

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

IHG is one of the world’s leading hotel companies, with a clear purpose to provide True Hospitality for everyone. Through our purpose and our global reach, we ensure True Hospitality extends to our people, our environment and local communities all around the world.

We focus on mainstream, upscale and luxury segments of the hotel industry and have a portfolio of 16 brands individually tailored to meet guests’ and owners’ needs: Six Senses Hotels, Resorts and Spas; Regent; Intercontinental Hotels & Resorts; Kimpton Hotels & Restaurants; Hotel Indigo; Even Hotels; Hualuxe Hotels and Resorts; Crowne Plaza Hotels & Resorts; Voco; Holiday Inn; Holiday Inn Express; Holiday Inn Club Vacations; Avid; Staybridge Suites; Atwell Suites and Candlewood Suites.

We operate hotels in three different ways – as a franchisor, a manager, and on an owned and leased basis. Whether we franchise to, or manage hotels on behalf of third-party hotel owners depends largely on market maturity, owner preference and, in certain cases, the particular brand. Mature markets, such as the Americas and Europe, predominantly follow a franchise model, while a managed model is typically used in emerging markets, such as Greater China.

As of Dec 2019, our estate included 5,903 hotels (883,563 rooms). Only 26 hotels (less than 1%) are owned/ leased and managed by IHG, 1,007 hotels (approx. 17%) are owned by a third party but managed by IHG, and 4,870 hotels (over 82%) are fully franchised and under third party ownership and management.

For CDP reporting purposes, the 1,033 hotels we manage constitute the properties over which we have operational control. The group of 4,870 franchised hotels constitutes our value chain partners and while franchised properties sit outside our operational control, our Responsible Business programmes and our Green Engage standard for environmental reporting and improvements apply to every IHG hotel globally.

IHG Green Engage, our online sustainability platform, was rolled out to our global estate in Jan 2015. It provides our hotels with over 200 Green Solutions, helping them manage, report and reduce their environmental impacts across energy, water and waste. Today, all IHG hotels (including franchised) are set performance targets in these areas and are required to report these on a monthly basis.

At a corporate level, in 2018 we set a target to launch two water stewardship projects a year, six in total by 2020. We also continue to publicly report on our water reduction per occupied room in water stressed areas across our entire estate. To build on our current water stewardship work, we have also signed a commitment of membership to UN Global Compact, CEO Water Mandate and in 2019 we have launched our new science-based targets, in line with the stipulations of the Paris Agreement and approved by the Science Based Targets initiative (SBTi):

We recognise the importance of working in partnership and support key regional and global initiatives, including the UN Sustainable Development Goals to build a fairer and more sustainable world. We have also signed up to the recommendations of the Taskforce for Climate-related Financial Disclosures and have started working with a specialist consultancy to implement the recommendations and embed climate-related risks and opportunities in IHG’s governance, risk management, financial planning, strategy development and annual reporting.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	October 1 2018	September 30 2019

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

- Algeria
- Andorra
- Argentina
- Armenia
- Aruba
- Australia

Austria
Azerbaijan
Bahamas
Bahrain
Bangladesh
Belarus
Belgium
Bhutan
Brazil
Bulgaria
Cambodia
Canada
Cayman Islands
Chile
China
China, Hong Kong Special Administrative Region
China, Macao Special Administrative Region
Colombia
Costa Rica
Cyprus
Czechia
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Ethiopia
Fiji
Finland
France
French Polynesia
Georgia
Germany
Ghana
Gibraltar
Greece
Grenada
Guatemala
Honduras
Hungary
India
Indonesia
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kazakhstan
Kenya
Kuwait
Lao People's Democratic Republic
Latvia
Lebanon
Libya
Lithuania
Luxembourg
Malaysia
Maldives
Malta
Mauritius
Mexico
Mongolia
Montenegro
Myanmar
Nepal
Netherlands
New Zealand
Nicaragua
Nigeria
North Macedonia
Oman
Pakistan
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Poland
Portugal
Puerto Rico

