

# Our strategy

**Our ambition to deliver high-quality, industry-leading net rooms growth in the coming years is underpinned by strategic investment in our brands, people, systems and scale to drive growth across our portfolio in high-value markets and segments.**


Over the long term, with disciplined execution, this approach supports sustained growth in cash flows and profits, which can be reinvested in our business and returned to shareholders. In the shorter term, with volatility remaining a factor as markets respond to and recover from the pandemic, we continue to focus on rebuilding revenue and profit back to prior levels, while still investing in growth.

Our four strategic priorities have been designed to put the expanded brand portfolio we have built in recent years at the heart of our business, and our owners and guests at the heart of our thinking. They recognise the crucial role of a sophisticated, well-invested digital approach, and ensure we meet our growing responsibility to care for and invest in our people, and to make a positive difference to our communities and planet.

Combined, the projects and programmes that support these four pillars each year are designed to improve performance and stimulate growth by helping us create competitive advantage, build richer guest and owner relationships, operate sustainably and responsibly, and enhance a culture that brings the best out of our teams.

Our plans and their execution are shaped by what we have learnt throughout the pandemic, as well as the current economic and social environment, and industry trends and challenges as markets recover.

Our success and reputation are dependent on our commitment to our purpose of True Hospitality for Good, underpinned by our workplace culture and commitment to operating in a responsible and ethical manner. Together, these elements ensure we build trust with all our stakeholders and work within a culture of respect, responsibility and inclusivity, alongside clear engagement with our strategy and the ways in which we aim to create a stronger business for everyone.

 See how the Board considered strategic and operational matters on pages 90 to 91.

 See how IHG does business on pages 36 to 39.

## OUR PURPOSE

# True Hospitality for Good

## OUR AMBITION

# To deliver industry-leading net rooms growth

## OUR STRATEGY

Use our scale and expertise to create the exceptional guest experiences and owner returns needed to grow our brands in the industry's most valuable markets and segments. Delivered through a culture that retains and attracts the best people and embraces opportunities to positively impact the world around us.

## PRIORITIES



Build loved and trusted brands



Customer centric in all we do



Create digital advantage



Care for our people, communities and planet

## BEHAVIOURS



Move fast



Solutions focused



Think return



Build one team



Grand Hotel Wien, Austria – signed as a Vignette™ Collection hotel

PRIORITY:

## Build loved and trusted brands



**C**entral to our success is the love and trust our guests and owners feel for our brands. We focus on investing in a portfolio that offers guests exceptional quality and experiences, and one that represents a leading choice for owners, built on a commitment to industry outperformance, effective hotel lifecycle management and strong returns.

Key to our strategy is having a family of diverse and attractive brands capable of meeting the needs of a range of guests and owners. In the past decade, we have transformed our portfolio, adding six new brands in the past four years alone. This includes significantly strengthening our Luxury & Lifestyle offer for guests and owners, and our ability to take advantage of an increasing number of conversion opportunities in what is a fragmented market. Alongside this, we have continued to invest significantly in the quality, design, service and technology that underpins our existing well-established brands.

Supported by IHG Rewards, one of the industry's biggest loyalty programmes, we now have a total of 17 brands – some of them world-famous and industry-leading, others gaining greater attention, and newer ones starting out with exciting growth prospects ahead.

As the industry recovers and development activity increases, we are focused on expanding all of them at pace.

### A decade of progress

**34%**

Increase in open hotels  
(2011-2021)

**34%**

Increase in open rooms  
(2011-2021)

**40%+**

Proportion of our global pipeline  
under construction

**9**

Brands launched or acquired  
in the past decade

	2011	2021
Luxury & Lifestyle	 	   
Premium		  
Essentials	 	
Suites	 	 



## Our strategy continued

### Build loved and trusted brands continued

#### What we achieved in 2021

We celebrated the opening of 291 hotels during 2021, including our 3,000th for Holiday Inn Express and more impressive hotels for our InterContinental® Hotels & Resorts brand in its 75th anniversary year. A further 437 hotels were added to our global pipeline, with almost half belonging to our powerhouse Holiday Inn and Holiday Inn Express brands.

In order to drive future growth, we continue to balance investing in our existing established brands to further enhance performance and perception, alongside accelerating the expansion of newer brands in key markets. To underpin this, we have invested in our hotel development teams to accelerate signings and put more emphasis on supporting functions to facilitate growth, such as investment analysis and legal.

Critical work this year has included a review of our Holiday Inn and Crowne Plaza estates, focused on quality of service and property condition. These powerful brands are key to future growth, which relies on ensuring consistency and quality levels meet the expectations of our owners and guests. Reflecting significant investment by our owners, 83 hotels have committed to improvement plans or scopes of work that will support improved performance and raise guest satisfaction scores. In addition, 151 hotels were removed from the estate. Through the outcomes of the

review, together with other property improvements and new openings over the past four years, in the Americas two-thirds of the Holiday Inn estate and three-quarters of the Crowne Plaza estate have been updated.

Excellent progress with newer brands continued, with avid already the second largest contributor to system growth, voco now globally established with a presence in 25 countries, and Six Senses having increased its system size and pipeline by more than half since acquisition in 2019. Following its launch in August, our Luxury & Lifestyle collection brand, Vignette Collection, has already secured six properties, with the first open by the end of the year. This new brand provides high-quality independent hotels access to the benefits of IHG's enterprise, while allowing us to offer guests more distinctive and unique properties that would otherwise not fit within our existing brands. There are around 1.5 million independently run rooms in the market segments we are targeting, and we expect to attract more than 100 hotels within 10 years.

To increase consumer perception and awareness of our full family of brands across Luxury & Lifestyle, Premium, Essentials and Suites, we adopted a new IHG Hotels & Resorts masterbrand marketing approach, which drove improved brand awareness and preference during the year. Loyalty promotions in key markets and travel hubs were also increased, underpinned by travel flow data.



voco Bonnington Dubai, UAE

In December, we were proud to win four awards at the 28th World Travel Awards, including World's Leading Business Hotel Brand 2021 and World's Leading Hotel Brand 2021 (InterContinental); World's Leading Premium Hotel Brand 2021 (voco); and World's Leading Budget Hotel Brand 2021 (Holiday Inn Express).

#### What's to come

Following the conclusion of our Holiday Inn and Crowne Plaza review in 2021, we expect our average group removals rate to reduce and for net system size growth to subsequently accelerate, reflecting hundreds of planned openings and increasing development activity as markets continue to recover.

