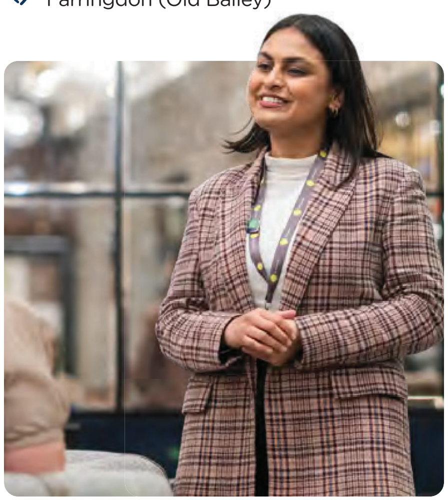
Building long-term sustainable success for everyone

"The Board is committed to prioritising decisions that support the long-term sustainable success of the Company for the benefit of its stakeholders."

Clare Thomas
General Counsel and Company Secretary

Image: hub by Premier Inn Farringdon (Old Bailey)



Section 172 statement

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 duties 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 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, carbon and waste. It also includes best practice guidance on governance and legal regulatory updates.

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.

The Board receives regular updates on customer satisfaction, commercial performance, pricing strategy, operational activity, and investment programmes to ensure high quality guest experience and strong business execution. Throughout the year, the Company engages extensively with investors providing clarity on strategy, performance, governance, and ESG. Each year, the Chair supported by the Investor Relations Director, Chief Financial Officer and General Counsel, meets with investor stakeholders to review the Company's performance.

Insightful and well-considered strategic decision-making

Board information
- Forward agendas are available to allow the Board to plan ahead of time and to ensure the appropriate allocation of agenda time to each stakeholder group.
- Detailed papers are circulated a week in advance of Board meetings giving directors due time to consider them.
- An annual Board strategy day allows the Board to consider and agree key strategic priorities.
- The Board partakes in group site visits and training.

Resources available
- The Board is supported by the Company Secretary who is present at every Board meeting. The Board also has access to the advice of the Company Secretary on governance matters all year round.
- The Board has access to external advisers, should it need advice on specific matters.

Board decisions
- The Board culture fosters open discussion and constructive challenge from the non-executive directors.
- The Board benefits from the diverse skills, knowledge and experience of directors when making key strategic decisions and performing its duties under section 172.

Review
- The composition of the Board is constantly monitored to ensure the right balance of skills and experience is maintained.
- The performance of the Board is evaluated in line with the UK Corporate Governance Code 2024.
- Decisions and outcomes are reviewed to ensure intended outcomes are achieved.

Image: Premier Inn Birmingham Oldbury

Employees

Our people are the key to our success. A talented, engaged and diverse workforce is critical to support our growth ambitions in the UK and Germany.

What our employees tell us matters to them

- A healthy and safe working environment.
- Industry-leading training and development.
- Career development opportunities.
- Market-leading reward and incentive structures.
- Focus on team member wellbeing.
- A diverse and inclusive culture in which everyone is welcome and can be themselves.
- Open, honest and transparent management processes.

Board considerations

- ‘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 Board receives reports of these meetings.
- Over the year the 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 Board report, outlines and makes proposals in relation to team retention and reward strategies and the Board reviews monthly KPI data regarding team retention and other employee measures as part of Whitbread’s balanced scorecard.
- The Board reviews the Speaking Out process to ensure we have the right platform for employees to raise concerns.
- The 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. Our 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 Board appointments. This is guided by the Board diversity policy, which was updated in March 2024, and the Gender and Ethnicity Pay Gap Report 2025.

More detail on this can be found on our website: www.whitbread.co.uk

- 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 Board discussed the various diversity and inclusion networks: GLOW, REACH, eNable and GEN.
- The Chief People Officer’s report regularly updates the Board on progress against all areas of the people strategy.
- The 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.

Image: hub by Premier Inn Farringdon (Old Bailey)

Outcomes of engagement

- Significant investment in pay and rewards for teams with an average 6% increase for hourly paid team members and 3% increase for salaried and Support Centre roles. Bonus incentives awarding over £20m to UK management.
- Further reduction of 2.5%pts in team turnover rates in the UK, building on reduction of c.5%pts in prior year, and high engagement scores from our employees across both the UK and Germany.
- We made progress on female representation in leadership to currently stand at 40.4% and ethnic representation in leadership to 7.4%; targets established for both to maintain our progress through to 2026.

Customers

Customers are at the heart of our business and Board decisions are driven by a desire to provide our guests with a consistent, high-quality experience at a great price to ensure they keep coming back.