Qatar
 Republic of Korea
 Romania
 Russian Federation
 Saudi Arabia
 Senegal
 Serbia
 Seychelles
 Singapore
 Slovakia
 Slovenia
 South Africa
 Spain
 Sri Lanka
 Switzerland
 Taiwan, Greater China
 Thailand
 Trinidad and Tobago
 Turkey
 Uganda
 Ukraine
 United Arab Emirates
 United Kingdom of Great Britain and Northern Ireland
 United Republic of Tanzania
 United States of America
 Uruguay
 Vanuatu
 Venezuela (Bolivarian Republic of)
 Viet Nam

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Neutral	Water is crucial for us to operate, for example: cleaning, cooking, washing & drinking for our guests or laundry. Within our supply chain, it is vital for us to have a good quality and quantity of freshwater to produce, for example the food consumed by our guests or for the manufacture of our fixtures and fittings or cotton. We perceive this to be rated neutral as our diverse supply chain reduces the risk to the business.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Neutral	Recycled, brackish and/or produced water is important to IHG in both direct and indirect use. Hotels across our estate may use recycled or brackish water for landscaping or other such uses. Our suppliers may use recycled water within their manufacturing, and our diverse supply chain reduces the risk to the business.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	100% of our hotels have access to our IHG Green Engage tracking system and it is a brand standard that requires our hotels to enter their water billing data on a monthly basis.
Water withdrawals – volumes by source	100%	100% of our hotels have access to our IHG Green Engage tracking system and it is a brand standard that requires our hotels to enter their water billing data on a monthly basis. Some of the billing data identifies by source but this has not been standardised across our portfolio.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	100% of our hotels have access to our IHG Green Engage tracking system and it is a brand standard that requires our hotels to enter their water billing data on a monthly basis.
Water discharges – total volumes	100%	100% of our hotels have access to our IHG Green Engage tracking system and it is a brand standard that requires our hotels to enter their water billing data on a monthly basis. Where available we can calculate water effluents discharged over the course of the reporting period.
Water discharges – volumes by destination	100%	All our hotels must comply with local laws and regulation and therefore discharge to relevant and approved discharge destinations.
Water discharges – volumes by treatment method	Not relevant	All water discharged is through 3rd party treatment plants who are responsible for treatment methods and quality.
Water discharge quality – by standard effluent parameters	Not relevant	All water discharged is through 3rd party treatment plants who are responsible for treatment methods and quality.
Water discharge quality – temperature	Not relevant	All water discharged is through 3rd party treatment plants who are responsible for treatment methods and quality.
Water consumption – total volume	Not monitored	As per Ceres's definition of water consumption, an "amount of water that is used but not returned to its original source". This includes water that has evaporated, transpired, has been incorporated into products, crops or waste, consumed by man or livestock or otherwise removed from the local source. This measurement is outside the scope of our operations.
Water recycled/reused	Less than 1%	Some of our properties use greywater for non drinking water usage such as toilets.
The provision of fully-functioning, safely managed WASH services to all workers	100%	It is a requirement that all our hotels follow local laws and regulation including maintaining health and safety standards for all employees.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	48695	About the same	Whilst the number of rooms in our owned, leased and managed estate has continued to grow by 3.5%, we have maintained a flat level of water withdrawal as we have seen water use per occupied room in this estate reduce by 1.5%
Total discharges	48695	About the same	Whilst the number of rooms in our owned, leased and managed estate has continued to grow by 3.5%, we have maintained a flat level of water discharge as we have seen water use per occupied room in this estate reduce by 1.5%
Total consumption	0	About the same	Not applicable to the nature of our business

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	51-75	Lower	WRI Aqueduct	For the purposes of the CDP reporting boundaries, we are reporting water withdrawals from our direct operations in water-stressed areas for 2019. Withdrawals from these operations were lower than 2018.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater – non-renewable	Relevant	2003	About the same	This includes water generated on site which is reported in IHG Green Engage our online sustainability platform.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	
Third party sources	Not relevant	<Not Applicable>	<Not Applicable>	

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	no known or permitted discharges
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	no known or permitted discharges
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	no known or permitted discharges
Third-party destinations	Relevant	48695	About the same	All hotels must comply with with local, environmental, health and safety laws and regulations and must discharge to required drainage and plumbing facilities which flow to water treatment plants in accordance with local regulatio

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

Unknown

% of total procurement spend

Unknown

Rationale for this coverage

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. As part of the scorecard, suppliers are asked a number of questions on their water usage and water management.