With a pipeline of almost 1,800 hotels, representing more than 30% of our current estate, and a more rounded portfolio of attractive brands, we are confident in our ability to deliver industry-leading net system size growth in the coming years through the continued expansion of our established brands and scaling of newer additions. Notable openings in 2022 include our first Atwell Suites™ properties, Kimpton® Hotels & Restaurants making its debut in mainland China, and a flagship Regent® hotel in Hong Kong.

Key factors in delivering our expected growth include capitalising on more conversion opportunities within the Luxury & Lifestyle space. Together, the upscale and luxury segments now represent 32% of our system size and 42% of our pipeline.

# 25%

Of openings in 2021 were conversions

HUALUXE® Nanjing Yangtze River, China





PRIORITY:

## Customer centric in all we do



**We know that to stay successful we need to put ourselves in the shoes of our leisure guests, business customers and owners in all we do. This is how we create unrivalled service and tailored experiences in our hotels, and attractive investment opportunities with strong returns for our owners.**

Our response to the pandemic has illustrated more than ever our desire to go the extra mile through fast, thoughtful and effective solutions, built on listening to what's needed. Whether it's food and beverage, cleanliness, hybrid meetings or loyalty enhancements for guests, or more efficient operations, recruitment support or procurement solutions for our owners, we're working with a customer-centric mindset to ensure IHG and our brands stand out as a preferred choice in the market.

### What we achieved in 2021

Many of our **hotel owners** represent small, individual businesses and as the recovery strengthens, we're providing the operational and commercial support they need to drive performance, alongside seeking opportunities to grow further with them.

One of the big challenges of the pandemic for our industry is recruiting and retaining talent to meet returning guest demand. IHG has provided a number of tools and solutions for hotels, including new hiring resources, deeper relationships with job platforms, and targeted social media campaigns. In Australia, our myFlex initiative has given hotel colleagues the flexibility to work across any of our hotels in the country's

managed estate, supporting both staffing levels and work-life balance.

We also launched our Journey to GM talent acceleration programme to support those making the transition into General Manager roles, and strengthened how we identify and develop future talent as our estate expands.

As demand increases in our hotels, we are providing our owners and teams with clear action plans, training and support for evolving brand standards and procedures to meet changing guest expectations. Rising costs due to inflation in some markets have been met with operational efficiency changes and an expanded procurement offer, with our scale and expertise helping deliver new solutions that resulted in net year-on-year savings of more than 10% for owners across the \$1.3bn of spend managed by IHG.

Thousands of owners and operators also joined our webinars during the year on topics including virtual sales calls, evolving food and beverage, and the IHG® Way of Clean programme. In late 2021, we collaborated with the Professional Convention Management Association to offer hotel teams a new Hybrid Events for Hotels & Venues Intro Certificate Course, to help them successfully partner with planners to host corporate and social hybrid events.

We have captured demand through tailored marketing campaigns and promotions, supported by resources such as PR toolkits and new services within IHG's Revenue Management for Hire programme, which helps hotels identify and act on revenue opportunities using business intelligence and data.

To ensure our corporate teams are thinking like our owners, we also invited owners and General Managers (GMs) to speak at regional townhalls and share their perspectives during 2021.

For **our guests**, as more people return to travel, we are focused on ensuring the services, technology and experiences we create meet evolving expectations.

Cleanliness and safety standards have remained very important, underpinned by our IHG Way of Clean programme and IHG Clean Promise. The stay experience has continued to evolve, including the reintroduction of buffet breakfasts and social hours for brands in certain markets, and we offer clear guest communication on what to expect during their hotel stay at this time.

During 2021, we introduced more loyalty offers for IHG Rewards members, extended the pause on points expiration and integrated select Six Senses resorts into the programme.





## Our strategy continued

### Customer centric in all we do continued

Such steps have deepened guest relationships, with Reward Night bookings largely recovering to pre-pandemic levels and participation rates of our higher tiered members exceeding 2019 levels. A further nine million members also joined the programme, with record enrolments on our web and mobile channels.

For corporate guests, 'Welcome Back to Business' campaigns were launched, with our SME programme, IHG Business Edge, increasing its accounts by 44% in the year.

Our Meet with Confidence programme for business customers was also expanded to include new rapid on-site testing for large events at our US hotels, while a new Points + Perks offer makes bookings even more rewarding. In November, IHG received the Stella Award gold medal for Best Hotel Chain for the exceptional meeting experience provided through the programme. Reflecting our ongoing customer-centric approach, our Guest Satisfaction Index continued to improve, achieving scores of 100 or better for each brand and outperforming peers.

To continue improving guest satisfaction scores and drive revenue for our owners, updated guest room and public space design programmes are ongoing across many of our brands, including our Formula Blue concept at Holiday Inn Express and next-generation designs for Holiday Inn, Candlewood Suites® and Staybridge Suites®.

### What's to come

Our IHG Rewards loyalty programme is critical to our business and our future growth. Our members drive around half of all room nights globally each year and spend 20% more in our hotels than non-members. They are also nine times more likely to book direct, which is more profitable to our owners.

To deepen relationships with new and existing members, and drive more repeat business for our owners, we will transform our loyalty offering in 2022. In January 2022, we announced a first phase of new tiers and bonus-point earning structure that will allow our members to earn more points, more quickly than ever before. Later in the year,

details of the full programme will commence, including new and enhanced benefits, more experiences and more redemption options, all powered by our new IHG mobile app, which goes live in 2022.

As the new programme rolls out, we're taking steps to ease the pressure and disruption on our busy hotel teams by providing training and resources, alongside carefully managing costs for owners.

Helping our owners manage costs to build, open and operate is a top priority, so we continue to work closely with them on solutions to increase revenue alongside delivering more efficient and sustainable operations. Key elements to this include a continued focus on our central procurement services and reducing energy costs.

As we focus on accelerating growth, we will also proactively manage our global development pipeline and help support our owners to ensure they can progress projects as quickly as possible.

### Guest engagement



Our ability to offer a range of differentiated and attractive brands with rich stay experiences, great value, flexibility and strong loyalty rewards are key to attracting guests to IHG branded hotels and driving commercial performance and revenue.

