

Responsible Business Report 2019

Delivering True
Hospitality for everyone



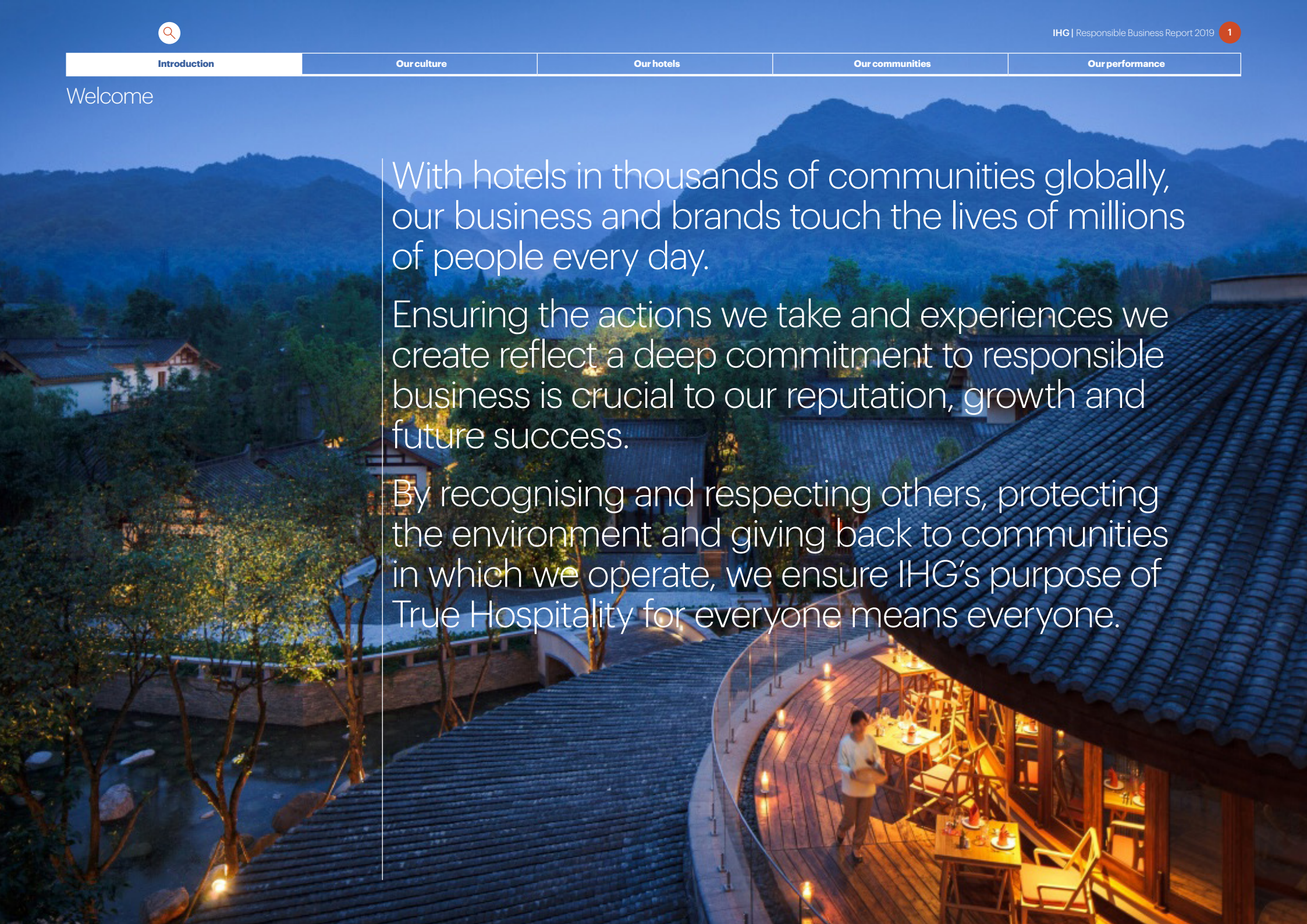


Welcome

With hotels in thousands of communities globally, our business and brands touch the lives of millions of people every day.

Ensuring the actions we take and experiences we create reflect a deep commitment to responsible business is crucial to our reputation, growth and future success.

By recognising and respecting others, protecting the environment and giving back to communities in which we operate, we ensure IHG's purpose of True Hospitality for everyone means everyone.



**Introduction****Our culture****Our hotels****Our communities****Our performance**

Contents

1-15**Introduction**

Welcome	1
Contents	2
Chair and CEO Q&A	3
About IHG	5
2019 highlights	6
2018-2020 responsible business targets	7
Our strategy	8
Governance	9
Risk management	10
Materiality	11
UN Sustainable Development Goals	12
Stakeholder engagement	14

16-25**Our culture**

Doing business responsibly	17
Human rights	19
Responsible procurement	21
Making IHG a great place to work	23
Valuing diversity and inclusion	24

26-31**Our hotels**

Developing our hotel colleagues	27
Carbon and energy	28
Water	29
Waste	30
Technology and innovation	31

32-36**Our communities**

Our True Hospitality for Good programme	33
Skills and education	34
Disaster relief	35
Giving for Good month	36

37-43**Our performance**

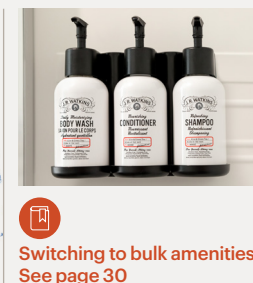
Our performance	37
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Further information online at:
IHGplc.com

- Our brands
- Find out about IHG's history
- Explore our culture
- Download our Annual Report and Form 20-F 2019



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**Jump to:**



Chair and CEO Q&A

Growing in the right way

Ensuring IHG protects and enhances its reputation as a responsible business is central to our purpose of providing True Hospitality for everyone, and to our ability to operate and grow in the right way. IHG's Chair, Patrick Cescau, and CEO, Keith Barr, discuss our approach, progress in 2019 and priorities for 2020.



 Watch Keith Barr's review of the year in more detail at: www.ihgplc.com



Q What does Responsible Business mean to IHG?

PC: Every action we take for our brands, colleagues, guests and investors requires us to act with integrity, responsibility and strong governance. Our reputation and long-term growth aspirations are built on this commitment, and we appreciate that stakeholders increasingly expect success to be delivered in ways that protect our environment and give back to local communities.

Our colleagues are passionate that our purpose of True Hospitality for everyone really does mean everyone and is used as a force for good. Whether it is the development of our daily operations, community or environmental programmes, third-party partnerships, tools or policies, we recognise the need to consistently review and adapt our approach to stay relevant and effective.

Q What role do IHG's colleagues play in delivering Responsible Business?

PC: The type of culture we have at IHG informs everything else about us as a business. Our people shape that culture daily – whether by promoting workplace diversity through our employee-led resource groups, giving back to communities through Giving for Good month, or engaging with the values, tools and training we put in place to help colleagues do the right thing and make a difference.

It's important the tone is set by the Board and in 2019 we designated a Non-Executive Director to focus on workforce engagement, helping ensure we have a cross-section of perspectives on key company matters. Relationships are important, and as a predominantly asset-light, franchised business, we need to engage with all colleagues and our owners if we are to consistently operate and grow sustainably and responsibly.



Chair and CEO Q&A continued

Q How would you rate progress against your 2018-2020 Responsible Business Targets?

KB: Having finished the penultimate year of our targets, we're firmly on track to meet our goals.

Working closely with our hotels, the introduction of a Carbon Metric has helped us deliver a 5.9% reduction in our carbon footprint per occupied room to date – an important achievement. As we continue to accelerate the number of hotels we open annually, we are committed to tackling the challenge of ensuring we grow in ways that manage and reduce our environmental footprint.

We also continue to nurture our diverse and inclusive culture, including through programmes that drive greater gender equality. Linked to this, we were proud to see IHG again listed in the top 10 FTSE 100 companies for female leadership representation at an Executive Committee level and their direct reports in the 2019 Hampton Alexander Report.



Q What other achievements are you most proud of in 2019?

KB: 2019 was a really busy year of commitments and exciting partnerships. Leading our industry as the first global hotel group to commit to switching all our brands to bulk-size bathroom products was a great step toward reducing our plastic waste, building on the commitment we made in 2018 to remove all plastic straws from our global estate too.

Our Renovation Donation Initiative in the US and Canada has been very effective in redirecting furniture and goods from renovating hotels to charities rather than landfill, and we also signed a fantastic partnership with Junior Achievement Worldwide, to give more young people a taster of what it is like to work in our industry and pick up new skills on the way.

In Australia, we partnered with OzHarvest to divert food waste from our hotels to local communities via a network of charities, and in the Middle East we kicked off an AI technology pilot with Winnow that can reduce food waste by tracking usage and better informing future purchasing choices.

We've also put a lot of focus on our Human Rights programme, further developing our Human Rights Policy and launching a new, free e-learning module for all colleagues around the world to help combat human trafficking.

There's such huge potential for a business of our size and so the challenge is to identify solutions that can be embedded into our brands and operations at scale, with the support of our owners.

Q What are you focused on for the future when it comes to Responsible Business?

PC: We're an ambitious company. We've set 2030 science-based targets to reduce our greenhouse emissions, and as part of our work in this area we are now developing a plan to meet the requirements of the Task Force on Climate related Financial Disclosures (TCFD).

All this is informing the work we've started on our post-2020 Responsible Business Targets, which will contribute toward the achievement of the 2030 UN Sustainable Development Goals and ensure that the actions we take create the right long-term approach for IHG both operationally and culturally.

Alongside our targets, we will continue to push the agenda where it matters most, reflecting the changing expectations of our guests, colleagues and investors. Collaboration will always be key to this, and our work with several industry bodies and partners in areas as diverse as anti-human trafficking, waste reduction and increasing female leadership remain an important focus for us.



IHG listed in the top

10
FTSE 100
companies

for female leadership
representation at an
Executive Committee level

About IHG



Our operations

Total hotels in the IHG System (rooms)

5,903
(883,563)

Franchised hotels (rooms)

4,870
(614,974)

Managed hotels (rooms)

1,007
(262,253)

Owned, leased and managed lease hotels (rooms)

26
(6,336)

Total hotels in the pipeline (rooms)

1,918
(283,043)



How our business works

Across more than 100 countries, we operate an asset-light business model, predominantly managing and franchising hotel brands on behalf of third-party hotel owners.

Whether we franchise to, or manage hotels on behalf of hotel owners, depends largely on market maturity, owner preference and in certain cases the particular brand.

By targeting high-value markets with unmet consumer demand, we aim to create scale positions with brands that deliver long-term value for both IHG and our stakeholders.

Due to our asset-light approach, the number of owned, leased and managed leased hotels we have has dramatically reduced from more than 180 hotels in 2003, to just 26 in 2019.

Business model	Hotel ownership	IHG capital intensity	Employees	Brand ownership marketing and distribution
Franchised	Third party	Low	Third party	
Managed	Third party	Low	IHG and third party	IHG
Owned and leased	IHG	High	IHG	



Our brands

Mainstream



Upscale



Luxury



Our employees

Our asset-light business model means that we do not employ colleagues in franchised hotels, nor do we control their day-to-day operations, policies or procedures. That being said, IHG and our franchised hotels are committed to delivering a consistent brand experience, conducting business responsibly and delivering our purpose of providing True Hospitality for everyone.

When considering the Group's entire estate of 5,903 hotels, more than 400,000 people

worked across IHG branded hotels and corporate offices globally as at 31 December 2019. However, as at the same date, IHG actually employed 14,436 people worldwide, which comprises of those individuals employed in our corporate offices, central reservations offices, owned hotels and some managed hotels. For the purposes of this report, when we refer to our employees it is defined as this group.

