



Our culture



Building a culture of responsible business

We pride ourselves on a respectful and responsible culture, which is central to delivering True Hospitality for everyone. With our global reach, we recognise the importance of ensuring our workforce embodies the communities in which we operate.

Our policies and standards set out our position on social, environmental and ethical issues and we ensure that our expectations are clear to all those that we work with, be that our colleagues, owners, investors or suppliers.

IHG colleagues



Doing business responsibly

From the shared values we promote and the culture we create, to how we operate and grow our business, we have clear policies, programmes and procedures to help guide us each and every day.

Safety and security

We take the safety and security of guests, colleagues and visitors to IHG branded hotels very seriously. We manage safety and security through a global management system that includes Brand Safety Standards and a suite of risk guidance, training and toolkits that are available to all hotels.

IHG employs a team of global risk specialists to coordinate and monitor a safety and security management system. This system is designed to provide an appropriate level of control to mitigate against a systematic issue with safety and security in our managed and franchised hotels.

IHG hotels are encouraged and supported to build greater levels of risk maturity, beyond mandated levels of safety (Brand Safety Standards), through access to a large range of guidance, tools and training resources available to all hotels via IHG's Global Risk online learning centre.

Our team of global intelligence specialists use an intelligence-led, threat-based security approach to monitor the risks and threats posed to our hotels. Risks include terrorism, changing political landscapes, digital security and natural disasters. Our well-tested crisis management system enables us to bring the necessary skills and expertise together so that we can quickly direct resources and support exactly where it is needed worldwide.

Privacy and information security

The privacy and security of personal data is very important to us. We want everyone including guests booking via our reservation channels, members of our loyalty programmes, colleagues, shareholders and others to trust that their information is appropriately managed. We have policies and procedures in place regarding how personal data can be used by our corporate offices and managed hotels, as well as information security standards.

In 2019, we relaunched our e-learning training for colleagues on handling information responsibly, which was completed by over 68,000 colleagues in our corporate offices and managed hotels. This training covers topics such as password and email security, using personal data in accordance with our policies and privacy commitments, how to work with vendors and transferring data securely.

During our global cybersecurity month we ran a number of colleague events which included a variety of activities to raise awareness of cyber threats and mitigation strategies. We continue to develop our privacy and security programmes to address evolving requirements and take account of developing best practice. The Board and Audit Committee regularly receive updates on our privacy and information security programmes.



Today, we operate in a world with many interconnected technologies, which places an even greater importance on the management and protection of data. We regularly review and update our policies and protocols; and we educate our colleagues on the protection against data and cyber threats.

David Jordan

Chief Information Security Officer, IHG



68,000+

completions of our handling information responsibly e-learning



Doing business responsibly continued

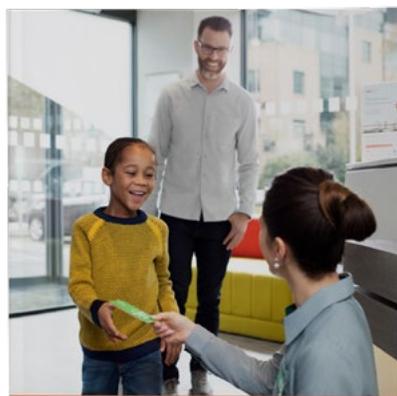
Code of Conduct

The bedrock of our culture is our Code of Conduct (Code), which sets out our commitment to operating honestly and with the highest ethical standards. The Code helps us to act responsibly and sets out the value we place on being trusted by our employees and guests, those who do business with us, and the communities we work in. The Code is an introduction to our key global policies, including human rights, diversity and inclusion, accurate reporting, information security, anti-bribery and environment.

All employees working in IHG corporate offices, reservation centres and managed hotels must comply with the Code and the policies and procedures it refers to. However, the principles, spirit, and purpose of the Code are relevant to all of IHG and we expect those we do business with, including our franchisees, to uphold similar standards.