#### What impacted them in 2021

- Booking, cancellation and loyalty flexibility as a result of local pandemic travel restrictions
- Covid-19 related health and safety protocols
- Evolving corporate meeting requirements blended with hybrid working and leisure
- Quality of the guest stay and booking experience, including increased digitalisation
- Location of hotels and facilities offered
- Preference for hotels with trusted societal and green credentials

#### Engagement

- Guest surveys
- Nine contact centres supporting guests in seven countries, with 2,700 sales and service agents speaking 12 languages
- Social media engagement
- Programme of targeted stay campaigns, loyalty promotions and awareness of stay experience improvements
- Board and Executive Committee reviews of guest proposition and loyalty offer as part of the Board's consideration of strategic and operational matters
- Consumer surveys focused on attitudes to being more environmentally and socially conscious when travelling, and the pandemic's impact on appetite to travel

#### Outcomes

- Extended points expiry for loyalty members, and increased masterbrand marketing and stay promotions, leading to uplift in brand awareness
- Continuation of IHG Way of Clean programme and evolution of Meet with Confidence programme for corporate clients
- Enhanced customer service support, including automation to speed up response time and direction to the right team
- Guest experience enhancements, including renovations, new designs and simpler room rates
- Opening of 291 hotels and launch of our 17th brand, Vignette Collection
- Continued improvement in Guest Satisfaction Index, with scores of 100 or better for each brand and outperforming peers
- Launch of Journey to Tomorrow 10-year responsible business plan



See our guest love KPI on page 52 and how the Board had regard for guests as part of their consideration of strategic and operational matters on pages 90 to 91.

## Why hotel owners choose to work with IHG

Hotel owners choose to work with IHG because of the trust they have in our brands and our track record in delivering strong returns.



## Hotel owner engagement



IHG's success relies on hotel owners investing in our brands. To remain attractive, we focus on the breadth of our brand portfolio and effectiveness of our loyalty programme, enterprise contribution, technology, procurement and sales offering.

### What impacted them in 2021

- Ability to capture and drive demand to their hotels
- Evolving brand standards
- Labour shortages, supply chain and continued budgeting constraints caused by the pandemic
- Expanded brand portfolio with launch of Vignette Collection

### Engagement

- Direct meetings with CEO and regional CEOs
- IHG Owners Association collaboration
- Portfolio and individual hotel reviews covering operational, strategic and industry trend updates
- Webinars, regular newsletters and bulletins
- Hotel lifecycle and finance team support
- Collaboration with governments and industry to support recovery

### Outcomes

- Tailored marketing and promotions, supported by new data-driven resources and services that help hotels quickly identify and act on revenue opportunities
- Brand standards evolved or removed to create more efficient and effective operations
- Net year-on-year procurement savings of over 10% for owners across \$1.3bn spend managed by IHG
- Increased training, guidance and recruitment support for hotel teams
- Next-gen formats and refurbishments being applied to hotels under brands including Holiday Inn Express, Holiday Inn, Candlewood Suites and Staybridge Suites
- 83 hotels committed to improvement plans as a result of the Holiday Inn and Crowne Plaza review, and 151 hotels exited the estate



See our net rooms supply, signings, gross revenue and enterprise contribution KPIs on pages 50 and 51 and how the Board had regard for hotel owners as part of their consideration of strategic and operational matters on pages 90 to 91.



Visit [www.owners.org](http://www.owners.org) for further information about the IHG Owners Association.

## Our strategy continued



PRIORITY:

## Create digital advantage



**In a world where we all expect seamless experiences, our digital capabilities form crucial aspects of our offer for guests and owners. For guests, our brand proposition is as much about our booking experience, marketing and mobile app functionality, as it is about the hotel destination and our brand hallmarks. For owners, our offer is as much about our ability to create revenue advantages through data and technology, as it is about our scale and expertise. We understand this and are investing in the technology, tools and solutions that make the biggest difference to our guests, owners and teams.**

Our cloud-based platform, IHG Concerto, is critical to the work we're doing in this space, serving as the foundation for much of how we're creating digital advantage by blending core hotel applications into one seamless, powerful platform capable of enhancing the guest, owner and colleague experience. It gives IHG the ability to add regular releases with new functionality at pace and scale, and ensures we continue to evolve how we enrich the guest stay and meet new expectations, alongside driving stronger returns for our owners.

## What we achieved in 2021

Working collaboratively with our owners in recognition of the evolving trading and operational pressures faced during the pandemic, we made critical progress on several fronts in 2021 to enrich the guest experience and drive performance for our hotels.

During the year, 5,300 hotels completed detailed room inventory assessments to prepare for attribute pricing powered by our industry-leading Guest Reservation System (GRS). Combined with other booking flow improvements, this is the important groundwork required to allow guests to

seamlessly select room characteristics to tailor their stays when booking with us, with prices adjusting based on the attributes chosen. In parallel, the technology enables owners to generate maximum value from their hotel's unique features.

This work forms a key element of a multi-year commitment to transform the booking and stay experience. In 2021, we made significant progress in streamlining and clarifying the rate options available to customers across our brands, in favour of a simpler and faster booking process that is capable of accommodating value-added experiences.

To further enhance the digital experience for our guests, we are continuing to move data and applications to the cloud, and we are using consumer analysis of those searching for stays and travelling with us to create highly personal and targeted guest promotions. Data-driven analysis is also being applied to guest feedback so that it informs our decision making and ensures we're focused on areas most likely to improve satisfaction scores.

To enhance our customer service, artificial intelligence (AI) voice-activated platforms are answering and routing customer calls to the most appropriate support area, which is increasing satisfaction scores and leading to higher average daily rates on bookings. A digital concierge chatbot has also been introduced on ihg.com and the IHG mobile app to further assist customer bookings and communication.

In light of the challenges of the pandemic, IHG has also transformed its technology to help around 70% of specialists in our Philippines contact centres work remotely, and transition all operations at our Mexico City contact centre to remote working.

## What's to come

We've designed a clear roadmap of investments and enhancements needed over the coming years to deliver an effortlessly smooth, exceptional guest experience at every touchpoint – pre-stay, during-stay and post-stay – with the aim of keeping IHG hotels first choice for guests.

Having completed important foundational work in 2021, we will launch the next generation of our IHG mobile app in 2022 to further strengthen our mobile presence and enhance our loyalty offer. Using data insights and new designs, it will provide a richer experience and introduce lots of new features, fast.

For guests, the app keeps the management of stay requests and features in one place, creates a space to receive personal and timely marketing offers and will enable new benefits as part of a transformed loyalty offer. For owners, a richer guest user experience is expected to drive revenue through increased direct bookings to our hotels, higher loyalty engagement and incremental spend during stays.

In 2022, we will also complete room inventory assessments on the remaining hotels in our estate in support of rolling out attribute pricing on our direct channels.

