



Modern Slavery Statement 2019

This statement has been written in accordance with the requirements of the UK Modern Slavery Act 2015. This is IHG's fourth Modern Slavery Statement and reflects the progress we have made during 2019.

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Modern slavery is a crime which affects millions of men, women and children globally.

Recognising its complex nature, we partner with a range of stakeholders to drive change in our industry and continuously improve our programme to better address evolving human rights risks.

”

Our commitment to respecting human rights

Modern slavery is a terrible, often hidden, crime. In accordance with the UK Modern Slavery Act 2015, it includes slavery, servitude, forced and compulsory labour and human trafficking. Combating modern slavery and other human rights abuses is an ongoing commitment at IHG, and we continue to develop our policies and processes in support of this.

We understand the importance of ensuring that the human rights of all our colleagues, guests and communities are protected, and continue to encourage those we do business with including our suppliers, owners and franchisees, to prevent, mitigate and address adverse impacts on human rights, including modern slavery.

As a global leader in the hospitality and tourism sector, we believe we have an opportunity to affect positive change in people's lives. We seek to advance human rights through our business activities and by working together with others to identify challenges and are committed to ongoing human rights due diligence.

Keith Barr, CEO

Latest Milestones: A Timeline

2019

Following the human rights impact assessment, we focused on:

- updating our human rights policy
- updating our supplier code of conduct
- progressing the supply chain audits
- starting the market-level assessment pilot
- launching a new human trafficking e-learning

2018

Announced the Responsible Business Targets for 2018-2020, including a responsible procurement target.

Commissioned Article One to complete a human rights impact assessment.

Contributed to drafting and committed to ITP's Forced Labour Principles.

2017

IHG Code of Conduct updated to include a zero-tolerance approach to modern slavery.

2014

Introduced the IHG Human Rights Brand Standard.

2013

Commissioned Maplecroft to complete a human rights risk assessment.

2015

Launched the human rights e-learning which included modern slavery.

2016

Developed on-property modern slavery and human trafficking materials.

Committed to ITP's human rights goals.

2011

IHG becomes member of International Tourism Partnership (ITP) Working Group on Human Trafficking.

2010

IHG becomes a signatory to the UN Global Compact, aligning our operations and strategies with the 10 universal principles.

2009

Publication of IHG's Human Rights Policy.

Please see IHG's previous [Modern Slavery Statements](#) for information on pre-2017 milestones.

Our business and supply chains

IHG® is one of the world's leading hotel companies, with a diverse portfolio of 16 hotel brands operating in more than 100 countries. As an asset-light business, we focus on franchising and managing hotels, working closely with independent third-party hotel owners. Having a predominantly franchised estate means that most of the people working in IHG-branded hotels are employed by third-party hotel owners, rather than by IHG directly.

We also have some areas where we have outsourcing arrangements in place. For example, at the corporate level, we outsource some of our call centres and technology support services, as well as some cleaning/ facilities and management/ catering at some of our corporate locations.



100+

Countries



5,903

Hotels

4,870

Franchised hotels

1,033

Managed hotels



VOCO



ATWELL SUITES®



HOTEL INDIGO



REGENT



KIMPTON
HOTELS & RESTAURANTS



3

HQ and regional offices

33

Shared services centres/ Local offices



9,636

IHG employees*

4,800

IHG employees- System Fund**

22,207

GMs and other hotel staff***

400k+

IHG colleagues

For more information on IHG's subsidiaries, please see pages 199-200 in our [Annual Report and Form 20-F 2019](#).

*people worldwide (including those in our corporate offices, central reservations offices and owned hotels (excluding those in a category below)), whose costs were borne by the Group

**people who worked directly on behalf of the System Fund and whose costs were borne by the System Fund

***General Managers and (in the US predominantly), other hotel workers who work in managed hotels, who have contracts or letters of service with IHG and whose costs are borne by those hotels

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Markets



Our supply chain activities can be split into two categories – corporate supply chains and hotel supply chains.

Our corporate supply chains cover items such as technology and professional services. Procurement of goods and services at hotel level covers items required for opening, renovating and operating a hotel, such as food and beverage, furniture, linen and electrical goods. Procurement predominantly occurs at the local hotel level, with hotels, whether franchised or managed, typically responsible for managing their own independent supply chains.

3,668

Supplier Code of Conduct



In certain cases, IHG provides a centralised procurement programme for both managed and franchised hotels, such as IHG® Marketplace in the Americas region (for USA, Canada, Mexico) and IHG Mall in Greater China. IHG also provides some procurement support and leverages procurement platforms for managed hotels in our EMEAA region (Europe, Middle East, Africa and Asia).