The Code is publicly available (www.ihgplc.com) and also displayed on our intranet. It is supported by a mandatory e-learning module for employees working in IHG corporate offices, reservation centres and managed hotels. In 2019, new processes were put in place to ensure this module is automatically populated in colleagues' learning plans, including new starters. Our Board and Executive Committee, along with employees across the organisation, have affirmed their commitment to the Code of Conduct.

 To view our Supplier Code, visit: ihgplc.com/policies



Our Code of Conduct

The way we work
at IHG, wherever
we are in the world



Bribery and financial crime

Bribery and any form of financial crime, including improper payments, money laundering and tax evasion or the facilitation of tax evasion, are not permitted at IHG under any circumstances. This also applies to any agents, consultants and other service providers who work on IHG's behalf. Our Anti-Bribery Policy sets out IHG's zero tolerance approach to bribery and corruption. It is applicable to all Directors, IHG employees, and our managed hotels and is accompanied by a mandatory anti-bribery e-learning module.

Our Gifts and Entertainment Policy supports our approach to anti-bribery and corruption. It sets out reporting and approval thresholds for gifts and entertainment given or received, and applies to all Directors, IHG employees and our managed hotels.

IHG is also a member of Transparency International UK's Business Integrity Forum and participates in its annual Corporate Anti-Corruption Benchmark. The results from this are used to help measure the effectiveness of the anti-bribery and corruption programme and identify areas for continuous improvement.

Reporting concerns

It is extremely important that our people feel comfortable reporting ethical concerns. To facilitate this, we have a confidential reporting channel which provides colleagues with a means to share any ethical concerns they may have. Colleagues are made aware of this through regular internal communications, including posters displayed in staff areas, training, and through a dedicated website (www.ihgethics.com). Regular reporting on the channel is provided to our Board.



Our Code champions our values, setting out our commitment to doing business responsibly and the principles for all of us to work by.

Helen Jones
Vice President,
Ethics and Compliance, IHG

68,000+

colleagues have completed
our Code of Conduct
e-learning module



Human rights

Respecting human rights is a vital part of our commitment to responsible business and fundamental to achieving the UN SDGs. We understand the importance of ensuring that the human rights of all our colleagues, guests and communities are protected, and encourage those who we do business with, including our suppliers, owners and franchisees, to prevent, mitigate and address adverse impacts on human rights.

Supporting Sustainable Development Goals:



Risk assessment

In 2018, we undertook a human rights impact assessment across IHG's operations, covering our supply chains, hotels and corporate offices. In line with expectations of the UN Guiding Principles, the assessment included:

- Saliency mapping – assessing actual and potential risks of IHG's operations against internationally recognised human rights, including the International Bill of Rights and International Labour Organization ('ILO') Core Labour Standards; and
- Gap analysis – review of IHG's existing policies and processes to determine the degree to which identified risks are being managed.

The impact assessment found that IHG has systems in place to manage multiple human rights risks. However, areas where IHG could improve included: management of labour risks and, in particular, responsible recruitment and labour rights risks; and human rights risks present in the wider IHG business ecosystem including those related to hotel construction and development. We are using the findings from the assessment to develop our human rights strategy and have already undertaken a number of actions in 2019, including updating our Human Rights Policy, piloting a market-level assessment and rolling out additional training and guidance for our corporate offices and IHG-branded hotels.

Human rights policy

We significantly updated our Human Rights Policy in 2019. It sets out our commitment to respecting human rights in accordance with the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. Our approach is also informed by the Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development ('OECD'), the UN Global Compact and the UN Guiding Principles on Business and Human Rights ('UN Guiding Principles').

Training and identifying risk

In 2019, we took the opportunity to develop our approach to human rights training to focus on those colleagues and parts of our business where human rights impacts are likely to be greatest. We made available a new, free training for all IHG-branded hotels and corporate colleagues called 'Preventing Human Trafficking'. The training, developed by leading NGOs ECPAT-USA and Polaris, is designed for frontline hotel colleagues and explains what trafficking is and how to spot the signs. It is also important for corporate colleagues, particularly those who work with our hotels, to be aware of human trafficking risks and our commitment to combat it. To date, more than 44,000 colleagues have completed the training.

