

IHG[®]
HOTELS & RESORTS

Modern Slavery Statement

2022

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INTRODUCTION

Our commitment to respecting human rights



Respecting human rights in accordance with internationally recognised standards is an integral part of IHG’s global commitment to responsible business.

We understand the importance of human rights in relation to our colleagues, guests, and the communities in which we operate and we continue to encourage those we do business with – including suppliers, owners and franchisees – to prevent, mitigate and address adverse impacts on human rights, including modern slavery. We recognise that modern slavery affects millions of vulnerable individuals, and everyone has a role to play in tackling it.

In 2021, IHG launched Journey to Tomorrow, a 10-year action plan of commitments to drive positive change for our people, communities and planet aligned with both our purpose of True Hospitality for Good and the UN Sustainable Development Goals.

As a global leader in the hospitality and tourism sector, IHG is working together with a wide range of stakeholders to identify challenges and implement effective solutions across our IHG branded hotels. We seek to advance human rights through our business activities

and are committed to ongoing human rights due diligence in support of these efforts. This Statement details our approach to advancing the priority areas outlined in our [2021 Modern Slavery Statement](#). It also describes how we are continuing to assess and mitigate ongoing risks relating to human rights across our business and supply chain.

IHG’s global human rights programme is developed and monitored by our Ethics and Compliance team, which collaborates with teams across IHG, including Operations, Procurement, Corporate Responsibility, Human Resources and Risk Management, to drive implementation of the programme and embed it across our hotel estate, corporate business, and the overall value chain.



INTRODUCTION CONTINUED

2022 activities in summary



- Launched core minimum requirements relating to responsible labour practices for IHG’s owned, leased, and managed hotels in EMEAA and Americas. These requirements cover responsible recruitment, onboarding and employment, hotel staff living accommodation and worker voice, including in relation to recruitment agencies and third-party labour suppliers. The roll-out for remaining managed hotel locations will continue in 2023.
- Completed the IOM Labour Migration Process Mapping project and incorporated key recommendations in IHG’s Responsible Labour Requirements.
- Completed a UK market-level labour assessment with the aim to review and update our understanding of the risks to human and labour rights existing in the hospitality industry and in IHG-branded hotels in the UK

- and continue to address findings from the assessment.
 - Continued to progress our supply chain risk assessment work and approach to human rights supplier due diligence.
 - Expanded our partnership with leading anti-human trafficking organisations ECPAT-USA and Polaris to further strengthen our approach and to help prevent human trafficking and increase awareness.
 - Commenced planning for a review and update of IHG’s 2018 Human Rights Impact Assessment.
- [For more information on pre-2022 activities, see IHG’s previous Modern Slavery Statements.](#)

Modern Slavery

In accordance with the UK Modern Slavery Act 2015, modern slavery 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 to support this approach.

→ [Read the UK Modern Slavery Act 2015.](#)

Our approach to combatting modern slavery is also informed by forced labour indicators such as those defined by the International Labour Organisation (ILO) including:

- Abuse of vulnerability
- Deception
- Restriction of movement
- Isolation
- Physical and sexual violence
- Intimidation and threats
- Retention of identity documents
- Withholding of wages
- Debt bondage
- Abusive working and living conditions
- Excessive overtime



