

TCFD

The Committee assessed key TCFD workstreams, including an analysis of the potential impact to the Group of the most material climate-related risks and opportunities. It also considered plans to embed climate risk considerations into its strategic and risk management processes and the appropriate governance framework to achieve this. Further information on TCFD is included on pages 32 to 35.

Responsible procurement

The Committee considered reports from management on the Responsible Procurement programme, focusing on supply chain risk, supplier diversity and the selection of suppliers that will support the Group's plans for carbon emission and waste reduction. For more information on the responsible procurement programme, see page 39.

Human Rights programme

The Committee received updates on the Group's Human Rights programme, noting the progress made in key workstreams relating to responsible labour practices, ethical recruitment and anti-human trafficking. The Committee also reviewed the 2021 Modern Slavery Statement.

Looking forward

During 2022, the Committee will continue to focus on embedding the 2030 responsible business commitments and TCFD reporting.

 Our Responsible Business Report is available at www.ihgplc.com/responsible-business

Voice of the Employee

At the start of 2021, Jill McDonald was IHG's designated Non-Executive Director (NED) with responsibility for workforce engagement (Voice of the Employee), with additional support provided by Duriya Farooqui, Daniela Barone Soares and Jo Harlow. Jill has also been supported by the Group's Human Resources (HR) team, which assisted with developing the Board's workforce engagement plan and provided data on various metrics relating to employees, such as employee engagement survey results.

Role and responsibilities

Their role and responsibilities are to:

- support the design of the structure and content of Board discussions on employee engagement and culture;
- evaluate employee engagement approaches and their effectiveness;
- ensure employee feedback and interests are factored into the Board's decisions and KPI setting;
- ensure that the Board, through the Executive Committee, has effective methods of receiving feedback from employees and communicating Board and executive decisions and priorities throughout the organisation;
- ensure all significant business and budget proposals include a management assessment of the impact on employees; and
- ensure Executives share employee feedback openly, transparently and in a balanced way, including reviewing employee engagement surveys and other employee reports, including whistleblowing.

2021 engagement

In 2021, the team acted on the recommendation to obtain more direct input and feedback from employees in key markets outside the US and UK and from hotel-based employees.

Accordingly during the year, Jill, with the assistance of Duriya, Daniela and Jo, undertook a programme of activities to engage with a cross-section of employees and received detailed feedback both in person and through the Group's employee feedback mechanisms. They attended a number of virtual meetings with employee forums, including leader groups (within US and UK hotels, reservations and corporate populations) and Employee Resource Groups (ERGs) in the UK, US, India, Philippines, China and various EMEA countries.

Additionally, Jill was briefed by the Global HR Leadership team on broader cultural insights and an organisational 'pulse' survey across all employee populations.

Discussion topics included IHG's response to the pandemic; employee wellbeing; feedback on executive remuneration; flexible/remote working and return to the office; industry profitability and the competitive landscape; leader communications; talent attraction; onboarding and retention; personal and career development; and agile ways of working.

Meetings with employees continued to be virtual in 2021 due to the continuation of the pandemic. Additional engagement and activities undertaken by Jill during the year included:

- monitoring and reviewing the content and feedback from global 'all employee' CEO calls; and
- reviewing employee dashboards and survey results.

Insights and learnings

Jill provided regular feedback to the Responsible Business Committee and the Board throughout the year, with key Board discussions taking place around the insights and action planning arising from employee engagement survey results. Through this feedback, the Board gained valuable insights into employee sentiment during the pandemic and throughout the return to the office.

Plans for 2022

The Board has approved the transition of the Voice of the Employee responsibilities to Duriya Farooqui with effect from 1 January 2022. It is anticipated that additional NEDs will continue to assist with and support Voice of the Employee activities.

A schedule of discussions and feedback sessions has been arranged for 2022. This will continue to encompass a wide group of employees and leaders from across all regions, including ERGs and Lean In circles, with further inclusion in 2022 of hotel managers in additional locations, to ensure a broad range of insights as well as concerns and issues are conveyed to the Board. Additionally, the Board intends to review the functioning of the Voice of the Employee programme to ensure it meets best practice and complies with changes in regulation.