To help further support colleagues to identify risks, we have a training session on human rights, modern slavery and human trafficking for use by our hotels to provide face-to-face training to colleagues. All hotels, whether owned, managed or franchised, have access to this information in multiple languages.



Human rights continued

Working together

We strongly believe that collaborative initiatives are a powerful and effective way to combat human rights abuses. Through industry and cross-industry initiatives, we can identify how to address systemic risks, scale up best practice and provide remedy to victims of modern slavery.

International Tourism Partnership (ITP)

We are members of the ITP Human Rights Working Group and provided input on the ITP/ILO Qatar Project, which focuses on improving migrant workers' rights in Qatar and has resulted in reforms of the kefala system.

Gangmasters and Labour Abuse Authority (GLAA)

We collaborated with the GLAA on designing a hospitality protocol for identifying and reporting forced labour cases in the UK.

Business in the Community (BITC)

Through our early careers employability programme, IHG® Academy, we continue to support human trafficking survivors. We are helping provide people from all walks of life, including survivors of human trafficking, with hospitality skills to help them improve their livelihoods.

Business and Social Responsibility (BSR)

We regularly attend the BSR human rights working group meetings to consult with experts and cross-industry peers on best practice and challenges.

The Tourism Child-Protection Code of Conduct

IHG joined the Tourism Child-Protection Code of Conduct (The Code) in 2019 to benefit from ECPAT-USA's expertise in addressing human trafficking and child sexual exploitation risks within the hospitality industry.



IHG was a founding member of the International Tourism Partnership (ITP), and has played a key role in working collaboratively to share best practice and tackle common issues and help build a better future for all.

Madhu Rajesh

Director, International Tourism Partnership (ITP)

Case study

Global sporting events

We work closely with colleagues in operational roles to provide enhanced training, raise awareness of the available tools and review operational procedures to mitigate any identified risks where necessary. In advance of the 2020 Super Bowl in Miami, IHG intensified communication and work with area hotels to ensure colleague completion of the company's mandatory anti-human trafficking training. We also partnered with non-profit organisation, It's a Penalty, on a variety of activities designed to educate guests and increase awareness of the issue of human trafficking before the event.

Case study

Hotel taster days with BITC

Through a partnership with Business in the Community and our IHG Academy employability programme, in 2019, we held events in two of our UK hotels to help survivors of human trafficking learn more about the different opportunities a career in hospitality can entail and build their confidence to get back into employment.



 **View our 2019 Modern Slavery Statement**
ihgplc.com/modernslavery





Responsible procurement

The provision of goods and services by our suppliers is critical to our ongoing operations and we want to ensure we engage with suppliers who share the same commitment to responsible business as we do.



3,688

suppliers have signed the Supplier Code.

Our supply chain activities are split into two categories – corporate supply chains and hotel supply chains. Our corporate supply chain covers procurement for our corporate goods and services focuses on items such as technology and professional services. Procurement of goods and services at the hotel level covers all items required for opening, renovating and operating a hotel, such as food and beverage, furniture, cleaning products, linen and electrical goods.

As our hotels are largely owned by independent third party owners, these hotels are responsible for managing their own independent supply chains. In certain cases, IHG provides a centralised procurement programme for both managed and franchised hotels, such as IHG® Marketplace in the Americas region (for US, Canada, Mexico) and IHG Mall in Greater China. IHG also provides purchasing support and leverages procurement platforms for managed hotels in some countries within EMEAA.

