



# IHG 2017 UK Gender Pay Gap Report

March 2018





## Foreword

At IHG, we strongly believe that we can only fulfil our purpose of delivering True Hospitality for everyone, by celebrating difference and ensuring that everyone feels welcome and valued, regardless of their gender, background, faith, sexual orientation, age or nationality.

We are recognised as being a leading employer and a great place to work, and through our engagement survey our own people tell us that we have an inclusive culture. We recognise however that the gender pay gap among our UK employees is bigger than we would like. We understand the reasons for this and know that there is work to do to close the gap, which we are committed to doing. We are also confident in our approach to equal pay, which is a different measure to gender pay.

This report outlines the gender pay gap for our UK corporate employees and the actions we are taking to help us improve this.

**Ranjay Radhakrishnan**  
Chief Human Resources Officer

**We work hard to ensure that our culture is representative of the diversity of our guests, owners and colleagues**

36%

of the IHG Board is female, as at 1 March 2018

38%

female senior leaders, as at 31 December 2017. We have trebled this number over the past five years

30%

committed to maintaining at least 30% female representation in our senior leadership teams by 2020

The Hampton-Alexander Review listed IHG in the top 10 of FTSE 100-listed companies for female representation across our Board, the Executive Committee and its direct reports

# About our UK Gender Pay Gap

## Legislative requirements

- All UK companies that employed at least 250 people on 5 April 2017 are required to report the following gender pay gap information:
  - Gender pay gap (mean and median)
  - Gender bonus gap (mean and median)
  - Proportion of men and women receiving bonuses
  - Proportion of men and women in each quartile of the organisation's pay structure
- Mean and median hourly pay gap calculations compare hourly rates of pay as they stood on 5 April 2017.
- Mean and median bonus gap calculations encompass the 12-month period to 5 April 2017.
- The proportion of men and women in each quartile of our pay structure illustrates the total number of men and women, split into four equal parts based on hourly rates of pay.
- Companies with more than one legal entity employing at least 250 people on 5 April 2017, must calculate and report this data separately.

## How our UK Gender Pay Gap is calculated

IHG has a presence in nearly 100 countries. More than 375,000 people work across our hotels and corporate offices globally, but having a predominantly franchised and managed business model means that not all of the people who work at hotels operated under our brands are directly employed by IHG.

Our number of direct employees in the UK represents a relatively small proportion of our global direct employee population, which totals more than 12,000. In the UK, we have 739 people, almost all of whom work in our UK corporate offices. This population is split across two separate entities, each employing more than 250 people.

The two entities are InterContinental Hotels Group Services Company ("IHGSC") and Six Continents Ltd ("SCL"). In this report, we have provided analysis for these two entities combined. We believe that this gives the most representative illustration for the total population of our direct employees in the UK. We have also provided the relevant gender pay gap data for both IHGSC and SCL at the end of this report.

## The Gender Pay Gap is different to Equal Pay

The gender pay gap is not the same as equal pay. The gender pay gap measures the difference in average hourly pay between women and men, whilst equal pay measures what women and men are paid for doing the same or similar work of equal value.

