

Engaging with our stakeholders (section 172(1) statement)

The Directors have a duty to promote the success of the Company and the Group for the benefit of its members as a whole, having regard to the interests of our customers, our people, our relationship with our suppliers and the impact of our operations on the communities in which we operate, and to ensure that we maintain a reputation for high standards of business conduct.

Our key stakeholders are our customers, suppliers, team members, lenders, landlords, the beneficiaries of the defined benefit ("DB") pension scheme and the community and environment. All key Group decisions consider the impact on relevant stakeholders. Increasingly, stakeholders are looking to understand our performance across multiple areas, including products and services, innovation, governance and workplace practices. The Company endeavours to gain an understanding of the perceptions and attitudes of each stakeholder group and the weight they give to different issues. Where the views of the different stakeholder groups do not align, the Company must decide on the best course to promote the Group's long-term success.

Customers

Customers are the core focus of our business. We strive to deliver outstanding customer experiences in order to build long-term and sustainable relationships. Key issues for our customers include high quality service which meets their high expectations and competitive pricing.

Suppliers

The Company strives to be responsible and sustainable in every aspect of our supply chain. This means ensuring all activity is ethical and lawful, and that we work in a socially and environmentally sustainable way. We aim to ensure that we all understand the economic, social and environmental impact of our operations. We work together to make continual improvements to reduce our impact on the environment, and to increase responsible activity as well as deliver a sustainable sourcing approach across our supply chain. It is important to us that we work with suppliers that are aligned to our ethos and follow a similar approach. Alignment and adherence to these principles will be taken into consideration when we are either engaging with new or reviewing existing suppliers. We expect to work together to monitor compliance throughout our relationship. Where we work regularly with suppliers, we will make sure processes are in place to check that principles are being followed and any necessary improvement activity is undertaken to ensure compliance to our principles.

Team Members

As a service organisation, our team members are critical to our business. We ensure our people are engaged and empowered to deliver the best service for our customers and be happier themselves.

The Group strives to ensure our team members maintain and embody the Group values. Our values encourage team members to:

- Be **bold** in our decisions, our actions and our aspirations.
- Be **adaptable** by embracing change and planning for the expected and the unexpected.
- Be **real** through sharing feedback and ideas, and always being open and honest.

During the year, the Company was awarded the Great Place to Work certification. This is the most definitive "employer-of-choice" recognition and the only recognition based entirely on what employees report about their workplace experience.

See Employee matters section in the Directors' report for further information on how we engage with our team members.

Lenders

The Group prioritises strong relationships with its lenders and continues to build on long-term established relationships. These relationships work not just by fulfilling contractual performance obligations, but also include regular communications on business strategy and working as partners towards shared objectives.

Landlords

The location and quality of the Group's hotels underpins our business and is fundamental to the service we provide. Good relationships with the landlords of our properties (across multiple contractual relationships) are pivotal to ensure our properties are maintained to a high standard, offer a compelling proposition to our guests and support the long-term growth strategy of the Group.

DB Pension Scheme

The Group operates two defined benefit schemes, both of which are closed to new members and whose assets are held in separate funds administered by a sole professional trustee.

Previously, the schemes were governed by a board of trustees, including representatives nominated by the Group. With effect from 31st December 2024, the governance of the schemes changed to a sole professional trustee.

Community and environment

Environmental stewardship and social responsibility are at the heart of the Group's ESG programme: Keeping it REAL. This programme includes two pillars: Sustainable Stays (taking care of our planet) and Caring Ways (taking care of our people). Under these pillars, the Group has identified 13 important impact areas: Measuring our Impact; Our Responsible Purchasing; Future-proofing our Buildings; Managing our Energy; Managing our Waste; Preserving our Water; Our Certification Journey; Our Food and Drink; Educating our Guests; Supporting our Teams; Empowering our People; Valuing our Diversity; and Caring for our Communities.

Recent hotel initiatives include a housekeeping opt-out scheme that has already resulted in over 76,000 guests choosing to forego housekeeping – resulting in significant savings on water and chemical use. The Group has raised over £106,000 for charities since 2023 and provided over 1,000 volunteering hours.