# 5,300

**Hotels completed room inventory assessments in 2021 ahead of rolling out attribute pricing on our direct channels**





PRIORITY:

## Care for our people, communities and planet



**C**aring for our people, communities and planet has always been at the heart of how we work, but the nature of an ever-evolving social and environmental landscape means we continually explore how we can make a positive difference as we operate and grow our business.

The Board's Responsible Business Committee reviews IHG's responsible business objectives and strategy and advises the Board on our approach to diversity, equity & inclusion (DE&I), our impact on local communities, responsible procurement in our supply chain, programmes on human

rights and modern slavery, our environmental impact, and our engagement with employees.

To guide our actions and drive progress, in 2021 we launched our 2030 Journey to Tomorrow plan, a series of ambitious commitments to create positive change for our people, communities and planet, aligned to our purpose of True Hospitality for Good and to the UN Sustainable Development Goals.

We know the actions we take around the environment, our people and society are closely followed by our investors and other

stakeholders and are therefore critical to our reputation and growth, and we have focused our efforts on the areas where we feel we can make the greatest impact. Reflecting the changing world around us, each commitment is designed to ensure IHG grows responsibly and in ways that ensure travel has a beautiful future for everyone.



See key matters discussed by the Board on page 91 and the Responsible Business Committee Report on pages 100 and 101.



See our Responsible Business Report at [www.ihgplc.com/responsible-business](http://www.ihgplc.com/responsible-business)

## Our 10-year responsible business plan

Our goal is to help shape the future of responsible travel together with those who stay, work and partner with us. We will support our people and make a positive difference to local communities, while preserving our planet's beauty and diversity... not just today but long into the future.



Champion a diverse culture where everyone can thrive



Improve the lives of 30 million people in our communities around the world



Reduce our energy use and carbon emissions in line with climate science



Pioneer the transformation to a minimal waste hospitality industry



Conserve water and help secure water access in those areas at greatest risk

EMPOWER OUR PEOPLE TO HELP SHAPE THE FUTURE OF RESPONSIBLE TRAVEL



## Our strategy continued

## Care for our people, communities and planet continued

### People

#### Champion a diverse culture where everyone can thrive



##### Our 2030 commitments

- Achieve gender balance and a doubling of under-represented groups across our leadership
- Cultivate a culture of inclusion for colleagues, owners and suppliers
- Support all colleagues to prioritise their own wellbeing and the wellbeing of others
- Drive respect for and advance human rights

Our people are fundamental to IHG achieving its purpose and strategic goals. IHG's business model means that we do not employ all colleagues. We directly employ individuals in our corporate offices, reservation centres, and managed, owned, leased and managed lease hotels. However, not all individuals in managed, owned, leased and managed lease hotels are directly employed, and we do not employ any individuals in franchised hotels (nor do we control their day-to-day operations, policies or procedures).

### What we achieved in 2021

#### People engagement

We have a number of forums available for employees to share their thoughts, including employee resource groups, a designated non-executive director for workforce engagement, and our employee engagement survey, known as Colleague HeartBeat, which allows people to express their views on key aspects of working at IHG.

In our 2021 survey, our overall employee engagement stood at 85%, which saw IHG again accredited as a Kincentric Global Best Employer. The survey highlighted areas that we can strengthen further, including the importance of filling job vacancies and advocating efficient and effective ways of working. Actions were taken in both these areas, including new hiring tools and a continued focus on improving processes, accountability and integration among teams. These areas will remain a priority for 2022.

#### Attracting, developing and retaining talent

To achieve our ambitions, we know we need to attract, develop and retain a diverse and talented workforce. This relies on our ability to develop an open and inclusive culture that promotes career development and equal opportunity, and recognises the importance of wellbeing in the workplace.

To address the challenges in attracting talent, we have developed new hiring resources and updated our policies to speed up the time it takes to process applications, worked with jobs platforms, schools and NGOs to unearth fresh talent, and run recruitment days and fairs. Our Early Careers and IHG® Academy programmes also provide work experience, internships and graduate opportunities to those seeking a career in hospitality.

We are firmly committed to investing in our employees and this year at a corporate level we embedded regular talent planning and development conversations to ensure we are building a strong pipeline for the future to deliver our ambitions. People managers have continued to hold quarterly check-ins with their teams to discuss performance and personal development, supported by an upskilling of HR partners through bespoke talent masterclasses. There is also a strong focus on reward, with our robust governance approach aimed at having fair and consistent reward and recognition practices across our employee population.

In our hotels, actions in 2021 included enhancements to our learning and development programme for existing GMs, the launch of a new Journey to GM talent acceleration programme, and the implementation of a new hotel talent

### People engagement



Delivery of our purpose to provide True Hospitality for Good and the strategic priorities that drive future success relies on our people and our ability to maintain and evolve an engaged, diverse and inclusive culture where careers can grow.

#### What impacted them in 2021

- Attractiveness of working in the hospitality industry during the pandemic
- Staffing levels and ability to attract and retain talent
- IHG's strategy and approach to growth and future success
- IHG's approach to DE&I
- IHG's approach to hybrid working and wellbeing
- IHG's approach to climate change and wider environmental issues

#### Engagement

- Employee engagement survey
- CEO and regional leadership calls with Q&A
- Voice of the Employee feedback sessions
- Employee communications including intranet stories, newsletters, blogs, videos, podcasts and interactive sessions on strategic priorities
- ERGs representing ethnic minorities, gender, LGBTQ+, disabilities and other employees
- Quarterly performance, development and wellbeing check-ins
- Collaborative sessions including hackathons

#### Outcomes

- Increased focus on recruitment and talent development at hotel and corporate levels
- Continuation of employee engagement in company priorities and culture
- Progress against and continued prioritisation of DE&I commitments, including conscious inclusion training and refreshed DE&I policy
- Continued and increased focus on employee wellbeing, including enhanced parental leave policies in some markets and updated Global Flexible Working Guidelines
- Reinstatement of bonus and annual salary increase for our corporate employees
- IHG named a Kincentric Global Best Employer, with 85% employee engagement




See our employee engagement KPI on page 53, how the Board had regard for people in their board and remuneration decisions on pages 91, 92, 107, 108, 112 and 114, Voice of the Employee disclosure on page 101, and statement on employee engagement on page 227.



Visit [www.ihgplc.com/responsible-business](https://www.ihgplc.com/responsible-business) for further information about our people commitments.

system in certain markets, which matches on-property talent to the most relevant opportunities across our estate.