### About IHG

375,000+

people work across IHG branded hotels and corporate offices globally

Nearly 100

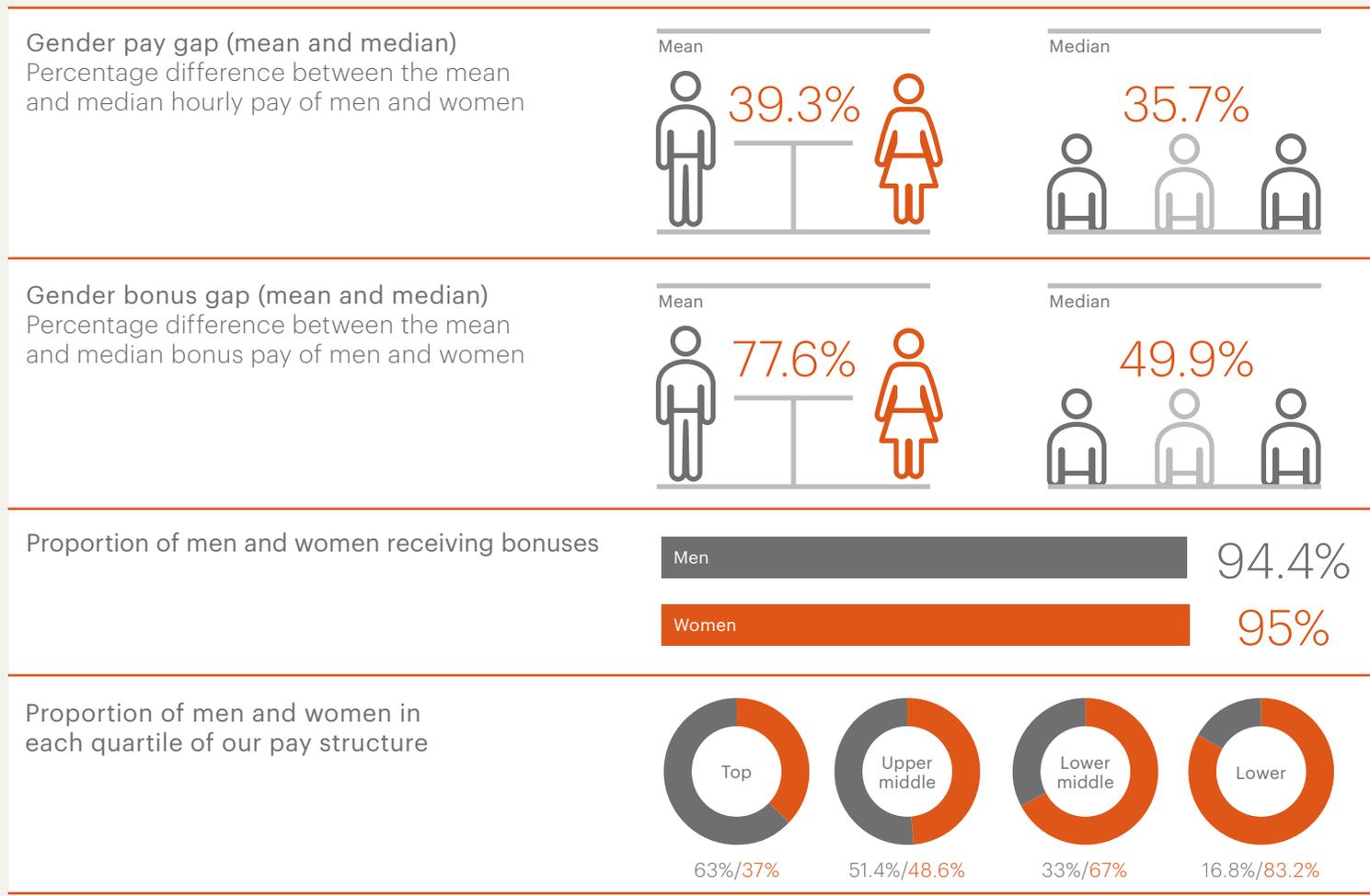
countries

739

direct UK employees

# Our UK Gender Pay Gap

Total colleague population 739 people, comprising combined data for IHGSC and SCL



**Interpreting our data**

Our gender pay gap shows the difference in average pay between women and men for our corporate employees in the UK.

Our gender pay and bonus gaps reflect the fact that in our UK corporate offices, we have a proportionately higher representation of men in senior roles and women in junior roles. This is illustrated by 67% and 83% female representation in the lower middle and lower quartiles of our UK direct employee population; and 63% male representation in the top quartile (primarily Executive Committee roles and their direct reports).

There is no discernible difference between the proportion of men and women receiving a bonus. The small gap that does exist is explained by those not eligible to receive a bonus at the time the data sample was taken.

# How we are addressing our UK Gender Pay Gap

Over a number of years, we have established a series of programmes and initiatives, which form an important part of our plans to close our UK gender pay gap at IHG. However, we still have work to do to maintain this momentum and build on what we have done. We are on a journey that will help us understand where we can make further changes to help us attract, develop and retain more diverse talent, including driving a higher proportion of women into senior roles.



## Building an inclusive culture

- We have a global diversity and inclusion strategy, that will be overseen by a dedicated global Diversity and Inclusion (D&I) Board, chaired by our CEO.
- We are committed to undertaking an in-depth review of our practices and policies, which includes continuing to look at ways to reduce bias in our hiring processes at all levels, and reviewing flexible working practices and policies around leave.
- In 2018, our leaders will take part in our inclusive leadership and unconscious bias training, building on the D&I training that we already have available to all colleagues.

## Attracting and developing IHG's next generation of talent

- Our leadership teams look regularly at how we can attract and develop future leaders, by ensuring that we identify our most talented people and support them to reach their full potential.
- We maintain a healthy gender balance as part of our succession planning, which includes monitoring the performance and demographics

of our people, to spot trends and develop action plans.

- To ensure we have the widest and most diverse pool of talent to choose from, we make it easy for people to access and apply for jobs, by recruiting through a variety of channels, including non-traditional sources and social media. In 2017, we introduced 'Apply on the Go', which simplifies the hiring process, by enabling candidates to apply for roles using a mobile device.

## Inspiring women into leadership

- We are rolling out our RISE mentoring initiative in Europe, building on its success in Australasia. RISE aims to increase the number of women in senior leadership positions and female General Managers within our hotels.
- Through our Future Leaders programme, we provide graduate-level talent with the opportunity to work across a range of departments and we recruit a balanced number of women and men.
- We have an Executive Committee mentoring programme, to address areas where we know females are under-represented.
- We are conducting a series of focus groups, to identify real and perceived barriers to female progression and the actions we can take to address these.