Supplier Code of Conduct

To ensure that our suppliers act with the same integrity and respect as we do, in 2019 we updated our Supplier Code of Conduct ('Supplier Code'). It sets out the requirements, principles and values that IHG has adopted to promote ethical conduct in the workplace, safe working conditions in the supply chain, treatment of persons with respect and dignity, and environmentally responsible practices. The changes have been informed by the Universal Declaration on Human Rights, Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development, the Ten Principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

Our Supplier Code has been approved by the Corporate Responsibility Committee and sets out our requirement that suppliers demonstrate that they act with integrity and respect for human rights and the environment. We expect our suppliers to adhere to these standards, both within their own business and across their supply chains. In total, as of 31 December 2019, 3,688 suppliers have signed the Supplier Code.

 To view our Supplier Code, visit: ihgplc.com/policies

Supporting Sustainable Development Goals:





Responsible procurement continued

Policies and training

Our Global Procurement Policy is in place to help guide and educate corporate employees on how to spend responsibly, and in 2019 we launched a programme for all employees to further increase their ethical awareness. The virtual training covers specific elements of risks and opportunities that are important for employees to be aware of, such as ethics and sustainability. In 2020, we will continue our employee engagement programme and provide more in-depth education on responsible procurement.

Supply chain risks

We continue to progress our supplier risk assurance programme by reviewing suppliers' responses to our enquiries about their governance, human rights and environmental practices, and requesting corrective actions be put in place where there has been a deviation from our expectations. Strategic suppliers receive hands-on support from IHG in the form of business performance reviews to promote value realisation, mitigating risk and creating healthy supplier partnerships.

We will continue to partner with our suppliers, managing supply chain risks related to sustainability issues.

Green suppliers

In 2019, we introduced the IHG Green Supplier Scorecard, which helps us understand the environmental credentials of prospective IHG suppliers going through our tendering process. The programme's criteria poses sustainability related questions on raw materials, manufacturing methods, transportation and the use phase of the product, which we subsequently use to assess potential suppliers' green credentials.



It has been great to see our Responsible Procurement function take shape, following its formation in 2018. We have worked across the business to ensure that our responsible business practices, values and ambitions are translated across our supply chain.

Laura Simmonds
Head of Responsible Procurement, IHG

Diversity in the supply chain

We recognise the importance and benefit of ensuring our workforce represents the communities in which we operate. At IHG, we celebrate our diverse and inclusive culture, and we seek to work with suppliers that share the same mindset.

Through our partnership with leading NGO CARE International UK, and key suppliers to our hotels, we are exploring the social impacts that can be gained through creating more gender-inclusive workplaces, by carrying out detailed supply-chain mapping and gender risk analysis exercise of the textile industry.

Sourcing food responsibly

With a wide variety of dining options available across our hotel brands, we are focused on sourcing our produce sustainably and ethically, meeting our guests' expectations.

IHG has worked with The Humane League, a leading farm animal protection non-profit organisation to commit to sourcing 100% cage-free eggs throughout our US, Canadian and European operations no later than 2022. This is part of an overall commitment to source only cage-free eggs across our entire global estate by 2025. During 2019, we provided education and training materials to all our hotels to help them in sourcing cage-free eggs. We have also begun a mapping exercise to identify supplier availability in our markets to enable us to meet our commitment.

We are committed to 90% of our top seafood products being sustainably sourced. Included in this commitment is the prohibition of shark fin being served in our hotel bars and restaurant.

45%

of new contracts through our tendering processes were awarded to an IHG Green Supplier

\$102m

spent with diverse suppliers in 2019 vs \$71m in 2018





Making IHG a great place to work

We are a people business. Whether someone is a guest staying in one of our hotels, an owner investing in our brands, or they are joining us as an employee, their choices are shaped by our people. A diverse and inclusive culture plays a critical role in how we work better together, growing our business and delivering on our purpose of providing True Hospitality for everyone.

Awards



Supporting Sustainable Development Goals:



Our values



Do the right thing

Aim higher



Show we care



Celebrate difference

Work better together

87%

average employee engagement score, 11% above Kincentric's top quartile benchmark.

As one team, we work to a set of values we believe are important to IHG and our guests. These values guide everything we do – from how we work together, to how we support and recognise our people, and make sure they learn new things and grow.