Learn more about our business here
www.ihgplc.com/en/about-us/how-our-business-works



2019 highlights

5.9%

reduction in our carbon footprint per occupied room from 2018-2019 on a 2017 baseline

Bulk amenities

First global hotel company to commit to moving all brands from miniature bathroom amenities to bulk solutions



3.6%

reduction in water use per occupied room in water stressed areas from 2018-2019 on a 2017 baseline



188,000 hours

volunteered by colleagues across the globe



Junior Achievement Worldwide

Launched global partnership to help young people build skills and experience in hospitality



Employee share plan

New share plan launched for all corporate employees

100%

score on the Human Rights Campaign's annual Corporate Equality Index in the US for sixth time

25,222 people

supported around the world through community impact projects

Science-based targets

Committed to setting greenhouse gas emission reduction targets in line with climate science



Top 10

Hampton-Alexander Review listed IHG as one of the top companies in the FTSE 100 for female representation among our senior leadership



Global Best Employer

Aon-Hewitt Global Best Employer



BESTEMPLOYER



2018-2020 responsible business targets

Progress against our 2018-2020 targets

Environmental sustainability

Target
6-7%

Reduce carbon footprint per occupied room

**Progress**

Over a two year period we have reduced our carbon footprint by 5.9% per occupied room, with a 3.7% reduction in 2019, from a 2017 baseline.

Community impact

Target
30,000-40,000

Individuals provided with hospitality skills training through IHG® Academy

**Progress**

In 2019, 15,081 people benefitted from IHG Academy taking the total to 28,181.

Our people

Target
Increase diversity

Increase diversity in terms of gender and nationality or ethnicity of IHG Senior Leaders

**Progress**

In 2019, female representation in our Senior Leadership was at 36% vs our 2017 baseline of 37%.

Responsible procurement

Target
Increase supplier audits

Increase supplier risk profiles and audits for preferred suppliers

**Progress**

Continuation of supplier risk assurance programme, with remediation plans now underway for those suppliers found to have gaps in their risk assessments.

Target
Six projects

Launch two water stewardship projects each year

Progress

In 2019, we launched water stewardship projects in Beijing and Bali.

Target
\$3,000,000

Contributed to community impact projects

Progress

In 2019, we contributed \$1.3m to community impact projects, taking our total to \$2.5m.

Target
Increase female representation

Increase number of females working in General Manager and Operations roles in managed hotels

Progress

In 2019, we increased the percentage of females in General Manager and Operations roles from 24% to 26%, up from 22% in 2017.

Target
Increase ethical supplier awareness

Roll out new training for corporate colleagues and hotels

Progress

In 2019, we launched a mandatory programme for all employees to further increase their ethical awareness on how to spend responsibly.

Target
100,000

Colleagues involved in IHG's community impact activities each year

Progress

160,313 colleagues engaged in community impact activities in 2019.

Target
Employee engagement

Track and report employee engagement each year

Progress

In 2019, IHG achieved an average engagement score of 87%, a 1% improvement on 2018 and up 2% since 2017, 11% above Kincentric's top quartile benchmark.

Target
IHG green criteria

Increase suppliers that meet IHG green criteria

Progress

In 2019, 45% of new contracts through our tendering processes were awarded to an IHG Green Supplier.

See pages 38-41 for more information



Our strategy

Responsible business strategy

Our approach to responsible business underpins our entire company strategy, operations and brands. Having the right commitments, governance and culture in place, shapes who we are as a business and is central to our ability to deliver our purpose of True Hospitality for everyone.

With our asset-light model, we grow our business in high-potential markets by consistently ensuring our brands, loyalty programme, systems and technology combine to deliver great guest experiences and strong returns for hotel owners.

Central to the successful delivery of our strategy is our commitment to responsible business, which ensures that alongside our hotel owners and partners, we grow in the right way and sustainably for the long-term.

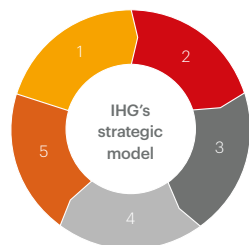
From the shared values we promote and the culture we create, to how we operate and grow, to our contribution to local communities, we have clear procedures, policies and programmes in place to guide us.

Our approach starts with our purpose...

True Hospitality for everyone

and is guided by our corporate strategy...

...which we deliver responsibly across three pillars...



- 1 Build and leverage scale
- 2 Strengthen loyalty programme
- 3 Enhance revenue delivery
- 4 Evolve owner proposition
- 5 Optimise our preferred portfolio of brands for owners and guests



Culture

We pride ourselves on a respectful and responsible culture, which guides our decisions and how we work, and underpins our purpose to provide True Hospitality for everyone.

See page 16



Our hotels

From our direct hotel operations, to our relationship with third-party owners and our supply chain, we consider the entire hotel lifecycle when looking at how to best operate responsibly.

See page 26



Communities

We understand that our success and the well-being of those who work in and around our hotels are closely linked, and we're using our scale and global reach to shape a positive future for everyone.

See page 32



We measure progress through our 2018-20 targets in four areas...



Environmental sustainability

See page 37 for more information



Community impact

See page 38 for more information



Our people

See page 39 for more information



Responsible procurement

See page 41 for more information



Governance

Responsible business governance

At IHG, we recognise the importance of maintaining the highest standards of governance to support our culture, our values and our commitment to conducting business responsibly.

Every day, our people around the world support a culture of responsible business. This begins with our Board, and is embedded by our CEO and Executive Committee, who are accountable for promoting and reinforcing it.

The Group Board has overall responsibility for and sets IHG's strategic direction. The Board is supported by its other principal committees, the Audit, Corporate Responsibility, Nomination and Remuneration Committees, who assist the Board in carrying out its functions, overseeing the delivery of strategic objectives, driving sustainable value for shareholders, whilst ensuring the business is managed responsibly.

Our Corporate Responsibility Committee reviews and advises the Group Board on IHG's corporate responsibility objectives and strategy, including its impact on: environmental, social, community and human rights issues; its approach to sustainable development and responsible procurement; and stakeholder engagement in relation to the Group's approach to responsible business.

The committee meets three times a year and in 2019 it was chaired by Jill McDonald, a Non-Executive Director (NED). Other NEDs who sit on the committee are Anne Busquet, Luke Mayhew and Malina Ngai. The Group's Executive Vice President of Global Corporate Affairs and Vice President of Corporate Responsibility attend all meetings and our Group Chair and CEO regularly attend committee meetings.

On 1 January 2020, Arthur de Haast was appointed as an independent Non-Executive Director of IHG and will now sit as a member of the Corporate Responsibility Committee.



In 2019, the key responsibilities and focus areas were to:

- Considering the Group's Corporate Responsibility Strategy, given developments in environmental, social and governance (ESG) considerations and the need to look beyond the Group's 2018-2020 targets;
- Monitoring the delivery of the Responsible Business targets for the year, with a focus on the Group's environmental, community and diversity targets;
- Reviewing the Group's approach to responsible business in the supply chain, including supplier audits and the Supplier Code of Conduct;
- Reviewing the Group's Human Rights programme and approving the Human Rights Policy; and
- Overseeing responsible business stakeholder engagement.

In 2019, a Responsible Business Governance Committee was formed to support our Board and Executive Committee. The committee is made up of Senior Leaders who oversee our key day-to-day responsible business activities in areas including: Cybersecurity and Information Security, Procurement, Global Risk Management, Human Resources, Legal, Operations and Corporate Responsibility. This committee meets quarterly to drive collaboration across the business, ensuring that we meet our ambitions, external commitments and targets.

 [To view our Corporate Responsibility Committee report, click here](#)





Risk management

Our growth ambition in a fast-moving and our innovative business environment means that we must consider risk as a central part of the definition and execution of our strategy.

The Board's role in risk management – stewardship and partnership

The Board is ultimately accountable for the effectiveness of our risk management and internal control systems, and is supported by the Audit Committee, Executive Committee and delegated committees. Our regional and functional leaders, supported by the Risk & Assurance team, conduct strategic planning and business performance reviews throughout the year which monitor emerging risks – new or changing factors which require further consideration to determine the potential significance to our business. Our governance framework and committee agendas establish procedures for Board members to receive information from the Executive Committee and Senior Leaders and a range of other internal and external sources on emerging risks.

During 2019 the topics have included:

- many long-term industry and macroeconomic risk factors (within Board strategy meeting and committee discussions), often alongside management's own presentations of plans and projects;
- discussion of risks relating to longer-term sustainability, shifting societal expectations, human rights and our evolving responsibilities across our supply chain (Corporate Responsibility Committee);
- emerging tax, treasury and regulatory risks, for example relating to privacy and data protection (Audit Committee);

- cultural, succession and retention risks and the competitiveness of director and executive remuneration (Remuneration and Nomination Committees).

While the Board oversees the risk management system to ensure that risks and opportunities are appropriately identified and managed to an acceptable level, it works in partnership with the Executive Committee and Senior Leaders to maintain and, where necessary, accelerate the understanding of key risk topics.

Our enterprise risk management framework adopts a mitigate/transfer/accept approach, taking into account the potential impact on the ability of the Group to execute and deliver our objectives and strategy.

Risk appetite

IHG's risk appetite is visible through the nature and extent of risk taken by the Board in pursuit of strategic and other business objectives. We cascade this appetite through the goals and targets we set, our Code of Conduct and other global policies, our formal Delegation of Authority policy including the governance structure of approval committees, decisions we make and how we allocate resources. It evolves with the IHG strategy.

Risk management supports decision making

Our risk management and internal control system is fully integrated with the way we run the business and how we create and protect value in pursuit of our objectives.

Our culture, values and behaviours, establish authorities, capabilities and appropriate incentives for empowered and agile decision-making across our portfolio of risks by teams across IHG, supported by functional expertise.

Formal and informal monitoring, reporting and assurance arrangements, enable the Board and Executive Committee to maintain ongoing oversight of key areas of uncertainty and the effectiveness of our risk management and internal control arrangements.

IHG's principal risks and uncertainties

Our risk profile is structurally similar to that of a year ago, although the context within which we operate is highly dynamic reflecting the cyclical nature of our industry and global macroeconomic uncertainties.

Our discussions of risk also take place within a context of increasing scrutiny of the impact of our business on our stakeholders, and our longer-term sustainability. We have therefore split out our consideration of external factors to recognise both the risks relating to political and economic headwinds on our growth ambitions (for example disruption in key markets and trade wars) and also the requirement to anticipate and respond appropriately to the risks and opportunities relating to our environmental and social responsibilities.

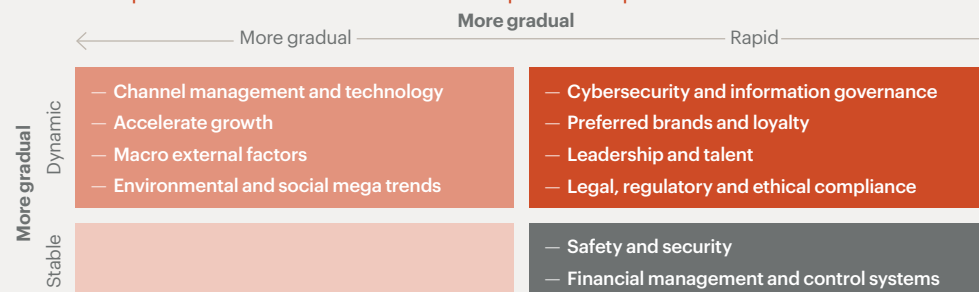
The Risk and Assurance team has continued to coordinate assessments of the principal risks facing the Group, including those which would threaten its business model, future performance, solvency or liquidity and reputation. These risks are formally reviewed with the Group's Directors on a bi-annual basis and considered in more detail through the activities of the Board and committees, however risks are also discussed as an integral part of decision making across the year.

 **A broader description of our approach to risk management and our principal risks, can be found on page 46 to 53 of the IHG 2019 Annual Report and Form 20-F.**

Risk trend and speed of impact

We assess whether the risk area is stable or dynamic in its impact and/or likelihood (inherent risk trend), and the rate at which there could be a material impact on IHG. The trend and speed of impact are summarised in the diagram.