What our customers tell us matters to them

- Consistent, high-quality hotels to stay in with a quality food and beverage offering, for a great price.
- Brilliant service from our teams.
- Excellent standards in our hotels and restaurants, which are clean, safe and welcoming.
- Healthy and responsibly sourced menu choices including vegan and fish items on the menu.

Board considerations

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

Image: Premier Inn Margate

Outcomes of engagement

- Market outperformance and YouGov scores demonstrate the quality and value of the brand proposition and its popularity.

Investors

The Group conducts a wide-reaching investor relations programme throughout the year and seeks to engage on a range of topics including financial and operating performance, business strategy and governance, as well as our Force For Good sustainability programme.

What our investors tell us matters to them

- Clear and well-communicated strategy.
- Evidence of strong execution against that strategy.
- Financial performance, both in absolute terms and relative to the competitive set.
- Capital structure and capital allocation.
- A proactive programme of engagement on key topics.
- Leadership, governance and remuneration.
- A progressive ESG programme.
- Identification and management of key risks.

Board considerations

- The Board receives monthly updates on changes to the share register and market expectations as well as recent engagement with shareholders and other investors.
- The Chair 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 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 Board considers very carefully whether the Company is fairly valued and what steps can be taken to enhance value further.

Outcomes of engagement

- We conducted hundreds of investor meetings over the past year, not just with existing shareholders but also large numbers of other investors, both in the UK and internationally. We also maintained a regular dialogue with over 20 sell-side analysts that produce written equity research on the Company.
- We received helpful input regarding non-executive succession planning and certain ESG-related topics.

Suppliers

The Board values its relationships with suppliers and fosters these carefully to support the long-term sustainable success of the Company.

What our suppliers tell us matters to them

- Payment on time and in full.
- Good communication: strong and consistent levels of demand and transparent feedback on performance.
- Tackling modern slavery.
- A plan to reduce carbon through the supply chain.

Board considerations

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

Outcomes of engagement

- The move to the new logistics provider delivered a 50% improvement in distribution efficiencies.

Read more in our Modern Slavery Statement 2025/26
www.whitbread.co.uk/

Communities and the environment

Whitbread is committed to doing right by the communities in which we operate and the environment. This is embedded in our Force for Good programme and brought to life in our ambitious sustainability targets.

What our communities tell us matters to them

- A robust health and safety programme for team members and guests.
- An ambitious environmental programme which includes Scope 1, 2 and 3 carbon reduction targets in line with 1.5°C of global warming, and targets to eliminate waste, particularly food waste, and reduce water usage.
- Ensuring that our critical commodities are sourced sustainably and responsibly.
- Supporting local communities with economic opportunities and raising funds for our chosen charities, national and local.

Board considerations

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

Image: Premier Inn Margate

Outcomes of engagement

- Over our 14-year-long partnership with Great Ormond Street Hospital (GOSH), we have raised almost £29 million.
- Scope 1 and 2 emissions intensity has been reduced by 63.0%/m^2 from our 2016/17 baseline.
- We have reduced our water consumption by 18.0% per sleeper from our 2019/20 base year.
- We have cut our food waste by almost 40% from our 2018/19 base year.

Lenders

The Board has identified our key lenders as our syndicate of banks that participate within our revolving credit facility, and our bondholders, who hold our 2021 and 2025 issued bonds.

What our lenders tell us matters to them

- Our current performance and financing strategy.
- The nature and quantum of debt and level of liquidity of the Group.
- Our ability to service the debt interest payments and repayment at maturity.
- Our credit rating and commitment to investment grade metrics.
- Our covenant and compliance certification.
- The Green Bond framework.

Board considerations

- Once a year the Chief Executive and Chief Financial Officer 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 Group Finance Director 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.

Outcomes of engagement

- Debt capital structure that is optimum for the Group.
- A base of lenders that can support the Group's financing and operational needs.
- Robust relationships with lenders that are continually monitored, and facilitate refinancing and access to sources of finance when needed.
- The support and access to product offerings that the lenders provide.

Pension scheme trustee

We are committed to maintaining a positive and constructive relationship with the pension scheme trustee and to ensuring security of members' benefits in the pension scheme.

What key aspects govern the pension scheme

- Pension scheme funding and investment strategy, supported by a strong Whitbread covenant, that ensures the long-term security of members' defined benefits.
- Value for money defined contribution arrangements and engaging communications that support members in saving for retirement.

