


The Companies (Miscellaneous Reporting) Regulations 2018

Set out below is our employee engagement statement and on page 228, our statement summarising how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others.

 Details of how the Directors have had regard to the matters set forth in Section 172(1)(a) to (f) of the Companies Act is provided on pages 90 and 91.

Employee engagement statement

Our statement relates to IHG's directly employed individuals and should be read in conjunction with our people section, Section 172 statement, Voice of the Employee and wider workforce remuneration and employee engagement disclosures on pages 24 to 26, 91 and 92, 101, 107, 108, 112 and 114.

During 2021, the main communication channels to provide information of concern to employees included weekly newsletters, virtual town halls, CEO and regional leadership calls, podcasts, blogs, email broadcasts, videos and business function team meetings.

Employees have been consulted and given opportunities to express their views and concerns through participation in the employee engagement survey, Voice of the Employee sessions, ERGs, Next events (interactive sessions relating to IHG's strategy and behaviours), quarterly performance, development and wellbeing meetings, team meetings and the Q&A session as part of the CEO quarterly business update call.

Each December, employees are invited to join the employee share plan. The plan is available to around 98% of our corporate employees below the senior/mid-management level (who receive LTIP and restricted stock units awards). Further details are on page 228.

Employees have been made aware of the financial and economic factors affecting the performance of the Company through quarterly business update calls with the CEO, as well as business function team meetings, and other regional leadership calls.

The Chair and other Directors have engaged with employees through a number of means, including direct interactions, Voice of the Employee sessions, Next events and a series of opportunities held during the year to meet Executive Directors via video meetings or in person.

Details of how Directors have had regard to employee interests, and the effect of that regard, including principal decisions taken by IHG during the year can be found on pages 91 and 92, 101, 107, 108, 112 and 114.

Employee numbers

Having a predominantly franchised and managed business model means that many of those people who work at hotels operated under our brands are not our employees. When the Group's entire estate is taken into account (including those working in our franchised and managed hotels), approximately 325,000 people worked globally across IHG's brands as at 31 December 2021.

The average number of IHG employees, including part-time employees, during 2021 were as follows:

- 6,013 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;
- 4,508 people who worked directly on behalf of the System Fund and whose costs were borne by the System Fund; and
- 11,807 General Managers and (in the US predominantly) other hotel workers, who work in managed hotels, who have contracts or are directly employed by IHG and whose costs are borne by those hotels.

 See note 4 of the Group Financial Statements on pages 163 and 164.

Employment of disabled persons

IHG continues to focus on providing an inclusive environment, in which employees are valued for who they are and what they bring to the Group, and in which talented individuals are retained through all levels of the organisation.

We look to appoint the most appropriate person for the job and are committed to providing equality of opportunity to all employees without discrimination. Every effort is made to ensure that applications for employment from disabled employees are fully and fairly considered and that disabled employees have equal opportunities to training, career development and promotion.

 See our people disclosures on pages 24 to 26.

 Visit www.ihgplc.com/responsible-business for more information.

2021 share awards and grants to employees

Our current policy is to settle the majority of awards or grants under the Company's share plans with shares purchased in the market or from shares held in treasury; however, the Company continues to review this policy. The Company's share plans incorporate the current Investment Association's guidelines on dilution which provide that commitments to issue new shares or re-issue treasury shares under executive plans should not exceed 5%, and under all plans should not exceed 10%, of the issued ordinary share capital of the Company (adjusted for share issuance and cancellation) in any 10-year period. During the financial year ended 31 December 2021, the Company transferred 1,360,000 treasury shares (0.72% of the total issued share capital) to satisfy obligations under its share plans.

The estimated maximum dilution from awards made under the Company's share plans over the last 10 years is 4.0%.

As at 31 December 2021, there were no options outstanding. The Company has not utilised the authority given by shareholders at any of its AGMs to allot shares for cash without first offering such shares to existing shareholders.

Employee share ownership trust (ESOT)

IHG operates an ESOT for the benefit of employees and former employees. The ESOT receives treasury shares from the Company and purchases ordinary shares in the market and releases them to current and former employees in satisfaction of share awards. During 2021, the ESOT released 538,777 shares and at 31 December 2021 it held 889,796 ordinary shares in the Company. The ESOT adopts a prudent approach to purchasing shares, using funds provided by the Group, based on expectations of future requirements.

In July 2019, shares held in the ESOT that had been allocated to share plan participants under the Annual Performance Plan were transferred to Equatex UK Limited (now Computershare Investor Services Plc) where they are held in a nominee account on behalf of those participants (Nominee). The shares held by the Nominee have been allocated to share plan participants on terms that entitle those participants to request or require the Nominee to exercise the voting rights relating to those shares. The Nominee exercises those votes in accordance with the directions of the participants. Shares that have not been allocated to share plan participants under such terms continue to be held by the ESOT and although the trustee has the right to vote or abstain from exercising their voting rights in relation to those shares, it has a policy of not voting, which is in line with guidelines. The trustee also has the right to accept or reject any offer relating to the shares, in any way it sees fit.