Principal risk – assessment of trend and speed of impact





Materiality

Our materiality process

To continue meeting the changing expectations of our stakeholders, we updated our materiality matrix in 2019 to ensure that as a business we can make the greatest positive contribution for our guests, communities and environment.



Culture

- 1 Safety and security
- 2 Cybersecurity and information governance
- 3 Human rights
- 4 Labour rights
- 5 Employee well-being
- 6 Training and development
- 7 Responsible attitudes and ethics
- 8 Responsible business governance
- 9 Diversity and inclusion

Hotels

- 10 Energy and carbon
- 11 Waste
- 12 Responsible procurement
- 13 Water

Communities


- 14 Socio-economic impact
- 15 Respecting local cultures
- 16 Community activities

Working with a third-party, we undertook a detailed materiality assessment to identify and prioritise the key responsible business issues relating to our core business activities.

Our materiality process adheres to best-practice external standards and frameworks including GRI Standards, DJSI and SASB. The scope of the assessment covers all areas of our business model, whilst taking into account our asset-light structure

The assessment identified a long list of more than 500 issues that were refined, grouped and categorised.

Issues were assessed against their relevance to IHG's business model, corporate strategy and principal risks and ranked accordingly. The assessment also considered the importance of issues to key stakeholders.

 **A list of these stakeholders, and how we took action to address their needs, can be found on pages 14-15.**

In 2019, a total of 16 material issues were identified (17 in 2018). The list of issues includes refinement, consolidation and the addition of new issues, based on the outcomes of the assessment. From a reporting perspective, we only cover issues that are deemed to be of a medium to high importance to our business. Each issue is covered in detail within this report.

We will continue to conduct annual materiality assessments and use the outcomes to guide our approach to reporting, future responsible business strategy and external communication.



United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) set out a series of global ambitions to end poverty, fight inequality and injustice, and tackle climate change by 2030. Whilst recognising the importance of all the SDGs, we believe that IHG, using its power of scale and global reach, can make the biggest contribution to seven of the goals.

SDG8: Decent work and economic growth

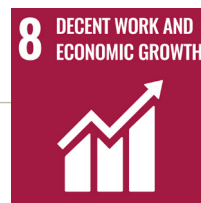


Why is this important?

The global travel and tourism industry employs one in 10 people globally and contributes 10.4% to global GDP. As IHG continues to grow strongly around the world, we are in a unique position to support thousands of jobs globally.

What we did in 2019

- Spent \$102m with diverse local suppliers.
- Provided 15,081 people across 732 hotels with training and development opportunities through the IHG Academy.
- Partnered with Junior Achievement to develop the IHG First Look curriculum, providing hotel work experience events for young people around the world.
- In 2019, we opened another 411 hotels, helping to create thousands of jobs in local communities either directly or indirectly.



SDG6: Clean water and sanitation



Why is this important?

With 35% of IHG hotels located in water-stressed areas, we want to ensure that communities living around our hotels have access to safe water, sanitation and handwashing facilities.

What we did in 2019

- Reduced our water use per occupied room in water stressed areas by 3.6% since 2017.
- Completed a water stewardship project in Delhi and launched new projects in Bali and Beijing.
- Worked with partners to distribute soap to communities in need.
- Identified key water quality and quantity risks.

SDG10: Reduced inequalities



Why is this important?

We're a global business with a global outlook. With people working in hotels and offices in more than 100 countries, our colleagues represent multiple nationalities, cultures, religions, races, sexualities, abilities, backgrounds and beliefs.

What we did in 2019

- Following the launch of our Global Diversity & Inclusion (D&I) Board in 2018, we launched local D&I councils to ensure local voices are represented.
- Worked with NGOs to support and employ colleagues with disabilities.
- Increased the number of females in Senior Leadership positions in hotels through our Rise mentoring programme.



United Nations Sustainable Development Goals continued

**SDG 11:
Sustainable cities
and communities****Why is this important?**

Our hotels operate in thousands of communities across the globe and we want to ensure those millions of people who live and work around our hotels will be living in a sustainable future.

What we did in 2019

- Utilised the IHG Green Engage™ system to implement sustainable property solutions covering carbon, energy, water and waste usage.
- Supported 25,000 people impacted by natural disasters and worked with our hotels to ensure that they are prepared to play an active role in the event of a disaster.
- Brought 160,000 colleagues together for our annual Giving for Good month to support our local communities.

**SDG12:
Responsible
consumption
and production****Why is this important?**

We're mindful of the resources we use as an industry and we map out the biggest areas of waste within our operations, identifying ways to reduce, re-use and recycle.

What we did in 2019

- Became the first global hotel group to commit to switching all brands from miniature bathroom amenities to bulk solutions during 2021.
- Launched a green supplier scorecard to assess supplier environmental credentials.
- Launched AI technology in 24 hotels to reduce food waste.
- Joined the Ellen MacArthur Foundation 'Circular Economy 100 network'.

**SDG13:
Climate action****Why is this important?**

With hotels operating 24 hours a day and servicing the needs of guests, industry energy consumption represents around 1% of global greenhouse gas (GHG) emissions, which we are determined to play a part in reducing.

What we did in 2019

- Reduced our carbon footprint per occupied room by 3.7% since 2017.
- Set each of our hotels around the world a carbon reduction target.
- Committed to setting science-based targets.

**SDG17:
Partnerships
for the goals****Why is this important?**

Collaboration with our third-party hotel owners, colleagues, industry peers, NGOs and governments across the globe is paramount if we want to end poverty, fight inequality and injustice, and tackle climate change by 2030.

What we did in 2019

- Collaborated with our hotel owners and teams to embed our approach to responsible business across our estate.
- Worked with industry peers to develop collective solutions to key sustainability challenges through our membership to the International Tourism Partnership (ITP), the World Travel & Tourism Council (WTTC), American Hotel & Lodging Association (AHLA) and the Global Business Travel Association (GBTA).
- Drove meaningful action to address the UN SDGs through our contribution to the Business in the Community (BITC) Global Goals Leadership Team.



Stakeholder engagement

We collaborate and engage with a wide range of stakeholders important to our business to ensure we can work towards common goals and create shared value.

Here is a summary of how we engaged with these stakeholders in 2019.

Stakeholder

Engagement activities in 2019



Shareholders and investors

Our shareholders are increasingly integrating environmental, social and governance (ESG) factors into their investment decisions, and we welcome the opportunity to be in regular dialogue with them on a number of topics.

- Engaged with investors in a variety of ways on ESG topics, including our AGM, meetings with IHG Senior Leaders, Board members, and our Investor Relations teams, investor presentations and by writing to them directly.
- Worked with a number of rating agencies and organisations including ShareAction, MSCI, Sustainalytics, CDP, RobecoSAM (Dow Jones Sustainability Index), ISS and FTSE Russell.



Hotel owners

Thousands of hotel owners own and operate our hotels. They are integral to our reputation and to our long-term success. The through these relationships we aim to affect change on issues that are relevant to them and to us as a Group.

- Engaged owners through regional conferences, regular meetings and conversations.
- In partnership with the IHG Owners Association, we co-manage the Renovation Donation Initiative, whereby hotels undergoing renovations in the US and Canada donate their used fixtures and fittings to NGOs.



Colleagues

More than 400,000 people work in our corporate offices, and managed and franchised hotels. They represent a diverse set of opinions that help us shape our approach to responsible business and understand the needs and sentiments of our millions of guests.

- Engaged with our corporate colleagues through a number of channels and events including our intranet, conferences, learning summits, Town Halls and blogs.
- Brought 160,000 colleagues together for our annual Giving for Good month.
- Achieved an average employee engagement score of 87% through our bi-annual survey.
- Commenced Non-Executive Director-led employee interface sessions across geographies to better understand workforce engagement (Voice of Employee).



Guests and corporate clients

Millions of guests visit our hotels every day. They look at us as a global business, as operators, and as destinations, and ask what role we can play in driving positive change through our business.

- Through our 'A Greener Stay' programme, IHG® Rewards Club members can forgo housekeeping, reducing their energy and water usage associated with linen cleaning.
- Our IHG Green Engage system automatically reports environmental data to almost 60% of our corporate clients requesting it through the Global Business Travel Association (GBTA).
- We report our sustainability data to Ecovadis and CDP annually, sharing our ratings with our corporate clients.





Stakeholder engagement continued

Stakeholder

**Suppliers**

The provision of goods and services by our suppliers is critical to our ongoing operations and we want to ensure we engage with suppliers who share the same commitment to responsible business as we do.

How we engage

- Suppliers are required to confirm their acceptance to our Supplier Code of Conduct at the supplier on-boarding stage.
- In 2019, we introduced the IHG Green Supplier scorecard, which helps us understand the environmental credentials of all prospective IHG suppliers going through our RFP process.
- To guide and educate our employees on how to spend responsibly, in 2019 we launched a mandatory education programme.

**NGOs, governments and community organisations**

We engage NGOs, governments and community organisations to ensure the programmes and policies we have in place are meeting the needs of our communities and guests.

- We are a member of the UN Global Compact and are committed to aligning our operations, culture and strategies with its 10 universally accepted principles.
- Joined the Tourism Child-Protection Code of Conduct (The Code) in 2019 to benefit from ECPAT-USA's expertise on addressing human trafficking and child sexual exploitation.
- Engaged with governments to ensure that the industry can help shape and influence government policy and initiatives, including the UK Government's Department for Environment, Food and Rural Affairs and the US House of Representatives Select Committee on the Climate Crisis.

**Industry associations**

Collaboration across the industry is key to ensuring that we all work towards common goals that not only create shared value, but also drive greater momentum behind a common purpose.

- As a founding member of the International Tourism Partnership, we continue to collaborate to tackle environmental issues and build hospitality skills.
- As a member of the World Travel and Tourism Council (WTTC), we support the Oscars action plan, to encourage members to adopt and accelerate sustainability programmes and share best practices.
- In advance of the 2020 Super Bowl, we collaborated with 'It's a Penalty' on activities designed to educate guests on the issues of human trafficking.

**Academic institutions**

IHG is a thought leader within the travel and tourism industry. We regularly collaborate and engage with academic institutions across the globe to share best practice and contribute to the development of responsible business solutions for our industry and others.

- Through our IHG Academy programme, we engage with many academic institutions across the globe to supplement students' classroom-based learning.
- Colleagues across the business regularly participate in lectures, seminars and panel discussions with many academic institutions across the globe.





Our culture



Building a culture of responsible business

We pride ourselves on a respectful and responsible culture, which is central to delivering True Hospitality for everyone. With our global reach, we recognise the importance of ensuring our workforce embodies the communities in which we operate.

Our policies and standards set out our position on social, environmental and ethical issues and we ensure that our expectations are clear to all those that we work with, be that our colleagues, owners, investors or suppliers.

IHG colleagues



Doing business responsibly

From the shared values we promote and the culture we create, to how we operate and grow our business, we have clear policies, programmes and procedures to help guide us each and every day.

Safety and security

We take the safety and security of guests, colleagues and visitors to IHG branded hotels very seriously. We manage safety and security through a global management system that includes Brand Safety Standards and a suite of risk guidance, training and toolkits that are available to all hotels.

IHG employs a team of global risk specialists to coordinate and monitor a safety and security management system. This system is designed to provide an appropriate level of control to mitigate against a systematic issue with safety and security in our managed and franchised hotels.

IHG hotels are encouraged and supported to build greater levels of risk maturity, beyond mandated levels of safety (Brand Safety Standards), through access to a large range of guidance, tools and training resources available to all hotels via IHG's Global Risk online learning centre.

Our team of global intelligence specialists use an intelligence-led, threat-based security approach to monitor the risks and threats posed to our hotels. Risks include terrorism, changing political landscapes, digital security and natural disasters. Our well-tested crisis management system enables us to bring the necessary skills and expertise together so that we can quickly direct resources and support exactly where it is needed worldwide.

