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.
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Further information online at: [IHGplc.com](https://www.IHGplc.com)
- [Our brands](https://www.IHGplc.com/our-brands)
- [Find out about IHG's history](https://www.IHGplc.com/history)
- [Explore our culture](https://www.IHGplc.com/culture)
- [Download our Annual Report and Form 20-F 2019](https://www.IHGplc.com/annual-report)

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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.

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.

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.
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.

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 taste 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.

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.
Introduction

Our culture

Our hotels

Our communities

Our performance

About IHG

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.

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

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

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.

Our brands

Mainstream

Upscale

Luxury

Our employees

Business model

Franchised

Managed

Owned and leased

Hotel ownership

Third party

Third party

IHG

IHG capital intensity

Low

Low

High

Employees

Third party

IHG and third party

IHG
2019 highlights

5.9%
reduction in our carbon footprint per occupied room from 2018-2019 on a 2017 baseline

188,000 hours
volunteered by colleagues across the globe

3.6%
reduction in water use per occupied room in water stressed areas from 2018-2019 on a 2017 baseline

3.6%
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

100%
score on the Human Rights Campaign’s annual Corporate Equality Index in the US for sixth time

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

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

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

Global Best Employer
Aon-Hewitt Global Best Employer

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

FTSE 100
Women Leaders
Hampton-Alexander Review

Best Employer
Global | 2019
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
Contributed to community impact projects

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
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
Increase 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.

Target
IHG green 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
Employee engagement
100,000
Colleagues involved in IHG’s community impact activities each year

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

Target
Increase female representation
Six projects
Launch two water stewardship projects each year

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

Target
Increase IHG green criteria
100,000
Increased supplier audits
Increase supplier risk profiles and audits for preferred suppliers

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

Target
Increase diversity
$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
Six projects
Launch two water stewardship projects each year

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

Target
Increase diversity
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Contributed to community impact projects

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

Target
Increase diversity
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.

Target
Increase diversity
6-7%
Reduce carbon footprint per occupied room

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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.

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

See page 37 for more information

See page 38 for more information

See page 39 for more information

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:

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- 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
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 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 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.
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.

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.

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.

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

SDG 12: 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’.

SDG 13: 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.

SDG 17: 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.
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

<table>
<thead>
<tr>
<th>Engagement activities in 2019</th>
<th>Stakeholder</th>
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<tbody>
<tr>
<td>— 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.</td>
<td>Shareholders and investors</td>
</tr>
<tr>
<td>— Worked with a number of rating agencies and organisations including ShareAction, MSCI, Sustainalytics, CDP, RobecoSAM (Dow Jones Sustainability Index), ISS and FTSE Russell.</td>
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</tr>
<tr>
<td>— 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.</td>
<td>Hotel owners</td>
</tr>
<tr>
<td>— Engaged owners through regional conferences, regular meetings and conversations.</td>
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<tr>
<td>— 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.</td>
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<tr>
<td>— Achieved an average employee engagement score of 87% through our bi-annual survey.</td>
<td>Colleagues</td>
</tr>
<tr>
<td>— Engaged 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.</td>
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<tr>
<td>— Brought 160,000 colleagues together for our annual Giving for Good month.</td>
<td>Guests and corporate clients</td>
</tr>
<tr>
<td>— Achieved an average employee engagement score of 87% through our bi-annual survey.</td>
<td></td>
</tr>
<tr>
<td>— Through our ‘A Greener Stay’ programme, IHG Rewards Club members can forgo housekeeping, reducing their energy and water usage associated with linen cleaning.</td>
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<tr>
<td>— 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).</td>
<td></td>
</tr>
<tr>
<td>— We report our sustainability data to Ecovadis and CDP annually, sharing our ratings with our corporate clients.</td>
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Stakeholder engagement continued

**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.

- 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.
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](http://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](http://ihgplc.com/policies)

**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](http://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
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.

**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.

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.

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)
Introduction

Our culture

Our hotels

Our communities

Our performance

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.

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

3,688 suppliers have signed the Supplier Code.

Supporting Sustainable Development Goals:

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, which 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.
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.

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.

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

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.
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.

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.
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.

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.
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.
- 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.
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 of 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.

Supporting Sustainable Development Goals:

- Courses completed by colleagues on IHG Frontline

**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.

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

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.

Supporting Sustainable Development Goals:

11 Sustainable Cities and Communities
12 Responsible Consumption and Production
13 Climate Action
17 Partnership for the Goals

5.9% reduction in carbon footprint per occupied room from 2018-2019 on a 2017 baseline

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.

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.
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.
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.

**Waste**

**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.
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.
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 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.

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 True Hospitality for Good programme

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

15,081 people benefited from the IHG Academy
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 Mehill (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.

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.
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

<table>
<thead>
<tr>
<th>Not started</th>
<th>Below target</th>
<th>On track to achieve</th>
</tr>
</thead>
</table>

**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

<table>
<thead>
<tr>
<th>Not started</th>
<th>Below target</th>
<th>On track to achieve</th>
</tr>
</thead>
</table>

- 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 launched a project 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.

---

Not started
Below target
On track to achieve
### 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

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

#### What’s next?
- Work with our charitable partners to deliver hospitality skills building and disaster relief assistance.