### Promoting personal development

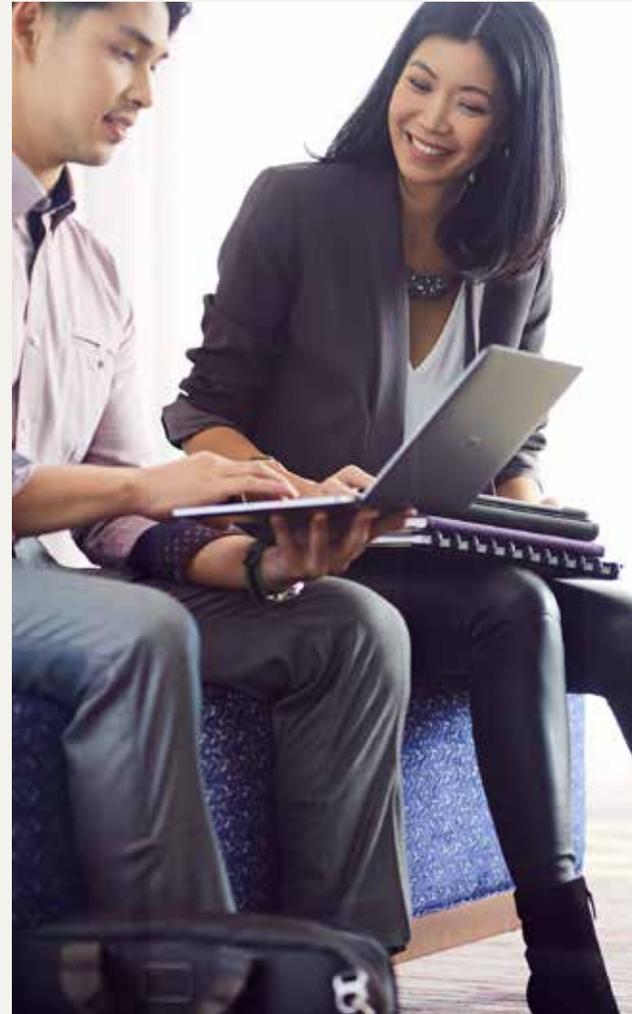
- We have 12 Lean In Circles in the UK. These peer groups are part of a series of voluntary, colleague-led Employee Resource Groups (ERGs), which help to inspire career progression through the sharing of ideas and mentoring opportunities.
- We are piloting new mentor-matching technology with our ERGs, to help us expand the number of peer-support programmes available to colleagues.

### Our 2018–2020 Responsible Business targets

As part of our new 2018-2020 Responsible Business targets, published on 1 March 2018, we set clear goals to:

- Increase the diversity of our senior leaders, including addressing the under-representation of females in senior leadership roles.
- Increase the number of females working in operations roles and as General Managers in our managed hotels, by addressing hotspots of under-representation in these areas.

We are also committed to the 30% Club's target of maintaining at least 30% female representation in our senior leadership teams.



### 2017 achievements

- Accredited as a **Top Employer in the UK by the Top Employers Institute** for the fourth year running, for providing an exceptional environment for employees to develop.
- Recognised globally as an **Aon Hewitt Global Best Employer** based on our excellent employee engagement, which includes best-in-class scores for diversity and inclusion.
- Recognised by The Human Rights Campaign Foundation as a **Best Place to Work for LGBTQ equality**, with IHG earning a 100% score for the fourth straight year on the annual Corporate Equality Index.

# Statutory disclosure

## InterContinental Hotels Group Services Company (IHGSC)

Total colleague population: 487 people

### Gender pay gap (mean and median)

Mean hourly pay gap	38%
Median hourly pay gap	31.7%

### Gender bonus gap (mean and median)

Mean bonus pay gap	76.8%
Median bonus pay gap	47.9%

### Proportion of men and women receiving bonuses

Men	94.5%
Women	95.1%

### Proportion of men and women in each quartile of our pay structure

	Men	Women
Top	68.6%	31.4%
Upper middle	47.5%	52.5%
Lower middle	32%	68%
Lower	17.2%	82.8%

## Six Continents Ltd (SCL)

Total colleague population: 252 people

### Gender pay gap (mean and median)

Mean hourly pay gap	41.4%
Median hourly pay gap	39.1%

### Gender bonus gap (mean and median)

Mean bonus pay gap	78.4%
Median bonus pay gap	52.5%

### Proportion of men and women receiving bonuses

Men	94.1%
Women	94.7%

### Proportion of men and women in each quartile of our pay structure

	Men	Women
Top	61.9%	38.1%
Upper middle	54%	46%
Lower middle	31.7%	68.3%
Lower	14.3%	85.7%

I confirm that the calculations provided are accurate and meet the requirements of legislation.

**Ranjay Radhakrishnan**  
Chief Human Resources Officer

#### IHG 2017 UK Gender Pay Gap Reporting

This document has been published in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. All data provided accurate as at 5 April 2017 and was calculated independently by PwC.