Privacy and information security

The privacy and security of personal data is very important to us. We want everyone including guests booking via our reservation channels, members of our loyalty programmes, colleagues, shareholders and others to trust that their information is appropriately managed. We have policies and procedures in place regarding how personal data can be used by our corporate offices and managed hotels, as well as information security standards.

In 2019, we relaunched our e-learning training for colleagues on handling information responsibly, which was completed by over 68,000 colleagues in our corporate offices and managed hotels. This training covers topics such as password and email security, using personal data in accordance with our policies and privacy commitments, how to work with vendors and transferring data securely.

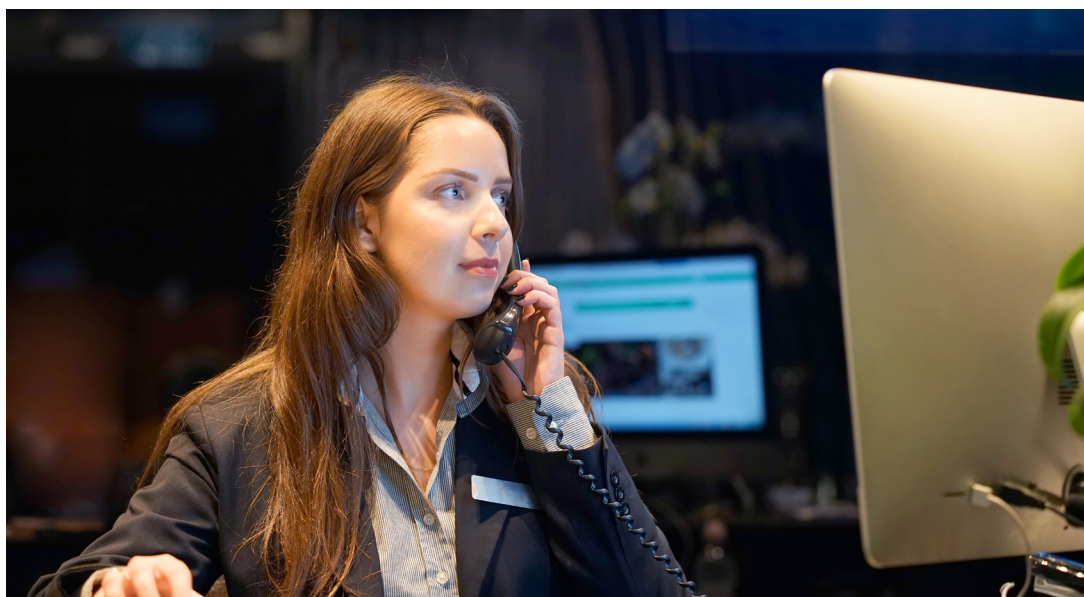
During our global cybersecurity month we ran a number of colleague events which included a variety of activities to raise awareness of cyber threats and mitigation strategies. We continue to develop our privacy and security programmes to address evolving requirements and take account of developing best practice. The Board and Audit Committee regularly receive updates on our privacy and information security programmes.



Today, we operate in a world with many interconnected technologies, which places an even greater importance on the management and protection of data. We regularly review and update our policies and protocols; and we educate our colleagues on the protection against data and cyber threats.

David Jordan

Chief Information Security Officer, IHG



68,000+

completions of our handling information responsibly e-learning



Doing business responsibly continued

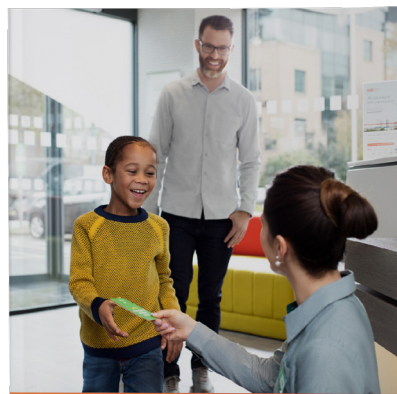
Code of Conduct

The bedrock of our culture is our Code of Conduct (Code), which sets out our commitment to operating honestly and with the highest ethical standards. The Code helps us to act responsibly and sets out the value we place on being trusted by our employees and guests, those who do business with us, and the communities we work in. The Code is an introduction to our key global policies, including human rights, diversity and inclusion, accurate reporting, information security, anti-bribery and environment.

All employees working in IHG corporate offices, reservation centres and managed hotels must comply with the Code and the policies and procedures it refers to. However, the principles, spirit, and purpose of the Code are relevant to all of IHG and we expect those we do business with, including our franchisees, to uphold similar standards.

The Code is publicly available (www.ihgplc.com) and also displayed on our intranet. It is supported by a mandatory e-learning module for employees working in IHG corporate offices, reservation centres and managed hotels. In 2019, new processes were put in place to ensure this module is automatically populated in colleagues' learning plans, including new starters. Our Board and Executive Committee, along with employees across the organisation, have affirmed their commitment to the Code of Conduct.

 To view our Supplier Code, visit: ihgplc.com/policies



Our Code of Conduct

The way we work
at IHG, wherever
we are in the world



Bribery and financial crime

Bribery and any form of financial crime, including improper payments, money laundering and tax evasion or the facilitation of tax evasion, are not permitted at IHG under any circumstances. This also applies to any agents, consultants and other service providers who work on IHG's behalf. Our Anti-Bribery Policy sets out IHG's zero tolerance approach to bribery and corruption. It is applicable to all Directors, IHG employees, and our managed hotels and is accompanied by a mandatory anti-bribery e-learning module.

Our Gifts and Entertainment Policy supports our approach to anti-bribery and corruption. It sets out reporting and approval thresholds for gifts and entertainment given or received, and applies to all Directors, IHG employees and our managed hotels.

IHG is also a member of Transparency International UK's Business Integrity Forum and participates in its annual Corporate Anti-Corruption Benchmark. The results from this are used to help measure the effectiveness of the anti-bribery and corruption programme and identify areas for continuous improvement.

Reporting concerns

It is extremely important that our people feel comfortable reporting ethical concerns. To facilitate this, we have a confidential reporting channel which provides colleagues with a means to share any ethical concerns they may have. Colleagues are made aware of this through regular internal communications, including posters displayed in staff areas, training, and through a dedicated website (www.ihgethics.com). Regular reporting on the channel is provided to our Board.



Our Code champions our values, setting out our commitment to doing business responsibly and the principles for all of us to work by.

Helen Jones
Vice President,
Ethics and Compliance, IHG

68,000+

colleagues have completed
our Code of Conduct
e-learning module



Human rights

Respecting human rights is a vital part of our commitment to responsible business and fundamental to achieving the UN SDGs. We understand the importance of ensuring that the human rights of all our colleagues, guests and communities are protected, and encourage those who we do business with, including our suppliers, owners and franchisees, to prevent, mitigate and address adverse impacts on human rights.

Supporting Sustainable Development Goals:



Risk assessment

In 2018, we undertook a human rights impact assessment across IHG's operations, covering our supply chains, hotels and corporate offices. In line with expectations of the UN Guiding Principles, the assessment included:

- Saliency mapping – assessing actual and potential risks of IHG's operations against internationally recognised human rights, including the International Bill of Rights and International Labour Organization ('ILO') Core Labour Standards; and
- Gap analysis – review of IHG's existing policies and processes to determine the degree to which identified risks are being managed.

The impact assessment found that IHG has systems in place to manage multiple human rights risks. However, areas where IHG could improve included: management of labour risks and, in particular, responsible recruitment and labour rights risks; and human rights risks present in the wider IHG business ecosystem including those related to hotel construction and development. We are using the findings from the assessment to develop our human rights strategy and have already undertaken a number of actions in 2019, including updating our Human Rights Policy, piloting a market-level assessment and rolling out additional training and guidance for our corporate offices and IHG-branded hotels.

Human rights policy

We significantly updated our Human Rights Policy in 2019. It sets out our commitment to respecting human rights in accordance with the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. Our approach is also informed by the Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development ('OECD'), the UN Global Compact and the UN Guiding Principles on Business and Human Rights ('UN Guiding Principles').

Training and identifying risk

In 2019, we took the opportunity to develop our approach to human rights training to focus on those colleagues and parts of our business where human rights impacts are likely to be greatest. We made available a new, free training for all IHG-branded hotels and corporate colleagues called 'Preventing Human Trafficking'. The training, developed by leading NGOs ECPAT-USA and Polaris, is designed for frontline hotel colleagues and explains what trafficking is and how to spot the signs. It is also important for corporate colleagues, particularly those who work with our hotels, to be aware of human trafficking risks and our commitment to combat it. To date, more than 44,000 colleagues have completed the training.

To help further support colleagues to identify risks, we have a training session on human rights, modern slavery and human trafficking for use by our hotels to provide face-to-face training to colleagues. All hotels, whether owned, managed or franchised, have access to this information in multiple languages.



Human rights continued

Working together

We strongly believe that collaborative initiatives are a powerful and effective way to combat human rights abuses. Through industry and cross-industry initiatives, we can identify how to address systemic risks, scale up best practice and provide remedy to victims of modern slavery.

International Tourism Partnership (ITP)

We are members of the ITP Human Rights Working Group and provided input on the ITP/ILO Qatar Project, which focuses on improving migrant workers' rights in Qatar and has resulted in reforms of the kefala system.

Gangmasters and Labour Abuse Authority (GLAA)

We collaborated with the GLAA on designing a hospitality protocol for identifying and reporting forced labour cases in the UK.

Business in the Community (BITC)

Through our early careers employability programme, IHG® Academy, we continue to support human trafficking survivors. We are helping provide people from all walks of life, including survivors of human trafficking, with hospitality skills to help them improve their livelihoods.

Business and Social Responsibility (BSR)

We regularly attend the BSR human rights working group meetings to consult with experts and cross-industry peers on best practice and challenges.

The Tourism Child-Protection Code of Conduct

IHG joined the Tourism Child-Protection Code of Conduct (The Code) in 2019 to benefit from ECPAT-USA's expertise in addressing human trafficking and child sexual exploitation risks within the hospitality industry.



IHG was a founding member of the International Tourism Partnership (ITP), and has played a key role in working collaboratively to share best practice and tackle common issues and help build a better future for all.

Madhu Rajesh

Director, International Tourism Partnership (ITP)

Case study

Global sporting events

We work closely with colleagues in operational roles to provide enhanced training, raise awareness of the available tools and review operational procedures to mitigate any identified risks where necessary. In advance of the 2020 Super Bowl in Miami, IHG intensified communication and work with area hotels to ensure colleague completion of the company's mandatory anti-human trafficking training. We also partnered with non-profit organisation, It's a Penalty, on a variety of activities designed to educate guests and increase awareness of the issue of human trafficking before the event.

Case study

Hotel taster days with BITC

Through a partnership with Business in the Community and our IHG Academy employability programme, in 2019, we held events in two of our UK hotels to help survivors of human trafficking learn more about the different opportunities a career in hospitality can entail and build their confidence to get back into employment.



 **View our 2019 Modern Slavery Statement**
ihgplc.com/modernslavery





Responsible procurement

The provision of goods and services by our suppliers is critical to our ongoing operations and we want to ensure we engage with suppliers who share the same commitment to responsible business as we do.



3,688

suppliers have signed the Supplier Code.

Our supply chain activities are split into two categories – corporate supply chains and hotel supply chains. Our corporate supply chain covers procurement for our corporate goods and services focuses on items such as technology and professional services. Procurement of goods and services at the hotel level covers all items required for opening, renovating and operating a hotel, such as food and beverage, furniture, cleaning products, linen and electrical goods.

As our hotels are largely owned by independent third party owners, these hotels are responsible for managing their own independent supply chains. In certain cases, IHG provides a centralised procurement programme for both managed and franchised hotels, such as IHG® Marketplace in the Americas region (for US, Canada, Mexico) and IHG Mall in Greater China. IHG also provides purchasing support and leverages procurement platforms for managed hotels in some countries within EMEAA.

