

Being a responsible business

Aligned to our purpose of True Hospitality for Good and building on years of important progress, Journey to Tomorrow puts IHG on a longer-term path to positive change for our people, communities and planet.



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.

Our planet



Our people

Champion an inclusive culture where everyone can thrive



Communities

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



Carbon and energy

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



Waste

Pioneer the transformation to a minimal waste hospitality industry



Water

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 people

Our 2030 commitments

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

Contributing to the following UN Sustainable Development Goals (SDGs)



2024 highlights

87%

Sustained employee engagement 87% (2024). A Mercer Global Best Employer

Top 10

Ranking 8th on Financial Times Europe's Diversity Leaders 2024 list; recognised as a top company for women by Forbes

Creating our high-performance culture

The growth behaviours we introduced at the beginning of 2024 (ambitious, dedicated, caring and courageous) now form the basis of our evolving culture. These will inform how we attract, select, onboard, develop and reward our colleagues, and we use them to drive increased performance. In 2024 we have looked at areas that enable our colleagues to perform at their best, including:

- increasing levels of collaboration by updating our approach to hybrid working and encouraging colleagues to prioritise face-to-face time, while still maintaining flexibility;
- increasing our effectiveness in performance management, replacing quarterly check-ins with frequent one-to-one performance conversations that review priorities and provide actionable feedback; and
- continuing to develop our approach to reward and recognition to attract, retain, motivate and engage top talent, supported by robust governance that ensures fairness and consistency across our global population.

Fair pay is very important to us and is reflected in our 2024 UK Gender Pay Gap measure, which has continued its downward trajectory, with the improvement in median gap in 2024 standing at 13.8% versus 15.9% in 2023.

Beyond pay, we place great importance on our colleagues' health and wellbeing. This year we enhanced our Employee Room Benefit Programme, which gives colleagues more opportunities to stay at our properties at reduced rates and enjoy their leisure time, whilst driving brand loyalty. In the Philippines we proudly extended our healthcare offer to allow single colleagues to cover dependent parents, reducing the burden of costly healthcare for many people, and in Singapore we have extended health cover to ensure that both locals and expatriates have the same access to private healthcare.



Being a responsible business continued

Our people continued

Attracting, engaging and developing our talent

Our approach to talent attraction

We are committed to attracting and retaining a skilled and broad workforce that fosters IHG's distinct culture across our global business. Our investments in technology have enhanced our recruitment capability, broadening our reach. This year we launched our Metaverse, which provides candidates with the ability to immerse themselves in our IHG experience through virtual events and interactive sessions. The IHG Academy Talent Attraction Programme remains committed to supporting hotels in future-proofing their frontline hiring needs by providing a comprehensive suite of career preparation resources, including career workshops, free online learning modules, and hands-on, in-person experiences. In 2024, IHG Academy attracted more than 43,000 participants (over 8,000 more compared to 2023).

We have evolved our IHG Careers website to improve user engagement, generating 5.6 million visitors in 2024, and amplified our social presence, garnering more than 11.3 million views of our employer brand globally during the year.

We have enhanced our candidate journey and have introduced a platform with conversational AI that engages talent beyond vacancies. Already launched to Early Careers, this platform will expand to support all GM and corporate opportunities, inviting a wider audience to explore a career at IHG.

Employee engagement survey

In our 2024 survey, our overall employee engagement stood at 87%, unchanged from last year, which once again saw IHG accredited as a Mercer Global Best Employer. The survey also highlighted areas of strength and where we can go even further. We have actions plans in place to further enable rapid and high-quality decision making.

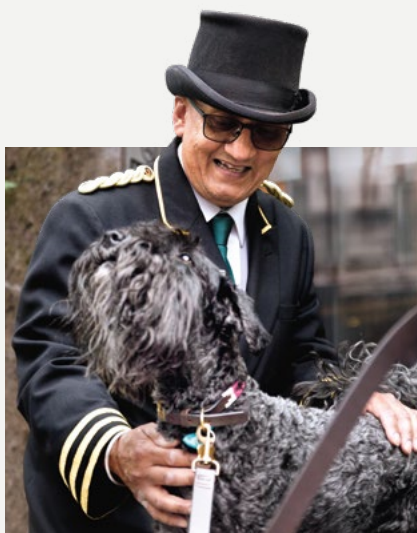
Building hotel talent

GMs are critical to the success of every hotel, delivering the brand promise and driving performance of the business every day. As a result, finding and retaining high-performing GMs is top of mind for our owners. To this end, we have strengthened our GM pipeline through various programmes, led by our accelerated talent programme Journey to GM. Delivering one cohort per year over four years, this programme has resulted in a talent pipeline of 195 hotel executives to support our growing properties, translating to more than 40% of GM placements in 2024 from graduates of this programme.

Our RISE programme, which began in 2018, continues to be another avenue for growing our GM pipeline, developing female leadership for our hotels and promoting careers at IHG. Since its inception, more than 300 women have graduated, and in 2024 we had 134 participants join our programme.

Room to Grow

Our employer brand includes our Room for You commitment, which is made up of three promises to support our people throughout their careers by giving them Room to Belong, Room to Grow and Room to Make a Difference. Our Room to Grow offering for our corporate colleagues has continued to evolve, with the focus being on how we encourage and support more effective career conversations. As part of this we have expanded our development resources, and these are now easily accessed through our newly launched internal careers microsite. We also hosted a Room to Grow Week for our corporate colleagues, supported through our partnership with Amazing If. The events in the week were attended live by more than 2,600 colleagues and were designed to bring to life resources available to help them plan their development.



Special guest, Penny, being welcomed by the doorman at Holiday Inn Kensington.



IHG colleagues celebrating
Pride Month.



We have also scaled our corporate onboarding platform (initially piloted in 2023 in four locations) to be available in most of our corporate offices. Further enhancements have included reducing the onboarding time from 100 days to 30 days to quickly help set new colleagues up for success and provide simple, effective guidance for managers, so they are ready to support their new team members from day one.

Investing in our learning and development

In 2024, IHG University marked its first anniversary of enhancing our learning offer for owners, hotels, and corporate colleagues.

Through collaboration with owner representatives, we have strengthened our owner learning solutions in critical areas such as financing, construction and pre-opening, all designed to empower owners to optimise asset performance, maximise their return on investment and build understanding of effective partnering with IHG.

In hotels, we have simplified the user experience, making it easier for learners to navigate our extensive learning solutions by introducing both new and streamlined guidance on learning standards organised by role. We enhanced learning technology to offer tracked On-the-Job Training, and provided direct access to hotel learning consumption data through IHG reporting.

We have also expanded access to our learning offer through a new mobile app, providing learners an alternative way to consume content.

Through our partnership with Skillssoft, we've seen an increase of more than 160% in consumption of IHG University content year-on-year for colleagues on property and above property around the world; 50% of that learning is accessed in non-English languages.

We also advanced the implementation of our Executive Development Programme, Leading for Growth, with 99% of IHG's Vice Presidents and above participating. This initiative encouraged senior leaders to reflect on their current leadership practices while exploring avenues for future growth and development, ultimately enhancing their ability to lead teams and navigate the external landscape.

Creating an inclusive culture where everyone can thrive

Creating a culture where everyone feels valued and able to thrive is fundamental to our ability to attract, develop and retain a broad range of talent with different experiences and backgrounds. This culture is supported by our Room for You promise, as well as our Global and Regional leadership boards, whose members meet several times a year to shape our priorities, monitor progress and ensure that we fulfill our commitment to creating an environment where all of our employees can develop and thrive. Recognising that each of our markets is unique, the boards work closely with regional teams to ensure that we drive development of our employees at the local level. Our culture has been an important thread across our business strategy for many years and is underpinned by our inclusion policy, which reflects the global nature of our business (<https://www.ihgplc.com/-/media/Files/I/Ihg-Plc/responsible-business/global-diversity-and-inclusion-policy-statement.pdf>).

Insights from our Colleague HeartBeat engagement survey's Inclusion Index are also among the ways we are tracking our culture. In 2024, the Index showed that 89% of employees considered IHG to have an inclusive culture.

Being a responsible business continued

Our people continued

In line with UK corporate governance requirements and recommendations, we remain committed to having leaders who represent the global nature and broad geographic spread of our business.

We have a gender-balanced employee population, of which 52%^a is female, and, globally, 36% of our leaders working at VP level and above are female (against an ambition of 39%

by 2025). In addition, Forbes has recognised IHG as one of the world's top companies for women.

As there is no universal definition of ethnic or racial diversity, we have worked with our local teams to agree a meaningful definition^b for each market so we can focus our efforts on increasing under-represented leadership.

Thanks to the self-disclosure of employees^c, we know that 22% of our global leaders working at VP level and above are racially or ethnically diverse, against a global ambition of 26% by 2025, and represent multiple nationalities.

We have identified the UK and US – where we have our largest populations of corporate colleagues – as markets in which we want to increase ethnic representation. We have set ambitions for the percentage of leaders working at VP level and above that are ethnically diverse in each market – 26% by 2025 in the US and 20% by 2027 in the UK. At the end of 2024, we stood at 18% in the US and 8% in the UK.

Our Employee Resource Groups (ERGs), which are employee organised, are central to creating and maintaining IHG's culture across the business. These groups bring together people of various backgrounds, experiences and skills and their allies to share perspectives and celebrate important cultural moments throughout the year, including Black History Month, International Day of Persons with Disabilities, International Women's Day and Pride Month.

As at 31 December 2024	Male	Female	Total
Directors	6	5	11
Executive Committee	6	4	10
Executive Committee direct reports	37	25	62
Senior managers (including subsidiary directors)	75	28	103
All employees (whose costs were borne by the Group or the System Fund)	5,326	7,261	12,587

a. All Corporate and Reservations employees plus GMs in managed hotels as of 31st December 2024.

b. Ethnically and racially diverse includes ethnic/racial minorities, as per government guidance in the US and UK (such as Black, Asian, mixed heritage and Hispanic (Latino for US)). We also count local leaders in markets such as Asia and the Middle East because they have historically been and continue to be under-represented in the most senior levels of business.

c. 87% of our leadership (VP and above) have self-disclosed globally.



We have continued to see significant growth of our ERGs and now have more than 5,000 members across 36 chapters.

Recognising our Culture

In 2024, recognition for the strength of IHG's workplace culture included IHG reaching 28th on Fortune's 100 Best Companies to Work For, alongside being certified as a Great Place To Work for the second year in a row. IHG also ranked eighth of 850 companies in the Financial Times Diversity Leaders 2025 and third out of 76 organisations by the EDI Maturity Curve by WiHTL and DiR.

We were also certified as one of Singapore's Best Workplaces 2024 and Greater China's Best Workplaces 2024 by Great Place To Work®.

To find out more on how we are creating a culture where everyone can thrive, read more in our 2024 Responsible Business Report (ihgplc.com/responsible-business).

Our approach to Wellbeing

We have increased the impact of our Room to Belong offering for our corporate employees by simplifying our wellbeing hub, increasing awareness of our global employee assistance programme, which is available 24/7, and continuing to encourage connections with our employee resource groups.

We also continue to invest in three recharge days for corporate colleagues throughout the year, where they are encouraged to focus on their wellbeing and recovery.

Celebrating IHG reaching 28th on Fortune's 100 Best Companies to Work For.



As at 31 December 2024

Directors

Executive Committee

Global VPs and above

UK VPs and above

US VPs and above

Ethnically
diverse

Total

4 11

2 10

50 224

5 59

23 125

Being a responsible business continued



Our communities

Our 2030 commitments

- Improve the lives of 30 million people in our communities around the world.
- Drive economic and social change through skills training and innovation.
- Support our communities when natural disasters strike.
- Collaborate to aid those facing food poverty.



2024 highlights

>2.3m^a

lives improved through our collective action and work with our charity partners

27

natural disasters responded to, supporting charities in critical recovery efforts

We have pledged to improve the lives of 30 million people by 2030, focusing on driving economic and social change through skills training and innovation, supporting communities during natural disasters, and collaborating to combat food poverty.

Achieving our pledge requires collaboration with guests, colleagues, and owners, as well as strong relationships with NGOs and community organisations. We work closely with our hotels, regions, and brands to create partnerships and initiatives that offer support through financial contributions, in-kind donations, and volunteering. We work with local organisations that are addressing specific needs, through to creating large partnerships to tackle broader social issues and drive meaningful action.

Local action and Giving for Good Month

Our commitment to improve lives is powered by our colleagues, who dedicate their time, skills, and passion to meet social needs in their communities. Activities span the entire year but every September, IHG colleagues participate in Giving for Good month for a focused month of action.

In 2024, more than 23,000 colleagues dedicated more than 79,000 hours to improve the lives of nearly half a million people – double the number from last year. Events spanned 84 countries and we worked with more than 1,450 charities.

More than 50 projects were selected as winners in our Giving for Good awards, which recognise the most impactful and inspirational projects globally.

Skills training

Launched in 2006, our IHG Academy aims to increase social mobility by enabling individuals to build essential skills for the workforce, and has provided training experiences to more than 190,000 people. In 2024, we refreshed our IHG Academy by introducing three newly branded programmes: IHG Discover, IHG Skills Builder, and IHG Career Launcher. During the year, more than 43,000 participants benefitted from work experience, internships, apprenticeships, and free online learning.

Number of people attending the IHG Academy^b

2024	43,285
2023	35,021
2022	8,909
2021	16,577
2020	3,277

a. The methodology IHG uses for “lives improved” focuses on the number of individuals directly engaged through IHG’s community impact programmes, using the Business for Societal Impact (B4SI) framework to assess IHG’s community investments, measuring inputs, outputs, outcomes, and long-term societal impacts.

b. 2021, 2022 and 2023 figures have been restated due to improvements in data collection and reporting.

IHG Discover connects us directly with communities through student workshops, providing insights into hospitality careers. In 2024, we hosted Discover Workshops across all our regions globally, with more than 13,000 participants.

Our Skills Builder platform, refreshed in 2024, offers more than 250 courses, and has increased registered users by more than 23,000. We continue to work with external partners to create bespoke content for their user groups designed to increase localised employment within hospitality.

The Career Launcher programme delivered more than 6,000 internships and 500 apprenticeships in 2024 to further develop future talent.

Disaster response

We take pride in supporting our communities during times of need and we have continued collaborating with various humanitarian aid partners worldwide to help their essential relief and recovery efforts.

In 2024, we responded to 27 natural disasters, from hurricanes in the US and floods in Europe, to typhoons in Southeast Asia and China. We work closely with charity relief experts CARE International and the American Red Cross, and for colleagues impacted by natural disasters, we activate the IHG Disaster Colleague Assistance Fund to provide short-term support to obtain food and secure living conditions.

Collaborating to aid those facing food poverty

Food insecurity remains a critical issue, with one in three people globally uncertain about their next meal. In 2024, we launched our global partnership with Action Against Hunger. By supporting the lifesaving work of one of the world's largest food NGOs and using the strength of our IHG Hotels & Resorts masterbrand to drive awareness of food shortages, we can take a significant step forward in helping provide food security around the globe.

Our existing partnerships with local food banks and charities also continue to thrive. In the US, we work with the food recovery and distribution company Goodr to recover and distribute excess food, donating 28,800 meals through the hotel food waste recovery programme since its launch in 2022. We are proud to have celebrated our sixth year of partnership with OzHarvest, a food rescue organisation in Australia. Throughout this time, we have broadened our collaboration to include various branches of the network in Japan, Vietnam and New Zealand.



We support the Red Cross in humanitarian emergencies, providing vital aid to those affected by disasters.

Action Against Hunger's mobile teams provide essential healthcare and nutrition support globally (image taken in the Darién region of Colombia).



Being a responsible business continued



Our planet

Carbon and energy – our 2030 commitments

- Reduce our energy use and carbon emissions in line with climate science.
- Implement a 2030 science-based target that delivers 46% absolute reduction in carbon dioxide emissions 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/optimise the role of renewable energy.

Contributing
to the following
UN SDGs



Carbon and energy

By actively pursuing decarbonisation and minimising our environmental impact, we create long-term value for our hotel owners and IHG. This enhances IHG's reputation and assists owners in managing rising operational costs, securing supply chains, and mitigating financial risks associated with climate change.

Our asset-light business model means that most of our hotels are owned by third parties, with more than 60% of emissions under our carbon target generated by franchisees. We are committed to supporting owners – many of whom are small business owners – in their decarbonisation efforts, and improving operational efficiency by providing a wide range of tools and resources.

In 2021, we set a target to reduce absolute Scope 1, 2, and Scope 3 (including energy from FERA and franchised hotels), by 46% by 2030 from a 2019 baseline, a goal validated by the Science Based Targets initiative (SBTi).

Our emissions reduction plan focuses on three key objectives: implementing energy efficiency measures in hotels; pioneering low-carbon hotels; and supporting hotels to source renewable energy. We prioritise operational changes that require minimal resources, followed by impactful energy efficiency projects, such as procuring renewable energy and implementing high-efficiency retrofits.

Decarbonising existing hotels is a significant challenge, especially considering that around 80% of the world's buildings projected to exist in 2050 are already built. To address this, we collaborate closely with our hotels to improve energy efficiency, providing resources and support. We have integrated energy conservation measures (ECMs) into our brand standards, focusing on those with paybacks under five years, and are developing additional standards tailored to specific regions and segments. Each property is assigned customised annual energy reduction targets, which are monitored as part of broader hotel performance metrics. These targets are tailored for the region and climate, supported by compliance reporting and a commitment to data quality.

To reinforce our commitments, we have aligned our Directors' Remuneration Policy with our decarbonisation strategy. Carbon measures are now part of our Long Term Incentive Plan (LTIP) for Executive Directors and senior leaders, linking decarbonisation targets to the adoption of ECMs in both new and existing hotels.

This integrated approach aims to drive meaningful change throughout the organisation.

In terms of new developments, we are working towards the goal of having our newly built hotels operate at very low or zero carbon emissions. Over the past three years, we have incorporated 17 ECMs into our new-build brand standards, most of which are also in place for our existing hotels. These target key areas such as kitchens, heating and cooling, lighting, and swimming pools.

In July 2024, we launched our Low Carbon Pioneers programme, which brings together energy-efficient hotels that do not combust fossil fuels on-site and are powered by renewable energy. This programme is the first of its kind in the industry, allowing IHG to test and share sustainability practices while inspiring more properties to adopt carbon reduction measures. Low Carbon Pioneer hotels feature sustainable solutions, including high-efficiency heat pumps and fully electric kitchens, and hold third-party sustainability certifications, such as Green Key.

Helping hotels access renewable energy can enable them to quickly reduce emissions, particularly in regions with carbon-intensive electricity grids.

Where credible renewable energy markets exist, we assist our managed hotels in negotiating renewable electricity contracts and several of our global offices, including our headquarters in Windsor in the UK and Atlanta in the US, are procuring 100% renewable electricity. While most of our hotels operate under franchise agreements, which limits our direct procurement capabilities, we strive to help hotel owners access renewable energy solutions where we can. Our Community Solar programme, available in select US states, allows hotels to subscribe to local solar projects, offering certified Renewable Energy Certificates and potential cost savings. Additionally, we are exploring on-site renewable energy options, particularly for hotels in remote areas.

Our ongoing commitment to decarbonisation has driven an 11.5% reduction in carbon emissions per available room and a 9.4% reduction in energy per available room in 2024 compared to 2019. However, the lack of a clean energy infrastructure in our markets, alongside the opening of more hotels around the world, means that total carbon emissions are up 7.2% since 2019.

InterContinental Kuala Lumpur's state-of-the-art solar panels.

As a result, despite our ongoing efforts, we are not on track to meet our 2030 target of 46% reduction. We remain dedicated to the actions we are taking to assist hotel owners in reducing carbon emissions and while our programmes will require time to scale, the actions we are taking today will improve operational efficiency of IHG hotels and prepare us for accelerated decarbonisation once market factors are more favourable.

By promoting supportive regulations and incentives, we aim to facilitate an operating environment conducive to sustainable practices, benefiting both the industry and our communities.

As proud members of initiatives such as the World Sustainable Hospitality Alliance (WSHA) and the World Travel & Tourism Council (WTTC), we share best practices and develop industry-wide sustainability tools.

+ See pages 64 to 67 for more details on our Transition Plan.



Waste – 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.**

Contributing
to the following
UN SDGs



Waste

With millions of guests visiting our hotels each year, we have a unique opportunity to promote more sustainable travel by minimising the impact of the products and services we offer. The world generates over two billion tonnes of waste annually, with more than a third not managed responsibly.

According to the United Nations Environment Programme, an estimated 8–10% of global GHG emissions are linked to food that goes uneaten.

Our goals and KPIs focus on actionable steps that empower hotels to effectively reduce waste.

This year, we have continued to implement action plans across our three regions, specifically aimed at eliminating single-use items, minimising food waste, and promoting circularity.

To support our efforts, our hotels have access to a Single-Use Items Toolkit, which provides a best-practice guide for reducing, reusing, replacing, and recycling single-use items.

Being a responsible business continued

Our planet continued

This globally available toolkit features examples from our brands and insights tailored to properties with varied waste management infrastructures.

Additionally, we have established brand standards focused on reducing plastic waste. In 2019, we became the first global hotel group to commit to replacing bathroom miniatures with full-size amenities, which has been incorporated into brand standards across all hotels worldwide. This year, we launched two new brand standards to eliminate plastic water bottles from guest rooms, meetings and events in all hotels across Europe by December 2025. To assist hotels in this transition, we created a guidebook outlining alternative solutions, such as water filtration systems and reusable bottles. Building on this progress, we plan to extend these standards to other EMEAA markets in 2025.

We are also collaborating with our suppliers to enhance sustainable options for guest-room amenities (such as toothbrushes, toothpaste, soap and combs). We began incorporating these options into our brand standards in EMEAA in 2022 and expanded the programme into Greater China this year. For our Premium and Essential brands in Greater China, guest-room amenities such as toothbrushes will now be made from post-consumer recycled plastic and packaged in bags made from sugarcane fibres. For our Luxury & Lifestyle brands, amenities will be crafted from bamboo, and the packaging is printed with soy ink and is FSC certified.

To further promote sustainable practices, we have strengthened guest-facing communications around sustainable amenities, encouraging responsible travel behaviours while offering certain items upon request to minimise waste. In Greater China, guests at participating hotels have the option to forgo the hotel's guest-room amenities during their stay to earn green energy points. This initiative is part of our collaboration with Ant Forest's tree-planting programme on the Alipay app, where users can accumulate virtual points for making low-carbon lifestyle choices. In 2024, we expanded the programme to 445 hotels across 11 brands and 116 cities.

For hotels undergoing renovations in the US, we launched a guide that provides them with tips and resources on handling major hotel commodity items to dispose of waste in an environmentally responsible way – recommending approaches and organisations with capabilities to manage these items, including potential opportunities to repurpose items through local donations.

To effectively combat food waste, we have implemented a comprehensive approach that focuses on training, monitoring, reducing waste at the source and donating surplus food whenever possible.

We have established global food waste training programmes for all regions and hotels, encouraging properties to actively monitor their food waste and take necessary actions.

Since launching in 2022, the e-learning module has been accessed by more than 2,700 hotels and over 53,700 courses completed by managed and franchised hotel colleagues. To track progress, hotels are encouraged to record daily food waste and report monthly totals into the IHG Green Engage environmental data management platform. The platform was enhanced this year, with an intuitive reporting dashboard that assists hotels to track their performance against peers. The initiative is also supported by back-of-house posters that provide easy-to-implement food-saving tips, standardised labels for food waste bins, and a detailed guide highlighting methods for reducing food waste.

To minimise single-use plastics and reduce waste at the source, our Holiday Inn Express hotels in the US are transitioning their Express Start® breakfast bars to bulk condiments, including reusable smallware for items such as jams, ketchup, and honey. This change not only lowers costs for hotel owners but also empowers guests to control their consumption, further supporting our goals to reduce food waste.

Additionally, we focus on donating surplus food whenever possible. Our collaboration with the Too Good To Go app in 119 hotels across Europe has successfully connected properties with customers looking to purchase unsold surplus food. In 2024, more than 41,000 meals were saved from going to waste, which increased by 33% from 2023, demonstrating growth in the number of hotels using the app and the meals rescued. For more details on how we support our communities through food redistribution initiatives, please see page 58.



Since our global food waste training e-learning module was launched in 2022, it has been accessed by more than 2,700 hotels and over 53,700 courses have been completed by managed and franchised hotel colleagues.

A number of voco hotels donated a proportion of their filtered water sales to Just a Drop, with funds supporting access to improved WASH facilities for more than 250 people in Trapeang Svay, Cambodia.



Water – 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.**

Contributing
to the following
UN SDGs



Water

As global water demand exceeds supply in many regions, it is vital for us to support hotels, particularly those located in areas experiencing high water stress or drought risk. By assisting these properties in adapting to their challenges, we can help minimise service disruptions, reduce water consumption, and contribute to the conservation of this invaluable resource.

Since 2019, we have been part of the UN CEO Water Mandate, which represents a commitment to six principles aimed at mobilising business leaders around water, sanitation, and the UN SDGs. As part of our involvement, we are members of the Water Resilience Coalition, which seeks to prioritise global water stress on the corporate agenda and preserve the world's freshwater resources through collaborative efforts.

Our focus is on reducing water use, mitigating water risks, and supporting communities in need of adequate WASH conditions. To achieve these goals, we are implementing regional action plans that emphasise awareness, conservation, and stewardship.

This regional approach enables us to effectively address the diverse water-related risks and opportunities that exist across different markets, ensuring that our efforts are both impactful and sustainable.

To assess water risks at all hotel locations based on usage-to-supply ratios, we use the World Resources Institute Aqueduct Water Risk Atlas. We disclose this information in accordance with the SASB framework, which includes details on water use in regions facing extreme and high water scarcity. This data, combined with our assessment of factors such as flooding, drought, and water depletion, informs our focus areas for effective water management.

We aim to improve water efficiency by implementing water reduction measures that we have integrated into our brand standards globally. These standards require hotels to install high-efficiency, low-flow aerated showerheads and taps by the end of 2025. On average, these measures can decrease water consumption by 11 litres per minute for showerheads and 3 litres per minute for taps.

We monitor our performance using Green Engage, our environmental data management platform, where hotels are required to regularly submit their water consumption data (for detailed water data, please refer to page 48 of our 2024 Responsible Business Report).

In 2024, our water intensity (m³ of water use per available room) decreased by 1.8% compared to 2019. We anticipate that as we implement water efficiency brand standards across our estate, this improvement in water efficiency will continue to grow. At the same time, our absolute water footprint has increased by 9% since 2023 due to our continued business growth.

In our Americas region, we are developing a comprehensive document for hotels to guide them in water conservation, which we plan to launch in 2025. In addition, we are actively evaluating solutions for water conservation and stewardship, with plans to conduct pilot programmes in 2025 to drive our progress towards our Journey to Tomorrow commitments. We will share key insights across the EMEAA and Greater China regions to inform their next steps.

We recognise that water issues impact local communities and so we also focus our water partnerships to align with our community impact commitments to ensure that we are targeting initiatives that have dual benefit. For more on how we support our communities, see page 58.

Being a responsible business continued

Transition Plan

Addressing climate change is a shared responsibility that extends to all businesses. As a leader in our industry, we are committed to operating sustainably and supporting global efforts to combat this critical issue.

Reducing our emissions

By taking action on climate change, we can reduce our environmental footprint, strengthen resilience to future risks, and meet growing demands from guests, investors, and colleagues for responsible and sustainable practices.

Our work to reduce emissions across our business focuses on three principal objectives: implementing energy efficiency measures in hotels; pioneering low-carbon hotels; and supporting hotels to source renewable energy.

Our fee-based, asset-light business model allows for rapid growth of our hotel estate and higher returns with lower economic risk, but it also means we have limited control and influence over a significant proportion of the emissions generated across our business.

More than 60% of the emissions covered under our carbon target are generated by our franchisees. We are committed to working closely with them, many of whom are small business owners, to support their efforts in decarbonising their properties and improving operational efficiency.

1. Implementing energy efficiency measures in hotels

We work with owners and hotel teams to provide them with essential training, tools and resources to help maximise their energy efficiency (see page 65 for details).

To encourage uptake of the emission reduction options available, we have modelled the financial impacts of each for our third-party hotel owners and teams. That starts with changes requiring minimal resources.

Options include end-of-life equipment replacement, high-efficiency retrofits and electrification measures.

Additionally, we've continued to integrate ECMs into our brand standards, focusing on those with paybacks under five years and tailored to specific regions and segments. In the past three years, we have implemented 17 ECMs into our new-build brand standards, supplementing the ECMs already in place for our existing hotels. These will reduce the energy used in our hotels in several key areas, including kitchens, heating and cooling, lighting and swimming pools.

Our Transition Plan

	2019	Short-term	Mid-term	2030
Primary decarbonisation levers	Plan	Act	Scale	
1. Implementing energy efficiency measures in hotels	<ul style="list-style-type: none"> Energy and carbon modelling to identify decarbonisation pathways and that integrate business growth plans. Return on investment analysis of energy efficiency measures, considering regional market variations. 	<ul style="list-style-type: none"> Implementing energy conservation measures in all existing and new-build hotels, prioritising those with a return on investment under five years, supported by brand standards, hotel level energy metric and LTIP remuneration targets. Investing in tools and training, like the Hotel Energy Reduction Opportunities (HERO) tool and the Green Engage platform, to help owners with decarbonisation initiatives. 	<ul style="list-style-type: none"> Continue to increase hotel adoption of ECMs. Partner with organisations that can incentivise hotel owners to adopt ECMs with longer payback periods. 	
2. Pioneering low-carbon hotels	<ul style="list-style-type: none"> Develop a definition of a very low or zero operational carbon building to guide development of future IHG hotels. 	<ul style="list-style-type: none"> Development of our Low Carbon Pioneers programme to increase the number of hotels that operate at very low or zero carbon to help us test, learn and share findings on carbon reduction measures. 	<ul style="list-style-type: none"> Test, learn, and share findings to promote the wider adoption of carbon reduction practices, and increase the number of hotels operating at very low or zero carbon. 	
3. Supporting hotels source renewable energy	<ul style="list-style-type: none"> Understanding availability of renewable energy at scale. 	<ul style="list-style-type: none"> Transitioning to renewable energy through mechanisms such as green tariffs, community solar and on-site renewable generation, where commercially viable. Identifying financial mechanisms to support widespread adoption of on-site and off-site renewables. 	<ul style="list-style-type: none"> Scale access and adoption of renewable energy as markets deregulate. 	

To drive further action, we integrate annual energy reduction targets into our broader hotel performance monitoring processes. Tailored by region, brand, and climate zone, these energy reduction targets are complemented by reporting compliance goals and a focus on verifiable data to enhance quality and transparency.

Internally, we reinforce our commitments by aligning our Directors' Remuneration Policy with our people, communities, and planet strategic priorities. We have incorporated carbon measures into the LTIP for our Executive Directors and senior leaders. This alignment includes specific targets related to decarbonisation actions. By integrating these strategies, we aim to create a cohesive approach that drives meaningful change across all levels of the business.

2. Pioneering low-carbon hotels

To support the future development of IHG hotels, we aim to test, learn, and share insights on innovative approaches that can accelerate our efforts and inspire broader adoption of carbon reduction practices across our estate. We have collaborated with technical experts to establish a definition of a low-carbon building, and in July 2024, we launched our Low Carbon Pioneers programme. This programme brings together energy-efficient hotels that have no fossil fuels combusted on site^a and are backed by renewable energy. This group of low operational carbon hotels is the first of its kind in the industry with the ambition to inspire other properties to join the programme and help encourage wider adoption of carbon reduction practices.

Each Low Carbon Pioneer hotel will have an operational sustainability certification, such as Green Key, or sustainable building certification, such as LEED, BREEAM or EDGE. A hotel has 12 months upon opening to achieve this certification. To track and measure their energy data, Low Carbon Pioneer hotels will use IHG's Green Engage environmental platform.

As part of the programme, we are also developing a low-carbon ready group of hotels in preparation for when it becomes possible to fully back all energy with renewables in countries or districts where this is not currently available.

3. Supporting hotels source renewable energy

Helping hotels access renewable energy can enable them to quickly reduce emissions, particularly in regions with carbon-intensive electricity grids. We are actively exploring options for how we can facilitate renewable energy options for owners, and we are mapping opportunities globally, prioritising procurement in mature markets where we have a significant presence. We also apply insights from emerging markets to enhance our approach.

Although most of our hotels operate under franchise agreements, limiting our direct procurement opportunities, we strive to assist hotel owners in accessing renewable energy. A notable initiative is our Community Solar programme, active in select US states such as Maryland, Illinois, Maine and New York. This programme allows hotels to subscribe to local solar projects, receiving Green-e® certified Renewable Energy Certificates and discounts on their electricity bills, resulting in up to a 10% reduction in costs.

Where credible renewable energy markets exist, we assist our managed hotels in negotiating renewable electricity contracts and several of our global offices, including our headquarters in Windsor in the UK and Atlanta in the US, are procuring 100% renewable electricity. We continue to explore the delivery of a broader renewable energy programme that can be accessed by a wider range of our hotels.

Support for owners

Choosing to partner with IHG offers our hotel owners access to the tools and resources (right) to build their knowledge, skills and awareness of ways to reduce their hotel energy consumption and reduce emissions.

Tools and resources to help our owners



Enhanced online environmental management platform

Every IHG hotel is given access to our IHG Green Engage system, our online environmental management platform, which helps hotel teams make greener choices, charts their progress, and measures and reports their energy, water and waste data. It also provides more than 200 green solutions to drive utility efficiency. Green Engage has been supporting our hotels to reduce their environmental impact since 2009. To ensure its continued success, we launched Green Engage 2.0 in 2024 to enhance the interactivity and usability of the platform, giving hotels better insights into performance against targets.



Carbon and energy training

Our hotel energy and carbon reduction e-learning modules advise hotel colleagues on how to reduce costs and drive revenue by providing effective strategies to reduce their hotel's energy use. These modules cover the global context, the commercial and competitive advantages of sustainability efforts, and what hotels need to do to meet their energy reduction targets. Checklists and 10-minute training guides are also available to help general managers implement the top no-cost energy saving behavioural changes within their teams.



Centralised data collection

IHG continues to invest in utility data acquisition solutions to improve data quality. This includes our collaboration with energy specialists to offer hotels a centralised data feed solution to collect utility information, which is then sent directly into the Green Engage system. The collected data enables improved analytics for hotels to drive efficiencies in utility management and strengthen hotel Requests for Proposals to corporate clients globally.



Energy reduction tool

The IHG HERO tool guides hotels on the most effective ECMs for their specific building. The tool provides indicative capital costs, energy reductions and payback periods for ECMs based on the hotel's facilities, climate and energy use. Since launching the tool in 2022, more than 740 hotels have used it to guide their capital spending. The tool is in all regions and launched in Greater China in 2024.



Incentives

We are supporting hotels to identify financial incentives available to them to help fund energy efficiency investments. Owners in our Americas region have free access to reports on tax incentives and utility rebates available to their hotels. We have also partnered with an 'energy efficiency as a service' supplier that can provide financing, installation and maintenance of ECMs and then shares the energy cost savings with the hotel.

a. Except for backup generators that fall below 5% of the hotel's total annual energy consumption.

Being a responsible business continued
2024 transition plan continued

The external landscape

As a global leader in the hospitality industry, IHG is committed to driving sustainability and decarbonisation efforts across our operations. However, the landscape in which we operate presents challenges that are outside our control and influence our ability to achieve our goals.

Through partnerships with organisations such as the World Sustainable Hospitality Alliance (WSHA) and the World Travel & Tourism Council, we contribute to industry-wide initiatives and by collaborating with our peers, we harness collective expertise to enhance our environmental performance and decarbonisation efforts across the sector.

IHG has supported the WSHA with developing the industry’s Pathway to Net Positive Hospitality, and has contributed to tools for measuring sustainability. In 2023, IHG became a founding member of the Hospitality Alliance for Responsible Procurement (HARP). HARP 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.

Using our global scale, we actively engage with external stakeholders to support hotel owners, including to reduce operational costs, boost revenue and meet industry standards for sustainability, ultimately benefiting both the industry and our communities.

However, the majority of the countries that IHG operates in do not have national net zero policies, which are crucial to providing infrastructure and incentives to support IHG’s decarbonisation target.

The key external factors at the macro and industry level that impact the speed at which IHG is able to decarbonise are outlined below.

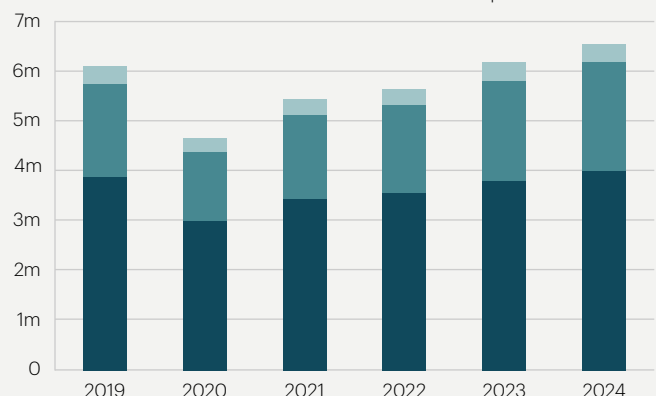
Macro factors		
<p>Energy infrastructure</p> <p>High electricity costs can reduce the business case for electrifying hotels, making it harder to shift to cleaner energy options.</p> <p>Availability of renewable energy sources and grid capacity for clean energy adoption impact decarbonisation.</p>	<p>National regulations</p> <p>National and local environmental laws, taxes and standards can have a significant impact on the pace and scope of the achievement of our carbon reduction commitments.</p>	<p>Carbon accounting standards</p> <p>Current lack of clarity and confidence in future carbon accounting and certification rules, such as the use of market-based solutions like Renewable Energy Certificates, inhibits effective business planning.</p>
Industry factors		
<p>High cost of retrofits</p> <p>Retrofitting buildings for energy efficiency (such as through heating, ventilation and air conditioning (HVAC) or insulation upgrades or on-site renewable energy installations) can be costly and disruptive, slowing decarbonisation efforts.</p>	<p>Technology and innovation</p> <p>Limited availability, maturity and costs of low-carbon technologies (such as building materials, efficient lighting and HVAC systems) affect the ability to implement decarbonisation solutions.</p>	<p>Employee turnover</p> <p>The hotel industry faces high employee turnover, making it harder to maintain consistent sustainability practices with high levels of retraining required.</p>
Value chain factors		
<p>Franchise business model</p> <p>Many hotel franchisees are small business owners with limited resources and access to credit, making it harder to invest in costly decarbonisation efforts. They might not face the same regulatory or investor expectations concerning carbon performance as IHG does.</p>	<p>Supply chain emissions</p> <p>The carbon footprint of suppliers can play a significant role in a hotel’s overall emissions. Procurement of hotel goods and services, such as energy, operating supplies and equipment, food and beverage, furniture, predominantly occurs at local hotel level and are purchased by our franchisees.</p>	<p>Market demand</p> <p>Guest preferences for sustainable practices and eco-friendly products and services can impact the pace at which a business decarbonises.</p>

Our carbon performance as a growing business

Our ongoing commitment to decarbonisation has driven an 11.5% reduction in carbon emissions per available room and a 9.4% reduction in energy per available room in 2024 compared to 2019. However, the lack of a clean energy infrastructure in our markets, alongside the opening of more hotels around the world, means that total carbon emissions are up 7.2% since 2019.

GHG emissions

Tonnes of CO₂e market-based



Our target

In 2021, we set an ambition to reduce absolute Scope 1, 2, and Scope 3 (including energy from FERA and franchised hotels), 46% by 2030 from a 2019 base year. This target received validation from the Science Based Targets initiative (SBTi) to align with climate science.

Having an ambitious target has been a catalyst for driving change, providing us with a clear goal to work towards. It has fostered a culture of accountability and innovation, motivating our teams to develop new strategies to meet our objectives and collaborate across departments and with external partners.

Since setting our target, we have undertaken extensive work to map out the pathways to achieve it, identifying key initiatives to drive progress, focusing on the areas we can control and influence. However, some of the key external enablers that we anticipated would support our efforts have not materialised as expected:

- A challenging global economic environment coming out of the Covid-19 pandemic has hindered owners' ability to invest in initiatives.
- Grid decarbonisation has been slower than anticipated.
- There remains uncertainty regarding future consumer demand for higher-priced sustainable good and services.
- Limited access to suitable renewable energy options that are scalable. For example, current market conditions and available risk mitigation strategies for virtual Power Purchase Agreements do not make these a suitable option for IHG's asset-light business model – which typically does not involve responsibility for hotel-level energy procurement.

To be able to achieve our 2030 targets, several significant external shifts would be required, such as the development of a reliable clean energy grid across all our geographies and a commercial and operating landscape that supports energy efficiency and carbon reduction.

Another critical factor is addressing the substantial pricing differences between electricity and gas, this gap must be narrowed to make renewable energy more competitive and financially viable. For example, in the UK, electricity is around four times the cost of gas per kWh. Furthermore, advancements in market conditions and technology are essential, particularly in terms of lowering costs and increasing the availability of high-impact ECMs that can significantly reduce emissions.

Unfortunately, these necessary shifts are beyond IHG's control and are unlikely to occur quickly enough. As a result, despite our ongoing efforts, we are not on track to meet our 2030 target. We remain dedicated to the actions we are taking to assist hotel owners in reducing carbon emissions, including by the following means:

- We will continue to drive and constantly reassess initiatives across our decarbonisation pillars to maximise our impact, and we remain dedicated to the actions we are taking to assist hotel owners in reducing carbon emissions. While our programmes will require time to scale, the actions we are taking today will improve operational efficiency of IHG hotels and prepare us for accelerated decarbonisation once market factors are more favourable.

- Leveraging our scale and market position, we will strive to influence change across the hospitality industry. We are committed to sharing our learnings and best practices with industry peers and stakeholders to foster collective progress towards sustainability goals.
- We will also maintain ongoing, transparent reporting against our existing targets. This accountability is crucial for tracking our progress and identifying areas for improvement.

The sustainability standards landscape is rapidly evolving, making it essential for us to reflect on the implications for IHG. This includes re-evaluating our carbon reduction target and conducting a thorough review of emerging industry standards, as well as anticipated updates to carbon accounting standards, target validation criteria and evolving technologies. Focusing on how IHG can control and influence our decarbonisation efforts will also be essential, as these considerations will significantly shape our strategies and ensure that our initiatives remain relevant and effective across the regions and communities we serve.

Being a responsible business continued

Delivering on the recommendations of TCFD

Compliance with Listing Rule 6.6.6R(8)

Our Task Force on Climate-related Financial Disclosures (TCFD) reporting for 2024 is integrated into our Annual Report, and is consistent with the Companies Act requirements and the London Stock Exchange (LSE) Listing Rule 6.6.6R(8). This includes consistency with all 11 TCFD recommendations and their corresponding recommended disclosures.	The disclosures are supplemented by additional content within the 2024 Responsible Business Report. The table below provides a cross-reference for where this information can be found across these documents.	An update on this ongoing work will be provided in our next Annual Report, under strategy disclosures (b) and (c) of the TCFD framework.
	To enhance our disclosure further, we are strengthening our processes for identifying and assessing the impacts of climate-related risks and opportunities across short-, medium-, and long-term timeframes.	

TCFD section and summary of recommended disclosure	Pages
Governance: Disclose the organisation’s governance around climate-related risks and opportunities	
a) The Board’s oversight of climate-related risks and opportunities.	See page 69 of our TCFD disclosure and 122 for an overview of Board oversight and governance, which includes climate change. Directors’ Remuneration Policy: ihgplc.com/investors/corporate-governance/directors-remuneration-policy
b) Management’s role in assessing and managing climate-related risks and opportunities.	See page 69 of this report.
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	See pages 71 and 72 for our climate-related risks and opportunities.
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	See page 70 for description of impact and pages 36 and 37 for an overview of IHG’s four strategic priorities, including ‘Care for our people, communities and planet’. See pages 64 to 67 for more on our decarbonisation strategy and performance.
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	See pages 70 to 72 of this report. See how the business balances opportunities for strategic advantage or efficiency with the need to remain resilient and agile in the short and longer term, including climate change, on pages 44 and 45.
Risk management: Disclose how the organisation identifies, assesses, and manages climate-related risks	
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	See page 70 for details of how we develop scenarios to evaluate transition and physical risks and opportunities and pages 71 and 72 for the current assessment. See pages 44 to 51 for details on how we evaluate principal risks, including climate change.
b) Describe the organisation’s process for managing climate-related risks.	See pages 70 and 44 to 51 which details how we consider climate-related factors within our broader risk management discussions, current risk management and strategic responses to build business resilience, and illustrative key management controls.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	See pages 44 to 51 which shows the impact of climate-related physical and transition risks as one of our 10 principal risks, noting that climate-related uncertainties are also evaluated as an integral part of other principal risks.