OUR STRUCTURE, BUSINESS AND SUPPLY CHAIN

Our structure and business model

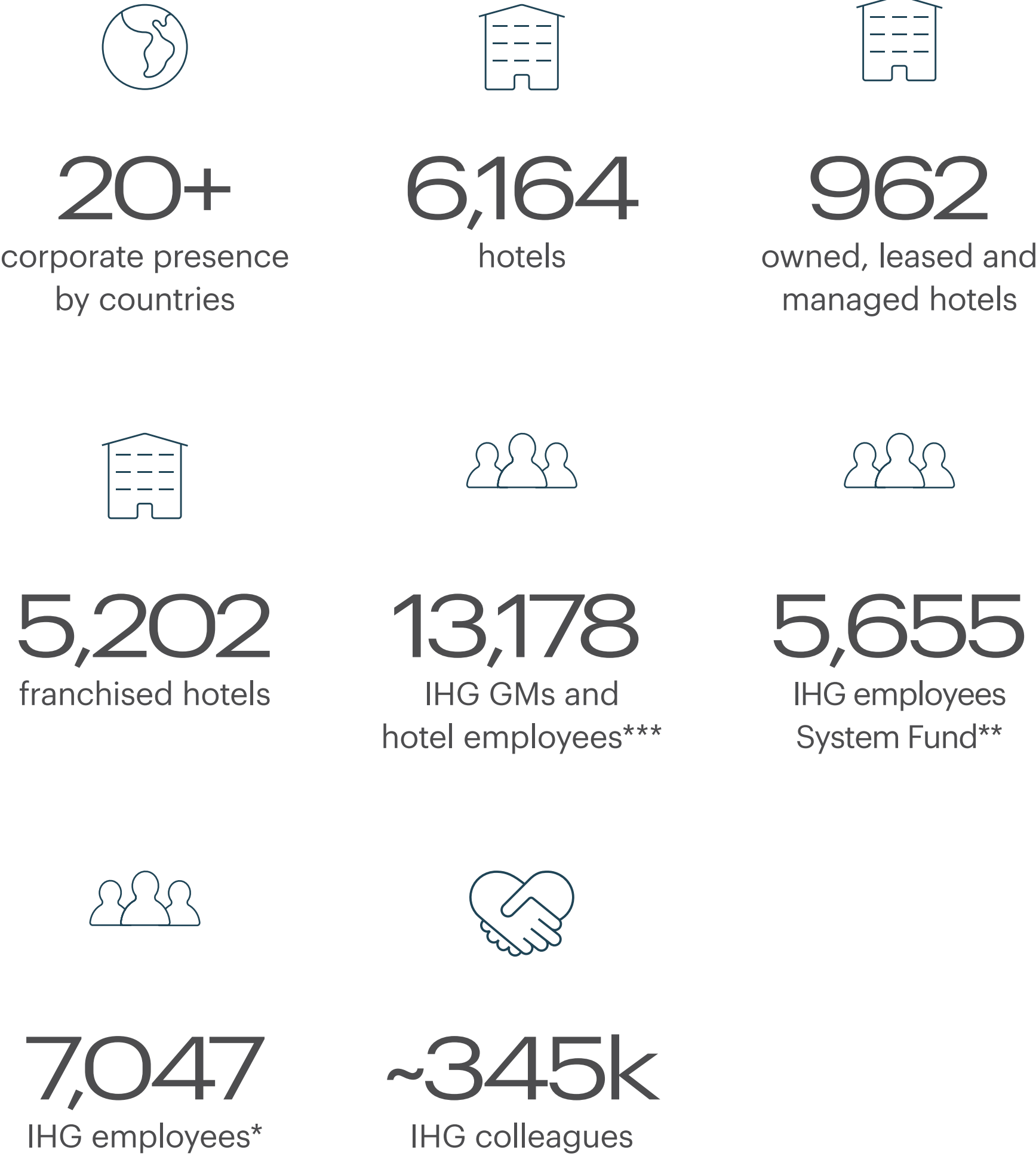
IHG is one of the world’s leading hotel companies, with a diverse portfolio of 18 hotel brands and 6000+ hotels operating in more than 100 countries. We have corporate offices in a number of locations with our largest offices in the United Kingdom (UK), United States of America (US), China and India. Our corporate functions cover areas including Marketing, Commercial & Technology, Finance, Procurement, Corporate Social Responsibility, Strategy, Communications, Human Resources, Legal, Risk Management and Internal Audit. In addition, we have guest contact centres in locations including Manila, Baguio, Guangzhou, and Mexico City.

We brand or operate hotels in three different ways: as a franchisor, as a manager and, for a very small number of hotels, on an owned and leased basis. As an asset-light business, we focus

on franchising and managing hotels, working closely with independent third-party hotel owners. Whether we franchise to or manage hotels on behalf of hotel owners depends largely on market maturity, owner preference and, in certain cases, the particular brand. Having a predominantly franchised estate means that most workers in IHG-branded hotels are employed by third-party hotel owners, rather than by IHG directly.

Depending on operational needs, hotels may also choose to outsource certain roles and/ or teams (such as security and maintenance contractors, additional staff for events or housekeeping) to third-party labour suppliers.