Supplier Code of Conduct

To ensure that our suppliers act with the same integrity and respect as we do, in 2019 we updated our Supplier Code of Conduct ('Supplier Code'). It sets out the requirements, principles and values that IHG has adopted to promote ethical conduct in the workplace, safe working conditions in the supply chain, treatment of persons with respect and dignity, and environmentally responsible practices. The changes have been informed by the Universal Declaration on Human Rights, Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development, the Ten Principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

Our Supplier Code has been approved by the Corporate Responsibility Committee and sets out our requirement that suppliers demonstrate that they act with integrity and respect for human rights and the environment. We expect our suppliers to adhere to these standards, both within their own business and across their supply chains. In total, as of 31 December 2019, 3,688 suppliers have signed the Supplier Code.

 To view our Supplier Code, visit: ihgplc.com/policies

Supporting Sustainable Development Goals:





Responsible procurement continued

Policies and training

Our Global Procurement Policy is in place to help guide and educate corporate employees on how to spend responsibly, and in 2019 we launched a programme for all employees to further increase their ethical awareness. The virtual training covers specific elements of risks and opportunities that are important for employees to be aware of, such as ethics and sustainability. In 2020, we will continue our employee engagement programme and provide more in-depth education on responsible procurement.

Supply chain risks

We continue to progress our supplier risk assurance programme by reviewing suppliers' responses to our enquiries about their governance, human rights and environmental practices, and requesting corrective actions be put in place where there has been a deviation from our expectations. Strategic suppliers receive hands-on support from IHG in the form of business performance reviews to promote value realisation, mitigating risk and creating healthy supplier partnerships.

We will continue to partner with our suppliers, managing supply chain risks related to sustainability issues.

Green suppliers

In 2019, we introduced the IHG Green Supplier Scorecard, which helps us understand the environmental credentials of prospective IHG suppliers going through our tendering process. The programme's criteria poses sustainability related questions on raw materials, manufacturing methods, transportation and the use phase of the product, which we subsequently use to assess potential suppliers' green credentials.



It has been great to see our Responsible Procurement function take shape, following its formation in 2018. We have worked across the business to ensure that our responsible business practices, values and ambitions are translated across our supply chain.

Laura Simmonds
Head of Responsible Procurement, IHG

Diversity in the supply chain

We recognise the importance and benefit of ensuring our workforce represents the communities in which we operate. At IHG, we celebrate our diverse and inclusive culture, and we seek to work with suppliers that share the same mindset.

Through our partnership with leading NGO CARE International UK, and key suppliers to our hotels, we are exploring the social impacts that can be gained through creating more gender-inclusive workplaces, by carrying out detailed supply-chain mapping and gender risk analysis exercise of the textile industry.

Sourcing food responsibly

With a wide variety of dining options available across our hotel brands, we are focused on sourcing our produce sustainably and ethically, meeting our guests' expectations.

IHG has worked with The Humane League, a leading farm animal protection non-profit organisation to commit to sourcing 100% cage-free eggs throughout our US, Canadian and European operations no later than 2022. This is part of an overall commitment to source only cage-free eggs across our entire global estate by 2025. During 2019, we provided education and training materials to all our hotels to help them in sourcing cage-free eggs. We have also begun a mapping exercise to identify supplier availability in our markets to enable us to meet our commitment.

We are committed to 90% of our top seafood products being sustainably sourced. Included in this commitment is the prohibition of shark fin being served in our hotel bars and restaurant.

45%

of new contracts through our tendering processes were awarded to an IHG Green Supplier

\$102m

spent with diverse suppliers in 2019 vs \$71m in 2018





Making IHG a great place to work

We are a people business. Whether someone is a guest staying in one of our hotels, an owner investing in our brands, or they are joining us as an employee, their choices are shaped by our people. A diverse and inclusive culture plays a critical role in how we work better together, growing our business and delivering on our purpose of providing True Hospitality for everyone.

Awards

AON**BEST EMPLOYER**

GLOBAL | 2019

**TOP
WORK
PLACES
2019****The Atlanta
Journal-Constitution**

Supporting Sustainable Development Goals:

8 DECENT WORK AND ECONOMIC GROWTH**10** REDUCED INEQUALITIES

Our values



Do the right thing



Aim higher



Show we care



Celebrate difference



Work better together

87%

average employee engagement score, 11% above Kincentric's top quartile benchmark.

As one team, we work to a set of values we believe are important to IHG and our guests. These values guide everything we do – from how we work together, to how we support and recognise our people, and make sure they learn new things and grow.

Developing and rewarding talent

It is important that everyone feels part of an inclusive and safe environment. We empower our people to develop and try new things by offering guidance and support and ensuring that they have the tools and resources necessary to grow their careers. We make all these tools available through an online learning suite including MyLearning, Harvard ManageMentor and face-to-face training sessions.

Throughout the year, line managers and mentors frequently meet with their employees, giving them the opportunity to gather feedback on their performance and discuss their career development and aspirations.

To support IHG's growth, we work to a set of behaviours that enable our people to perform at their best and develop their capabilities. Throughout 2019 we held a number of virtual learning summits for our corporate employees around the world, to come together to learn more about growth behaviours and how we can live by them every day. Through the summits, employees heard from world-class speakers, explored and applied tools and exchanged views and ideas including using best practice examples of how they have demonstrated the behaviours.

We want to ensure that all our employees feel recognised for their efforts and contributions. In 2019, we launched a new share plan for all corporate employees, which gives them the opportunity to invest in IHG's growth.



Voice of the employee

The evolution of our culture and nurturing of talent is critical to IHG's long-term success, and the Board follows this closely through regular updates. In 2019, we appointed a designated Non-Executive Director to ensure the Board's engagement with IHG's workforce, with several forums providing a valuable cross section of views that ensures a colleague voice is represented on key matters.

Employee engagement

Twice a year, we measure employee engagement through Colleague HeartBeat, our way of understanding how our employees feel about where they work and involving them through their feedback in how we can continue to improve. In 2019, we achieved an average engagement score of 87% which gained us recognition from Aon-Hewitt as Best Employer benchmarked against industry scores.



Valuing diversity and inclusion

We're a global business with a global outlook. With people working in hotels and offices in more than 100 countries, our colleagues represent multiple nationalities, as well as the many cultures, religions, races, sexualities, abilities, backgrounds and beliefs that make the world such an interesting place. It makes for a diverse and inclusive culture we're proud of.

9/10

employees think we value diversity and offer a work environment that's open to individual differences

36%

of the Executive Committee and their direct reports globally are women



Case study

Pride in IHG

To showcase our support for the LGBTQ community, in June we joined the global celebrations of Pride by turning the IHG logo rainbow and sharing stories of #IHGpride across our corporate channels, showcasing how we live our purpose of providing True Hospitality for everyone. Spearheaded by our Out & Open Employee Resource Group in Atlanta, US, we created a suite of materials that colleagues could use to celebrate Pride locally.

In 2019, our Kimpton hotels launched an event series for the NGO, The Trevor Project called 'Brunch Out with Trevor'. The multi-city series hosted Drag shows during Pride weekends, with 100% of the ticket sales and auction items supporting the organisation. More than 500 attendees raised over \$130,000 for The Trevor Project.

For the past six years, IHG has been awarded a Best Place to Work for LGBTQ Equality and earned a perfect 100% score on the Human Rights Campaign Foundation's Corporate Equality Index (CEI) in the US.

Our colleagues should feel included, valued and respected – not just because it's the right thing to do, or the best way to behave – but because people are the best version of themselves when they feel these things. When that happens, employees are empowered to speak up with the diverse ideas, opinions and perspectives that spark the innovation IHG needs. This is important to the guest experiences we create, and to how we empower employees to go above and beyond for our owners and for IHG, as we embark on ambitious growth plans.

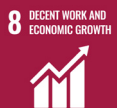
In 2018, we launched our Diversity & Inclusion Board, which, led by CEO Keith Barr and Senior Leaders from across IHG, is helping to shape our priorities and go even further in this space. Alongside our own plans, the Board worked with Accenture as an independent external partner, to gain a different perspective on our business and help us identify areas to improve.

In 2019, we put local D&I councils in place, who work with our talent teams to roll-out initiatives in market. The councils represent the voice of regions and specific markets, making sure we listen to employees and engage on local priorities and action areas.

Promoting diversity

To help increase the diversity of our leadership and talent, we're focused on rolling-out programmes that provide support to areas of the business that need it the most. This includes Rise, our mentoring initiative for aspiring female General Managers. As part of this commitment, in 2019, we extended our Rise mentoring programme to Europe, China, India, the Middle East and the Americas.

Supporting Sustainable Development Goals:





Valuing diversity and Inclusion continued

We are committed to reviewing and updating our recruitment practices to ensure they are accessible to all. We have piloted changes such as the use of diverse slates and interview panels, which we plan to scale globally in 2020. We have also added a 'report this job' button on our careers site to enable users to report any jobs that are deemed inappropriate, including those with gender bias, racial or age discrimination.

We work with several charities and NGOs globally to employ and create a supportive environment for colleagues with disabilities. The Holiday Inn Singapore Orchard City Centre has been recognised by the United Nations for its work to support colleagues with disabilities. Approximately 12% of colleagues have a disability and the hotel invests in providing training for managers to adjust to the different ways of communicating with persons with disabilities, including giving more regular feedback, supervision and encouragement to colleagues with disabilities.

In the UK, Change 100 is a programme run by charity Leonard Cheshire Disability, which creates three month paid work experience opportunities with top employers for talented students and graduates with disabilities. For the past three years, we have worked with Change 100 to bring on board 20 interns in our UK corporate offices.

In 2019, we rolled out Conscious Inclusion training for our Senior Leaders, equipping them with the knowledge and skills to build a more inclusive environment. Building on this success, we will take the training to corporate colleagues and managed hotel General Managers in 2020.

We are an organisation committed to fostering a culture where everyone feels supported to be at their best and work smarter. In 2019 we started the roll-out of new global flexible working guidelines to all corporate colleagues, empowering them to make decisions around how and when they work.

Strengthening a culture of inclusion

Employee networks are voluntary, employee-led groups that promote workplace diversity. These groups shine a light on the value of inclusion, harness the energy and passion of our colleagues, strengthen workplace culture and accelerate talent development. We worked hard in 2019 to expand the global footprint of our existing Employee Networks, together with establishing new ones. IHG currently has nine employee networks globally, including:

Lean In

Lean In's mission is to empower women to achieve their ambitions. Lean In circles are small peer groups that meet regularly to learn and grow together. Members can also receive lasting career development opportunities via a mentorship programme.

Out & Open

Out & Open provides employees with a platform to participate in LGBTQ focused conversations and activities, and support their local LGBTQ community. Members are employees identifying as LGBTQ+ or allies supporting LGBTQ+ individuals.

BERG

Black Employee Resource Group (BERG) is a collection of professionals who support and empower one another and advocate for the interests and development of black employees.

BBX

Baby Boomers & GenXers (BBX) is a network that aims to provide members with resources to share their wealth of experience and insight, leading to opportunities for professional development.

IHG is a proud signatory to:



The 30% Club, signalling IHG's commitment to ensuring 30% of our Senior Leaders are female. We are currently exceeding this target.



UN LGBTI Standards for Business, which focuses on tackling discrimination against lesbian, gay, bi, trans and intersex people.



Women in Hospitality's Diversity in Hospitality Travel and Leisure Charter, a 10 point action plan that ensures diversity and inclusion not only remain a priority but that we openly track progress towards our goals.

CEO **ACT!ON** FOR DIVERSITY & INCLUSION

The CEO Action for Diversity & Inclusion is the largest CEO-driven business commitment to advance diversity and inclusion within the workplace.



The Valuable 500 is a global initiative that calls on 500 businesses to commit to placing disability inclusion on the leadership agenda and take action to promote disability inclusion.



We're proud to support Leonard Cheshire and their Change 100 programme for talented students and graduates with disabilities. Internships are crucial for any graduate when they're starting out on their career, as it demonstrates that they have that real workplace experience. For us, it offers a fresh perspective on how we can improve as a business and recruit more employees with a disability.