Impact of the engagement and measures of success

45% of new contracts through our tendering processes were awarded to an IHG Green Supplier

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Onboarding & compliance

Details of engagement

Other, please specify (Supply chain risk programme)

% of suppliers by number

26-50

% of total procurement spend

Unknown

Rationale for the coverage of your engagement

Impact of the engagement and measures of success

Comment

In 2019, we continued to run our supplier 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.

Type of engagement

Onboarding & compliance

Details of engagement

Requirement to adhere to our code of conduct regarding water stewardship and management

% of suppliers by number

76-100

% of total procurement spend

Unknown

Rationale for the coverage of your engagement

As part of our commitment to operating responsibly, and to ensure we work with suppliers who share this commitment, we place requirements on our suppliers as set out in this Supplier Code of Conduct. We expect our suppliers to adhere to these standards across their own business and to apply these standards across their own supply chains. As part of these standards, we expect suppliers to respect the environment including complying with environmental regulations and in making business decisions suppliers are expected to endeavour to.

Impact of the engagement and measures of success

In total, as of 31 December 2019, 3,688 suppliers have signed the Supplier Code.

Comment

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

Every three years or more

How far into the future are risks considered?

3 to 6 years

Type of tools and methods used

Tools on the market

Databases

Other

Tools and methods used

Water Footprint Network Assessment tool

WRI Aqueduct

Maplecroft Global Water Security Risk Index

External consultants

Other, please specify (AWS Certification process)

Comment

Supply chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Not defined

How far into the future are risks considered?

1 to 3 years

Type of tools and methods used

Other

Tools and methods used

Internal company methods

External consultants

Comment

In 2019, we continued to run our supplier 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.

Other stages of the value chain

Coverage

Full

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

Every three years or more

How far into the future are risks considered?

3 to 6 years

Type of tools and methods used

Tools on the market

Tools and methods used

WRI Aqueduct

Comment

Building on our 2016 comprehensive water risk assessment, in 2019, we refreshed our risk mapping, encompassing our entire global estate of open and pipeline hotels, to ensure we are continuing to identify areas that are facing, or at risk of facing water scarcity.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	In 2016, we completed the hospitality industry's most comprehensive water risk assessment across our global estate. Through a mapping exercise we have identified risks related to both water quantity and quality and this has set the foundation to develop tailored water stewardship action plans to apply best practice techniques for each of our hotels, particularly those in water-stressed areas. In 2019 we worked with external consultants to update our water mapping for current and future pipeline. As part of their methodology they reviewed water availability and quality at basin/catchment level. We have also become members of the Alliance for Water Stewardship, signatories to the CEO Water Mandate and partnered with Wateraid to help us feed in more learning and understanding of water quality and availability.
Water quality at a basin/catchment level	Relevant, always included	In 2016, we completed the hospitality industry's most comprehensive water risk assessment across our global estate. Through a mapping exercise we have identified risks related to both water quantity and quality and this has set the foundation to develop tailored water stewardship action plans to apply best practice techniques for each of our hotels, particularly those in water-stressed areas. In 2019 we worked with external consultants to update our water mapping for current and future pipeline. As part of their methodology they reviewed water availability and quality at basin/catchment level. We have also become members of the Alliance for Water Stewardship, signatories to the CEO Water Mandate and partnered with Wateraid to help us feed in more learning and understanding of water quality and availability.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	At a project level for our AWS led water stewardship projects stakeholder conflicts are reviewed as part of the assessment.
Implications of water on your key commodities/raw materials	Relevant, not included	
Water-related regulatory frameworks	Relevant, always included	The IHG water stewardship programme risk assessment framework includes amongst its indicators the quality of regulations and enforcement on water resources. It also includes the tendency and likelihood of changes in regulations.
Status of ecosystems and habitats	Relevant, always included	At a water stewardship project level we work with on the ground representatives to understand any implications with regards to local ecosystems and habitats.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	IHG aligns to local legislation requirements, for example the Workplace (Health, Safety and Welfare) Regulations (based on an EU Directive) which cover a wide range of basic health, safety and welfare provisions: Sanitary conveniences and washing facilities. In 2019 our Delhi water stewardship project and our partnership with Wateraid focussed on enhanced training and awareness on WASH in the community.
Other contextual issues, please specify	Not considered	