→ For more information on our business model, please refer to [IHG’s 2022 Annual Report](#).



* 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 are directly employed by IHG and whose costs are borne by those hotels.

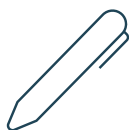
OUR STRUCTURE, BUSINESS AND SUPPLY CHAIN
CONTINUED

Our supply chain



22

strategic commercial and technology suppliers



6,323

suppliers signed the Supplier Code of Conduct

4

strategic commercial and technology supplier countries – United States, Ireland, Spain, India



92

corporate suppliers based in 92 countries

69

hotel programme suppliers based in 69 countries*

20

global procurement developed hotel buying programmes currently in 20 markets

100%

of new suppliers signed the Supplier Code of Conduct

Our supply chain activities are split between corporate, and hotel spend areas.

Our corporate supply chains cover categories such as technology, including expenditures related to our reservation and loyalty systems, office building and facilities, management and professional services, including marketing and communication, HR and management consultancy. In addition, we outsource some of our services including call centres and technology support services, as well as some cleaning, facilities management, and catering services at some of our corporate office locations.

In our corporate supply chain, several global technology and outsourcing providers have been identified as strategic suppliers due to the critical nature of their services. IHG engages with these suppliers to harness innovation, provide customer service, manage risk, and promote value realisation. We annually review our list of strategic suppliers and their delivery of our business objectives.

Due to the nature of our business model, procurement of hotel goods and services required for building, opening, renovating and operating a hotel, such as energy, operating supplies and equipment (for example, linens, bathroom amenities, cleaning products), uniforms, food and beverage, furniture, lighting, wall and floor coverings and services (such as elevator maintenance) predominantly occurs at a local hotel level, as our hotels are primarily owned by independent third-party franchisees, responsible for managing their own supply chain.

The IHG Procurement team has created procurement programmes for certain goods and services in some key markets. Hotel owners and hotels can purchase from suppliers under centrally negotiated contracts in these markets, leveraging IHG’s system scale.

IHG provides these hotel buying programmes in the US, Canada, Mexico, Latin America, the Caribbean, and Greater China and has been expanding this support in the EMEAA region in countries, such as the UK, Ireland, France, Germany, Belgium, the Netherlands, Luxembourg, UAE, Australia, New Zealand, Japan, Thailand, Singapore, and Vietnam.

Our Global Procurement function, empowered by our digital solutions and policies (such as the Supplier Code of Conduct and Procurement Policy), plays a crucial role in establishing our expectations of our suppliers and business stakeholders to conduct business responsibly. This includes ensuring responsible business criteria are included in our supplier selection framework. Our Procurement Excellence team ensures a robust approach to responsible procurement. It provides training and guidance for our colleagues, particularly procurement managers within our corporate offices and company-managed hotels. In 2023, we will roll out our updated Procurement Policy, which will include additional guidance on our commitment to sustainability and diversity in our supply chain.

→ Please refer to [page 12](#) for further information on our supply chain due diligence processes.

To further enhance our approach, we completed a supply chain risk assessment with the support of an external adviser, Article One, in 2022. We have also partnered with EcoVadis to assess supplier risk and sustainability performance, including how it relates to labour and human rights.

→ For more information, please see [page 16](#).

Top supplier locations
(across corporate and hotel programmes)*

- | | |
|------------------|----------------|
| – United States | – France |
| – United Kingdom | – China |
| – Australia | – Saudi Arabia |
| – Japan | – Singapore |
| – Germany | – Ireland |


Procurement categories

- Energy
- Food and Beverage
- Furniture, Fixtures & Equipment
- Travel
- Operating Supplies and Equipment
- Maintenance, Repair and Operations
- Commercial and Technology
- Marketing and Communications
- Professional Services
- Human Resources
- Real Estate


* Based on information where IHG has visibility of hotel data

Our code and policies


Our values




Do the right thing




Show we care



Aim higher



Celebrate difference



Work better together



As part of our commitment to responsible business, we have a number of group-wide policies and procedures in place that 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 ihgplc.com.

