



IHG 2018 UK Gender Pay Gap Report

February 2019





Foreword

As a global organisation, IHG knows the importance and benefit of having a gender-balanced workforce that represents multiple nationalities, and the different cultures, faiths, races, sexualities, backgrounds and beliefs that make the world such an interesting place. A culture that celebrates difference and diverse thinking is crucial to the future success of our business, and to how we work together to deliver our purpose of providing True Hospitality for everyone.

We are proud to be recognised around the world as a leading employer and a great place to work, and to have colleagues that are passionate about building a diverse and inclusive culture. However, our work in this area is never done, and we have many initiatives to ensure we continue to improve.

We are confident in our approach to equal pay, which is a different measure to gender pay, but the gender pay gap among our UK employees remains bigger than we would like. We understand the reasons for this and are making important progress with our journey to bring about effective and positive change.

This report outlines the gender pay gap for our UK corporate employees and underlines our commitment to supporting initiatives that make a real impact.

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 31 December 2018

46%

of IHG's senior leadership in the UK is female as at 31 December 2018 (38% globally)

The 2018 Hampton-Alexander Review listed IHG in the top 10 of FTSE 100 companies for female representation across our Board, 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 2018 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 2018.
- Mean and median bonus gap calculations encompass the 12-month period to 5 April 2018.
- 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 2018, must report this data separately.

How our UK Gender Pay Gap is calculated

IHG has a presence in more than 100 countries. More than 400,000 people work across IHG’s branded hotels and corporate offices globally, but having a predominantly franchised and managed business model means that not all of the people who work at IHG branded hotels are directly employed by IHG. Our number of direct employees in the UK represents a small proportion of our global direct employee population, which totals nearly 13,000 colleagues.

In the UK, we directly employed 723 people as at 5 April 2018, almost entirely in our UK corporate offices. This population is split across two separate entities, 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 UK employees.

Whilst the employee population for SCL comprised fewer than 250 people on 5 April 2018, we have continued to provide the relevant gender pay gap data for both IHGSC and SCL at the end of this report for transparency.

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

400,000+

people work across IHG branded hotels and corporate offices

100+

countries

723

direct UK employees as at 5 April 2018

Our UK Gender Pay Gap

Explaining our gender pay gap

<p>Gender pay gap (mean and median) Percentage difference between the mean and median hourly pay of men and women</p>	<p>Mean 39.2%</p>	<p>Median 34.2%</p>
<p>Gender bonus gap (mean and median) Percentage difference between the mean and median bonus pay of men and women</p>	<p>Mean 69.9%</p>	<p>Median 44.6%</p>
<p>Proportion of men and women receiving bonuses</p>	<p>96.3% 94.6%</p>	

Interpreting our data

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

Whilst this employee population is broadly balanced in terms of the number of female and male employees, 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.

There is no discernible difference between the proportion of men and women receiving bonuses.

Our UK Gender Pay Gap

Our data split by quartile

	Top	Upper middle	Lower middle	Lower
Proportion of men and women in each quartile of our pay structure	Men 64.1% Women 35.9% 	Men 50.8% Women 49.2% 	Men 29.8% Women 70.2% 	Men 21.0% Women 79.0%
Gender pay gap (mean and median) Percentage difference between the mean and median hourly pay of men and women	Mean 18.1% Median 8.0%	Mean 3.3% Median 2.8%	Mean -0.2% Median -0.9%	Mean 1.1% Median 4.1%

Our mean gender pay gap of 39.2% overall is driven by 64% male representation in the top quartile of our UK direct employee population. This quartile comprises primarily our Executive Committee, their direct reports and senior teams, where there is a wider range in mean hourly pay, compared to the other quartiles.

To help us better illustrate this, we conducted further analysis on the gap for each quartile, going beyond legislative requirements. This analysis shows that in the top quartile, where there is higher male representation, our mean gap is 18.1%. In the remaining three quartiles, where there is either a balanced number of females and males, or a higher representation of females, the respective mean gender pay gaps are 3.3% or less.

How we are addressing our UK Gender Pay Gap

Our priority is to continue to grow a diverse and inclusive culture at IHG. We are making good progress with our journey to help us understand where we can make further changes to attract, develop and retain more diverse talent, including driving a higher proportion of women into senior roles. We have a series of long-term initiatives that form an important part of our plans to do this, and to close our UK gender pay gap.