Developing and rewarding talent

It is important that everyone feels part of an inclusive and safe environment. We empower our people to develop and try new things by offering guidance and support and ensuring that they have the tools and resources necessary to grow their careers. We make all these tools available through an online learning suite including MyLearning, Harvard ManageMentor and face-to-face training sessions.

Throughout the year, line managers and mentors frequently meet with their employees, giving them the opportunity to gather feedback on their performance and discuss their career development and aspirations.

To support IHG's growth, we work to a set of behaviours that enable our people to perform at their best and develop their capabilities. Throughout 2019 we held a number of virtual learning summits for our corporate employees around the world, to come together to learn more about growth behaviours and how we can live by them every day. Through the summits, employees heard from world-class speakers, explored and applied tools and exchanged views and ideas including using best practice examples of how they have demonstrated the behaviours.

We want to ensure that all our employees feel recognised for their efforts and contributions. In 2019, we launched a new share plan for all corporate employees, which gives them the opportunity to invest in IHG's growth.



Voice of the employee

The evolution of our culture and nurturing of talent is critical to IHG's long-term success, and the Board follows this closely through regular updates. In 2019, we appointed a designated Non-Executive Director to ensure the Board's engagement with IHG's workforce, with several forums providing a valuable cross section of views that ensures a colleague voice is represented on key matters.

Employee engagement

Twice a year, we measure employee engagement through Colleague HeartBeat, our way of understanding how our employees feel about where they work and involving them through their feedback in how we can continue to improve. In 2019, we achieved an average engagement score of 87% which gained us recognition from Aon-Hewitt as Best Employer benchmarked against industry scores.



Valuing diversity and inclusion

We're a global business with a global outlook. With people working in hotels and offices in more than 100 countries, our colleagues represent multiple nationalities, as well as the many cultures, religions, races, sexualities, abilities, backgrounds and beliefs that make the world such an interesting place. It makes for a diverse and inclusive culture we're proud of.

9/10

employees think we value diversity and offer a work environment that's open to individual differences

36%

of the Executive Committee and their direct reports globally are women



Case study

Pride in IHG

To showcase our support for the LGBTQ community, in June we joined the global celebrations of Pride by turning the IHG logo rainbow and sharing stories of #IHGpride across our corporate channels, showcasing how we live our purpose of providing True Hospitality for everyone. Spearheaded by our Out & Open Employee Resource Group in Atlanta, US, we created a suite of materials that colleagues could use to celebrate Pride locally.

In 2019, our Kimpton hotels launched an event series for the NGO, The Trevor Project called 'Brunch Out with Trevor'. The multi-city series hosted Drag shows during Pride weekends, with 100% of the ticket sales and auction items supporting the organisation. More than 500 attendees raised over \$130,000 for The Trevor Project.

For the past six years, IHG has been awarded a Best Place to Work for LGBTQ Equality and earned a perfect 100% score on the Human Rights Campaign Foundation's Corporate Equality Index (CEI) in the US.

Our colleagues should feel included, valued and respected – not just because it's the right thing to do, or the best way to behave – but because people are the best version of themselves when they feel these things. When that happens, employees are empowered to speak up with the diverse ideas, opinions and perspectives that spark the innovation IHG needs. This is important to the guest experiences we create, and to how we empower employees to go above and beyond for our owners and for IHG, as we embark on ambitious growth plans.

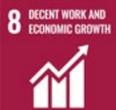
In 2018, we launched our Diversity & Inclusion Board, which, led by CEO Keith Barr and Senior Leaders from across IHG, is helping to shape our priorities and go even further in this space. Alongside our own plans, the Board worked with Accenture as an independent external partner, to gain a different perspective on our business and help us identify areas to improve.

In 2019, we put local D&I councils in place, who work with our talent teams to roll-out initiatives in market. The councils represent the voice of regions and specific markets, making sure we listen to employees and engage on local priorities and action areas.