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Feedback from customers: Our 'A Greener Stay' programme through which we reward consumers with IHG rewards points for acting 'green' while staying in our properties by deferring housekeeping services provides insight into customer preferences on sustainability and helps to educate on the agenda. We also receive customer insights through our "guest love" scoring and verbatim feedback. Through signage, literature and colleagues, our hotels can promote their green efforts and encourage guests to participate in greater environmental stewardship.
Employees	Relevant, always included	All hotels are required to comply with local laws and regulations, including water-related ones. One requirement of the IHG Green Engage system is to assemble a green team that will lead the hotel's IHG Green Engage system activity, sustainability initiatives and colleague awareness and education. This means we have significant interaction from employees in our hotels and individuals are assigned responsibilities to enter water data and complete water related actions. IHG Earth Week provides an opportunity to engage with employees on the sustainability agenda, provide education and learning and hear from them with their ideas. At water stewardship project level, employees are engaged at hotel level as part of the process and to take forward any recommendations.
Investors	Relevant, always included	Water scarcity is a recognised global problem, with demand for water projected to exceed supply by 40% by 2030. Our investors are factored in our water risk assessment indirectly. Water issues could impact business continuity by threatening both hotel operations and the supply chain, competitive positioning, our growth ambitions and our reputation with guests, owners and investors. By running a responsible business, we enhance the reputation of IHG and its brands by delivering responsible hotels our investors need. Each year we produce our Responsible Business report which details how we are minimising our impact on water resources.
Local communities	Relevant, always included	We understand that water stewardship is a local issue and as a key local business IHG has an opportunity and obligation to act. Our hotels are well connected to their local communities and we work with them to capture insights and understand the needs based on their interactions. IHG Earth Week and Giving for Good month encourage positive actions in the community to make a difference. Through our water stewardship projects community input has been provided as part of the stakeholder analysis. As part of our stewardship projects we have placed great importance on engaging local community and building lasting relationships.
NGOs	Relevant, always included	In 2014 IHG initiated a water stewardship programme, which includes a water risk assessment. In 2014, internal and external stakeholders were engaged to begin defining goals, approach and an implementation plan, which will help IHG better understand and manage the company's water impacts in areas that it operates and challenges at a local and global level. Amongst these stakeholders, three global recognised NGOs with strong water expertise were involved: WWF, World Resources Institute and Water Footprint Network. In 2016, we completed the hospitality industry's most comprehensive water risk assessment across our global estate. Through a mapping exercise we have identified risks related to both water quantity and quality and this has set the foundation to develop tailored water stewardship action plans to apply best practice techniques for each of our hotels, particularly those in water-stressed areas. In 2018, to mark World Water Day, we kicked off the first of our water stewardship projects and have now completed 4 projects working with NGOs Alliance for Water Stewardship and WaterAid. As part of our disaster relief efforts we work with Red Cross and Crescent Societies as well as Care International and feed water issues from these partners into our work and aim to build resiliency through our works together.
Other water users at a basin/catchment level	Relevant, always included	As part of our water stewardship efforts our partner AWS identifies and engages with other users at basin/catchment level. As an example our Delhi project saw us host a wider stakeholder meeting with all businesses in the basin area.
Regulators	Relevant, sometimes included	Development of the IHG water risk assessment began in 2015 and was concluded in Q3 2016, along with the definition of the water stewardship actions our hotels are expected implement. Amongst those actions, hotels are required to understand and monitor local issues related to water, from regulations to conflicts and relevant stakeholders which include communities, local organisations and initiatives, regulators and other water users. Hotels with highest risk, are also expected to engage with stakeholders and in existing relevant initiatives.
River basin management authorities	Relevant, sometimes included	Development of the IHG water risk assessment began in 2015 and was concluded in Q3 2016, along with the definition of the water stewardship actions our hotels are expected implement. Amongst those actions, hotels are required to understand and monitor local issues related to water, from regulations to conflicts and relevant stakeholders which include communities, local organisations and initiatives, regulators and other water users. Hotels with highest risk, are also expected to engage with river basin related stakeholders and in existing relevant initiatives.
Statutory special interest groups at a local level	Relevant, sometimes included	Development of the IHG water risk assessment began in 2015 and was concluded in Q3 2016, along with the definition of the water stewardship actions our hotels are expected implement. Amongst those actions, hotels are required to understand and monitor local issues related to water, from regulations to conflicts and relevant stakeholders which include communities, local organisations, statutory special interest groups and initiatives, regulators and other water users. Hotels with highest risk, are also expected to engage with river basin related stakeholders and in existing relevant initiatives.
Suppliers	Relevant, always included	Our responsible supply chain approach has a focus on sustainability and we have a programme to engage green suppliers to drive the sustainability agenda.
Water utilities at a local level	Relevant, not included	Development of the IHG water risk assessment began in 2015 and was concluded in Q3 2016, along with the definition of the water stewardship actions our hotels are expected to implement. Amongst those actions, hotels are required to understand and monitor local issues related to water, from regulations to conflicts and relevant stakeholders which may include water utilities/suppliers, based on the specific local water related issues hotels have. We are also working with our internal risk management team and have incorporated water risk into the regular horizon scanning that takes place to help inform our decision making.
Other stakeholder, please specify	Not considered	