 See our GM talent acceleration programme on page 19, workplace environment on page 37 and workforce remuneration considerations on pages 107, 108, 112 and 114.

### Wellbeing

In recognition of a shift to hybrid working as a result of the pandemic, we have provided employees with guidance and resources to help them adopt a balance of remote and office working that supports individuals and the delivery of IHG's key priorities. Employee surveys have also been run to understand expectations and help inform our approach.

In 2021, we updated our Global Flexible Working Guidelines with hybrid working principles, refreshed our UK Flexible Working Policy and highlighted flexible working opportunities within jobs. We've also taken steps to ensure a best practice approach to managing talent and performance in a hybrid environment.

During the year, we provided employees with access to mental health and wellbeing guidelines and webinars, and continued Recharge days and Focus Fridays, where we try to avoid standing meetings where possible to create some undisturbed time for employees. Parental leave policies were also evaluated across a number of locations and significant enhancements were made to our UK paternity leave policy and US parental

leave policy. We will continue to evaluate and review our policies to ensure they support people to be at their best.

For hotel teams, monthly newsletters with wellbeing guidance were shared, and local initiatives were also established in some markets.

### Diversity, equity & inclusion (DE&I)

As a global company, it's important to us that our business reflects our people, our guests and the nationalities, cultures, ethnicities, sexual orientations, backgrounds and beliefs that they represent. This commitment is emphasised throughout our global hiring guidelines and initiatives, such as our conscious inclusion training, and is backed up by our Global Diversity, Equity, Inclusion and Equal Opportunities Policy, which was refreshed in 2021 and sets forth our commitment to promoting an inclusive environment that values and considers diverse attributes, perspectives, cultures and experiences.

Recognising that we still have progress to make as a business, our Global DE&I Board and regional DE&I councils work together to monitor progress against commitments, discuss emerging trends and feedback, and identify future focus areas. Our work in this space revolves around a DE&I framework spanning three core areas: strengthening a culture of inclusion; increasing the diversity of our leadership and talent; and putting the right decision-making processes around our actions.

### Strengthening a culture of inclusion

In 2021, corporate employees completed more than 10,000 hours of conscious inclusion training, promoting education and awareness, and sparking important team conversations.

As part of our employee engagement survey, we also implemented an inclusion index in 2021 to track perceptions of culture and behaviour. The index showed that nine out of 10 corporate, reservation and managed hotel employees feel IHG has an inclusive culture, although perceptions were less positive among some ethnic minority groups. This is something we recognise and is reflected in our commitment to inclusion and achieving more diverse representation at all levels of our business.

Central to the conversation around DE&I and our progression as a business are our Employee Resource Groups (ERGs), which continue to expand and now have 1,300 members globally. These groups represent ethnic minorities (BERG US, EMbrace EMEAA), gender (Lean In), LGBTQ+ (Out and Open, US and UK), disabilities (DAWN US and UK), and Early Careers (HYPE Greater China, US and UK) and have been instrumental in driving employee engagement and celebrating key events, including International Women's Day, Global Inclusion & Wellbeing Week, and Pride.

### Our Diversity, Equity and Inclusion Policy

IHG is committed to promoting a culture of inclusion where everyone feels safe, respected and valued. Our policy applies to anyone who is directly employed by IHG and colleagues who work in managed hotels. Below is a summary of our commitments:

- Actively support diversity and inclusion to ensure that all our employees are valued and treated with dignity and respect.
- Strive continually to provide people with a working environment that is free from racism, harassment and discrimination.
- Foster an environment where our employees can work together to maintain an inclusive working environment where everyone's unique contribution is valued.
- Ensure that all decisions affecting an employee's employment are made fairly and are based on an individual's ability and performance.

- Provide all employees with the opportunity to join our Employee Resource Groups.
- Provide employees with disabilities the appropriate support where reasonable and practicable to do so and in accordance with local requirements.
- Ensure our recruitment, development and reward practices, and our approach to working arrangements, are designed to attract, develop, and retain diverse talent.
- Work to educate our employees about the benefits that diversity and inclusion brings to our business and support interventions that improve diversity and inclusion in our places of work.
- Ensure all employees are aware of this policy and complete any relevant training in relation to diversity and inclusion.
- Ensure our customers experience an inclusive welcome and stay provided by our employees.

IHG's Global DE&I Board, chaired by our CEO, and regional DE&I councils feature representatives from across our Company who offer a breadth of experience from different cultures, industries and organisations. They work with stakeholders to ensure we continue to honour our DE&I commitments and strive for best practice.

It is our policy to comply with international, national and local regulatory requirements and, where required, any affirmative action as stipulated by local laws. We set measurable objectives for achieving diversity and inclusion for IHG and we review our progress against them each year.

 See our DE&I Policy at [www.ihgplc.com/responsible-business](http://www.ihgplc.com/responsible-business)



## Our strategy continued

## Care for our people, communities and planet continued

### Increasing the diversity of our leadership talent

We continue to deliver talent initiatives, such as our successful Rise programme, which is focused on increasing the number of women in GM and operations roles. During 2021, more than 100 women joined to take advantage of mentoring sessions, career development workshops, high-impact learning modules and empowering conversations designed to further careers.

In the Americas, we launched Ascend, a bespoke programme to develop Black leadership talent and build strong relationships with organisations dedicated to supporting Black employees, while in the UK, we have worked with Women in Hospitality and Leisure (WiHTL) to provide opportunities for our ethnic minority talent on a dedicated talent programme. An ethnicity disclosure campaign was also carried out in the UK to further understand our population and help inform future solutions and actions to support our ethnic minority employees.

IHG proudly continues to be recognised for its efforts, with CEO Keith Barr ranked first in the 2021 HERoes Advocates list, which celebrates the top 35 executives or senior leaders who actively campaign for diversity, inclusion and gender balance in the workplace. IHG also received a Highly Commended award in the Company of the Year category at the European Diversity Awards, with the efforts of several employees being acknowledged across different categories.

### Putting the right decision-making processes around our actions

We understand that a diverse and inclusive environment creates a sense of belonging among employees and builds trust in our culture and values as a company. In 2021, we made progress on multiple fronts, including

our work to maintain a healthy gender balance as part of our succession planning and our work with recruitment partners to ensure that talent shortlists are as diverse as possible. We also work with organisations that encourage female senior leader development, and internally run in-depth talent reviews with our CEO and CHRO to create robust plans and pathways around developing future leaders.

A new member was also appointed to our Global DE&I Board to represent the voice of the Next Generation and help shape how we build an inclusive culture where all colleagues can thrive.