Board considerations

- The Chief Financial Officer attends a meeting with the trustee annually to present, and answer questions on, the Company's annual results and its ability to meet its obligations to the pension scheme.
- A Company representative (at the invitation of the trustee and, subject to any conflicts) 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.
- At least 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 Board receives presentations in relation to pension issues, including the funding position, triennial valuation and investment performance.
- We have been actively engaging with the Trustee to conclude the triennial Actuarial Valuation for the pension scheme as at 31 March 2025. Discussions are well advanced, and we are on target to conclude by the statutory deadline of 30 June 2026.

Outcomes of engagement

- Strong and open relationship with the pension scheme trustee.
- Well-funded pension scheme and security of defined benefits.
- Ongoing engagement on defined contribution arrangements in the best interests of members

A highly engaged workforce

"Whitbread is a special place to work and our brilliant people are fundamental to our success: warm and welcoming, passionate and proud."

Rachel Howarth
Chief People Officer

Whitbread has a proven track record over our 284-year history in successfully evolving to meet the challenges of tomorrow. We have a strong collegiate culture, rooted in serving guests, caring for our teams and doing the right thing. Delivering for our guests is our primary focus and we know that our people are at the heart of that delivery every day. Ensuring that our teams are engaged so that they can maintain our brilliant service levels is a key underpin in our fantastic guest satisfaction scores and the continued profitable growth of the business. Whitbread has no barriers to entry, and no limits to ambition for our people. It is the best place for anyone to pursue a career in hospitality.

There is much to celebrate from the last year. We continue to have a highly engaged, inclusive, and capable workforce, directly supporting our business growth. Team retention climbed to a record high and employee engagement remains strong, with a score of 73% in the UK (74% in Germany). We are a diverse and inclusive business and we made good progress within our leadership group against our gender representation target, increasing to 40.4%. Ethnic minority leadership representation declined slightly to 7.4% but we have made significant progress in the last five years and are confident that we are progressively becoming a more inclusive organisation. We also made significant investment in pay and recognition, expanded our talent pipeline through training and apprenticeships, and enhanced wellbeing support for our c.31,500 team members. Our culture, underpinned by our refreshed Whitbread Values – Warm + Welcoming, Passionate + Proud, Budget + Brilliant – fosters teamwork and service: we believe that delivering for our people enables them to deliver outstanding service for our guests.

It's important to me that we attract, develop, and retain talent from all parts of society, and social mobility is reflected both in our People Strategy and through the Opportunity pillar of our Force for Good programme. Whitbread creates jobs in hundreds of local communities, helping people build skills and careers. I am particularly proud of the work we do to unlock opportunities for young people from disadvantaged backgrounds, supporting students with special educational needs and care-experienced young people into meaningful, paid work, through enhanced partnerships with both Derwen and Hereward Colleges and Barnardo's.

In FY26, we built on last year's progress by modernising the employee experience and streamlining people processes to support growth and efficiency. We fully deployed our new digital People system, Dayforce, across the UK and Germany, giving team members mobile access to information important to them in their roles, like payslips, schedules, and their benefits. Dayforce also unlocks richer workforce insights to management and will be a key enabler in further enhancing our scheduling and efficiency sophistication. We are proud to pay ahead of the National Living Wage and the majority of our teams have opportunity to progress their pay rate based on skills progression. We continued our journey of simplification in our hourly pay structure, building on the work last year to reduce pay rate variations from over 150 to c.30 rates, to encourage multi-skilling and enable our teams to serve guests wherever they are. We continue to enhance agility and remove complexity, ensuring we have the right capabilities for future growth in the UK and internationally.

Listening to employees remains at the heart of our approach. We partner closely with Our Voice, Whitbread's elected employee forum, through regular meetings and our annual CEO/CPO-led summit, so that frontline feedback shapes decisions. This open dialogue spurred ideas for menu improvements, recognition initiatives for our Night Team Members, and informed the roll out of better food waste communication tools, including our "Too Good To Go" app that is now available in over 90 sites. Our Voice helps us manage change in ways that matter to our teams and contributes to sustained high engagement: we moved to a composite engagement metric this year based on employee satisfaction, enthusiasm, pride, and advocacy, and our initial score via our Your Say survey was a very encouraging 73%.

The proposed extension of our Accelerated Growth Plan in the year ahead will impact roles across our branded restaurants and in some of our hotels; plans are subject to appropriate consultation with all affected team members. We recognise that this will be an unsettling period of change for our teams and supporting our people through the process will be a key priority; working with impacted colleagues to upskill, find alternative roles, and ensure that we support their wellbeing. We will work hard to create redeployment opportunities for those impacted; we propose to create new roles to serve food and beverages in our hotels in addition to the c.15,000 people we hire each year in our normal business operation.