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

With the expert support of the Water Footprint Network, we completed the hospitality industry's most comprehensive water risk assessment across our entire global estate. Working with external consultants in 2019 we have updated this risk mapping exercise for current and pipeline. This means we can identify risks related to both water quantity and quality, and put in place tailored water stewardship action plans to apply best practice techniques for each of our hotels, particularly those in water-stressed areas. Our external Responsible Business targets, published in March 2018 include a commitment to deliver six water stewardship projects, two projects per year and we are on track to achieve this. The insights we learn from these projects are fed into our process for assessing and responding to water related risk.

We also work closely with our Global Risk colleagues and water is included in our risk horizon scanning so that we can work with hotels in high risk areas and respond in a timely manner. We are also using these insights and NGO benchmarks to help us consider context based targets for future years, particularly in water stressed markets.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Our discussions of risk take place within a context of increasing scrutiny of the impact on the business, as well as of the impact of our business on our stakeholders and our longer-term sustainability. We have therefore split out our consideration of external factors to recognise both the risks relating to political and economic headwinds on our growth ambitions (for example disruption in key markets and trade wars) and also the requirement to anticipate and respond appropriately to the risks and opportunities relating to our environmental and social responsibilities (such as climate change, shifting societal expectations, human rights and our evolving responsibilities across our supply chain).

To define the size of the impact, from minor to substantial, we assess whether the risk area is stable or dynamic in its impact and/or likelihood (inherent risk trend), and the rate at which there could be a material impact on IHG. Inherent risk can vary from stable/rapid to dynamic/gradual to dynamic/rapid. The impact on our strategic priorities is assessed in terms of impact on revenue, owner proposition, building scale, loyalty programme and brand portfolio.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Our asset light and geographically diverse business model means that we do not see localised water risk as creating a significant impact on our overall financial performance. Whilst at this stage we do not feel there is a significant financial risk we are committed to doing two things: 1. Whilst globally the risk is mitigated, we understand that some properties in specific communities can face a bigger challenge and we are playing our part in enhancing the local community and the lives of our colleagues by working to tackle water scarcity in water stressed areas as appropriate, as well as working with our NGO partners to build resiliency through our water stewardship projects. We've completed four of these across the globe in London, Delhi, Beijing and Indonesia with the aim of sharing key learnings and solutions that can be shared and replicated with other properties in water-stressed areas. 2. Looking to the future and as a part of our commitment to report against the TCFD framework, we will be working to understand the climate risks and opportunities we face as a business both strategically and financially and the resulting impact on hydrological systems.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Evaluation in progress	As part of our commitment to water stewardship, we completed a comprehensive water risk assessment across our entire global estate of open and pipeline hotels. This assessment included all of our franchised properties which for the purposes of the CDP reporting boundaries, we classify as our value chain. Building on work to set science-based targets we've made a commitment to report against the TCFD framework and we will be working to understand the climate risks and opportunities we face in our value chain that could both have a strategic and financial on our group and the resulting impact on hydrological systems, affecting the quantity and quality of water resources.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Cost savings