In 2021, we furthered our intent to cultivate inclusion within our supply chain. This work included IHG joining leading supplier diversity councils to help broaden our network of diverse local suppliers. In addition, a new analysis tool was identified for hotel and corporate spend that will allow us to create a more informed global picture and identify opportunities to increase work with small and diverse businesses. In support of this, we have started the process of detailing and communicating our supplier diversity programme to help demonstrate our commitment to the people and communities that we impact.

As at 31 December 2021	Male	Female	Total
<b>Directors</b>	7	5	12
<b>Executive Committee</b>	7	3	10
<b>Executive Committee direct reports</b>	33	22	55
<b>Senior managers</b> (including subsidiary directors)	81	29	110
<b>All employees</b> (whose costs were borne by the Group or the System Fund)	4,679	6,482	11,161

We do not require employees to report ethnicity and are dependent on self-disclosure. We encourage employees to consider disclosure, which will provide stronger reporting in the future.

### Human rights and modern slavery

An integral part of our global commitment to responsible business is respecting human rights in accordance with internationally recognised standards.

We understand the importance of human rights in relation to our colleagues, guests and communities and we encourage those with whom we do business – including our suppliers, owners and franchisees – to prevent, mitigate and address adverse impacts on human rights, including modern slavery. We seek to advance human rights through our business activities and by working together with others to identify challenges and effective solutions.

Key focus areas in 2021 included: the development and pilot of minimum requirements relating to migrant worker risks in our hotels, including responsible recruitment and onboarding, staff living accommodation and worker voice; and a continued risk assessment of our supply chain, along with analysis of our approach to due diligence of suppliers.

Findings from our 2019/20 Oman market-level labour assessment continue to be addressed and applied to other countries in the IMEA region, and we have started a similar assessment in the UK. More broadly, we have collaborated with the Sustainable Hospitality Alliance (SHA) and International Organisation for Migration (IOM) on projects focused on ethical recruitment in our industry.

IHG is a member of the United Nations Global Compact (UNGC) and is committed to alignment of IHG's operations, culture and strategies with the UNGC's 10 universally accepted principles in relation to human rights, environment and anti-corruption.

See our Code of Conduct disclosure on pages 37 to 38, Responsible Business and Nomination Committee Reports on pages 100 to 103 and statement on disability on page 227.

See our Modern Slavery Statement at [www.ihgplc.com/modernslavery](http://www.ihgplc.com/modernslavery)



## Communities

Improve the lives of 30 million people in our communities around the world



### Our 2030 commitments

- Drive economic and social change through skills training and innovation
- Support our communities when natural disasters strike
- Collaborate to aid those facing food poverty

We rely on the communities in which we operate and are proud to use our global scale, time, skills and resources to ensure that our growth contributes positively to those around us.

As we work towards our targets, it's important we understand the impact of our investments, which makes integrity of data key to our approach. This year, we joined Business for Societal Impact (B4SI) – the global standard in managing corporate community investment – so that we can measure our input, output and impact of our projects.

### What we achieved in 2021

#### Skills training and innovation

We're passionate about our industry and inspiring individuals to explore just how rewarding a career in hospitality can be. Since 2004, our IHG Academy programme has been helping young people around the world gain valuable employment and life skills through work experience, internships and apprenticeships alongside some of the world's best hoteliers.

In the past eight years, working with local education providers and community organisations, more than 80,000 people have been trained and mentored through the IHG Academy, offering those from all backgrounds a rich variety of free programmes to help them gain a job in hospitality or other industries, as part of our promise to provide True Hospitality for Good on a global scale.

To further its reach, we evolved the IHG Academy in 2021 with the launch of the IHG Skills Academy – a best-in-class online learning platform that provides a space for IHG and like-minded collaborators to offer free online education, courses and



opportunities for thousands more people looking to build their confidence and get employment-ready. This work has been undertaken in collaboration with charities and other IHG suppliers and launched in October with more than 500 initial pieces of English content available.

We continue to advance other skills-building programmes, too, including working with global NGO Junior Achievement Worldwide to give young people a headstart in the world of work, and in 2021 we hosted our Global Innovation Challenge to help high-school students learn valuable skills.

We have also set up the Open Source Curriculum with the Sustainable Hospitality Alliance, which will provide free online teaching to help participants to find jobs in hospitality or other industries.

In Greater China, we formed a strategic partnership with Wuxi Special Education School to provide training, internships and employment for mute and deaf children, with a number of hotels in different cities now taking part. We also welcomed 149 Future Leader Aspire participants into our Future Leaders programme.

#### Giving for Good month

During September 2021, more than 40,000 colleagues supported community projects as part of our annual Giving for Good month, making a positive difference to more than 350,000 people.

Over 260,000 volunteering hours were collectively dedicated to supporting communities, causes and charities, with colleague activities ranging from hosting free pop-up grocery stores in the US and charity walks in the UK, to planting trees in Saudi Arabia.

#### Supporting our communities when natural disasters strike

We continue to work with a range of skilled humanitarian aid organisations to support critical relief efforts and help our communities in times of need, whether that involves dealing with the impact of the pandemic or the effects of natural disasters.

In 2021, we supported relief efforts around the globe through donations to charities including the International Federation of Red Cross and Red Crescent Societies following the floods in Western Europe, while also supporting its response to the pandemic in countries such as India and Brazil.



## Our strategy continued

## Care for our people, communities and planet continued

We donated to the British Red Cross, who supported the UK vaccination programme, and worked with CARE International following typhoons in the Philippines.

IHG has worked with the American Red Cross (ARC) on disaster relief for a long time, and we continued supporting its incredible work in 2021, including helping the many US communities affected by wildfires, tornados and Hurricane Ida, along with the resettlement of Afghan refugees. As well as many of our hotels providing food, toiletries and quarantine facilities, IHG was among one of the first companies to join the Tent Partnership – a pledge to help Afghan refugees resettle in the US by providing training, job opportunities and guidance for our hotels to support efforts to hire them.

We assist our colleagues using the IHG Colleague Disaster Relief Assistance Fund. During 2021, we supported corporate employees, hotel teams and their families impacted by hurricanes and severe weather in the US, and others dealing with a worsening situation in India as a result of the pandemic.

### Collaborate to aid those facing food poverty

We have supported food bank and food provision charities in 44 countries. Our donations have helped these providers access the funds, training and resources required to offer basic provisions to society's most vulnerable.



voco Kirkton Park Hunter Valley, Australia – from its solar farm that powers lights, eggs that come from the Kirkton Park chickens, honeybee farm that pollinates crops and provides fresh honey, and recycled water that feeds the lush vegetable gardens, they are on track to creating an environmentally friendly hotel. Kids also love taking the food-scrap buckets to the pig pen, which is one way the hotel limits waste.

We are working with organisations such as No Kid Hungry in the US and the Trussell Trust in the UK, while supporting the European Federation of Food Banks (FEBA) and The Global FoodBanking Network (GFN).

We also work closely with organisations in different parts of the world to divert food from our hotels to those in need.

# 80,000+

People have been trained and mentored through our IHG Academy programme since 2013

# 350,000+

People supported by colleagues participating in IHG's annual Giving for Good month in September

### Communities engagement



The communities we are a part of both support and benefit from our responsible business approach and the commitments we have made to achieve a better and more sustainable future for everyone through our Journey to Tomorrow programme.

#### What impacted them in 2021

- Natural disasters, such as typhoons in the Philippines, floods in Western Europe and tornados in the US
- Societal and economic impact of the pandemic, including unemployment and food poverty
- Modern slavery and human rights issues
- Access to business skills development and local employment
- Climate change and other wider environmental challenges

#### Engagement

- Continued close collaboration with international and local charities and NGOs, such as Care International and British Red Cross
- Industry collaboration on human rights and labour conditions in specific markets
- Giving for Good month programme of activities and employee volunteering days
- Collaboration with local education providers and community organisations, as part of our focus on offering skills building and training opportunities

#### Outcomes

- Support for relief efforts around the globe and for our colleagues and their families through our Colleague Disaster Relief Assistance Fund
- Support for food bank and food provision charities in 44 countries
- Human rights assessments in IMEA and UK
- Launch of new virtual learning platform IHG Skills Academy
- Set up Open Source Curriculum with SHA
- Over 260,000 hours of employee volunteering dedicated to supporting communities



See our IHG Academy KPI on page 53, and Responsible Business Committee Report on pages 100 and 101.



Visit [www.ihgplc.com/responsible-business](http://www.ihgplc.com/responsible-business) for further information on our community commitments.

## Planet

With hotels in more than 100 countries and ambitious growth plans for our brands, it is important to us that we operate sustainably and help preserve our planet for all generations to travel and explore.

So that we continue to create more sustainable guest stays and support our hotels to reduce carbon emissions, manage waste, and conserve and preserve natural resources, we are working with our hotel owners, suppliers, industry and governments. Remaining mindful of the challenges owners face in the current trading environment, we also set up a Global Environmental Sustainability Committee with the IHG Owners Association in 2021 to help us develop achievable milestones and reach our shared goals over the next decade.

See our TCFD, Responsible Business Committee Report and greenhouse gas emissions disclosures on pages 32 to 35, 100, 101 and 229 to 230.

See our Responsible Business Report at [www.ihgplc.com/responsible-business](http://www.ihgplc.com/responsible-business)

## Energy

### Reduce our energy use and carbon emissions in line with climate science



#### Our 2030 commitments

- Implement a 2030 1.5°C science-based target that delivers
  - 46% absolute reduction in CO<sub>2</sub> from our franchised, managed, owned, leased and managed lease hotels
- Target 100% new build hotels to operate at very low/zero carbon emissions by 2030
- Maximise/optimize the role of renewable energy

With the hotel sector accounting for around 1% of global carbon emissions, we know it's important that we play our part in protecting our planet for the future. In 2021, we joined the UN's Race to Zero and upgraded our carbon emissions target to align with the most ambitious goals of the Paris Agreement to keep global warming within 1.5°C.

As we own less than 1% of our hotels, everything we do to make a long-term change must be achieved in collaboration with our owners, partners and colleagues.

Carbon reduction is a priority we have been working closely on, including setting a science-based target (SBT) in 2020 that was initially aligned with limiting global warming to below 2°C, and further strengthened this year to align with 1.5°C.

### What we achieved in 2021

To meet our new upgraded SBT, work was undertaken this year to ensure every IHG hotel has its own energy reduction target for 2022, and as a business we are focused on three broad areas: action plans and training to develop clearly defined pathways that improve the energy efficiency of our existing hotel estate; helping owners source renewable energy; and developing our strategy to ensure our new-build hotels operate at very low or zero carbon in the future.

In 2021, key steps included introducing a new system to allow hotels to have their energy data automatically captured for tracking, which in turn allows for more targeted actions and recommendations to reduce energy consumption. We have also switched our UK offices and managed hotels to a renewable energy tariff and continue to map renewable energy opportunities globally, alongside working with a number of hotels on on-site renewable energy.

Recognising the value of collaboration in speeding up progress, we became the first hotel company to sign up to the UK's Zero Carbon Forum, which along with our

### IHG at COP26

IHG played a leading role for the hospitality industry at the UN's 26th Conference of the Parties (COP26) in Glasgow in November 2021, which focused on how governments, businesses and civil society can work together to find the urgent solutions needed to tackle climate change.

Our Chief Sustainability Officer and EVP, Global Corporate Affairs spoke at a series of high-profile events over the course of the two-week summit, where they discussed the facts the industry needs to face up to, the importance of collaboration in bringing meaningful change and outlined the innovative strides IHG is making to help shape the future of responsible travel. As trustees of the Sustainable Hospitality Alliance, they also helped launch the Glasgow Declaration: A Commitment to a Decade of Climate Action in Tourism.

During the fortnight, CEO Keith Barr also attended the Elysée Palace in Paris for a reception and working session with the French President, Emmanuel Macron, on how we can accelerate recovery and move towards a more sustainable travel and tourism sector.



The team at Crowne Plaza Copenhagen Towers in Denmark is dedicated to running a fully sustainable hotel. Its facade is lined with solar panels so that a renewable energy source can help power the building and a state-of-the-art groundwater-based system keeps it cool during summer and warm during winter. Automatic intelligent light, water, and waste-saving measures are installed throughout the property, while a stunning atrium (pictured) is filled with air-purifying plants.



## Our strategy continued

### Care for our people, communities and planet continued

membership of other organisations, including the World Travel and Tourism Council, the Sustainable Hospitality Alliance and the American Lodging & Hospitality Association, saw us work collectively on ways to decarbonise the industry. Working with experts Arup, Gleeds and Schneider Electric, we have explored steps to help our existing hotels operate at net zero carbon.

#### Waste

**Pioneer the transformation to a minimal waste hospitality industry**



##### Our 2030 commitments

- Eliminate single-use items, or move to reusable or recyclable alternatives across the guest stay
- Minimise food going to waste through a 'prevent, donate, divert' plan
- Collaborate to achieve circular solutions for major hotel commodity items

#### What we achieved in 2021

With only 9% of plastic currently being recycled and around one third of food produced being wasted across the globe, we're passionate about providing our guests with a more sustainable stay. We're working to eliminate single-use items in our hotels, adopt more reusable or recyclable alternatives, and establish a three-part plan to 'prevent, donate and divert' food waste.

While fulfilling our commitment to move all hotels to bulk-size bathroom amenities has been hampered by the pandemic, we made important progress with several suppliers in

2021 to put a range of product solutions in place for all of our brands across all regions. Reducing our plastic usage by an estimated 850 tonnes in the Americas region alone, these bulk products will also provide hotels with significant cost savings.

We have also engaged with experts from Travel Without Plastic to produce a bespoke Single Use Items Toolkit to help guide hotels on best practice when it comes to reducing, replacing and recycling common products. The toolkit promises to be a valuable educational resource for our hotel teams, which will have a positive impact on our operations and the environment.

Food waste is a particularly big problem globally, with a staggering \$1 trillion lost or wasted every year across the planet – accounting for roughly one third of the world's food. We have spent time this year developing existing collaborations and forming new ones with expert organisations across our regions to tackle the issue.

During 2021, we commenced the development of a global food waste training module for all of our hotel food teams to encourage them to measure and manage their food waste, ahead of rollout in 2022.

In the US, we are working with Goodr to deliver leftover food from our hotels to local charities, and in Europe many of our hotels use the Too Good To Go app to offer people the same opportunity.

In Australia, our successful work with food charity OzHarvest entered its third year, as we continued to divert food waste to local communities via a network of charities, and in the Middle East, we are using AI technology

so our hotels can track and measure food waste, providing chefs with real-time information for planning and preparation.

We also collaborated with the World Wildlife Fund, Greenview and industry peers on the Hotel Waste Measurement Methodology, which is designed to provide a common industry approach to collecting data, and measuring and reporting waste.

We continue to look for ways to extend the life of products that leave our hotels and offices. Our industry has traditionally seen product consumption at various stages of the guest experience and so our longer-term aim is to achieve circularity, where resources can be recycled or reused on a large scale. This might include the incorporation of recycled content in the manufacturing of new products, or making sure items are put to good use elsewhere once they leave our hotels, such as donating computers or furniture to charity, or offering surplus food to those who need it. We have committed to collaborate and work with others to help us achieve this as part of our Journey to Tomorrow commitments.

#### Water

**Conserve water and help secure water access in those areas at greatest risk**



##### Our 2030 commitments

- Implement tools to reduce the water footprint of our hotels
- Mitigate water risk through stakeholder collaboration to deliver water stewardship at basin level
- Collaborate to ensure adequate water, sanitation and hygiene (WASH) conditions for our operating communities

Demand for water often exceeds supply in many parts of the world, with the UN predicting this demand to increase between 20-30% by 2050. It's therefore never been more important for us to find ways to reduce our usage and work with others towards sustainable solutions that create water access for all. We are implementing tools to reduce water consumption across all our hotels, paying particular attention to those in water-scarce areas. In our communities, we are also working with others to establish adequate water, sanitation and hygiene (WASH) conditions and help ensure supply is managed more sustainably at a local level.



## What we achieved in 2021

Each of our hotels has been given a water reduction target along with access to sustainable solutions to improve efficiencies through the IHG Green Engage™ system, such as low-flow fixtures and fittings. Owners are also able to access increasingly accurate data on usage in their hotels via an automated data entry tool.

Having identified the risks to water quality and quantity in our open and pipeline hotels in 2019, we undertook six water stewardship projects around the world as part of our membership of the Alliance for Water Stewardship (AWS), progressing on the final two in Shenzhen in China and on Hayman Island in Australia this year. Applying the AWS Standard to our projects has provided a clear pathway to reduce water usage, while allowing us to share ideas with other global member organisations and with hotels across our estate to maximise efficiency.

Collaboration is vital to meaningful progress and as a member of the Water Resilience Coalition, a CEO-led coalition of the UN Global Compact CEO Water Mandate, IHG is working with other organisations to collectively advance water stewardship and preserve the world's fresh water. This has informed our work to identify and manage risks around water supply, while also reducing costs for our hotels as they closely monitor their usage. In 2021, we also collaborated with Water.org as part of a pilot to help deliver WASH conditions for 15,000 people in India, Indonesia and Mexico.

## What's to come

### People

It is imperative that we ensure the right capabilities, tools and resources are there to support our people if we are to drive the growth of our business and build an inclusive and high-performance culture.

Key focus areas in 2022 include investment in an HR technology platform that will improve the user experience for corporate colleagues and hotel teams through increased automation, mobile functionality and seamless self-service. We will also continue the work done in 2021 to strengthen our General Manager pipeline, with a particular focus on Luxury & Lifestyle in support of our growth aspirations in that segment. Our strong focus on DE&I will be maintained, including celebrating key events, building further education with conscious inclusion training, and establishing new programmes with prominent organisations that champion equality within wider society.

We will also invest in building our talent attraction capabilities, increase our focus on talent management to build leaders for the future, and step up a multi-year investment in a new IHG University framework designed to support colleague development at different levels of the business.

More broadly, we will continue to place a clear focus on employee engagement with our strategy and how we continue to invest in our culture and ways of working.

### Communities

For our communities, we will continue to work with charities to support those in most need around the world, and the rollout of our IHG Skills Academy will continue in local languages across markets globally, with the addition of new local collaborations.

### Planet

Building a sustainable future is not simply a goal for our industry but imperative for our planet, and as one of the world's leading hotel groups, we recognise our responsibility to take decisive, practical action to reduce carbon emissions in every part of our business.

From 2022, tied to our new science-based target and Race to Zero pledge, we will increase the support we provide our owners in improving the energy efficiency of their hotels, with each receiving an energy target tailored to their property, along with access to solutions and colleague training to drive energy conservation. This will be supported by our new HERO (Hotel Energy Reduction Opportunities) tool, which will analyse energy consumption and help hotels find the measures specific to their property that represent the most cost-effective way to reduce energy usage.

More renewable energy contracts will also be rolled out in different markets, and work will begin on an update to our IHG Green Engage system and the development of our strategy to ensure our new-build hotels operate at very low or zero carbon in the future.