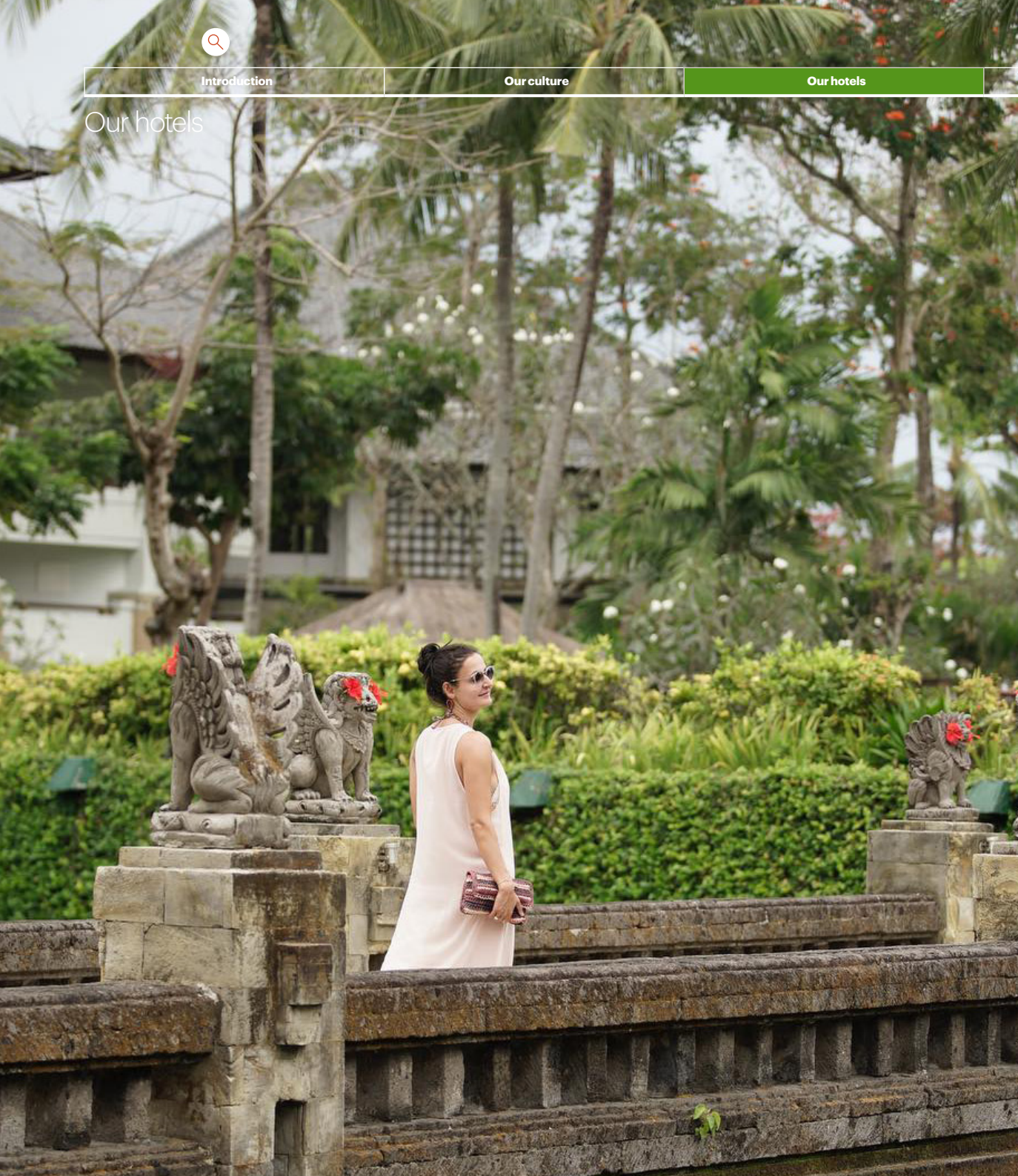
Jean-Charles Denis
Vice President Commercial
Europe, IHG

Recognition





Our hotels



Our hotels and colleagues are focused on bringing great brands to life for millions of guests

As well as creating the right experience, we're taking the right steps to help our hotels to operate sustainably and responsibly.



Developing our hotel colleagues

Our colleagues are the ones who bring our brands and purpose of True Hospitality for everyone to life, build relationships with guests and work with hotel owners to drive performance.

To enable our hotel colleagues to be at their best and deliver great guest experiences, we provide the necessary tools, support and understanding of all our brands to ensure that our colleagues and hotels can perform strongly.

Learning tools

IHG's hotel colleague learning platform, MyLearning, is available to all hotel colleagues in multiple languages and across digital platforms. It gives people the chance to track their personal learning journey, and allows managers to easily review progress. Through the online platform, colleagues can access IHG Frontline, bite-sized online videos, activities and learning support materials, which educate them about IHG, our brands, ways of working, and how to enhance performance that improves guest satisfaction.

We offer all our hotel colleagues True Hospitality Service Skills training so that guests can expect a consistently great experience delivered by colleagues trained in True Attitude, True Confidence, True Listening and True Responsiveness.

Across our Crowne Plaza, Holiday Inn, Staybridge Suites and Candlewood Suite brands, we introduced Brand Service Pathways in 2019, a tailored learning approach to differentiate the service culture across individual brands.

Fuse

We also have a global online learning platform for all hotel General Managers (GMs) called Fuse. This brings our network of GMs together in an online social community to share best practice, seek advice and complete professional development courses. GMs can also access a range of other resources from onboarding curriculums and learning plans to specific, flexible online learning modules.

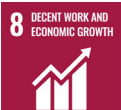
Case study

Future Leaders

Each year, a new cohort of hospitality graduates join our Future Leaders course. During a two-year programme, we embed and develop exceptional talent within IHG, working across our Operations, Finance and Revenue Management functions. On completion of the programme, the graduates take on managerial positions within the company.



Supporting Sustainable Development Goals:



414,000

Courses completed by colleagues on IHG Frontline



Carbon and energy

The global hotel industry accounts for more than 18 million hotel rooms across the globe. With hotels operating 24 hours a day, servicing the many needs of guests, the energy consumption across the industry represents around 1% of total global greenhouse gas (GHG) emissions.

We're committed to reducing absolute scope 1, 2 and 3 greenhouse gas emissions from our owned, leased and managed hotels by 15% by 2030*

We're reducing scope 3 greenhouse gas emissions from our franchised hotels by 46% per square metre by 2030*

*from a 2018 base year



Given our scale and operations across more than 100 countries, we believe the best approach to reducing and managing carbon emissions comes from working hand-in-hand with all our hotels and third-party owners to change our own behaviours, before considering to purchase carbon offsets.

For the past six years, we have set and tracked against carbon reduction targets for our hotel estate. Our current 2018-2020 targets set out our ambition to further reduce our carbon per occupied room by 6-7% and since 2018, we reduced our footprint by 5.9% on a 2017 baseline.

Hotel carbon metric

During the year, a hotel carbon metric was included for the first time, putting carbon reduction as one of 10 key measures for our hotels. To help hotels achieve their target, we provided training and resources, sharing guidance and best practices in achieving energy efficiency and carbon reduction. Using the IHG Green Engage platform, (see page 31) hotels have constant visibility of progress and suggestions of actions to take.

We are proud of the efforts our hotels have taken to reduce their carbon emissions per occupied room. However, whilst this is common practice to follow an intensity target in our industry, as climate science continues to evolve we want to take our ambitions further.

Science-based targets

In 2019, we set 2030 science-based targets to reduce our greenhouse gas emissions. Looking at our ambitious long-term growth plans, including a pipeline of nearly 2,000 hotels, setting science-based targets is a stretch ambition, but one that we recognise the importance of. We are committed to working very closely with our third-party hotel owners so that we can collaborate to grow sustainably, transitioning to a low carbon industry.

Task Force on Climate-related Financial Disclosures (TCFD)

Building on the work we have done to set our science-based targets, we have made a formal commitment to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and in 2020 we will be developing a disclosure roadmap for the coming years.



Case study

Six Senses Fiji

For Six Senses, being sustainable is not something that it does; it is who they are. At Six Senses Fiji, they have developed a number of sustainability programmes that include conserving energy and rainwater for the long term. They make their own high-quality drinking water in a reverse osmosis plant and refinery, grow organic produce and use wormbased septic tanks. The resort and residences are designed to use solar power and is home to one of the largest off-grid solar installations using Tesla battery packs in the Southern Hemisphere. Energy from the sun is used to power the resort and any excess power is used for the desalination plant.

Supporting Sustainable Development Goals:



5.9%

reduction in carbon footprint per occupied room from 2018-2019 on a 2017 baseline



Water

Water stress impacts over 40% of the global population and is anticipated to rise further, according to the UN. More than 1.7 billion of the world's population currently live in river basins, where water use exceeds its recharge, and the problem will get worse as the population grows.

Building on our 2016 comprehensive water risk assessment, in 2019, we refreshed our risk mapping, encompassing our entire global estate of open and pipeline hotels, to ensure we are continuing to identify areas that are facing, or at risk of facing water scarcity.

Water stewardship

To truly have an impact on water it is imperative to understand what is happening at catchment level, taking a very localised approach to water stewardship. This is reflected in our 2018-2020 targets, with a focus on delivering six water stewardship projects.

To ensure the approach we are taking is robust, we became members of the Alliance for Water Stewardship (AWS) and aligned our methodology to their certification programme. During 2019, we worked with AWS on the ground in India, China and Indonesia, to undertake comprehensive water catchment assessments, helping us to identify interventions that can improve water quality and availability.

We completed a project in Okhla, a suburb of Delhi, which faces several challenges including an insufficient water supply, improper sewage systems and poor sanitation facilities. In the community, there had been low levels of education and awareness of water sanitation, as well as a lack of local infrastructure. In partnership with the Center for International Projects Trust (CIPT), a local NGO, our hotels hosted 12 workshops with more than 400 people from across the community to learn more about water, sanitation and hygiene (WASH) programmes. Through the project, collectively our hotels have reduced their water consumption by 12%. A local community stakeholder group has been created and innovations have been identified that can be worked on collaboratively. To further our efforts in India, we are proud to be partnering with WaterAid to bring more WASH programmes to communities across the country.

China's capital, Beijing, is another city that faces severe water stress. In 2019 we partnered with AWS and 11 hotels across the city to hold training and workshops with colleagues to help them share their challenges and potential solutions to reduce their water usage. Through the session and on-site



audits, solutions have been implemented at the InterContinental Beijing - Beichen that have already seen a reduction of water use per occupied room by 7%. Building on this work, a local stakeholder committee has been created to identify innovations that can be rolled out across hotels in Beijing and more widely across Greater China.

UN CEO Water Mandate

Building on the work done in 2019 to evaluate our approach to responsible business and current water stewardship projects, our CEO, Keith Barr has signed a commitment of membership to the UN Global Compact, CEO Water Mandate. This represents a pledge to six core commitments that mobilises business leaders on water, sanitation, and the UN Sustainable Development Goals.

New projects

We recognise how important collaboration, education and awareness are to achieving our own sustainability goals as a business. We will continue to partner with AWS to use our findings from Delhi, Beijing and Indonesia to work with local communities and implement important interventions across these locations and beyond.

3.6%

reduction in water use per occupied room in water-stressed areas since 2017



Supporting Sustainable Development Goals:





Waste

Every day in our hotels around the world, millions of items are used, from food and plastics to linens and soaps. We see a real opportunity to help our guests have a more sustainable stay by reducing levels of waste in our properties.

The global nature of our business means that tackling waste is not easy, but it's something we have worked hard to address in 2019. Working with representatives across the business we have mapped out the areas of waste to prioritise, considering environmental impact, operational requirements and guest experience.

Bulk bathroom amenities

In July 2019, building on our 2018 pledge to remove plastic straws from our hotels, we announced our intention to remove single use miniature bathroom amenities from our entire estate, across all brands. We currently use an average of 200 million of these tiny toiletries every year, and by switching to bulk-size products during 2021, we will significantly reduce our plastic waste. IHG was the first global hotel group to make this commitment and we are delighted to have seen a number of industry peers follow suit.

