

Our strategy

In 2020, we evolved key elements of our strategy to further strengthen our ability to drive future growth.

Our ambition to deliver high-quality industry-leading net rooms growth is unchanged, driven by continued investment in enhancing our guest and owner offer and developing our brands at scale in high-value markets. Over the long term, with disciplined execution, this drives sustained growth in cash flows and profits, which can be reinvested in our business and returned to shareholders.

What has evolved is how we execute against our strategy, in terms of what we prioritise, the behaviours we champion, and the purpose that guides us. Listening to stakeholders, we've evaluated what's most important, not just to IHG's growth, but how we grow, taking into account all we've learnt from dealing with Covid-19 and planning for a strong recovery over time.

Our evolved priorities put our brands at the heart of our business, and our owners and guests at the heart of our thinking. They

recognise the crucial role of a sophisticated, well-invested digital approach, and ensure we meet our growing responsibility to care for our people and make a positive difference to our communities and planet.

Uniting our efforts as a company behind our four priorities will help create competitive advantage, build stronger guest and owner relationships, and enhance a culture that brings the best out of our talented teams.

OUR PURPOSE

True Hospitality for Good

OUR AMBITION

To deliver industry-leading net rooms growth

OUR STRATEGY

Use our scale and expertise to create the exceptional guest experiences and owner returns needed to grow our brands in the industry's most valuable markets and segments. Delivered through a culture that retains and attracts the best people and embraces opportunities to positively impact the world around us.

PRIORITIES



Build loved and trusted brands



Customer centric in all we do



Create digital advantage



Care for our people, communities and planet

BEHAVIOURS



Move fast



Solutions focused



Think return



Build one team

Build loved and trusted brands



We focus on building and nurturing a leading portfolio of brands that offer exceptional quality and create meaningful guest connections with every stay. By striving for industry outperformance, effective hotel lifecycle management and strong returns, we aim to make our brands a leading choice for owners. Our outstanding loyalty programme enriches our entire offering.

Where we're coming from

We've transformed the depth and breadth of our brand portfolio, with investment in quality, design and service, plus the launch and acquisition of new brands. It's a portfolio designed to meet a range of needs for guests and owners, and in a fast-changing industry, we continue to evolve and enhance each brand to strengthen both consumer preference and owner returns.

What's next?

We're focused on several areas to accelerate both hotel performance and growth. To create a clearer connection to our hotel brands, better showcase the breadth of our portfolio to consumers and drive more business to our hotels, we've evolved our masterbrand to become IHG® Hotels & Resorts. Embedding this in our marketing, loyalty offer and digital channels is a key priority.

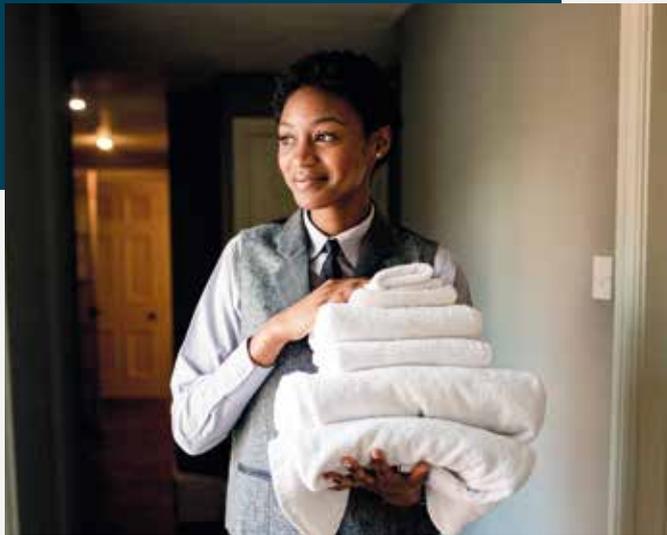
Continuing to take our newer brands – avid®, voco™ and Atwell Suites™ – to scale in key markets remains vital to future growth. With a low cost to build and attractive operating economics, we expect avid to be our next brand of scale in the midscale segment. We've signed more than 200 hotels since 2017 and the brand expanded beyond the US to Mexico and Canada in 2020. In three years, voco has reached more than 50 openings and signings and is tracking well against our aim of 200 hotels within 10 years; and Atwell Suites has 19 signings since launching in September 2019, with the first hotel now under construction.

Ensuring we capitalise on growing our transformed Luxury & Lifestyle offer is also a priority, and we will continue to add to – and open – an attractive pipeline of outstanding hotels and destinations.

Across all our brands, we understand the importance of ensuring our hotels deliver high-quality, consistent service and guest experiences, with a particular focus on cleanliness, and this will continue to be a top priority as we enhance performance and brand reputation.

Our strategy continued

Customer centric in all we do



We have two types of customers: our guests – business and leisure – and our owners, and it's critical that we put them at the heart of every plan. Consistently acting with this mindset and insight will allow us to create the tailored services and solutions that increase demand for our brands, strengthen consumer preference, deliver stronger owner returns and drive industry-leading rooms net growth.

Where we're coming from

We've invested heavily in recent years in ensuring IHG works even more closely and effectively with our owners. This customer-centric mindset came to the fore more than ever in 2020 – not just for our owners but for our guests, corporate clients and loyalty members, too.

The importance of this approach was illustrated by the Guest Satisfaction Index measure being net positive for IHG throughout the year, outperforming competitors.

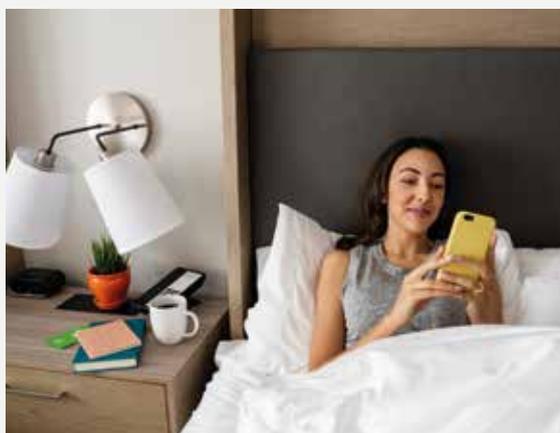
What's next

With a greater customer focus, we will refine elements of our offer for guests, loyalty members and owners to deepen brand loyalty, drive revenue and create more value.

Priority areas for our guests include: maintaining an increased focus on cleanliness; developing a hybrid meetings offer for corporate customers; and continuing to enhance our loyalty offer, building on improved member marketing in 2020 and features such as dynamic pricing for Reward Nights, which offers members more value outside of peak times.

For our owners, we know the importance of managing costs to build, open and operate, and we continue to collaborate and innovate to develop new services and solutions that both increase revenue and deliver more efficient and sustainable operations. Key programmes include: the roll out of our Owner Engagement Portal, which gives owners real-time oversight of performance metrics; and expansion of our central procurement services to use our scale to create additional savings for owners.

Create digital advantage



A digital-first approach is vital to enabling seamless experiences, driving direct bookings, saving time and money, and delivering the right data, insights, technology and platforms needed to connect with guests and drive performance for owners.

Where we're coming from

Our investment in cloud-based technology allows us to develop and roll out performance-driving tools and new guest-facing products further and faster than ever before.

What's next

We will create more sophisticated and targeted ways to transform the guest experience at every stage of the journey, while also ensuring our hotels can operate more efficiently, manage greater demand and drive stronger performance.

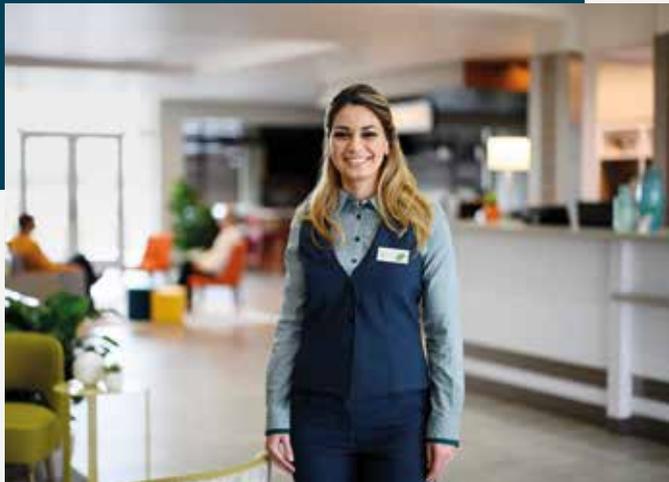
Key focus areas include continuing to increase the value our technology platforms, marketing, sales and loyalty distribution channels deliver for owners. We will also continue to create a first-class booking experience through our industry-leading Guest Reservation System on IHG Concerto™. The roll-out of room attribute pricing is expected to be live across the estate by the end of 2021, enabling tailoring of stays and selection of add-ons. In 2020, initial pilots were conducted in each region, demonstrating to owners the ability to generate maximum value from their hotel's unique attributes.

In 2020, we developed several new digital enhancements to keep everyone connected and in control, and ensuring we successfully roll these out at scale is a top priority. Digital check-in is now implemented in more than 1,000 hotels, with strong guest satisfaction scores and continues to expand across the estate. Digital check-out is live in 4,000 hotels.

In 2020, we also launched our first flagship store on the leading Chinese Online Travel Agent (OTA) platform, as part of IHG's partnership with Ctrip. We expect to grow other partnerships in the future to continue providing enriching experiences and benefits for our loyalty members.

Our strategy continued

Care for our people, communities and planet



We are passionate about working and growing together within a culture that respects and invests in our people, and embraces opportunities to contribute positively to local communities and operate responsibly and sustainably in the world around us.

Where we're coming from

We have ambitious growth plans, but equally important to us is how we grow. We're proud to be a business that invests in a highly engaged workforce, supports its communities and looks after our planet. However, we recognise that to deliver on those things requires a commitment to constantly reflect on evolving expectations around what it means to operate as a responsible business.

What's next

We enter 2021 with a determination to go even further – whether that's in how we work or grow as individuals, how we build more diverse teams and a more inclusive culture, or how we operate around the world in ways that positively impact people and protect the environment.

Journey to Tomorrow, our new responsible business plan, starts a decade of action. Working with colleagues and those who stay and partner with us, together we will help shape the future of responsible travel. We'll continue the work we've done so far on employee wellbeing and respect for human rights; supporting communities through skills training and disaster relief; and working with our hotels to reduce their environmental impact. We also made important strides in diversity and inclusion in 2020, and must now deliver on our commitment to listen and learn, advocate and act, as part of a pledge to create a more inclusive, equitable IHG for all.

Alongside Journey to Tomorrow, to keep everyone performing at their best and to attract more talented people, we are focusing on how we create a more flexible and dynamic working environment among our corporate teams, taking into account all we have learnt as a business by operating remotely for much of 2020.

We will also continue to work to the recommendations of the Task Force on Climate-related Financial Disclosures, and remain focused on collaborating with owners, partners, peers and governments to achieve a sustainable recovery.

Introducing Journey to Tomorrow

At IHG Hotels & Resorts, we touch people's lives around the world every day, whether that's in our teams, in our hotels or as a valued part of our local communities.

Caring for our guests and colleagues, giving back to society, and making sure we protect the environment are all part of how we deliver our purpose of providing True Hospitality for Good – and we want to make an even bigger impact with a fresh, ambitious 10-year plan.

We call it Journey to Tomorrow. A decade of commitments to ensure we grow in a responsible way and make sure travel has a beautiful future for everyone.

To develop this plan, we've looked at the changing world around us, listened to our owners, and got closer to shifting consumer expectations to help build a picture of what's most important to our stakeholders and IHG.

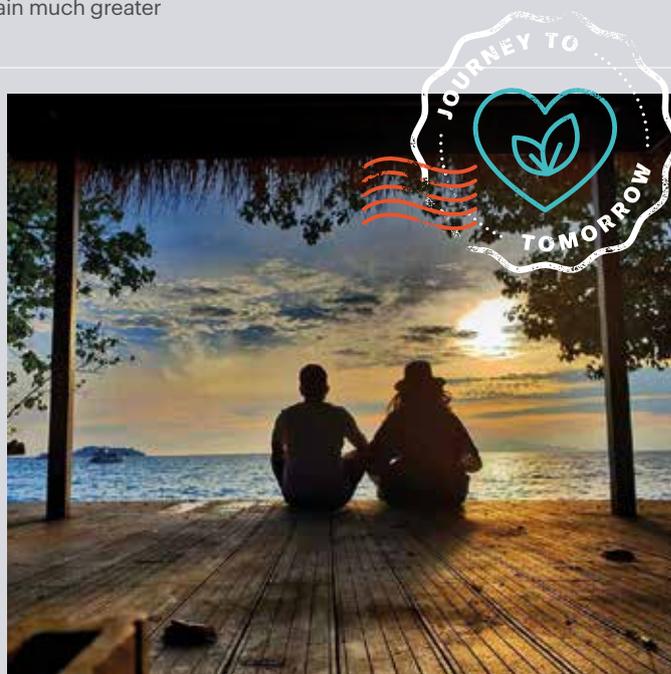
How companies perceive their role in the environmental, social and governance agenda continues to gain much greater

prominence with all stakeholders, and each of our commitments will ensure we stretch ourselves in areas where we feel we can make the greatest impact.

The plan will also help ensure we play our part in supporting the UN Sustainable Development Goals to achieve a better and more sustainable future for all – something organisations all over the world are working toward to collectively tackle some of the biggest global challenges we face.

Our 10-year responsible business plan

Our goal is to help shape the future of responsible travel together with those who stay, work and partner with us. We will support our people and make a positive difference to local communities while preserving our planet's beauty and diversity... not just today but long into the future.



Champion a diverse culture where everyone can thrive



Improve the lives of 30 million people in our communities around the world



Reduce our energy use and carbon emissions in line with climate science



Pioneer the transformation to a minimal waste hospitality industry



Conserve water and help secure water access in those areas at greatest risk

Empower our people to help shape the future of responsible travel

See our Responsible Business Report on our website at www.ihgplc.com/responsible-business