Supplier categories



Energy
Food & Beverage
Furniture, Fixtures &
Equipment

Travel
Operating Supplies &
Equipment
Maintenance, Repair &
Operations

Commercial & Technology
Marketing
Professional Services
Human Resources
Real Estate

Our Code and Policies

As part of our commitment to responsible business, we have a number of Group-wide policies and procedures in place which help govern our approach to human rights and modern slavery. It is very important to us that our policies are accessible, which is why we have translated them into multiple languages and made them available to all IHG-branded hotels via our company Intranet. The policies are also publicly available at www.ihgplc.com.

Failure by colleagues to work in accordance with IHG's Code and policies is treated seriously. This may result in disciplinary action being taken which, in some cases, may include dismissal in accordance with our internal policies and local labour and employment laws.

Code of Conduct

The **IHG Code of Conduct** (Code) sets out the principles we must all work by at IHG, wherever we are in the world. All colleagues working in IHG corporate offices, reservation centres and managed hotels must comply with the Code and the policies and procedures it refers to. However, the principles, spirit and purpose of the Code are relevant to all of IHG and we expect those we do business with, including our franchisees, to uphold similar standards.

The Code reinforces our values – a set of everyday behaviours based on principles that are important to our colleagues and our guests.

It also sets out our zero-tolerance approach to human rights abuses, including forced labour, any form of modern slavery or the exploitation of children.

Our Values



Work better together



Do the right thing



Show we care



Celebrate difference



Aim higher



IHG predominantly operates a franchised business model, whereby third parties can own and operate IHG-branded properties around the world. We require owners to operate in compliance with all applicable laws and regulations and expect owners to conduct their business in an ethical manner.

To assist franchisees in meeting this expectation, IHG makes various resources available including human rights training and guidance, and is committed to working with and encouraging our owners and franchisees to prevent, mitigate and address adverse impacts on human rights, including modern slavery.

Human Rights Policy

In 2019, with assistance from a specialist business and human rights consultancy, Article One, we significantly updated our **Human Rights Policy**. The Policy sets out our commitment to respecting human rights in accordance with the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work. Our approach is also informed by the Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development (OECD), the UN Global Compact and the UN Guiding Principles on Business and Human Rights (**UN Guiding Principles**).

We recognise that human rights due diligence is an ongoing commitment, and our Policy identifies key risk areas and those areas where IHG has an opportunity to help develop and influence the protection of human rights.

IHG's Human Rights Policy condemns and prohibits any form of human trafficking including the commercial sexual exploitation of children and emphasises our commitment to compliance with all applicable laws and regulations regarding the prevention of human trafficking.

Following IHG's public commitment in 2018, the International Tourism Partnership's (ITP) Forced Labour Principles have also been explicitly incorporated into our Human Rights Policy. The

Principles are:

1. Every worker should have freedom of movement. The ability of workers to move freely should not be restricted by their employer through abuse, threats and practices such as unlawful retention of passports and valuable possessions.
2. No worker should pay for a job. Fees and costs associated with recruitment and obtaining employment should not be paid by workers.
3. No worker should be indebted or coerced to work. Workers should work voluntarily, be informed of their employment terms and conditions in advance without misrepresentation and paid regularly as agreed and in accordance with any applicable laws and regulations.

We also have an IHG brand standard which requires all IHG-branded hotels to adopt the IHG Human Rights Policy or an equivalent human rights policy. As further described below, a range of guidance and training materials is available to hotels to support this.

Supplier Code of Conduct

IHG's Supplier Code of Conduct was also updated in 2019 and sets out the standards under which IHG suppliers are expected to operate.

Under the Supplier Code of Conduct, IHG suppliers are expected to support the

protection of human rights through their business activities with respect to forced labour and human trafficking, child labour, freedom of association, non-discrimination, and safety and security of the working environment.

IHG expects suppliers to adhere to these standards both within their own business and across their supply chains. Whilst we aim to work with suppliers to resolve any issues identified, material breaches of the Supplier Code of Conduct may lead to termination of a supplier's contract with IHG. Our suppliers are required to confirm their acceptance of our Supplier Code of Conduct at supplier on-boarding stage, in addition to it being a requirement of our contracts.

Reporting concerns

IHG is committed to proactively avoiding human rights infringements within our sphere of influence. However, where we have caused or contributed to adverse human rights impacts, we are committed to providing effective remedy.

We have a confidential reporting process which encourages colleagues to report any ethical concerns or breaches of the IHG Code of Conduct, including in relation to human rights and modern slavery. This channel is available to all our hotels (including franchised hotels) and corporate colleagues and can be used by any person with a relationship to IHG, including our third-party suppliers. We do not permit retaliation against employees making good faith

reports of suspected breaches of the IHG Code of Conduct or IHG policies, even if it may result in a loss of business to IHG.

Other IHG policies which are relevant to our human rights programme include:

- Anti-bribery Policy;
- Global Diversity and Inclusion Policy; and
- Supporting Our Communities Policy.

Our due diligence processes

To help manage and monitor our corporate supply chain, an automated procurement system is used across many of our large corporate offices. In addition to acknowledging adherence to IHG’s Supplier Code of Conduct, new suppliers being onboarded to the system are required to complete due diligence questionnaires, which include information on human rights, labour, environment, and anti-corruption.

We also carry out risk-based due diligence and compliance checks on all new third-party owners with whom we are entering managed and franchised hotel agreements. This includes the use of automated screening and monitoring tools and the provision of guidance for our legal, franchise administration, and development teams. Escalation criteria apply which ensures that a central committee of senior IHG decision-makers consider and review any material issues.

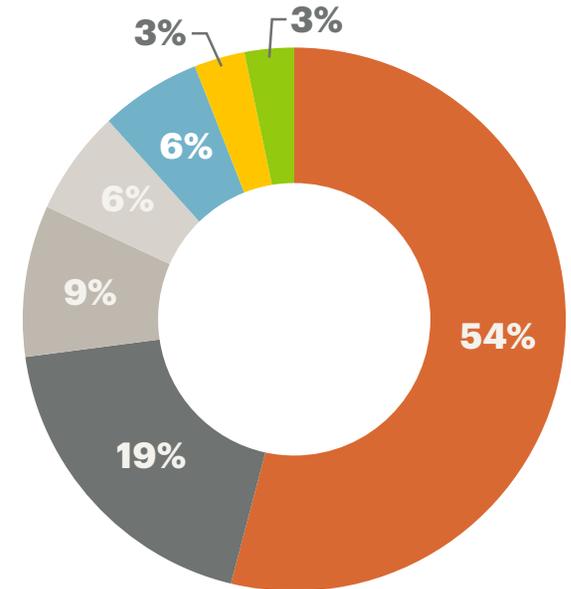
This explicitly includes human rights concerns or allegations such as those related to human trafficking or forced or child labour. Contingent on any risks or concerns identified, external legal or consultancy expertise may also be utilised, including with respect to entry into new markets where necessary.

Risk assessment and management

Supply chain audits

In 2019, we continued making progress with our supplier risk assurance programme pilot, with the support of the British Standards Institute. As part of the introductory pilot stage which began in 2018, we issued a desktop-based risk assessment questionnaire to all 265 IHG Marketplace suppliers to help us understand their governance, human rights and environmental practices. Topics covered in the assessment included questions related to forced labour such as recruitment practices and retention of identity documents.

In 2019, we continued progress by reviewing suppliers’ responses and categorising them based on their risk profile. We will continue working together on managing supply chain risks related to sustainability (including human rights) with IHG Marketplace suppliers and look to expand the scope to beyond this group in the next phase of our programme. The initial pilot phase has been an important step in understanding our supply base in more detail.



Procurement categories of suppliers included in the pilot audit

- Furniture, fixtures and equipment
- Miscellaneous
- Hotel operations
- Power and utilities
- Technology
- Distribution
- Food and beverage

Market-level assessment



Following IHG's 2018 human rights impact assessment, we have focused on strengthening our country-level due diligence on human rights labour risks. The aim was to ensure the effective implementation of policies and procedures, while identifying best practices and areas for improvement, especially in relation to migrant workers.

We engaged with Article One to pilot this type of assessment in Oman. The first phase of the assessment involved reviewing regional IHG policies and local laws/ regulations to better understand the regulatory environment.

In phase two of the assessment in 2020, input will be gathered from a range of stakeholders including hotel leadership and colleagues, and external stakeholders, such as local and international NGOs, to outline how to further embed ITP's Forced Labour Principles in the market-level recruitment and labour practices. This phase will also help us understand the breakdown of the workforce, such as percentage of migrant workers and key source countries.

Risk assessment

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

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

The impact assessment found that IHG has systems in place to manage multiple human rights risks. Notably, our Code of Conduct addresses risks related to Diversity & Inclusion, Respect in the Workplace, Safety and Security, Political Activities and Human Rights. Many of these commitments are further supported by specific policies and processes. In addition, IHG has invested in efforts to tackle human trafficking and harassment of workers by guests.

However, the assessment also identified areas where IHG can improve its management of human rights risks. This includes: focusing on further due diligence related to the management of labour risks and, in particular, migrant labour and responsible recruitment risks; and human rights risks present in the

wider IHG business ecosystem including related to hotel construction and development.

We are using the findings from the impact assessment to develop our human rights strategy and have already undertaken a number of actions in 2019, including updating our Human Rights Policy and the roll-out of additional training and guidance for our corporate offices and IHG-branded hotels (as further set out in this Statement).

With the assistance of external specialist consultancy, Article One, we are undertaking a recruitment and labour practices assessment to support IHG in better managing global risks related to recruitment and labour practices. This comprises:

- **labour gap analysis** – assessing the alignment between IHG's global, regional and country-level policies with reference to prominent forced labour principles: ITP's Forced Labour Principles and the Dhaka Principles for Migration with Dignity; and
- **market-level assessment** – conducting a market-level assessment in a pilot country, including interviews with local staff and civil society. We recognise that migrant workers can be particularly vulnerable with respect to some human rights risks and the assessment will particularly look at the experiences of migrant workers working on-property in our hotels including recruitment and labour practices.

The outcomes from this will be used to develop a labour and recruitment risk strategy for IHG’s owned and managed hotels and to develop priority topics for engagement with franchisees.

Please see IHG’s previous **Modern Slavery Statements** for a summary of risk assessment activities undertaken prior to 2018.

Training and awareness

IHG-wide engagement

Our commitment to respecting human rights and combating modern slavery is made clear to colleagues as soon as they start working for IHG through the Code of Conduct e-learning module. In addition to other core topics, this contains summary information on our approach to human rights and modern slavery, including where to go for further details and guidance. Completion of this training is an annual requirement for all corporate and central reservation office employees and all colleagues in IHG owned and managed hotels. In 2019, to improve engagement and accessibility, we added new functionality to our online learning system so that email reminders are automatically generated when the module is required to be completed. As at 31 December 2019, over 68,000 colleagues, including all our Board and Executive Committee, have completed the training.

Following our human rights impact assessment, we have been developing our approach to

human rights-related training to focus on those colleagues and parts of our business where human rights impacts are likely to be greatest. In 2019 we made available a new, free training for all IHG-branded hotels and corporate colleagues called ‘Preventing Human Trafficking’.

Over



Source: **Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, Geneva, September 2017**

The training, which was developed by leading NGOs ECPAT-USA and Polaris, is designed for frontline hotel colleagues and explains what trafficking is and how to spot the signs and encourages hotels to report suspected trafficking cases to authorities. It is also important for corporate colleagues, particularly those who work with our hotels to be aware of human trafficking risks and our commitment to

combat it. To-date, over 44,000 corporate and hotel colleagues have completed the training.

Raising awareness among our colleagues of responsible purchasing with procurement best practice is fundamental to our success. In 2019, we launched an education programme on responsible procurement to increase colleagues’ ethical supplier awareness. The programme has commenced with an education on what responsible procurement is, including raising awareness of supply chain risk and the considerations that colleagues need to be aware of.

Hotel-level engagement

In addition to the suite of materials referenced above, we have a training session on human rights, modern slavery and human trafficking for use by our hotels to provide face-to-face training to colleagues. All hotels, whether owned, managed or franchised, can access this information in multiple languages.

We continue to work closely with colleagues in operational roles to provide enhanced training, raise awareness of the available tools and review operational procedures to mitigate any identified risks where necessary. For example, for the 2019 Japan Rugby World Cup, operational procedures were enhanced to better equip local hotel colleagues to respond to the variety of risks, such as human trafficking and sexual harassment, that accompany such major events. In the UK, we also engaged with the London Metropolitan Police as part



of its 'Operation Makesafe' initiative aimed at raising awareness of the risks of child sexual exploitation within the hospitality, transport and licensed premises trades. In advance of the 2020 Super Bowl in Miami, IHG intensified communication and work with area hotels to ensure colleague completion of the company's anti-human trafficking training. We have also partnered with non-profit organisation It's a

Penalty on a variety of activities designed to educate guests and increase awareness of the issue of human trafficking before the event.

Important dates such as Anti-Slavery Day (18 October 2019) and International Human Rights Day (10 December 2019) are also targeted by our communications teams to raise internal awareness by highlighting the role that hotels

can play in combating modern slavery and human trafficking and the materials available to all IHG-branded hotels on this issue.

Working together – Governance

The Corporate Responsibility Committee of the Board of Directors is responsible for reviewing our overall human rights work programme. The Executive Vice President, General Counsel and Company Secretary, is the sponsor of the programme and, with the support of the Business Reputation and Responsibility leadership team, reviews its overall direction. The Ethics & Compliance Team is responsible for coordination and management of the human rights programme. Cross-functional input on the programme is also provided by our Supply Chain Risk Council and Human Rights Working Group.

The Responsible Business Governance Committee was recently formed to support our Board and Executive Committee. This committee is made up of Senior Leaders from a range of functions who help drive an organisational approach to achieve our ambitions and external targets and commitments. In 2019, updates to the IHG Human Rights Policy were reviewed by the Responsible Business Governance Committee and Executive Committee, prior to approval by the Corporate Responsibility Committee of the Board.

Working together – Collaboration

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

We continue to support the needs of victims of modern slavery and human trafficking through working with local community partners such as the United Way of Atlanta (USA), Wellspring Living in Atlanta (USA) and Business in the Community (UK) to provide resources to help rescue and rehabilitate survivors.

 <p>International Tourism Partnership</p> <p>International Tourism Partnership – Human Rights Working Group</p>	<ul style="list-style-type: none"> Actively participated and provided input on the ITP/ ILO Qatar Project, aimed at improving migrant workers’ rights in Qatar. Collaboration with the GLAA (Gangmasters and Labour Abuse Authority) on designing a hospitality protocol for identifying and reporting forced labour cases in the UK.
 <p>The Prince’s Responsible Business Network</p> <p>Business in the Community</p>	<ul style="list-style-type: none"> Through our early careers employability programme, IHG Academy, we continue to support human trafficking survivors. We are helping provide people from all walks of life, including survivors of human trafficking, with hospitality skills to help them improve their livelihoods.
 <p>BSR</p> <p>Business and Social Responsibility (BSR)</p>	<ul style="list-style-type: none"> Regular attendance at BSR human rights working group meetings to consult with experts and cross-industry peers on best practice and challenges.
 <p>THE CODE .ORG</p> <p>The Tourism Child-Protection Code of Conduct</p>	<ul style="list-style-type: none"> IHG joined the Tourism Child-Protection Code of Conduct (The Code) in 2019 to benefit from ECPAT-USA’s expertise on addressing human trafficking and child sexual exploitation risks within the hospitality industry.
 <p>care</p> <p>Project with CARE International UK</p>	<ul style="list-style-type: none"> Following a review of our hotel supply chain, IHG has identified textiles as a priority supply chain commodity as they are widely present in our hotels. In partnership with CARE International UK and key suppliers to our hotels, we are exploring the social impacts that can be gained through creating more gender-inclusive workplaces through a detailed textiles supply-chain mapping and gender risk analysis exercise.

Our effectiveness and performance indicators

We use training figures and the number of suppliers who have signed our Supplier Code of Conduct to help measure our performance.

As at the end of 2019, over 44,000 colleagues had completed our anti-human trafficking e-learning and 3,668 suppliers had signed our Supplier Code of Conduct.

Over 44,000

colleagues completed the anti-human trafficking e-learning (June-December 2019)

Our 2018-2020 Responsible Business Targets also include targets dedicated to responsible procurement. These targets have been communicated in IHG's Responsible Business Report and include targets in relation to supplier audits and employee education on ethical supply matters.

IHG is on track for achieving these targets, for more details please see our [Responsible Business Report 2019](#).

Looking ahead

We believe that increased transparency in the way businesses are addressing risks is an important step in efforts to combat modern slavery.

As an organisation with a long-standing commitment to responsible business, IHG is focused on further developing our approach to human rights and combating modern slavery. Our priority areas for 2020 include:

- Continuing to drive awareness at hotel level of trafficking risks including use of hotels for sexual exploitation and developing our wider strategy to combat this risk
- Building on our pilot market-level assessment work ensuring we have appropriate policies and processes in place to address risks identified through this work (including specifically to address risks that migrant workers may face) and providing hotels with appropriate tools and resources on these topics
- Engaging with franchisees/ hotel owners on these topics (including in relation to construction and development of hotels)
- Mapping our workforce to understand

where we have high percentages of migrant workers and their country of origin

- Continuing to develop our supply chain risk assurance programme including addressing human rights risks
- Continuing to support collaboration through the International Tourism Partnership and other forums

The IHG Board approved this statement on 14 February 2020.

Keith Barr

Chief Executive Officer

This Statement is for the financial year ended 31 December 2019 and covers IHG PLC and all fully owned group entities as listed on pages 199-200 in IHG's [Annual Report and Form 20-F 2019](#).