

Costa Coffee streamlines UK in-store structure in response to COVID-19

Change sees the proposed removal of Assistant Store Manager role across UK business

Up to 1,650 roles at risk and under consultation

The ongoing impact of COVID-19 remains challenging for Costa Coffee and has required the business to make difficult decisions to ensure that as many jobs as possible are protected long-term.

Costa closed nearly all 2,700 of its UK stores for six weeks during the pandemic. Since May, stores have been re-opening as safely and as quickly as possible, with over 2,400 stores now trading. While trade is returning, helped by the Government's VAT reduction, which Costa passed on to customers in full, and the recent "Eat Out To Help Out" Scheme, there remain high levels of uncertainty as to when trade will recover to pre-COVID levels.

Throughout the pandemic, Costa has taken decisive action to provide, where possible, financial support and to look after team members. While stores were closed, all team members were put on the furlough scheme helpfully provided by the Government, with their salary topped up by Costa to 100% for 12 weeks. When reviewing roles within stores, a number of options were reviewed prior to making the difficult decision to launch today's consultation. Costa has made significant investments in safely accelerating the re-opening of stores, ensuring they are safe for customers and team members and made the difficult decision to freeze all pay increases within the Support Centre and cut all non-essential expenditure.

Unfortunately, despite making these changes, Costa must take additional action, including announcing today's consultation, which puts 1,650 roles at risk of redundancy. Costa will seek to find those at-risk alternative roles within the business where possible, and for those leaving the business, support will be provided to help with the transition to new employment.

Neil Lake, Managing Director for Costa Coffee UK and Ireland said:

"Today's announcement to our store teams was an extremely difficult decision to make. Our baristas are the heart of the Costa business and I am truly sorry that many now face uncertainty following today's news.

"We have had to make these difficult decisions to protect the business and ensure we safeguard as many jobs as possible for our 16,000 team members, whilst emerging stronger ready for future growth.

"As a proud member of the UK high street, we remain committed to the role Costa plays in supporting the economic recovery of the country, but today I want to say a huge thank you

to all of our team members that are affected by this announcement and we will be supporting you throughout this process.”

ENDS

Notes to Editors

- Costa employs 16,000 people across 1,600 wholly owned UK In addition to wholly owned stores, there are 1,100 Costa franchise stores across the UK employing 10,500.
- Throughout the consultation process, Costa will be supporting affected team members with a range of measures including job searching, CV writing, preparing for interview and a guide to using

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About Costa Coffee

Founded in London by Italian brothers Sergio and Bruno Costa in 1971, Costa Coffee operates in 31 international markets, with over 2,700+ coffee shops in the UK&I and 1,200+ globally. We are the fastest growing coffee shop business in the UK&I and are proud to be the nation’s favourite coffee shop, having been awarded “Best Branded Coffee Shop Chain in the UK and Ireland” by Allegra Strategies for ten consecutive years (2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019).

Making a positive contribution to the communities we are part of its extremely important to us, both here in the UK and across the world. That’s why we established The Costa Foundation, a registered charity with the aim of improving the life chances of children in coffee growing communities by helping them access a safe, quality education. So far, the Costa Foundation has funded over 80 school projects and changed the lives of more than 75,000 children. We also have a UK-wide Community Programme, which enables our teams to volunteer their time to good causes locally and to invite community groups to make use of our welcoming space in store.

In 2011, Costa Coffee purchased Coffee Nation, which is now Costa Express. Today, Costa Express operates in nine international markets, with over 9,000+ coffee bars in the UK and more than 1,000+ globally. Proudly serving the same famous Mocha Italia blend found in stores, combined with fresh milk to create a delicious and warming cup of coffee on the go.

www.costa.co.uk