Company-specific description & strategy to realize opportunity

IHG decided to adopt a company-wide strategy through the implementation of its water stewardship programme. The programme includes identification of water related risks and water related opportunities for all IHG hotels irrespective of management type, and the definition of targeted actions which respond to local water conditions (risks and opportunities). It is expected that the strategic actions identified will contribute to cost savings, by reducing water used through the adaptation of more efficient water use strategies, by employee capacity building and guest awareness. We have completed four projects to date and hotels in these regions are now doing their part to introduce initiatives including the installation of water meters and water-saving devices, low flow fixtures and fittings, and upgrading water pipes. These actions, combined with the additional training for hotels colleagues resulted in an average saving across IHG branded hotels of 21% per occupied room in 2018. As part of the IHG Green Engage system we have green solutions that relate to water savings to help drive financial savings, operational efficiencies and consumption savings for our hotels.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

7300000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

We have an opportunity to reduce costs from water stress related opportunities through IHG Green Engage. In 2018, IHG Green Engage helped our whole estate (including franchised hotels) avoid US\$66.6million in utility costs of which water was \$7.3m. IHG Green Engage is our online sustainability tool for maximising the opportunities associated with water. Mitigating water risks and closely working with out hotels enables more effective analysis of consumption and emissions in our hotels, leading to more effective and targeted solutions through IHG Green Engage that can further help them to reduce costs.

Type of opportunity

Resilience

Primary water-related opportunity

Increased supply chain resilience

Company-specific description & strategy to realize opportunity

IHG's water stewardship programme will help IHG better understand and manage the company's water impacts in areas that it operates. This strategy includes all IHG directly managed hotels (direct operations) and our franchised hotels (tier 1 suppliers). In future stages of IHG's water stewardship, it is planned to include tier 2 suppliers. Ensuring sustainable and efficient water use within direct and indirect operations will contribute to IHG's supply chain resilience.

Estimated timeframe for realization

More than 6 years

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact**Type of opportunity**

Markets

Primary water-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

We have an opportunity to position ourselves better to reflect consumer preference that lead to increased revenue through the utilisation of IHG Green Engage. Our research indicates that a significant proportion of frequent travellers will choose a 'green' hotel when all other factors are equal. This suggests the financial opportunity is huge for our hotels. "According to Interbrand, Corporate Social Responsibility (CSR) is responsible for 13% of brand favourability." (Source: Whitepaper Survival of the Fittest 2012). Through our external communications, customer facing messaging and ESG reporting we are building our reputation as a responsible business. Included in this is our water stewardship efforts. Alongside building the external reputation to drive greater market share, we also recognise the increasing importance for employees to want to work for a business with purpose. Poor management of water stewardship could potentially impact our reputation as a responsible business and make it harder to attract and retain our talent which causes increased costs for a business.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