Building an inclusive culture

- We want to live up to the expectations of all stakeholders; creating consistent policies and practices, setting our own goals and openly reporting on the progress we are making, to create and encourage a diverse and inclusive environment that's central to the success of our company.
- Last year, we formed our Diversity and Inclusion (D&I) Board. It is chaired by our CEO, Keith Barr, with members drawn from senior leaders from across our business. The D&I Board met five times during 2018, to develop and oversee our global D&I strategy.

- Part of the work the Board is leading involved conducting focus groups in partnership with Accenture, a world leader in this field, to help build a picture of different views on D&I at IHG, including identifying real and perceived barriers to female progression, and the actions we can take to address these.
- Over the next year, we will use these insights to build a comprehensive programme to complement the successful initiatives we are already driving forward.
- We have started a review of our policies and practices, which includes exploring areas such as flexible working, time-related benefits and recruitment practices, to ensure that we continue to develop an inclusive culture at IHG.
- In 2019, we are putting local D&I Councils in place, who will work with our regional teams to roll out key initiatives. The councils will represent the voice of different regions and specific markets, making sure we listen to colleagues and engage on local priorities and action areas.
- We are doing more to raise awareness of the importance of D&I at IHG, through a series of internal events and EC-level communications to colleagues.



Conscious Inclusion at IHG

Our Executive Committee and their leadership teams have all gone through an immersion on conscious inclusion. The purpose of this is to help identify ways in which we can help everyone to fulfil their potential, by feeling truly included at IHG. Leaders were made aware of the various aspects of inclusion, and received feedback on some perceptions and opportunities to be more inclusive, helping them to discuss strategies to build trust in new ways of working and an inclusive work environment.



IHG’s Rise programme

Rise is a 12-month mentoring programme designed to encourage aspiring female talent to fulfil their ambition to become a hotel General Manager.

Following a successful placement, colleagues are given a Mentor and Career Sponsor, who they meet for guidance and advice every six weeks.

Rise continues to support the career advancement of aspiring female General Managers, and also ensures that IHG is able to grow its pool of female role models in hotels across the world.

Having established Rise in Australia, Japan, South East Asia and Korea, the scheme will be rolled-out in Europe, the Americas and Greater China in 2019.

Attracting and developing IHG’s next generation of talent

- Each region and function within IHG conducts an in-depth talent review with our CEO and Chief Human Resources Officer (CHRO), to understand how we can attract and develop future leaders. In 2018, we redesigned our talent process to ensure that we can 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. We also work closely with our global executive search partners, to ensure that talent shortlists are gender-balanced.
- As part of our ongoing work to evolve our performance and talent development approach, we invited 1,000 colleagues to take part in a ‘hackathon’ led by our CHRO, to share their views and ideas on how we can help our people and business perform at their best.



We are committed to a series of important business and industry movements

- We are committed to the 30% Club’s target of maintaining at least 30% female representation in our senior leadership teams. We are currently exceeding this target at 38%.
- Signed up to Women in Hospitality’s Diversity in Hospitality Travel and Leisure Charter, a 10-point action plan to ensure that D&I remains a priority and that we openly track progress.
- Expressed support for the UN LGBTI Standards for Business, which focuses on tackling discrimination against lesbian, gay, bi, trans and intersex people.

Inspiring women into leadership

- We are continuing to roll-out our Rise mentoring initiative, which 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.

Promoting personal development

- We have nine 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, to help us expand the number of peer-support programmes available to colleagues.

Our 2018–2020 Responsible Business targets

As part of our 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.

2018 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: 495 people

Six Continents Ltd (SCL)

Total colleague population: 228 people

Gender pay gap (mean and median)

Mean hourly pay gap	37.8%
Median hourly pay gap	31.2%

Gender pay gap (mean and median)

Mean hourly pay gap	39.8%
Median hourly pay gap	37.8%

Gender bonus gap (mean and median)

Mean bonus pay gap	69.4%
Median bonus pay gap	35.6%

Gender bonus gap (mean and median)

Mean bonus pay gap	69.4%
Median bonus pay gap	61.2%

Proportion of men and women receiving bonuses

Men	95.0%
Women	93.5%

Proportion of men and women receiving bonuses

Men	99.0%
Women	97.1%

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

	Men	Women
Top	68.3%	31.7%
Upper middle	43.5%	56.5%
Lower middle	29.8%	70.2%
Lower	21.8%	78.2%

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

	Men	Women
Top	57.9%	42.1%
Upper middle	52.6%	47.4%
Lower middle	45.6%	54.4%
Lower	14.0%	86.0%

Ranjay Radhakrishnan
Chief Human Resources Officer

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

IHG 2018 UK Gender Pay Gap Reporting
This document has been published in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2018. All data provided accurate as at 5 April 2018 and was calculated independently by PwC.