS CADBURY
GROUP FINANCE DIRECTOR



LOUISE SMALLEY
GROUP HR DIRECTOR



CHRIS VAUGHAN
GENERAL COUNSEL



SIMON JONES
MANAGING DIRECTOR FOR
PREMIER INN AND RESTAURANTS
UK AND GLOBAL COMMERCIAL
DIRECTOR



NIGEL JONES
GROUP OPERATIONS DIRECTOR



SIMON EWINS
MANAGING DIRECTOR, UK HOTELS
& RESTAURANTS



MARK ANDERSON
MANAGING DIRECTOR, PROPERTY
AND INTERNATIONAL

The Executive Committee meets on a fortnightly basis and is chaired by Alison Brittain

It has authority to manage the day-to-day operations of the Group's businesses, with the exception of those matters reserved for the Board, within the financial limits set by the Board.

The Committee's responsibilities include:

- › formulation of strategy for recommendation to the Board;
- › management of performance in accordance with strategy and budgets;
- › talent and succession;
- › risk management;
- › capital investment decisions (where Board approval is not required);
- › cost efficiency, procurement and organisational design;
- › reputation and stakeholder management;
- › culture, values and sustainability;
- › health and safety; and
- › customer engagement and product development.

Nigel Jones is responsible for managing Whitbread's supply chain, leading the overall Whitbread transformation plan and the IT department.

Mark Anderson has led the property function since 2008 and is responsible for Premier Inn Germany.

Simon Jones has led on key initiatives such as product development, network planning, pricing and marketing.

Simon Ewins has accountability for Whitbread's largest UK businesses and represents a very large proportion of the Whitbread workforce.

Chris Vaughan has been General Counsel since joining the Company at the end of 2015. He is also the Company Secretary and has responsibility for the Group's sustainability programme, Force for Good.

Biographical details for Alison Brittain, Nicholas Cadbury and Louise Smalley can be found on page 72.

Board activities during the year

In advance of each Board meeting, a set of Board papers, including monthly financial and trading reports, is circulated so that directors have sufficient time to review them and arrive at the meeting fully prepared.

The Board has a rolling forward agenda which sets matters to be considered throughout the year ahead. One full day every year is dedicated to strategy. Following these sessions, the Board agrees the significant topics to be discussed at its meetings during the year. The rolling agenda is then updated to ensure that there is a structured approach to the consideration of topics and that recurring issues are evenly spread across the calendar. The Board gives its attention to each area of the business in turn so that a strong understanding of the entire Company is maintained. The rolling agenda is regularly reviewed and updated and is circulated as part of the General Counsel's report before each meeting.

The agenda for each Board meeting is agreed with the Chairman and the Chief Executive so that current events and potential future issues can be discussed alongside the regular reports. Standard items for each meeting are a review of progress on action points, reports from the Chief Executive, the Group Finance Director, the Group HR Director, and the General Counsel, and a KPI pack. The General Counsel keeps minutes of the meetings and produces a list of agreed actions for each meeting.

At the meetings during the year, the Board discharged its responsibilities and considered a range of matters as shown in the table at the bottom of this page.

Board processes and topics to be discussed are continually reviewed to ensure that the correct focus is given to the key issues highlighted at the strategy day.

The Chairman meets with the non-executive directors without the executive directors present after Board meetings.

The Senior Independent Director meets annually with all non-executive directors to discuss the performance of the Chairman. A review of the Board was carried out during the year.

There is a schedule of matters reserved exclusively to the Board; all other decisions are delegated to management. Those matters reserved exclusively to the Board include:

- › approval of Group financial statements and the preliminary announcement of half- and full-year results;
- › changes relating to the Group's capital structure, strategy, the annual budget and the Group's business plan;
- › approving capital projects, acquisitions and disposals valued at over the limit set out in the matters reserved to the Board;
- › approval of interim dividends and recommendation of final dividends; and
- › establishment of Board committees.



