Strategic report (continued)

Section 172 statement

In accordance with section 172 of the UK Companies Act 2006, in its decision making the Board of Whitbread Group PLC considers the interests of the Group's employees and other stakeholders.

Stakeholder engagement is central to the formulation and delivery of our strategy. As part of this process, the views and interests of various stakeholders including the views of customers, employees, shareholders and suppliers are taken into account. Equally, the impact of our strategy on the communities in which we operate, and on the environment, is also considered. That way, the strategy is developed directly with those interests in mind.

The interests of all relevant stakeholders are carefully considered by the Board and the Executive Committee as and when specific decisions are made throughout the year. In its decision-making, the Board considers what is most likely to promote the success of the Company for its stakeholders in the long term and in a sustainable manner.

Our directors understand the importance of their section 172 duty to act in good faith to promote the success of the Company.

Every month, the Executive Committee considers a 'Balanced Scorecard' that measures performance against a range of metrics, both financial and non-financial. The non-financial metrics include guest satisfaction, team and guest safety, team retention, internal promotions, gender and ethnic diversity at leadership levels, and sustainability targets, like carbon and water reduction, as well as donations to Great Ormond Street Hospital Children's Charity. The 'Balanced Scorecard' also goes to the Board regularly as part of the Board pack.

The Chief Executive's report gives details of any relevant interaction with Government or regulators, and key issues with suppliers and landlords.

The Chief Financial Officer's report includes details on recent engagement with shareholders and the pension trustee discussions and qualitative feedback on specific concerns.

The Chief People Officer's report provides details of all relevant employee-related matters, including recruitment, retention, diversity and inclusion, listening, wellbeing, training and reward.

The General Counsel's report contains an update on key developments on the Force for Good agenda, including work in the community, charitable fundraising, the environment, plastics and food waste. It also includes best practice guidance on governance.

Any Board discussion on possible M&A activity includes wider impact assessments, considering issues such as integration with the current business, management capabilities, the impact on team members and our supply chain.

The Board also takes into consideration the long-term consequences for both the Company and its stakeholders when making these decisions, making sure the Company conducts its business in a fair way, protecting its reputation and external relationships.

Further information and examples of how Whitbread Group's Board engages with and considers interactions with key stakeholders can be found below.

Employees

- 'Our Voice', a body made up of elected representatives across the business, represents the views of employee constituencies to senior management, including an annual session chaired by the Chief Executive. The Whitbread PLC Board receives reports of these meetings.
- Over the year the Whitbread PLC Board has focused discussions on team member pay, taking into consideration the cost of living, the impact on our hourly paid employees, and any changes in legislation likely to impact our approach to reward.
- The Chief Executive, in his Whitbread PLC Board report, outlines and makes proposals in relation to team retention and reward strategies and the Whitbread PLC Board reviews monthly KPI data regarding team retention and other employee measures as part of Whitbread's balanced scorecard.
- The Whitbread PLC Board reviews the Speaking Out process to ensure we have the right platform for employees to raise concerns.
- The Whitbread PLC Board discusses Whitbread's overall people strategy on an annual basis, receives a bi-annual report on overall talent health, and also receives an update on employee engagement. People strategy encompasses all facets of our approach to people and engagement, including diversity and inclusion.
- Diversity and inclusion is specifically considered as part of all Whitbread PLC Board appointments. This is guided by the Whitbread PLC Board diversity policy, which was updated in March 2024, and the Gender and Ethnicity Pay Gap Report 2024.
- Diversity and inclusion is also discussed as part of the succession planning process which includes a focus on creating a diverse pipeline at the senior management level. The Whitbread PLC Board discussed the various diversity and inclusion networks: GLOW, REACH, eNable and GEN. The Whitbread PLC Board also attended diversity and inclusion training in October, facilitated by an external partner.
- The Chief People Officer's report regularly updates the Whitbread PLC Board on progress against all areas of the people strategy.
- The Whitbread PLC Board receives reports on health and safety management bi-annually; statistics are included in the monthly KPI pack and any serious incidents are reported immediately to the Board.

Strategic report (continued)

Section 172 statement (continued)

Customers

- The Whitbread PLC Board receives regular updates on customer satisfaction scores.
- The Whitbread PLC Board receives a monthly report on commercial, pricing and operational performance.
- Quarterly in-depth reviews are provided into pricing and commercial strategies in the UK and Germany.
- The Whitbread PLC Board approves the refurbishment schedule and repairs and maintenance programmes. The Whitbread PLC Board also reviews a programme of investment to ensure we maintain the high quality expected by our guests.
- The Whitbread PLC Board has visibility of and input into the investment made in our digital product and customer journey.
- The Whitbread PLC Board considers room innovations periodically, e.g. Premier Plus rooms and twin rooms.
- The Whitbread PLC Board considers brand positioning, marketing campaigns and digital strategies.
- The Remuneration Committee includes customer measures in the remuneration structures for key team members.

Investors

- The Whitbread PLC Board receives monthly updates on changes to the share register and market expectations as well as recent engagement with shareholders and other investors.
- The Chairman and General Counsel consulted with a number of shareholders during the year; key themes discussed included strategy, financial and operating performance, business culture, remuneration and ESG.
- The Chief Executive, Chief Financial Officer and Investor Relations team have conducted meetings with shareholders, prospective investors, banks and bondholders throughout the year.
- The Whitbread PLC Board receives a presentation at least once each year from its brokers on the current views of investors and on issues which may need to be addressed.
- The Whitbread PLC Board considers very carefully whether the Company is fairly valued and what steps can be taken to enhance value further.

Suppliers

- The Whitbread PLC Board has discussed inflation in the supply chain as part of the Chief Financial Officer's report.
- The Whitbread PLC Board considers and approves a Modern Slavery Act Statement each year.
- The Whitbread PLC Board approves material contracts with suppliers. This year, the Whitbread PLC Board has reviewed and approved contracts with a new logistics supplier.
- The Whitbread PLC Board has received presentations regarding our sustainability programme, Force for Good, which includes responsible sourcing.

Communities and the environment

- The Whitbread PLC Board has received presentations regarding our sustainability programme, Force for Good.
- The Whitbread PLC Board receives regular updates on key developments in the Force for Good programme and provides comment and view on material issues.

Lenders

- Once a year the Chief Executive and Chief Financial Officer of Whitbread PLC meet the key lenders within the revolving credit facility to discuss the annual results and business performance.
- The Group holds a fixed income call with our bondholders after the annual results presentation.
- The Whitbread PLC Group Financial Controller is in regular contact with our banks' relationship teams, discussing operational and strategic financing requirements, and our Treasury team engages to manage the Group's operational requirements.
- We continue to monitor and discuss with the banks their strategy and ability to lend to the Group in the future and any changes that may impact this.

Pensions Trustees

- The Chief Financial Officer attends a trustee meeting annually to present, and answer questions on, the Company's annual results and its ability to meet its obligations to the pension scheme. The Chief Financial Officer of Whitbread PLC regularly interacts with the Chair of the Trustee.
- A Company representative attends the trustee's Benefits Sub-Committee and Funding & Investment Sub-Committee meetings. Attendance at the latter enables an understanding of any investment changes that are planned and can provide a Company view where appropriate.
- Twice a year, a senior member of the Finance team meets with the Funding & Investment Sub-Committee and its covenant adviser to give an update on Company performance and answer any questions.
- The Whitbread PLC Board receives presentations in relation to pension issues, including the funding position, triennial valuation and investment performance. During the year, the Company and trustee agreed the assumptions for, and completed, the 31 March 2023 triennial valuation.