

**Assurance Statement related to
GHG and Water Inventory for Fiscal Year 2018
prepared for InterContinental Hotels Group PLC**

Terms of Engagement

This Assurance Statement has been prepared for InterContinental Hotels Group PLC (IHG).

Lloyd's Register Quality Assurance, Inc. (LR) was commissioned by Anthesis LLC (Anthesis) to assure the GHG Emissions and Water Inventories for IHG for the fiscal year 2018, October 1, 2017 to September 30, 2018 (hereafter referred to as "the Inventories").

The Inventories include direct (Scope 1) GHG emissions, energy indirect (Scope 2) GHG emissions, other indirect (Scope 3) GHG emissions and water withdrawals. The Scope 3 GHG emissions include franchised hotels.

The Inventories include the following brands: Crowne Plaza, Candlewood Suites, Holiday Inn Express, Holiday Inn, InterContinental Hotel, Indigo Hotel, Kimpton Hotel, Staybridge Suites, Hualuxe Hotel, Even Hotel, VOCO Hotels, Avid Hotels, Regent Hotels and Resorts, ANA Hotels, SP-Southern Pacific Hotel Corporation, and IHG Army Hotels. Non-branded hotels and global offices were also included in the inventories.

Management Responsibility

IHG's management was responsible for preparing the Inventories and for maintaining effective internal controls over the data and information disclosed. LR's responsibility was to carry out an assurance engagement on the Inventories in accordance with our contract with Anthesis.

Ultimately, the Inventories have been approved by, and remain the responsibility of IHG.

LR's Approach

Our verification has been conducted in accordance with ISO 14064-3:2006 *Specification with guidance for validation and verification of greenhouse gas assertions* for GHG data and LR's Verification Approach for water data to provide limited assurance that the data as presented in the Inventories have been prepared in conformance with the World Resource Institute/World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol: *A Corporate Accounting and Reporting Standard*, the IHG GHG Inventory Management Plan, Version 4.0, and the IHG Water Inventory Management Plan, Version 4.0

To form our conclusions the assurance engagement was undertaken as a sampling exercise and covered the following activities:

- Reviewed the processes for the management of data and information related to the Scope 1, Scope 2, and Scope 3 GHG emissions and water withdrawal data used at the corporate level;
- Interviewed relevant staff and consultants responsible for managing and maintaining data and information and for preparing the Inventories;
- Checked the reported data against aggregated data and primary records provided by IHG; and
- Verified the Inventories through a review of aggregated level data and information and calculation spreadsheets provided by IHG.

Level of Assurance & Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a limited level of assurance and at a materiality of the professional judgment of the Verifier.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that the total Scope 1 GHG emissions, Scope 2 GHG emissions, Scope 3 GHG emissions, and water withdrawals, as summarized in Table 1 below, are not materially correct and the Inventories have not been prepared in accordance with the WRI/WBCSD GHG Protocol and IHG's GHG and Water Inventory Management Plans, except for the following qualification:

- Water withdrawal from one of the IHG Offices was not reported. This exclusion is not material.

Signed

Dated: May 23, 2019



Marisol Bacong
LR Lead Verifier
On behalf of Lloyd's Register Quality Assurance, Inc.,
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LR reference number: UQA00000054

Table 1. Summary of IHG GHG Emissions and Water Inventories FY 2018

Scope	Total	Units
Scope 1 (Owned & Managed hotels)	448,691	tonnes CO ₂ e
Scope 2 - Location Based (Owned & Managed hotels)	1,979,417	tonnes CO ₂ e
Scope 2 - Market Based (Owned & Managed hotels)	1,997,701	tonnes CO ₂ e
Scope 3 - (Franchised hotels)	2,635,737	tonnes CO ₂ e
Water withdrawal	48,141	megalitres

This Assurance Statement is subject to the provisions of this legal section:

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Due to inherent limitations in any internal control, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weakness or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period and the verification carried out on the relevant internal controls were on a test basis. Any projection of the evaluation of control to future periods is subject to the risk that the processes may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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