BOARD AGENDA 2020/21

Standing agenda items

- › Chief Executive's report
- › Group Finance Director's report
- › Health and safety report (quarterly)
- › General Counsel's report
- › HR Director's report
- › Approval of capital projects
- › KPI pack

Q1

- › Approval of year-end documentation
- › Risk management and insurance
- › Succession planning
- › Premier Inn performance
- › Group valuation and defence considerations
- › COVID-19 update
- › Employee Forum
- › Rights issue

Q2

- › Rights issue and year-end investor feedback
- › Premier Inn & Restaurants opening plan
- › Current operating environment
- › Support Centre reorganisation
- › Commercial and technology plan
- › Risk management update

Q3

- › Strategy day
- › Operational reorganisation
- › 2020/21 Interim results
- › Premier Inn & Restaurants opening
- › Sustainability
- › Pensions
- › Brexit
- › Capital structure and financing
- › German acquisition

Q4

- › Operational update
- › HR Strategy – diversity and inclusion
- › Talent succession
- › Green Bond issue
- › Revolving credit facilities
- › US private placement repayment

BOARD PERFORMANCE EVALUATION

An evaluation of the Board, its committees, individual directors and the Chairman is carried out each year. An externally facilitated Board evaluation was carried out by Ffion Hague on behalf of Independent Board Evaluation in 2019, so the last two years have been carried out internally. Next year there will be an externally facilitated Board evaluation.

BOARD AND COMMITTEE REVIEW CYCLE

Year 1
(Financial year 2018/19)
Externally facilitated review

Year 2
(Financial year 2019/20)
Internal review

Year 3
(Financial year 2020/21)
Internal review

2019/20 INTERNAL EVALUATION

The internal evaluation last year highlighted the following areas:

Areas identified for improvement 2019/20	Progress made in 2020/21
Board agendas – consider reducing the number of items to allow for detailed discussions on all topics.	There has been some progress on this but, in a busy year, there is still more work to do and will continue to be a focus this year.
Succession planning and Board experience – review succession plans for Chief Executive, and consider non-executive directors with specific food and beverage and technology experience in the future.	There has been positive progress with two new NEDs joining the Board in March and this will continue to be a focus going forward, for both the CEO and the wider executive leadership team.
External trends and competition – receive more updates on what competitors are doing and more consideration of external trends.	Progress has been made on this, and information on competitors is now included in the KPI packs and monthly updates.
Link between technology and strategy – improve the Board’s knowledge on technology and the associated risks, and more alignment of technology with the Company’s strategy.	There has been some progress, but it has been raised again this year and will therefore continue to be a focus for the year ahead.
Risk management – integrate risk discussions with core decision making more, and improve the Board’s understanding of risks in relation to major initiatives and how they will be managed.	This is an area which will always be a focus, and may change slightly this year now there is a new head of risk management.
Remuneration – greater monitoring of performance against targets through the year, and consider further ways to engage with the workforce on remuneration matters.	The COVID-19 pandemic has caused this to be a challenge this year and made some of the targets redundant. The Board will continue to monitor this going forward.

2020/21 INTERNAL REVIEW

Method

During the year, the Board conducted the annual evaluation of its performance and that of its three committees by using an online evaluation tool provided by Independent Audit Limited, an independent company which has no other links to Whitbread or its directors. Each director completed a questionnaire in respect of the Board and the respective committees for which they were a member. The General Counsel collated the responses of the evaluation, along with benchmarking data from other boards that had used the same evaluation questionnaires, and the Chairman received an executive summary, highlighting the key outcomes, as did each of the Committee Chairs. Separate reports were then presented to the Board and each committee for discussion. The Chairman and the General Counsel discussed the feedback and developed an action plan for each area of focus. Progress will be reported back to the Board.

Recommendations

Overall, the results of the review were positive, with no major concerns raised. Although there has been some progress on the areas flagged in last year’s evaluation, it’s no surprise that given the exceptional year we’ve had and considering that the Board’s focus has mainly been on dealing with the issues caused by the ongoing pandemic, some of the same issues have been flagged again this year.

The results combined with the benchmarking data provided by Independent Audit, make it clear that the Board has a strong and open culture, has developed a clear strategy which works for the Company, and there is a solid relationship between the executive directors and the non-executive directors.

The evaluation found relationships and Board culture to be very strong. The Board works well as a unit, is well chaired, and culturally the non-executive directors feel able to contribute their views in a constructive and collaborative environment.

Benchmarking data suggests that the Board is highly effective and performing ahead of benchmarked FTSE companies.

