

Whitbread Group Pension Fund

Statement on the UK Stewardship Code

Whitbread Trustees, the Trustee of the Whitbread Group Pension Fund (the Fund), supports the principles of the Stewardship Code, and the Fund's compliance with this Code is explained below.

Primary objective

The primary objective of the Trustee is to ensure it can meet its obligations to current and future beneficiaries of the Fund. It recognises that a company's long-term financial success is influenced by a range of wide factors which can include appropriate management of environmental, social and corporate governance issues. Consequently the Trustee seeks to be an active long-term shareholder.

The Trustee outlines its stewardship responsibilities within its Statement of Investment Principles, with greater detail being provided in its stand-alone Sustainable Investment Policy. Each of these policies is made available to the Fund's members upon request.

These policies are reviewed periodically by an Investment Sub Committee and revised as necessary to ensure they remain appropriate and effective.

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities

The Trustee outlines its stewardship responsibilities within its Statement of Investment Principles, with greater detail being provided in its stand-alone Sustainable Investment Policy. Each of these policies is made available to the Fund's members upon request and via their secure members website.

These policies are reviewed periodically by an Investment Sub Committee and revised as necessary to ensure they remain appropriate and effective.

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be disclosed

The Trustee has delegated responsibility for the selection, retention and realisation of investments to external investment managers. In support of its goal to be an active shareholder, the Trustee encourages its investment managers to have a documented policy covering their stewardship responsibilities, which should include how they will manage conflicts of interest. These policies are periodically reviewed by the Fund's investment adviser.

Principle 3: Institutional investors should monitor their investee companies

Day-to-day responsibility for the management of the Fund's equity holdings is delegated to its external investment managers, and monitoring investee companies is considered a core part of this responsibility. The investment managers are encouraged to consider company performance on relevant environmental, social and corporate governance issues within investment analysis and monitor this on an annual basis.

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value

The Trustee recognises the principle that engagement with company management can be a tool for mitigating areas of risk, and encourages its investment managers to outline their approaches to engaging with companies in their policies.

Engagement activity will be considered as part of routine monitoring of manager performance, and will also be a consideration in future manager selection exercises as well as review and de-selection.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate

The Trustee aims to keep abreast of industry best practice, and supports the work of industry groups such as the National Association of Pension Funds (NAPF) to promote this. The Trustee would only expect to be involved directly in collective engagement in exceptional circumstances, and most likely through industry organisations such as the NAPF.

At a company level, decisions around collective engagement are delegated to the Fund's investment managers.

Principle 6: Institutional investors should have a clear policy on voting and disclosure on voting

The Trustee encourages its investment managers to exercise their right to vote whenever it is practical to do so. The investment managers are encouraged to have documented policies which outline their voting approaches and which are in line with relevant industry best practice. Investment managers are required to report regularly on their voting activities, and these reports form part of the regular manager review activity.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities

The Trustee requires its investment managers to report regularly on their stewardship and voting activities. Investment managers are also encouraged to assess and report the impact of their engagement activity.

The Fund's Sustainable Investment Policy and a summary of stewardship and voting activity is made available to the members of the Fund.