#### 100,000
- Colleagues involved in IHO’s community impact

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

#### What’s next?
- Identify ways to enhance our programme and encourage even more participants for our Giving for Good month and corporate volunteering.
<table>
<thead>
<tr>
<th>Our people</th>
<th>Target</th>
<th>Progress in 2019</th>
<th>What’s next?</th>
</tr>
</thead>
</table>
| **Increase diversity** | Increase diversity in terms of gender and nationality or ethnicity of IHG Senior Leaders | — 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. | — 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

<table>
<thead>
<tr>
<th>Target</th>
<th>Progress in 2019</th>
<th>What’s next?</th>
</tr>
</thead>
</table>
| Increase female representation | — 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. | — Continue to scale our Rise mentoring programme, increasing the number of participants benefiting from involvement each year. |

### Employee engagement

<table>
<thead>
<tr>
<th>Target</th>
<th>Progress in 2019</th>
<th>What’s next?</th>
</tr>
</thead>
</table>
| 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. |
### Responsible procurement

<table>
<thead>
<tr>
<th>Target</th>
<th>Progress in 2019</th>
<th>What’s next?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase supplier audits</strong>&lt;br&gt;Increase the percentage of supplier risk profiles and supplier audits for IHG preferred suppliers</td>
<td>— 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.</td>
<td>— 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.</td>
</tr>
<tr>
<td></td>
<td>— 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.</td>
<td>— In 2020, we will continue our colleague engagement programme and provide more in-depth education on responsible procurement.</td>
</tr>
<tr>
<td><strong>Increase ethical supplier awareness</strong>&lt;br&gt;Roll out new training for corporate colleagues and hotels</td>
<td>— 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.</td>
<td>— We will further enhance the Green Supplier scorecard with an increased focus on circular economy.</td>
</tr>
<tr>
<td><strong>IHG green criteria</strong>&lt;br&gt;Increase the percentage of suppliers that meet IHG green criteria</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Our performance continued

Environmental performance data

Carbon Footprint

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1</th>
<th>Scope 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015**</td>
<td>438,943</td>
<td>1,896,344</td>
</tr>
<tr>
<td>2016**</td>
<td>426,870</td>
<td>1,914,276</td>
</tr>
<tr>
<td>2017*</td>
<td>479,280</td>
<td>1,863,266</td>
</tr>
<tr>
<td>2018*</td>
<td>508,617</td>
<td>1,949,694</td>
</tr>
<tr>
<td>2019*</td>
<td>529,093</td>
<td>2,008,037</td>
</tr>
</tbody>
</table>

IHG’s total carbon footprint (tCO2)

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1</th>
<th>Scope 2</th>
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<tr>
<td>2019*</td>
<td>529,093</td>
<td>2,008,037</td>
</tr>
</tbody>
</table>

Water

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

- Water-stressed: 46%
- Non-water-stressed: 54%

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1</th>
<th>Scope 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015**</td>
<td>0.60</td>
<td>0.62</td>
</tr>
<tr>
<td>2016**</td>
<td>0.62</td>
<td>0.59</td>
</tr>
<tr>
<td>2017*</td>
<td>0.59</td>
<td>0.59</td>
</tr>
<tr>
<td>2018*</td>
<td>0.59</td>
<td>0.59</td>
</tr>
<tr>
<td>2019*</td>
<td>0.58</td>
<td>0.58</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1</th>
<th>Scope 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015**</td>
<td>97,241,307</td>
<td>105,666,389</td>
</tr>
<tr>
<td>2016**</td>
<td>106,014,071</td>
<td>110,577,509</td>
</tr>
<tr>
<td>2017*</td>
<td>114,828,334</td>
<td>114,828,334</td>
</tr>
</tbody>
</table>

Fuel: 6,109,751
Electricity: 7,338,090
Heat: 246,824
Steam: 235,339
Cooling: 219,605

* 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Total general waste (kgs)</th>
<th>Total food waste (kgs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.50</td>
<td>0.77</td>
</tr>
<tr>
<td>2018*</td>
<td>2.56</td>
<td>0.72</td>
</tr>
<tr>
<td>2019</td>
<td>2.47</td>
<td>0.70</td>
</tr>
</tbody>
</table>

Total recycling

<table>
<thead>
<tr>
<th>Year</th>
<th>Total composting (kgs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0.47</td>
</tr>
<tr>
<td>2018*</td>
<td>0.49</td>
</tr>
<tr>
<td>2019</td>
<td>0.56</td>
</tr>
</tbody>
</table>

Total waste

<table>
<thead>
<tr>
<th>Year</th>
<th>Total general waste (kgs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3.77</td>
</tr>
<tr>
<td>2018*</td>
<td>3.83</td>
</tr>
<tr>
<td>2019</td>
<td>3.80</td>
</tr>
</tbody>
</table>

IHG Academy

Individuals provided with hospitality skills training through the IHG Academy

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>9,287</td>
<td>11,985</td>
<td>13,633</td>
</tr>
</tbody>
</table>

Total funds donated to community impact projects ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>1.3</td>
<td></td>
</tr>
</tbody>
</table>

Colleagues supporting community impact projects

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>139,942</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>160,313</td>
<td></td>
</tr>
</tbody>
</table>

Social performance data

Gender profile of employees

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

* 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.