The review did also identify some opportunities for improvement in the year ahead, including the following:

- › Succession planning for the CEO, EDs and wider senior leadership team
- › A check in on the current strategy and how it might need to be evolved to address a post-COVID world
- › Technology and how it can be used to support strategy
- › Training and development post-COVID
- › Reducing Board agenda items and shortening Board papers

We will report our progress on these points in the 2021/22 Annual Report.

Board meetings and attendance

The Board generally holds regular scheduled meetings during the year and on an ad hoc basis as and when required. During the year, 12 Board meetings were held and four of these were additional as a response to the COVID-19 pandemic. The attendance at meetings by the directors is set out below.

Members of the executive team attended Board and committee meetings as appropriate.

	Board	Audit Committee	Nomination Committee	Remuneration Committee
David Atkins	12/12	4/4	2/2	6/6
Horst Baier	12/12	4/4	2/2	-
Alison Brittain	12/12	-	-	-
Nicholas Cadbury	12/12	-	-	-
Adam Crozier	12/12	-	2/2	6/6
Frank Fiskers	12/12	4/4	2/2	6/6
Richard Gillingwater	12/12	-	2/2	6/6
Chris Kennedy	12/12	4/4	2/2	-
Susan Taylor Martin ¹	12/12	4/4	1/2	-
Deana Oppenheimer	10/10	-	1/1	4/4
Louise Smalley	12/12	-	-	-

¹ The one Nomination Committee meeting Susan Taylor Martin could not attend was due to a conflict with a previously arranged meeting.

Insurance cover

The Company has appropriate directors' and officers' liability insurance in place. In addition to this, the Company provides an indemnity for directors against the costs of defending certain legal proceedings and generating claims over and above those covered by insurance. These are reviewed periodically.

Board and committees

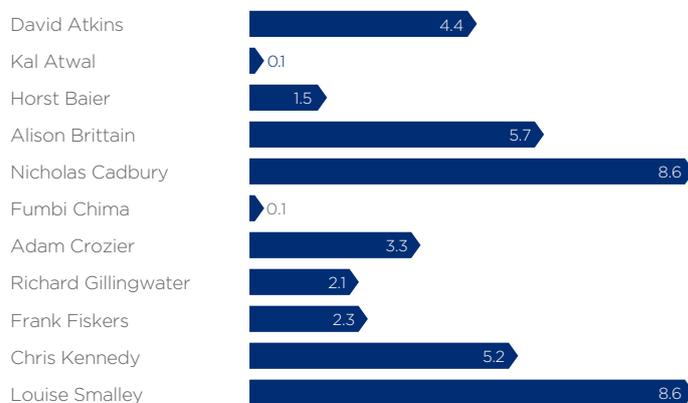
It is believed that the Board and its committees have the appropriate balance of skills, experience, diversity, independence and knowledge of the Company to enable them to discharge their responsibilities effectively. After assessing independence against the Code, the Board considers all non-executive directors to be independent in judgement and character, and also considered the Chairman to be independent on appointment.

During the year, there have been a number of changes to the Board. Deanna Oppenheimer stepped down from the Board on 31 December 2020 to rebalance and spend more time in North America, in light of the COVID-19 pandemic. Fumbi Chima and Kal Atwal were appointed to the Board on 1 March 2021 as independent non-executive directors.

Commitment

During the year all directors, including the non-executive directors, committed significant additional time to the Company, beyond that specified in their service contracts and letters of appointment, in order to deal with exceptional items such as the rights issue and the bond issue. On behalf of the Board, the Nomination Committee has reviewed the extent of other interests of the non-executive directors. The Board is satisfied that the Chairman and each of the non-executive directors commit sufficient time to their duties and fulfil their obligations to the Company. No executive director has taken on more than one non-executive directorship in a FTSE 100 company.

Length of tenure of directors (years)



Training and development

Investor relations and market updates are presented to the Board, together with regular updates from the business. 'Deep dive' sessions were held on certain issues to improve knowledge, including:

- › German mergers and acquisitions (M&A) opportunities;
- › cyber security;
- › diversity and inclusion;
- › commercial and technology strategies and tactics; and
- › information and security.