Whitbread is a people business. Our people consistently deliver for our guests today and will be a key enabler of our strategic aspirations for growth and transformation tomorrow. We are not complacent about the external factors through FY27 that will add complexity and challenge for us. Recent budgetary and regulatory changes will be cost inflationary and the Employment Rights Act will be a significant change to the employment landscape. However, we pride ourselves on the experience we deliver for our teams and guests and will continue to ensure we find the right routes to efficiency without compromising on those experiences. We will continue to be a company where our people can thrive, with no barriers to entry and no limits to ambition, which in turn underpins the sustainable value we deliver to shareholders.

Investing in our teams' pay, reward, and benefits

In FY26 Whitbread made positive investments in pay and rewards to support our teams amid a high cost-of-living environment and to remain competitive for talent. In April 2025 we delivered a multi-million pound pay increase for hourly team members – averaging 6% – keeping all Whitbread pay rates ahead of the National Living Wage and National Minimum Wage. This followed the record £40m pay uplift we gave in April 2024. Our Support Centre and site management teams in the UK received 3% pay awards. Furthermore, we paid out bonuses for FY25 performance, awarding over £20m in annual incentives to UK management, and over 2,000 hourly team members earned payouts under our "All Green" incentive scheme (c.£500k total).

Our teams in Germany received c.2.5% pay awards, aligned to local market standards, and most also had a special payment above their regional Tariff agreement.

In the UK and Germany Support Centres, we introduced broader work levels and refreshed reward packages, including a new bonus scheme structure that delivers a consistent framework at all levels, as well as an element linked to personal goals to ensure real focus on driving performance.

Beyond pay, we have fostered a culture of recognition and appreciation. Building on our Whitbread "Heroes" long-service awards, under which we gave over 7,000 awards this year representing a combined 25,000 years' worth of service, we also launched a new real-time digital recognition platform in FY26. The "Wonderfully Whitbread" programme, introduced to Operational teams earlier in the year and to Support Centre colleagues in September 2025, provides a digital hub for peer-to-peer thank yous, e-cards, and award nominations. This programme has begun to 'supercharge' our recognition culture, making praise and thanks a daily habit and further boosting engagement.

Supporting our teams to deliver for our guests

We take pride in our teams' delivery for our guests which is underpinned by the ongoing stability and engagement of our hotel and restaurant teams. Employee turnover improved again this year, having already seen significant improvement over the previous two years. We now have the most stable teams we have ever had which yields productivity benefits through more experienced employees better equipped to serve our guests, as well as lower hiring and training costs.

Whitbread's employee engagement also remained strong: people choose to stay with us and tell us they enjoy working for us. Our latest Your Say survey in Autumn 2025 showed robust advocacy and pride: 2 in 3 colleagues would recommend Whitbread as a place to work, and a similar proportion feel proud to work here. Key drivers cited by employees include our focus on development opportunities, inclusive culture, and supportive management. Notably, engagement was resilient following some programmes of operational changes in the prior year, both as part of our Accelerating Growth Plan and our simplification of management structures. We always endeavour to be transparent in our communication to our teams and support them through change with a strong focus on redeployment opportunities and signposting to our suite of wellbeing resources. Many of our team actively chose to stay with Whitbread as we implemented change and we always endeavour to retain our talent.

We believe that by looking after our teams' wellbeing, we foster the engagement and service excellence that drive our business performance. We expanded our network of trained mental health first aiders and our teams continue to benefit from access to our "Spectrum Life" wellbeing app, delivered in partnership with Hospitality Action. This gives all employees on-demand access to wellness tools – from guided meditations and a digital fitness programme to nutrition guides and podcasts. This complements our 24/7 Employee Assistance helpline, and we continue to give employees a route to safely raising concerns via our "Speaking Out" whistleblowing service. With inflation still impacting household budgets, we stepped up support for colleagues' financial understanding via an ongoing financial education programme covering budgeting, debt management, and saving for retirement. During Pension Awareness Week in September, we promoted our generous Whitbread pension scheme to our teams across the UK; our scheme is open to all and we match employee contributions up to 10% of salary. We also continued to offer our popular Whitbread Sharesave scheme, giving employees a chance to share in the company's success; the 2025 invite had strong participation, underscoring colleagues' confidence in our future growth.