7300

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

According to a study by Cornell University's School of Hospitality Management employee turnover costs hospitality companies around 7300 USD per employee.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business impact on water Company water targets and goals	Our water policy is part of our Environment policy which is publicly available at https://www.ihgplc.com/en/responsible-business/policies . Our 2018-2020 responsible business targets include a target on water stewardship.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	The Responsible Business Board Sub Committee of the Board leads on our Group responsible business objectives and strategy; and our approach to sustainable development including water related issues. The committee is made up Non-Executive Directors of the Board. Our Group Executive Vice President of Global Corporate Affairs and Vice-President of Corporate responsibility attend the Committee Meetings. Our Chair and CEO regularly attend the meetings. The Committee assesses progress against our 2018-2020 targets and endorsed setting our new science-based targets and plans to meet the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) and a commitment to the UN Global Compact CEO Water Mandate. The Group Executive Vice President of Global Corporate Affairs leads Executive level management of water related issues and reports to our Group CEO.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Setting performance objectives	The Responsible Business Committee reviews and advises the Board on the Group's Responsible Business objectives and strategy, including environmental sustainability and water related issues. The committee meets three times a year and ensures that IHG's responsible business priorities align with our group strategy. As set out in the committees Terms of Reference, the committee reviews and advises on water related issues and climate change including plans of actions, business plans to mitigate against risks, performance objectives, goals and targets. Our Audit Committee of the Board lead and review our risk managements, policies, procedures including environmental risks. The Chair of the Audit Committee and other members of the Audit Committee also sit on the Responsible Business Committee. Matters of budgeting, business plans and major capital expenditure, acquisitions and divestitures are reserved for the Group Board

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify (EVP of Global Corporate Affairs)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

Our corporate responsibility team reports to our EVP of Global Corporate Affairs and are responsible for implementing our group corporate responsibility strategy including our water stewardship priorities. The team along with our global risk management team continually monitor ongoing water-related issues across the globe. In 2019, we also carried out a comprehensive water risk assessments with external consultants to encompass our entire estate of open and pipeline hotels to identify areas that are facing water stress.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Relevant Executive Committee members have their Executive Remuneration tied to implementation of launching six water stewardship projects between 2018 and 2020 as part of our overall responsible business targets.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Other, please specify (Relevant Executive Committee Members)	Implementation of water-related community project	Relevant Executive Committee members have their Executive Remuneration tied the achievement of our 2018-2020 responsible business targets which include implementation of launching six water stewardship projects.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

- Yes, trade associations
- Yes, funding research organizations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

We are a signatory to UN Global Compact CEO Water Mandate which enables us to work with other businesses across six commitment areas including public policy whereby we will contribute to inputs and recommendations in government regulation and creation of market mechanisms and being advocates for water sustainability in global and local policy discussions

We are also members of the Alliance for Water Stewardship and are working with them in highly water stressed area to undertake comprehensive water catchment assessments and identify interventions that can be replicated and scaled across many communities globally ensuring that our water stewardship commitments meet the needs of all stakeholders.

We are members of several trade associations including the WTTC and ITP, where we come together with our peers to work collaboratively to ensure that the industries water commitments are consistent with those wider public policy.

All direct and indirect activities that influence policy are led by our Global Corporate Affairs team, who work with stakeholders both internally and externally to ensure that our water stewardship commitments remain consistent with those our water stewardship partners and local policies . This process is overseen by our Responsible Business Governance Committee that brings together senior leaders with responsibility for this agenda.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Central to the successful delivery of our strategy is our commitment to responsible business, which ensures that alongside our hotel owners and partners, we grow in the right way and sustainably for the long-term. In 2019, we undertook a new detailed materiality assessment of which water was mapped of important to both our business and stakeholders. As part of our commitment to water stewardship, we completed a comprehensive water risk assessment across our entire global estate of open and pipeline hotels and as part of our commitment to report against the TCFD framework, we will be working to understand the climate risks and opportunities we face as a business and the resulting impact on hydrological systems, affecting the quantity and quality of water resources. Our 2018-2020 responsible business targets which form part of our business objectives have a clear target on water stewardship. We are currently working on our longer term targets post 2020 and these will continue to include a focus on water stewardship.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Central to the successful delivery of our strategy is our commitment to responsible business, which ensures that alongside our hotel owners and partners, we grow in the right way and sustainably for the long-term. In 2019, we undertook a new detailed materiality assessment of which water was mapped of important to both our business and stakeholders. We've also completed a comprehensive water risk assessment across our entire global estate of open and pipeline hotels and as part of our commitment to report against the TCFD framework, we will be working to understand the climate risks and opportunities we face as a business and the resulting impact on hydrological systems, affecting the quantity and quality of water resources.
Financial planning	Yes, water-related issues are integrated	5-10	As our Group revenues are derived from management and franchise fees, the operational efficiencies made at hotels including utilities, will increase the revenues at each property. Our primary tool for managing opportunities associated with water reduction and consumption is our online group sustainability platform, IHG Green Engage. The tool recommends alone 30 solutions that hotels can implement to help them more effectively manage their water, which in turn helps them reduce their utility costs. In 2019, IHG Green Engage helped our whole estate (including franchised hotels) avoid US\$89million in utility costs of which water was \$7.4m.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