In addition, directors attend external training events to update their skills and knowledge. This year directors have undertaken training on a number of issues, including:

- › climate change;
- › environmental, social and governance;
- › audit practice;
- › remuneration developments
- › inclusive leadership; and
- › governance.

All directors have access to independent professional advice at the Company's expense. Directors serving on the Board and committees confirmed that they were satisfied that they received sufficient resources to enable them to undertake their duties effectively. Each director has access to the General Counsel for advice on governance.

The General Counsel prepares a monthly report that includes updates on secretariat and legal matters, along with governance, compliance and insurance. This report is presented and discussed at each Board meeting.

Induction process

On appointment, all directors receive a full and formal induction that is tailored to their specific needs.

Fumbi Chima and Kal Atwal joined the Board as non-executive directors in March 2021. As part of their induction, they had meetings with a number of senior leaders from across the business to get a better understanding of how the Company is run, including the following:

- › Chairman;
- › Chief Executive;

- › Group Finance Director;
- › Group HR Director;
- › General Counsel;
- › Group Operations Director;
- › Managing Director, Property and International;
- › Managing Director, Premier Inn and Restaurants UK; and
- › Director of Investor Relations and Director of Secretariat and Insurance.

Meetings were also held with Deloitte, the Company's auditor, PwC as remuneration consultant and the Company's brokers. Once we are post COVID-19, Fumbi and Kal will have an introduction into the business by visiting our hotels and restaurants around the UK and Germany to get to know the different aspects of the Company.

Conflicts of interest

Directors are required to disclose any conflicts of interest immediately as and when they arise throughout the year. In addition, a formal process is undertaken in January each year when all directors confirm to the Board details of their external interests, including any other directorships which they hold.

These are assessed by the Board to determine whether the director's ability to act in the best interests of the Company could be compromised. If there are no such potential or actual conflicts, the external interests are authorised by the Board. All authorisations are for a period of 12 months. No director is counted as part of a quorum in respect of the authorisation of his or her own conflict. It is recognised that all organisations are potential customers of Whitbread and, in view of this, the Board authorises all directors' current external directorships.

The Board also assesses the commitments of all the directors to ensure they have sufficient time to dedicate to Whitbread.

Privacy

Our data protection policies, guidelines and processes set a globally applicable privacy and security standard for the Company and regulate the sharing of information both internally and externally. During the year, various privacy enhancements were made to business processes and systems to ensure the requirements of the General Data Protection Regulation (GDPR) were met. Our data protection steering group will continue to drive awareness and monitor GDPR compliance through ongoing training and governance.

Anti-corruption and anti-bribery

Whitbread is strongly opposed to any form of corruption and bribery. We recognise that it impacts societies in many negative ways. Our reputation is built on trust: the trust of our customers, our people, our partners and suppliers, our investors and the communities we serve. Our anti-corruption and anti-bribery policies apply our strict standards worldwide and are reinforced through training and our day-to-day conduct. We encourage all with concerns to speak out and have facilitated this further through our Speaking Out helplines, enabling reporting of concerns on a named or anonymous basis.

Shareholder relations

In accordance with the Code, the Board recognises that it has responsibility for ensuring that a satisfactory dialogue with shareholders takes place and any major shareholders' issues and concerns are communicated to the Board through the Chairman.

The Company communicates with both the institutional and private shareholders through a number of different means. Further information on shareholder engagement can be found on page 56.

The annual general meeting

The AGM provides all shareholders with the opportunity to communicate directly with the Board, which under normal circumstance encourages their participation at the meeting.

Unfortunately, due to the current COVID-19 pandemic and the uncertainty surrounding the rules on public gatherings, it is likely that it will be impossible to hold a normal AGM and, under the current restrictions, shareholders will be unable to attend the meeting. However, the AGM will be a live meeting held via webcast this year, which will allow shareholders to submit their questions and vote in real time. We will, of course, continue to monitor Government guidance and if our plans change we will provide an update via the Regulatory News Service and our website.

In accordance with the Code, the notice of AGM and related papers are usually sent to shareholders at least 20 working days before the meeting. The Company proposes a separate resolution on each substantially separate issue including a specific resolution to approve the Annual Report and Accounts. For each resolution, proxy appointment forms provide shareholders with the option to vote in advance of the AGM. All valid proxy votes received for the AGM are properly recorded and counted by Whitbread's registrars.

Share capital

The information that is required by DTR 7.2.6 relating to the share capital of the Company can be found within the directors' report on pages 110 to 111.

Statement of the directors in respect of the Annual Report and Accounts

As required by the Code, the directors confirm their responsibility for preparing the Annual Report and Accounts and consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. Further detail on how this conclusion was reached can be found in the report of the Audit Committee on pages 80 to 84.

Going concern

The directors' going concern statement can be found in the directors' report on page 113.

Viability statement

The viability statement can be found on page 67.

Business model and strategy

Information on the Group's business model and the strategy for delivering the objectives of the Company can be found on pages 16 to 19.

Board committees

The Board is supported by three committees; the Audit Committee, the Nomination Committee and the Remuneration Committee. Their terms of reference are reviewed regularly and updated in line with best practice. They are available in full on the Company's website at www.whitbread.co.uk. A detailed report from the Chairman of the Remuneration Committee is set out on pages 88 to 108. Reports for the Audit and Nomination Committees can be found on pages 80 to 87.

ACCOUNTABILITY AND INTERNAL CONTROL

Internal control and risk management

The Board is responsible for the Group's systems of internal control and risk management, and for reviewing their effectiveness. These systems are designed to manage rather than eliminate risk of failure to achieve business objectives. They can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board has established an ongoing process for identifying, evaluating and managing the Group's principal risks. This process was in place throughout the 2020/21 financial year and up to the date of this report. The process is reviewed by the Board and accords with the internal control guidance for directors in the Code. A report of the principal risks, together with the viability statement, can be found on pages 62 to 67.

Risk analysis

- › The Board identifies the principal risks of the Company on a regular basis and throughout the year it reviews the actions in place to mitigate the risks together with assurance and monitoring activity. The analysis covers business and operational risks, health and safety, financial, market, operational and reputational risks which the Company may face as well as specific areas identified in the business plan and budget process.
- › All major capital and revenue projects, together with significant change programmes, include the consideration of the risks involved and an appropriate action plan.

Controls

- › The Company reviews and confirms its level of compliance with the Code on an annual basis.
- › The matters reserved to the Board require that major projects and programmes must have specific Board approval.
- › Limits of delegation and authority are prescribed to ensure that the appropriate approvals are obtained if Board authority is not required to ensure appropriate segregation of tasks.
- › Group financial policies, controls and procedures are in place and are regularly reviewed and updated.
- › The Whitbread Code of Conduct, setting out required levels of ethics and behaviour, is communicated to employees and training is provided. An externally hosted whistleblowing system is also available.
- › The Code of Conduct makes reference to specific policies and procedures which have to be followed.
- › Employees are required to undertake tailored training on risk areas including IS security, data protection, anti-bribery and anti-trust law.

- › Management is responsible for ensuring the appropriate maintenance of financial records and processes that ensure that financial information is relevant, reliable, in accordance with applicable laws and regulations and is distributed both internally and externally in a timely manner.
- › A review of the financial statements is completed by management to ensure that the financial position and results of the Group are appropriately reflected.
- › All financial information published by the Group is subject to the approval of the Audit Committee and the Board.
- › An annual review of internal controls is undertaken by the Board with the assistance of the Audit Committee.

Assurance

- › The Audit Committee approves the audit programme which ensures that the significant areas of risk identified are monitored and reviewed.
- › The programme and the results of the internal audits are regularly assessed during the year.
- › The Audit Committee reviews the major findings from both internal and external audits.
- › Internal audits are carried out under the control of the Head of Internal Audit. The reports are reviewed by the Audit Committee and, on a monthly basis, by the Executive Committee to ensure that the actions required to address issues identified are implemented.
- › The Head of Internal Audit reports annually to the Audit Committee on the effectiveness of operational and financial controls across the Group.
- › Deloitte LLP, the Company's external auditor, reviews and reports on the significant issues identified in its audit report.
- › An internal control evaluation process is overseen by the management team which assesses the level of compliance with the controls, policies and processes and the results are reviewed and tested on a sample basis by the internal audit team.
- › Post-completion reviews of major projects and investments are carried out and reported on to the Board.