

Responsible Business Committee continued Voice of the Employee

During 2020, Luke Mayhew continued in his capacity as the designated non-executive director (NED) with responsibility for workforce engagement (Voice of the Employee), partnering with Jill McDonald (Chair of the Responsible Business Committee).

Luke and Jill were supported by the Group's Human Resources (HR) team, which assisted with the planning of the Board's workforce engagement plan and provided data on various metrics relating to employees such as employee engagement survey results.

Role and responsibilities

Their role is to:

- support management to design the structure and content of Board discussions on employee engagement and culture;
- evaluate employee engagement approaches and their effectiveness; and
- ensure that employee feedback and interests are factored into the Board's decisions and KPI setting.

Their responsibilities include ensuring that:

- the Board, through the Executive Committee, has effective methods of receiving feedback from employees and communicating Board and executive decisions and priorities throughout the organisation;
- all significant business and budget proposals include a management assessment of the impact on employees;
- Executives share employee feedback openly, transparently and in a balanced way, including reviewing employee engagement surveys and other employee reports including whistleblowing; and
- other NEDs also gather feedback and perspectives from employees.

2020 Engagement

In 2020, Luke and Jill undertook a programme of activities to engage with the views of employees and had detailed exposure to many of IHG's employee feedback mechanisms. They attended a number of meetings with employee forums, including leader groups and Employee Resource Groups (ERGs) in the UK and US. Discussion topics included IHG's response to the pandemic, mental health and wellbeing, the positives and challenges of remote working and job security and talent retention.

As the number and scope of such employee meetings were limited because of the Covid-19 pandemic (due to the impact of furlough for example), additional engagement and activities undertaken by Luke and Jill during the year included:

- monitoring and reviewing the content (and, where relevant, recordings) of regional town hall meetings, global 'all employee' CEO calls, Lean In circles and 'Learning with Leader' podcasts;
- reviewing employee dashboards and survey results; and
- receiving access to the initiatives introduced to maintain the culture during the pandemic, including virtual summits to encourage employee learning, personal growth, resilience-building and coping strategies.

Insights & learnings

Luke and Jill provided regular feedback to the Responsible Business Committee and the Board throughout the year, with key Board discussions taking place around the insights and action planning arising from employee engagement survey results. Through their feedback, the Board has gained valuable insights into employee sentiment through the pandemic, for example the importance to employees of receiving regular communications on the Company's performance, outlook and clarity on future plans for employees to feel confident in a future within hospitality.

"It has been a privilege to be the first designated NED for Voice of the Employee at IHG; there is a real interest across the Board in employees' views and a recognition that employees are the heart of the business. I would particularly like to thank employees who were willing to share their perspectives with me and trusted me and IHG to use those views responsibly. Many of my meetings were with members of the various D&I groups. IHG's support to these groups has been and will be a very real indication of its commitment to listen and learn from employees."

Luke Mayhew

Former Non-Executive Director

The Board also considered the feedback provided by Luke and Jill when it was engaged on key decisions that impacted employees, such as furloughs, pay and benefit reductions and redundancies. The Board considered the impact of proposals on employees prior to the decisions being taken or communicated. Further information on the Board's regard for the interests of employees is set out on pages 22 and 26.

A further learning from the activities during the year is that the Voice of the Employee approach could be improved by gaining more direct input and feedback from employees in other key markets (outside the US and UK) and from frontline employees at hotels.

Plans for 2021

As Luke retired from the Board in December 2020, the Board approved the transition of the Voice of the Employee responsibilities to Jill McDonald, in light of her skills and experience gained from partnering with Luke. It is anticipated that additional NEDs will assist with and support the Voice of the Employee activities.

A schedule of discussions and feedback sessions has been arranged for Jill and other NEDs as appropriate in 2021. The schedule will involve a wider group of employees from regions outside the UK and US and includes opportunities to interact with a cross-section of leader groups, ERGs and Lean In circles across the regions to ensure concerns and issues are understood by the Board. The Global HR Leadership team will provide cultural insights and help to gauge the organisational pulse.

Other plans of the Voice of the Employee programme for 2021 include:

- incorporating more direct engagement with employees at hotels as part of the discussion and feedback sessions;
- all relevant Board and budget papers will continue to have an employee impact assessment; and
- the Board will regularly review the approach in line with best practice and changes in regulation.