Promoting diversity

To help increase the diversity of our leadership and talent, we're focused on rolling-out programmes that provide support to areas of the business that need it the most. This includes Rise, our mentoring initiative for aspiring female General Managers. As part of this commitment, in 2019, we extended our Rise mentoring programme to Europe, China, India, the Middle East and the Americas.

Supporting Sustainable Development Goals:





Valuing diversity and Inclusion continued

We are committed to reviewing and updating our recruitment practices to ensure they are accessible to all. We have piloted changes such as the use of diverse slates and interview panels, which we plan to scale globally in 2020. We have also added a 'report this job' button on our careers site to enable users to report any jobs that are deemed inappropriate, including those with gender bias, racial or age discrimination.

We work with several charities and NGOs globally to employ and create a supportive environment for colleagues with disabilities. The Holiday Inn Singapore Orchard City Centre has been recognised by the United Nations for its work to support colleagues with disabilities. Approximately 12% of colleagues have a disability and the hotel invests in providing training for managers to adjust to the different ways of communicating with persons with disabilities, including giving more regular feedback, supervision and encouragement to colleagues with disabilities.

In the UK, Change 100 is a programme run by charity Leonard Cheshire Disability, which creates three month paid work experience opportunities with top employers for talented students and graduates with disabilities. For the past three years, we have worked with Change 100 to bring on board 20 interns in our UK corporate offices.

In 2019, we rolled out Conscious Inclusion training for our Senior Leaders, equipping them with the knowledge and skills to build a more inclusive environment. Building on this success, we will take the training to corporate colleagues and managed hotel General Managers in 2020.

We are an organisation committed to fostering a culture where everyone feels supported to be at their best and work smarter. In 2019 we started the roll-out of new global flexible working guidelines to all corporate colleagues, empowering them to make decisions around how and when they work.

Strengthening a culture of inclusion

Employee networks are voluntary, employee-led groups that promote workplace diversity. These groups shine a light on the value of inclusion, harness the energy and passion of our colleagues, strengthen workplace culture and accelerate talent development. We worked hard in 2019 to expand the global footprint of our existing Employee Networks, together with establishing new ones. IHG currently has nine employee networks globally, including:

Lean In

Lean In's mission is to empower women to achieve their ambitions. Lean In circles are small peer groups that meet regularly to learn and grow together. Members can also receive lasting career development opportunities via a mentorship programme.

Out & Open

Out & Open provides employees with a platform to participate in LGBTQ focused conversations and activities, and support their local LGBTQ community. Members are employees identifying as LGBTQ+ or allies supporting LGBTQ+ individuals.

BERG

Black Employee Resource Group (BERG) is a collection of professionals who support and empower one another and advocate for the interests and development of black employees.

BBX

Baby Boomers & GenXers (BBX) is a network that aims to provide members with resources to share their wealth of experience and insight, leading to opportunities for professional development.

IHG is a proud signatory to:



The 30% Club, signalling IHG's commitment to ensuring 30% of our Senior Leaders are female. We are currently exceeding this target.



UN LGBTI Standards for Business, which focuses on tackling discrimination against lesbian, gay, bi, trans and intersex people.



Women in Hospitality's Diversity in Hospitality Travel and Leisure Charter, a 10 point action plan that ensures diversity and inclusion not only remain a priority but that we openly track progress towards our goals.

CEO **ACT!ON** FOR DIVERSITY & INCLUSION

The CEO Action for Diversity & Inclusion is the largest CEO-driven business commitment to advance diversity and inclusion within the workplace.



The Valuable 500 is a global initiative that calls on 500 businesses to commit to placing disability inclusion on the leadership agenda and take action to promote disability inclusion.



We're proud to support Leonard Cheshire and their Change 100 programme for talented students and graduates with disabilities. Internships are crucial for any graduate when they're starting out on their career, as it demonstrates that they have that real workplace experience. For us, it offers a fresh perspective on how we can improve as a business and recruit more employees with a disability.

Jean-Charles Denis
Vice President Commercial
Europe, IHG

Recognition