Each year, we continue to invest in our IHG Green Engage system which is our online sustainability tool and it enables us to influence the design, construction and operation of hotels to minimise water use and prepare for the impacts of climate change. As the majority of our hotels are managed by third-party hotel owners, they are responsible for capital expenditure and operation expenditure at a property level.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	We have signed a commitment of support to the Taskforce for Climate Related Financial Disclosures (TCFD). Through our commitment, we will be working to understand the climate risks and opportunities we face, how these interact with our wider enterprise risks, and identify the strategic options and trade-offs available to us to improve the climate resilience and alignment of our business over the short, medium and long term.

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

No

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Activity level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	In 2018, we set new new 2018 -2020 targets to continue our journey in doing business responsibly and to creating shared value for all our stakeholders. We have one water related target to deliver six water stewardship projects by 2020. Through setting this target , we engaged with internal and external stakeholders to define them. Through our water risk assessment work, we identified four upto year end 2019, that face severe water issues and in those areas we have launched water stewardship projects. Progress against these water stewardship projects is reported by our local water stewardship partners and tracked by our corporate responsibility team. The team provides regular updates to our Responsible Business Committee of the Board on the progress made against against these projects. Our online sustainability platform the IHG Green Engage system is a global standard for all our hotels. The platform sets individual water reduction targets for our hotels. Through the system, our corporate responsibility team, track and monitor hotels' water consumption and provide annual reporting publicly on our global estates water reduction per occupied. We are in the process of setting post 2020 targets for the longer term and have engaged external consultants to update our water risk mapping for current and future pipeline to help us create our future targets that align to the UN SDGs and our materiality assessment. These targets will be created through collaboration with our C suite and Board members to ensure our new targets, including those on water will be fully embedded into our business.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Other, please specify (Water stewardship projects in local communities)

Level

Company-wide

Primary motivation

Water stewardship

Description of target

Launch two water stewardship projects per year between 2018 and 2020

Quantitative metric

Other, please specify (Launch two water stewardship projects per year between 2018 and 2020)

Baseline year

2018

Start year

2018

Target year

2020

% of target achieved

66

Please explain

Since 2018, we have launched water stewardship projects in four areas: London (United Kingdom), Delhi (India), Beijing (China) and Bali (Indonesia).

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal

Other, please specify (Water Reduction)

Level

Company-wide

Motivation

Reduced environmental impact

Description of goal

Goal Setting in IHG Green Engage is a feature that provides all of our hotels with annual reduction targets for energy, water, waste and carbon. Hotels can track against these targets during the year, and identify green solutions from the system that will help you to achieve the goals. We map against the entire estate to look at water reduction per occupied room and report externally in our responsible business report as to our progress.

Baseline year

2017

Start year

2012

End year

2020

Progress

Since 2017, we have reduced our water use per occupied room by 2.5%

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Apex Companies, LLC (Apex) has been engaged by Intercontinental Hotel Group plc (IHG) to provide limited assurance of its global water consumption. The scope of our work was limited to assurance over water consumption data for the period October 1, 2018 to September 30, 2019	ISAE 3000	The following are the boundaries used by IHG for reporting sustainability data: Operational Control and Worldwide Operations

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Vice President Global Corporate Responsibility	Other, please specify (Vice President Global Corporate Responsibility)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	2083000000

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes

SW0.2a

(SW0.2a) Please share your ISIN in the table below.

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	GB	00BHJYC057

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No facilities were reported in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, not currently but we intend to provide it within the next two years	

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Product name

IHG's water use per occupied room across the global estate (m3)

Water intensity value

0.58

Numerator: Water aspect

Water consumed

Denominator

Per occupied room

Comment

In 2019, we reduced our water use per occupied room by 3.6%. This includes all our direct operated hotels and franchised properties.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms