

Our culture – how we operate responsibly

Our culture shapes our conduct and sets the tone for how we operate responsibly, driving forward our purpose of providing True Hospitality for Good.

OUR VALUES

Led by the Board and Executive Committee, our values underpin our behaviours and business ethics, and guide how we deliver our strategy, make decisions and live our purpose.



Do the right thing



Show we care



Aim higher



Celebrate difference



Work better together



The long-term success of IHG is shaped by a number of interdependent factors, including our purpose, the effectiveness of our strategy and the resilience of our business model. Underlying all of these is our strong workplace culture, which is aligned with our reputation as a trusted and ethical company that is well governed.

Our culture is driven by our approach to business, including our structure and governance, risk appetite, controls and systems, workplace environment, behaviours, values and policies (including our Code of Conduct). Therefore, understanding these aspects of our business is critical to understanding how we deliver on our strategic priorities, risk management and KPIs.

Our structure and governance

The overall responsibility for ensuring that our culture and ways of working are aligned with our purpose and strategy sits with the IHG Board. Throughout the year, the Board and its Committees receive updates and presentations, and review metrics, reports and scorecards, on the delivery of our strategic priorities, all with the appropriate governance lens and in the context of our culture. The Board challenges and supports the Group’s senior leaders, particularly where there is a need to adopt or amend policies and initiatives to ensure the continued alignment of strategy and culture.

The Board delegates day-to-day responsibility for setting and embedding Company culture to the CEO who, together with the Executive Committee (EC), sets the tone from the top in relation to attitudes and behaviours to create an open and honest workplace environment, empowering employees to give feedback and freely ask questions about matters that concern them. The EC is responsible for executing the Group’s strategy, and keeping the Board informed of the Group’s operations and workplace culture.

IHG’s hotel development and operations are organised on a regional basis (Americas, EMEAA and Greater China) and are supported by global functions in the key areas of Marketing, Commercial & Technology, Finance, Human Resources, Corporate Affairs, and Business Reputation and Responsibility.

Management of the regional and global teams is organised into leadership teams, who are responsible for executing IHG’s strategic priorities in a manner that aligns with the Group’s culture and values. Decisions on hotel developments and capital expenditure go through the appropriate deal approval and expenditure committees in line with the Group’s Global Delegation of Authority Policy (DOA).

The DOA sets out financial commitment and expenditure approval controls. For those commitments over specified thresholds or for certain types of proposals, approval is required from the Group's Capital Committee, which reports into the Executive Committee.

The Group's corporate legal structure is comprised of around 370 subsidiaries worldwide. These entities provide the legal framework required to support the Group in making individual contracts and commitments.

→ Information on the Board's monitoring and assessment of our culture is included on page 103.

Risk appetite, controls and systems

Although our strategy does not consciously expose the business to inappropriately heightened risk, our risk appetite and tolerance are continuously reviewed by the Board in relation to the Group's pursuit of our strategic and operational objectives and the expectations of our stakeholders. The Board reviews the portfolio of uncertainties that we inherently face as a fast-moving business, operating in a highly competitive market, and considers whether the choices we make achieve an appropriate and balanced response overall to opportunities and threats. As part of its review, the Board considers the impact of macro-external factors, including, but not limited to, ongoing geopolitical tensions and conflicts and macro-economic pressures such as inflation, as well as increasing expectations from stakeholders on our response to ESG issues such as climate change.

Our risk appetite is cascaded through our values and behaviours, our Code of Conduct, DOA and other global policies, and how we set our goals and targets, and is further reinforced by frequent leadership communications to guide decisions and set priorities, including the EC's recent refresh of our strategic ambitions and behaviours.

We are committed to a framework of monitoring and assurance processes in relation to our initiatives and policies, reviewing whether they have operated within acceptable risk tolerances where priorities have shifted or additional actions were required. Board and Committee agenda topics allow the Board to identify and discuss the nature and extent of principal (and emerging) risks, and how risk management arrangements have been adapted where required.

→ See our Governance pages 100, 108 and 109.

Workplace environment

As part of our employer brand commitment to provide employees with Room to Belong, we have taken steps to create more flexible workspaces that bring to life the benefits of hybrid working. We have leveraged modern

office spaces and the latest technology to bring colleagues together for global learning events, town halls and workshops while also continuing to support our teams in finding a balance between remote and office working.

In 2023 we delivered cybersecurity awareness training to hotel colleagues and corporate employees, emphasising the importance of staying vigilant to protect our company against evolving cyber threats. Topics ranged from social engineering awareness and phishing prevention best practices, to the ways that generative AI introduces new information security risks to IHG. While we continue to implement measures to safeguard the integrity, confidentiality and availability of IHG data, our employees remain the most important layer in our control framework.

→ See our people disclosures on pages 28 to 31, and key matters discussed by the Board on page 102.

Human rights

An integral part of our global approach to responsible business is to drive respect for and advance human rights in accordance with internationally recognised standards.

Our Human Rights Policy sets out our commitment to respect the human rights of all individuals impacted by our business activities – our guests, our colleagues, workers in our supply chain and the communities in which we operate – and our expectation that those with whom we do business – including our suppliers, owners, and franchisees – uphold similar standards. We seek to advance human rights by working with others to strengthen our practices and address common industry challenges.

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

To continue to enhance our human rights programme, a global human rights risk assessment was conducted this year to update our understanding of salient issues and how they are being addressed. Teams across our business are working together to develop and implement action plans in response to findings from this assessment.

In 2023, we remained focused on addressing risks related to migrant workers by further embedding our Responsible Labour Requirements across our managed, owned, leased and managed lease estate.

This year we also strengthened our approach to human rights due diligence in the supply chain, commencing with a review of policies and our approach to risk assessment when contracting with new suppliers.

→ For further details on our human rights progress, please see pages 20 and 21 of our Responsible Business Report and our Modern Slavery Statement.

Our behaviours

By demonstrating our growth behaviours, our leaders and employees create an environment that encourages high performance, while operating responsibly in a way that helps us achieve our strategic priorities and purpose. Our policies, communications, learning programmes and performance management processes reflect these behaviours, ensuring they act as a compass for how we do things and help us create an inclusive culture for all.

Code of Conduct and related policies

IHG's Code of Conduct (Code) sets the standard for how we do business at IHG, and underpins our commitment to providing True Hospitality for Good.

The Code seeks to enable colleagues to make the right decisions, in compliance with the law and IHG's expectations about conduct.

The Board, EC and all colleagues working in IHG corporate offices, reservation centres, managed, owned, leased and managed lease hotels must comply with the Code. We expect those we do business with, including our franchisees, to uphold similar principles and standards.

The Code is reviewed and approved by the Board on an annual basis, and is supported by annual e-learning requirements. We continue to enhance our engagement and measurement approaches. We monitor and assess how our values are being embedded into our culture through a variety of methods, such as through direct engagement, employee engagement surveys, tracking of e-learning completion and our confidential reporting hotline.

The Code contains an overview of our values and Group-level policies, including those relating to human rights, respect in the workplace, DE&I and equal opportunities, accurate reporting, information security, anti-bribery and corruption and the environment. It also provides guidance on how colleagues can raise concerns or seek further help.

Additional detail regarding other areas of the Code, such as our DE&I, human rights and modern slavery commitments, are outlined on pages 30 and 39. Initiatives to respond to legal, regulatory, ethical and compliance risks are on page 47.

→ IHG's Code of Conduct is available in 14 languages on the Company's intranet and at ihgplc.com/en/investors/corporate-governance/code-of-conduct

Our culture – how we operate responsibly continued

Speaking up

A core component of our people culture is respect in the workplace. IHG has zero tolerance to any form of discrimination, harassment or bullying, in line with our Respect in the Workplace Policy. While we uphold our responsibility to behave ethically and protect IHG’s reputation, it is possible that in limited instances, a colleague may act in a way that conflicts with the principles set out in the Code. Guidance is given to report concerns directly to line managers, supervisors or local HR representatives. A confidential reporting hotline and online reporting facility are available and globally advertised. Concerns can also be reported to the Head of Risk and Assurance or the General Counsel and Company Secretary. The Board routinely reviews summaries of reported concerns and ensures processes are in place for investigations and follow-up.

Safety and security

IHG is committed to providing a safe, secure and healthy environment for all colleagues, guests and visitors. All operations must comply with all applicable health, safety and security laws. Beyond compliance with the law, IHG works to identify further improvements to the way safety and security risks are managed, and has mandatory Brand Safety Standards in place for all hotels globally to drive consistency in this area. Initiatives to respond to safety and security risks are on page 48.

Bribery and corruption

IHG is committed to operating with integrity. Colleagues are not permitted to engage in bribery or any form of financial crime, including fraud, money laundering, violations or circumvention of economic and trade sanctions and tax evasion or the facilitation of tax evasion. This standard also applies to agents, consultants and other service providers who do work on our behalf.

Our Anti-Bribery Policy sets out our zero tolerance approach and is applicable to all Directors, Executive Committee members, employees and colleagues in managed, owned, leased and managed lease hotels. It is accompanied by anti-bribery content in our mandatory Code of Conduct e-learning module. Our Gifts and Entertainment Policy and guidance further support our approach in this area.

→ Initiatives to respond to legal, regulatory, ethical and compliance risks are more broadly discussed on page 47.

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

Handling information responsibly

We are committed to ensuring that guests, loyalty programme members, colleagues, shareholders, owners and other stakeholders trust the way we manage data. As part of our privacy and information security programmes, we have standards, policies and procedures in place to manage how personal data can be used and should be protected. Our e-learning training for employees on handling information responsibly is a mandatory annual requirement and covers topics such as password and email security, using personal data in accordance with our policies and privacy commitments, how to work with vendors and transferring data securely.

In addition to the cybersecurity awareness training mentioned on the previous page, this year we held tabletop exercises to practise our ability to detect and respond to potential security events, such as ransomware attacks. We continue to develop our privacy and security programmes to address evolving requirements and take account of developing best practice. The Board regards cybersecurity as a critical business discipline and it regularly receives updates on the Group’s cybersecurity risk management and control arrangements.

→ See page 46 for further detail on uncertainties relating to data and information usage, storage, security and transfer and cybersecurity on page 248.

Section 172 statement

Details of how the Directors have had regard to the matters set forth in Section 172(1)(a) to (f) of the Companies Act 2006 is provided in the Section 172 statement on pages 102 to 103.

Further details can be found throughout the Strategic and Governance Reports, including in our key stakeholder engagement disclosures on pages 36 and 37.

Non-financial and sustainability information statement

Non-financial and sustainability information, produced to comply with sections 414CA and 414CB of the Companies Act 2006, including a description of policies, due diligence processes, outcomes and risks and opportunities can be found as set out below. Internal verification and disclosure controls apply to all information covered in these areas.

- Impact of the Company’s activities on the environment on pages 33 to 35, 52 to 59, and 238 to 240.
- Social matters on pages 32 and 33.
- Anti-corruption and anti-bribery matters on page 40.
- Employee matters on pages 29 to 31, 103, 117, 118, 123, 124 and 127.
- Respect for human rights on page 39.
- A description of the Group’s business model on pages 10 to 13.
- The Group’s principal risks on pages 42 to 49.
- The Group’s KPIs on pages 60 to 63.

→ See our relevant policies at ihgplc.com/responsible-business

Climate-related financial disclosures

In accordance with Sections 414CB of the UK Companies Act 2006, the required climate-related financial information disclosures can be found integrated throughout the Strategic Report, primarily in the TCFD report on pages 52 to 59.

Reporting requirements

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a) Group’s governance for assessing and managing climate-related risks and opportunities	52 and 53
b) How climate-related risks and opportunities are identified, assessed and managed	54 to 56
c) How processes for identifying, assessing, and managing climate-related risks are integrated into the overall Group Risk Management	59
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h) Key performance indicators (including basis of calculating) used to assess progress against targets identified under (g)	63, 238 and 239

Responsible procurement

Growing our business innovatively and sustainably, while working to the highest standards of business conduct, plays a crucial role in our supplier selection processes and in how we continue to work with our existing suppliers. We are committed to working with suppliers who not only meet our minimum ethical standards but also share the values of our responsible business plan – Journey to Tomorrow.

What we do already

Our supply chains are split between hotel and corporate spend. Hotel procurement predominantly occurs at the local level because our hotels are primarily owned by independent third-party franchisees responsible for managing their own supply chains. In some key markets, the IHG Procurement team has created procurement programmes for certain goods and services related to building, opening, renovating and operating a hotel, which hotels and owners can leverage. Our corporate supply chain covers expenditure areas such as technology, office buildings and facilities management, marketing and professional services.

To help manage and monitor our corporate supply chain, an enterprise-wide procurement system is in place to govern and oversee third-party corporate expenditure. We are also continuing to roll out procure-to-pay systems to support managed hotels. Several global technology and outsourcing providers have been identified as strategic supplier relationships given the nature of their services. IHG engages with these suppliers to harness innovation, provide customer service, manage risk, and promote value realisation. We annually review this list of strategic suppliers and their delivery of our business objectives.

We continue to integrate ESG pre-contract criteria in our supply chain due diligence activities. To ensure that suppliers operate with the same integrity and respect as we do, IHG requires new corporate suppliers to confirm their acceptance of the IHG Supplier Code of Conduct (Supplier Code) at the onboarding stage or demonstrate that they have equivalent policies in place. It is also a contractual requirement for centrally-negotiated programmes from which our hotels can purchase. Recommended guidance is additionally provided to managed and franchised hotels when purchasing locally. At the end of 2023, 100% of new suppliers had signed the Supplier Code.

Our spend intelligence tool is enriched with additional data feeds to provide a broader view of the supplier, including better visibility of IHG's focus areas such as labour practices, supplier diversity, sustainability (including emissions), and financial risks.

IHG continues to comply with the statutory reporting duties on payment practices and performance.

Corporate and hotel supply activities are driven by our Procurement strategy and guided by our responsible business agenda, with oversight from IHG's Responsible Business Committee and Audit Committee. In 2023, we continued to build our risk programmes with further resourcing and refreshed risk profiles based on IHG's material supply chain risks. Recognising that global supply chain risks go beyond Procurement, we continue cross-functional collaboration through the Supply Chain Risk Council.

What we achieved in 2023

In 2023, we revised our Procurement Policy. Key updates included expanding its scope to cover above-property hotel deals, revised criteria on when to engage Procurement, supplier due diligence checks required in support of our Journey to Tomorrow ambition, and updated our standard payment terms.

Informed by a benchmarking exercise, we also revised our Supplier Code and translated it into 11 new languages. Some of the most significant evolutions were a refresh to environmental criteria, reflecting IHG's Journey to Tomorrow commitments, and strengthening alignment with international human rights standards. With the additional translations of the Supplier Code, we have increased our ability to introduce it further across our supply chains.

Following the 2022 introduction of EcoVadis, a supply chain due diligence tool, in 2023 IHG became a founding member of the Hospitality Alliance for Responsible Procurement (HARP). The Alliance aims to improve supplier sustainability by fostering close collaboration with trading partners to build transparency and scale positive impact across the industry's value chains while operating with the appropriate governance and compliance controls.

To date, we have requested 123 suppliers globally to participate in the EcoVadis ESG risk assessment and, where applicable, it has become part of our new supplier selection processes in 2023. Insights from the scorecards are used to understand supplier performance, identify ESG risks in our supply chain and work with suppliers to improve their sustainability performance.

With the use of a new digital solution, we made the first step towards segmenting our suppliers based on carbon emissions profiles. By mapping our carbon emissions from Purchased Goods and Services where we have data available, we gained visibility of the highest emitting categories.

Textiles are a substantial supply chain commodity in the hospitality industry and are integral to the operation of a hotel. In 2021, we partnered with CARE International UK and a key textile supplier to complete a workplace gender analysis. This year, CARE hosted two workshops to understand the supplier's gender equality priorities, developed a gender action plan, and supported this with implementation guidance. Looking ahead, we will monitor all progress made by the supplier and provide support if required.

What's to come

We will continue our goal to increase the consideration of sustainable, diverse and resilient suppliers and explore how EcoVadis can be further incorporated into our due diligence processes. Throughout 2024, the ongoing deployment of integrated procure-to-pay systems in managed hotels across various regions will enhance responsible procurement oversight. This will be achieved through group-configured systems, data management, streamlined processes, and enhanced controls. Working in partnership with our key suppliers, we will continue our supply chain mapping activities next year.

We will also continue to support the implementation of sustainable solutions to advance the progress of our Journey to Tomorrow commitments and build hotel supply chain solutions for energy conservation measures. Additionally, as part of our supplier decarbonisation initiative, we will begin to monitor and collaborate with key suppliers to minimise carbon emissions associated with the goods and services we procure.