Reduce, reuse, recycle

Our spirit of collaboration sees many hotels working with specialist organisations that are taking an innovative approach to waste reduction, focusing on soap, furniture, food and linen.

Food waste

In Australia, we've partnered with the charity OzHarvest to enable our hotels to divert food waste going to landfill by donating it to local communities across Australia. We are also working with Winnow Solutions (see page 31) to use technology to track, measure and reduce food waste at some of our hotels in the Middle East.

Soap recycling

Several of our hotels are choosing to partner with not-for-profit organisations to recycle soap and guest room amenities, so that they can be distributed to communities in the developing world and help reduce the risk of disease. Working with Clean the World in the Americas, Soap for Hope in Asia and SoapAid in Australia. Participating hotels have recycled soap, helping to produce 255,000 soap bars for people in some of the world's most impoverished communities.

Furniture

Our Renovation Donation Initiative has grown steadily in its second year. In collaboration with the IHG Owners Association and charity partner Good360, the partnership sees IHG-branded hotels undergoing renovations or property improvements in the US and Canada donate furniture, fixings and equipment to community organisations. Nearly 30 hotels have donated more than \$325,000 of goods to 14 different community organisations, helping to furnish veterans' housing units, women's support centres and youth facilities, among other causes.

Linens

Through our partnership with a local social enterprise, HuiLing and eight InterContinental Hotels across China, we have recycled more than 1.1 tonnes of hotel linens, upcycling them into new products including shopping bags, aprons and hand towels. Through the programme, the products are made by 90 people from local communities in and around our hotels who have learning disabilities, providing training and education and a stepping stone to start their careers.

Plastic bottles

As we continue to focus on plastic waste, some of our hotels in Europe have been trialling alternatives to plastic water bottles and we hope to work with suppliers to find alternatives for all our markets to individual, non-recyclable plastic water bottles.

200m

IHG is significantly reducing the 200 million bathroom miniatures used in hotels annually.

Supporting Sustainable Development Goals:





Technology and innovation

Approximately 83% of our 5,903 hotels are franchised and that means we're in constant dialogue with our hotel owners who operate and own these properties to influence and drive innovations.

We consider each stage of the hotel lifecycle to find more sustainable solutions that can be amplified and rolled out at scale. Technology plays an important role, enabling us to collaborate with our hotel teams and find new solutions that can achieve a more circular approach to waste management.

Supporting Sustainable Development Goals:



Ellen MacArthur CE 100 Network

We also want to look for ways to reduce, reuse or divert waste that is generated in our hotels and look for collaboration opportunities to achieve this. In 2019, we were the first hospitality business to join the Ellen MacArthur CE 100 Network, which will help IHG connect with other businesses and find circular solutions to our waste reduction efforts.

IHG Green Engage

Our online sustainability platform, the IHG Green Engage system, helps our hotels measure, report and manage their use of energy, carbon, water and waste, minimising their overall utility costs and environmental impact.

We make it a global standard for all hotels to utilise the platform and we recognise their progress through four levels of certification. The tool provides more than 200 Green Solutions – sustainable and efficient actions that hotels can implement to reduce their environmental footprint.

Keeping the disturbance of animals, plants and their natural habitats to a minimum is important to us. Through the tool, we have a set of recommendations aimed at preserving and protecting on-site local flora and fauna and the wider regional ecosystems affected by our operations. This includes advice on management of green spaces and long-term strategies for protecting local habitats.

To ensure the quality of participation in the IHG Green Engage system, hotels that reach any level of certification undergo a third-party assurance process, administered by Deloitte. In addition, our environmental performance data is independently verified through Lloyd's Register Quality Assurance (LRQA), in accordance with ISO 14064 – 3:2006.

Innovations

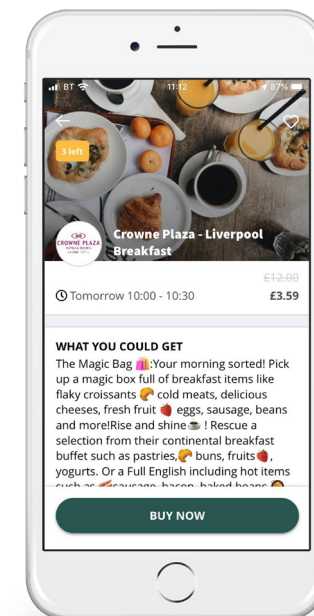
Within our voco brand, many hotels have been sourcing their duvets and pillows with filling that is made from recycled plastic water bottles. To date over a million water bottles have been diverted and put into our bedding.

Across 32 of our hotels in Europe, we have furnished guest areas with a carpet using a yarn made from recycled plastic bottles and fishing nets.

Our partnership with Winnow Solutions has seen us implement their AI technology in 24 properties across the Middle East to test and learn the potential food reduction savings that can be achieved through better visibility of food waste. Our hotels have been able to better forecast, plan and replenish buffets to deliver cost savings and a reduced environmental footprint.

In Europe, we have also seen our hotels start to use Too Good To Go, a unique app that connects its customers with left over food to purchase for a small cost. This is a great solution for hotels, incentivising food waste diversion through monetisation.

In 2020, we will be rolling out Winnow and Too Good to Go to more markets and more hotels, building a community of properties using technology to reduce their food waste and sharing best practices and learnings.





Our communities



We are proud that our hotels are very much at the heart of communities around the world

We want to ensure our purpose of providing True Hospitality for everyone is felt beyond the everyday operations of our business.

Student from Atlanta, Georgia, US taking part in our IHG First Looks Days in partnership with Junior Achievement Worldwide.



Our True Hospitality for Good programme

Our commitment to help and care for people comes naturally to a business which stands for providing True Hospitality for everyone. We are proud to be at the heart of local communities and recognise the opportunity we have to make a real difference to others.



Working with charity and NGO partners to make positive local change, on a global scale.

Communities
Volunteering
Hospitality skills
Disaster relief

Get involved!
truehospitalityforgood.com

IHG



Our hotels are at the heart of thousands of communities and play an active role in giving back. True Hospitality for Good delivers a framework for community support, not just for IHG but for each and every one of our hotels. Working together, we're ensuring we deliver employability programmes through hospitality skills building and supporting in times of need.

Catherine Dolton

Vice-President, Global Corporate Responsibility, IHG

Our three focus areas

Launched in 2018, our True Hospitality for Good programme uses the power of our scale and global reach to shape a positive future for generations to come.

Charitable partnerships

We use our scale and the skills we have as a business to form strategic charitable partnerships that can help to make a difference in the communities where we operate. These partnerships help us to deliver action on hospitality skills building, disaster relief and environmental sustainability.

Volunteering

In 2019, as part of new volunteering guidelines, we have given corporate employees two days in addition to their annual leave to take time out from work to support causes that matter most to them. As well as providing support for worthy causes, volunteering can play an important role in talent attraction, development and retention, building strong teams and a range of other transferable skills.

Giving for Good month

Every year we dedicate September to doing good for others, with colleagues volunteering, taking care of the environment, or taking part in health, fitness and well-being activities. Every colleague who takes part is able to choose from one of four global causes they would like IHG to donate to on their behalf through our existing charity partnerships.



Skills and education

With one in 10 jobs on our planet being in the travel and tourism industry, we're passionate about the opportunities it can offer. We want to open doors for everyone, with opportunities to build hospitality skills and education that can change lives for the better.

We do this through: school outreach programmes that offer hotel work experience opportunities; a bespoke hospitality curriculum that educates young people furthest from employment; and IHG donations to employability-focused charities around the world.

IHG Academy

The IHG Academy provides opportunities for local people from all walks of life to build their knowledge and skills, improve their employability and start a career in our industry.

As we continue to open new hotels, we have a pressing business need to identify and develop talented people who will staff and manage them. By working with local communities and in partnership with others, we help develop skilled, motivated and engaged colleagues who are committed to providing the consistently great experience that our guests expect.

Within a global framework, each IHG Academy is unique, ensuring that the programme meets the needs of the local community it serves. All IHG Academy programmes operate together with local community organisations and education providers to offer participants real experience of working in a hotel or one of our corporate offices. In 2019, 15,081 people benefited from the programme in 80 countries worldwide.

Charitable partnerships

During 2019, we continued to build partnerships with community organisations focused on helping build employability skills and showcasing the potential of a career in hospitality.

Junior Achievement

Across nine markets, IHG hotels have teamed up with our charity partner Junior Achievement to open their doors for 'IHG First Look' work experience days. At these events, students get to learn more about the industry, meet colleagues working in our hotels and take time to think about their future career aspirations. Nearly 200 students are already participating in the programme, with overwhelmingly positive feedback underlining the importance of providing first hand experiences in the world of work for young people.

Youth Career Initiative (YCI)

We want to help empower community organisations on the ground to build hospitality skills. To enable this, we have provided an IHG Foundation legacy grant to YCI, run by the International Tourism Partnership (ITP), to create an open source, bespoke hospitality curriculum that can be used by any community group around the world.



Case study

Bottomless Closet

Through a partnership with the InterContinental New York Barclay hotel and a local NGO, Bottomless Closet, we are funding a programme to support more than 200 disadvantaged women across the New York area to enrol on a hospitality skills programme involving training days, interview guides and workshops.

Programme participant Sherese told us about the support she has had: "It was the hotel's chef who encouraged me to get a food handler's license and be an apprentice at the bakery. I didn't know I could do that because baking for me was just a simple hobby. I'm so glad I got it and that someone told me I don't have to rely on just one career path – I have choices now. It's very motivational, speaking with someone and hearing them say "No, you can do it."

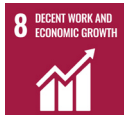


During my internship I got a lot of responsibilities, learned to work hard and I learned to motivate the room attendants. Because of this great opportunity, I have changed as a person and I can say that this internship will bring me further in the future!

Merle Getkate

IHG Academy participant,
Hotel Management School
Maastricht

Supporting Sustainable Development Goals:



15,081
people benefited from
the IHG Academy



Disaster relief

At the very heart of IHG is a passion to help and care for others. We touch the lives of millions of people every year and are passionate about protecting colleagues and guests in times of need.

Working with some incredible charity partners, we ensure that during natural disasters, support and funds are available to help our hotels and communities prepare and deliver emergency response when needed.

These charity partners include the British Red Cross, American Red Cross, Canadian Red Cross, Care International UK and China Soong Ling Foundation, who together support millions of people across the world suffering from the aftermath of disasters, and are constantly preparing in case another occurs. These are charities that continue to help people and communities, whether that is saving lives or helping people get back on their feet.

As members of the British Red Cross Disaster Relief alliance, we help enable swift response to disasters where it is needed most and drive education and innovation in responding.

Supporting colleagues

Unfortunately, as a global business, our colleagues are sometimes impacted by natural disasters too. To help them, we operate a colleague assistance fund that can provide emergency money to help them in the critical few days following a disaster.

Case study

Assam, India

The state of Assam in north-eastern India was engulfed by heavy floods in July 2019, affecting an estimated 5.3 million people, many of whom already live in poverty. Vulnerable households across 30 districts were displaced and forced to seek temporary shelter.

IHG were quick to respond with life-saving financial support. This funding helped CARE International UK coordinate an emergency response and provide essential disaster relief alongside local NGO partner, Morigaon Mahila Mehfil (MMM). The initiative included supporting 255 families who were identified as displaced and vulnerable with unconditional cash assistance.



The financial support provided by IHG allowed our team to provide affected households with vital intermediary support and help recover in the absence of a regular income. Without this cash assistance, these families would have been subjected to reducing their regular food intake to be able to meet other urgent, emergency needs.

Wasi Md Alam
Acting Head, Disaster
Management Unit,
CARE India

25,000

people supported following natural disaster



Giving for Good month

It's in our nature as a business to care for others. That's what our True Hospitality for Good programme is all about. With over 400,000 colleagues all over the world, we recognise the opportunity to use our global scale to make a difference to others and shape a positive future for generations to come.

In September, we encourage all of our colleagues to get involved in our Giving for Good month. This is an opportunity for them to give back and make a positive difference to their local community through volunteering, going green or taking part in an activity focused on health and well-being.

Supporting the Sustainable Development Goals:



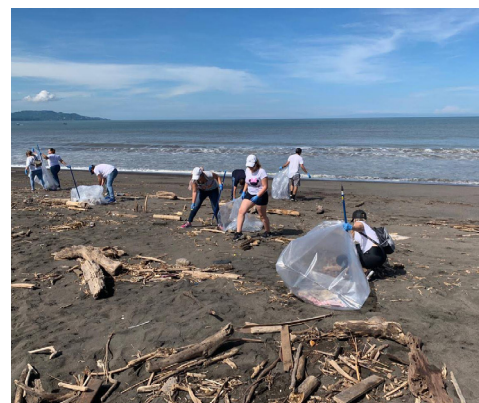
A record breaking year

In 2019, we were proud to see 160,000 colleagues get involved in Giving for Good month, up from 130,000 the year before.

As well as the impact their efforts made directly, every colleague who participated chose from one of four important causes (waste reduction, water and sanitation, hospitality skills building and disaster relief) and IHG made a donation to our charitable partners working on that cause in recognition of their efforts.

In support of the month, colleagues across the Americas teamed up for a virtual volunteer activity with the American Red Cross called Missing Maps. Helping to map the most vulnerable places across the globe, the volunteering activity enables international and local NGOs to better respond to crises in these areas. In the Hinthada area of Myanmar, colleagues identified 409 buildings and made 2,449 changes to the map to better track where people live in relation to potential hazards and natural disasters.

In Thailand, 200 colleagues at the the Holiday Inn Phuket Resort participated in a major beach clean-up activity, collecting waste along the beach, keeping the local landscape clean and contributing towards our going green initiative as part of giving for good month.



188,000

hours volunteered

160,000

colleagues came together to do good deeds

88

countries across the world

\$400,000

donated to our charity partners





Our performance

We measure our progress through our 2018 – 2020 responsible business targets, in the areas of environmental sustainability; community impact; our people; and responsible procurement.



Environmental sustainability

Target

6-7%

Reduce carbon footprint per occupied room



Progress in 2019

- Over a two year period, we have reduced our carbon footprint by 5.9% per occupied room, including a 3.7% reduction in 2019, from a 2017 baseline.

What's next?

- Continue to reduce our carbon footprint across our entire estate.
- Partner with owners and our hotels to share best practices to help drive greater reductions.
- Work to meet the requirements of Task Force on Climate-related Financial Disclosures (TCFD).

6 projects

Launch two water stewardship projects each year. In 2019, we launched water stewardship projects in Beijing and Bali



- We launched a project in Beijing in partnership with the Alliance for Water Stewardship (AWS) and the InterContinental Beijing- Beichen, to hold training and workshops with 11 hotels to share challenges and solutions to reduce their water usage. Solutions implemented at the InterContinental Beijing- Beichen have driven a water reduction of 7% per occupied room.
- We are working with AWS in Bali and have completed a water stewardship assessment at the Hotel Indigo Seminyak Beach to help identify potential interventions and actions.

- We will continue to partner with AWS to use our findings from Delhi, Beijing and Bali with local communities and implement important interventions across these locations and beyond.
- Launch Water Stewardship Projects in Mexico and Saudi Arabia.



Our performance continued



Community impact

Target

30,000–40,000

Individuals provided with hospitality skills training through IHG Academy



Progress in 2019

- In 2019, 15,081 people benefited from the IHG Academy across 1,573 programmes in 80 countries.
- Since 2018, 28,181 people have benefited from the IHG Academy.

What's next?

- Build on the IHG Academy programme offering through launching the Internship Pathway in 16 hotel-ready languages.
- Continue to drive quality growth in the programme through enabling our regional teams to measure impact through a robust reporting solution and convert IHG Academy hires into employees for 2021 and beyond.

\$3m

Contributed to community impact project



- In 2019, we contributed \$1.3m community impact projects around the world taking our total to \$2.5m.

- Work with our charitable partners to deliver hospitality skills building and disaster relief assistance.

100,000

Colleagues involved in IHG's community impact



- In 2019, 160,313 colleagues took part in community impact activities.

- Identify ways to enhance our programme and encourage even more participants for our Giving for Good month and corporate volunteering.



Our performance continued



Our people

Target

Increase diversity

Increase diversity in terms of gender and nationality or ethnicity of IHG Senior Leaders



Progress in 2019

- In 2019, female representation in our Senior Leadership was at 36% vs 2017 baseline of 37%.
- Our Executive Committee female membership increased from 22% to 30% with the appointment of Nicolette Henfrey as Executive Vice President, General Counsel & Company Secretary.
- Lead Supporter and active member of Women in Hospitality, Travel & Leisure (WIHTL). Four IHG Senior Leaders were profiled in the WIHTL Women to Watch Index 2019.
- In January, 2020, we became signatories to The Valuable 500 and CEO Action for Diversity & Inclusion.
- Rolled out Conscious Inclusion training to IHG's Senior Leaders.

What's next?

- Will launch Conscious Inclusion training to all corporate colleagues and managed hotel General Managers, equipping them with the knowledge and skills to build a more inclusive environment.
- Further support the development of employee networks, providing communities of colleagues with a platform to build inclusive relationships and further professional development.



Our performance continued



Our people continued

Target

Increase female representation

Increase number of females working in General Manager and Operations roles in managed hotels



Progress in 2019

- Increased the percentage of females in GM and Operations roles from 24% to 26%.
- Rise, our female mentoring initiative for aspiring female General Managers was launched in all key markets, with close to 100 participants.
- Launched D&I councils in local markets to represent the voice of colleagues in regions.
- Report this job button added on careers site to report any jobs that are deemed inappropriate, including those with gender bias.

What's next?

- Continue to scale our Rise mentoring programme, increasing the number of participants benefitting from involvement each year.

Employee engagement

Track and report employee engagement each year



- We measure employee engagement through our bi-annual survey, Colleague HeartBeat, and corporate, managed hotel and customer reservations office employees are invited to take part. The overall score was 87%; 11% above Kincentric's top quartile benchmark.

- Improve our talent acquisition systems and services to position IHG as a leading employer and deliver a great hiring experience for candidates.
- Continue to drive a high-performance culture across IHG through embedding performance and reward practices.
- Further drive the adoption of improvement to our human resources systems, to further our ability to attract, develop and retain talent.



Our performance continued



Responsible procurement

Target

Increase supplier audits

Increase the percentage of supplier risk profiles and supplier audits for IHG preferred suppliers



Progress in 2019

- A self-assessment programme has been rolled out to all IHG Marketplace suppliers.
- We have been reviewing suppliers' responses to our enquiries about their governance, human rights and environmental practices and requesting corrective actions to put in place where there has been a deviation from our expectations.

What's next?

- We will continue to partner with our suppliers, managing supply chain risks related to sustainability issues and also expand the scope beyond this group by entering into the next phase of our programme.

Increase ethical supplier awareness

Roll out new training for corporate colleagues and hotels



- We launched a mandatory programme for all employees. The virtual training and resources cover specific elements of risks and opportunities that are important for employees to be aware of.

- In 2020, we will continue our colleague engagement programme and provide more in-depth education on responsible procurement.

IHG green criteria

Increase the percentage of suppliers that meet IHG green criteria



- We introduced the IHG Green Supplier scorecard, which helps us understand the environmental credentials of prospective IHG suppliers going through our RFP process.
- 45% of new contracts through our tendering processes, were awarded to an IHG Green Supplier.

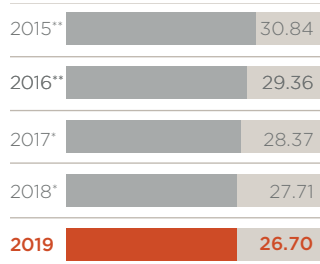
- We will further enhance the Green Supplier scorecard with an increased focus on circular economy.



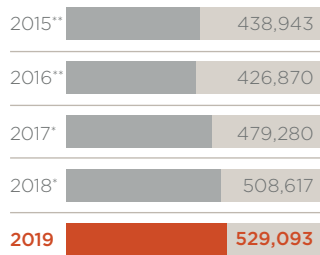
Our performance continued

Environmental performance data

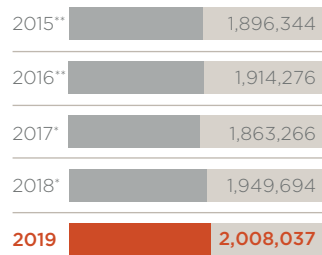
Carbon Footprint

Carbon footprint per occupied room (kgCO₂e)IHG's total carbon footprint (tCO₂)

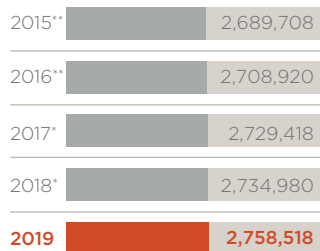
Scope 1



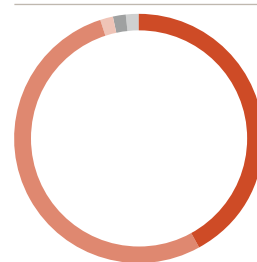
Scope 2



Scope 3

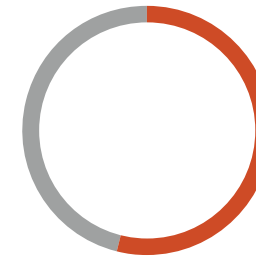


2019 Energy Consumption (Total MWh)

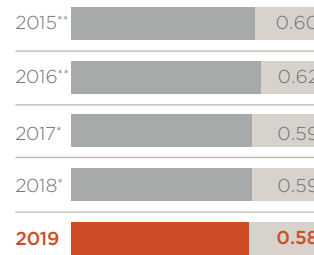
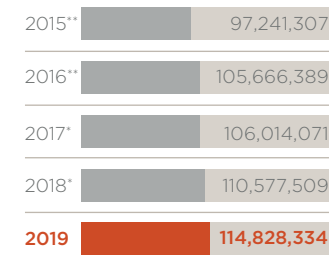


Water

IHG's water use in water-stressed and non-water-stressed regions across the estate (%)



IHG's water use per occupied room across the global estate (%)

IHG's total water consumption across the global estate (m³)

* As IHG's System size is continually changing and the number of hotels reporting data to the IHG Green Engage™ system increases annually, we have restated data.

** Data not restated as baseline has been set at 2017 for our 2018-2020 target



Our performance continued

Environmental performance data

Waste

IHG's waste per occupied rooms (kgs)

Total general waste

2017* 2.50

2018* 2.56

2019 2.47

Total food waste

2017* 0.77

2018* 0.72

2019 0.70

Total recycling

2017* 0.47

2018* 0.49

2019 0.56

Total composting

2017* 0.04

2018* 0.06

2019 0.07

Total waste

2017* 3.77

2018* 3.83

2019 3.80

Social performance data

IHG Academy

Individuals provided with hospitality skills training through the IHG Academy

2015 9,287

2016 11,985

2017 13,633

2018 13,531

2019 15,081

Total funds donated to community impact projects (\$m)

2018 1.2

2019 1.3

Colleagues supporting community impact projects

2018 139,942

2019 160,313

Gender profile of employees

As at 31 December 2019

	Male	Female	Total
Directors	7	4	11
Executive Committee	7	3	10
Executive Committee direct reports	40	23	63
Senior managers (including directors of subsidiaries)	102	34	136
All employees (whose costs were borne by the Group or the System Fund)	6,498	7,938	14,436

* As IHG's System size is continually changing and the number of hotels reporting data to the IHG Green Engage™ system increases annually, we have restated data.

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