Code of Conduct

IHG’s Code of Conduct (Code), available in 14 languages, is fundamental to supporting colleagues working in IHG corporate offices, guest contact centres and managed hotels in making the right decisions, in compliance with the law and our high ethical standards. Our Ethics and Compliance team oversees the Code of Conduct, which provides an overview of our values, reporting concerns framework and group policies, including human rights, respect in the workplace, diversity, equity, inclusion (DE&I) and equal opportunities, accurate reporting, information security, anti-bribery, and the environment. All colleagues working in IHG corporate offices, guest contact centres and managed hotels must comply with the Code and the policies and procedures it refers to. Violations are treated seriously, and they 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.

The principles, spirit and purpose of the Code are relevant to all of IHG’s business, 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.

To ensure that the Code continues to reflect and respond to changes in the external environment and continues to support IHG’s purpose and strategy, we published and communicated a revised Code in Q1 2022. Key changes included the update of some of our global policies, including Respect in the Workplace, DE&I and Equal Opportunities and a new section on Journey to Tomorrow, IHG’s 10-year responsible business plan. To further support our colleagues in the implementation of the Code and to provide additional guidance, we also developed and launched a new and mandatory Code e-learning in 2022.

→ For more information on the new Code training, please see [page 17](#).

The Code is reviewed and approved annually by the Board.

OUR CODE AND POLICIES
CONTINUED

Human rights policy

IHG’s Human Rights Policy, which was drafted with assistance from external advisers Article One (a specialist business and human rights consultancy) 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 Organization’s 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, the UN Global Compact and the UN Guiding Principles on Business and Human Rights. We recognise that human rights due diligence is an ongoing commitment, and our Policy identifies key risks and 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 Sustainable Hospitality Alliance’s (SHA) Principles of Forced Labour have also been explicitly incorporated into our Human Rights Policy. IHG’s Human Rights Policy is overseen by the Ethics and Compliance team.

Our Human Rights Policy has been approved by the IHG Board’s Responsible Business Committee.

Human Rights Brand Standard

IHG’s Brand Standards are requirements relating to each of IHG’s brands that enable hotels to deliver a consistent guest experience, and which apply to all IHG-branded hotels, including franchised. In 2014, we introduced a Human Rights Brand Standard for all IHG-branded hotels requiring implementation of a Human Rights Policy. To reflect the evolution of IHG’s

Human Rights programme, we updated the resources supporting the standard in 2020 to include a template policy and guidance focusing on those human rights areas most relevant to hotel operations, including key responsible recruitment practices and principles to combat forced labour and anti-human trafficking. The materials are available in more than 20 languages to enable colleagues, including migrant workers, to better understand and review them. To continue to raise awareness of labour sourcing risks, we make the SHA’s ‘Responsible Recruitment’ e-learning and ECPAT USA and Polaris’ ‘Preventing Human Trafficking’ e-learning available to all IHG-branded hotels (in 12 languages).

The Human Rights Brand Standard is a part of IHG’s GM Programme, which provides new and existing GMs with regular training and development opportunities.



OUR CODE AND POLICIES
CONTINUED

Responsible labour requirements

In 2022, we launched the Responsible Labour Requirements to better operationalise IHG’s Human Rights Policy in our owned, leased and managed hotels*. The Requirements support these hotels in addressing, preventing, and mitigating potential human rights risks in their operations by providing them with mandatory minimum requirements related to responsible labour practices and to addressing forced labour risks.

The Requirements have been developed in alignment with internationally recognised best practices including a report by the ILO and Institute for Human Rights and Business entitled

“Promoting Fair Recruitment and Employment: Guidance Tool for Hotels in Qatar”, which IHG hotels and other industry peer members of the SHA contributed to in 2020.

To ensure we share our learnings across the owned, leased and managed estate, key findings of each project have been incorporated in the Responsible Labour Requirements, where we have also addressed the findings of internal projects such as the 2019 Oman Labour Market Assessment, 2021 IOM Labour Migration Process Mapping and the most recent 2022 UK Labour Market Assessment.

* Owned, leased, and managed lease hotels – are hotels operated by IHG where IHG is, or effectively acts as, the owner, with responsibility for assets, employees and running costs. The entire revenue and profit of the hotels are recorded in IHG’s financial statement.

* Managed hotels – are hotels operated by IHG under a management agreement on behalf of the hotel owner. IHG generates revenue through a fixed percentage of the total hotel revenue and a proportion of hotel profit, and neither leases nor owns the property.

2019	2020	2021	2022
<p>Following the human right impact assessment in 2018, we:</p> <ul style="list-style-type: none">– Updated IHG’s Human Rights Policy– Updated IHG’s Supplier Code of Conduct– Started a labour market-level assessment in Oman– Made training on Responsible Recruitment available for all IHG employees	<ul style="list-style-type: none">– Updated resources supporting IHG’s Human Rights Brand Standard focusing on combatting forced labour and antihuman trafficking, mandatory for all IHG-branded hotels– Launched new Preventing Human Trafficking training and made it available to all IHG employees– Completed the labour market assessment in Oman– Developed and communicated Covid-19 guidance on Hotel Staff Accommodation and a Migrant Worker Checklist with hotels	<ul style="list-style-type: none">– Developed a first set of Responsible Labour Requirements focusing on responsible recruitment, staff accommodation and worker voice– Piloted Responsible Labour Requirements with a representative sample of hotels– In collaboration with the IOM, IHG participated in a Labour Migration Process Mapping project focusing on Filipino migrant workers working in GCC countries– Commenced a labour market-level assessment in the UK	<ul style="list-style-type: none">– Launched the Responsible Labour Requirements in EMEAA and Americas– Developed guidelines on recruitment fees and costs and due diligence for recruitment agencies and third-party labour suppliers– Completed the labour market assessment in the UK– Updated our Code of Conduct training to include additional content on Human Rights



OUR CODE AND POLICIES
CONTINUED

The IHG Responsible Labour Requirements focus on the following key human rights risk areas:

- 1. Responsible recruitment and employment – setting minimum requirements for owned, leased and managed hotel level practices when recruiting directly or via a recruitment agency. This includes key topics such as worker engagement, recruitment fees and costs, passport retention and payment.
- 2. Hotel staff living accommodation – building on IHG’s 2020 Staff Accommodation Guidelines, they set minimum requirements for living conditions, including facilities, occupancy levels, fixtures and furnishing for staff accommodation when accommodation is managed by either IHG hotels or third-party providers.
- 3. Worker Voice (grievance mechanism and reporting concerns) – setting minimum requirements for gathering worker feedback and raising awareness across key human rights risk areas and of the confidential hotline for reporting concerns from all colleagues, including third-party workers.
- 4. Requirements for when using recruitment agencies and third-party labour suppliers.

Objectives

- 1. To mitigate and prevent negative impact of key human rights risks at the hotel level, addressing key findings of internal projects.
- 2. To operationalise IHG’s Human Rights Policy and create greater awareness about the topics covered at the hotel level.
- 3. To provide hotels with guidance on how to implement responsible labour practices.
- 4. To support IHG’s Journey to Tomorrow 10-year responsible business commitment to advance and drive respect for human rights.
- 5. To remain an employer of choice so that we can retain and attract talent, including for expat/foreign migrant workers who are an important part of our work force.



Multiple rounds of feedback to gather insights from relevant internal stakeholders including HR leadership have been incorporated to enable an effective implementation at hotel level.

The Requirements were rolled out to our owned, leased and managed hotels in EMEAA and Americas in Q4 2022, including the launch of additional resources to support the implementation such as a self-assessment checklist and guidelines on recruitment fees and costs. The roll-out in remaining managed hotel locations will continue in 2023.

Some locations started to use the Requirements as guidance ahead of the roll out, such as during the development of staff accommodation in relation to new hotel projects or during preparation for the 2022 FIFA World Cup in Qatar.

A regular review and update of the Requirements is planned to ensure alignment with the most recent developments and incorporate on-going feedback from our hotels. In 2023, we will set out risk-based measurement and monitoring

to identify where hotels need to make improvements against the Requirements.

→ See page 19 for more information on how we measure our effectiveness.

Supplier Code of Conduct

IHG’s Supplier Code of Conduct (Supplier Code) sets out the standards under which IHG suppliers are expected to operate. Where hotels form contracts directly with suppliers, they are encouraged to seek adherence to similar provisions to those set out in the Supplier Code. Under the Supplier Code, IHG suppliers are expected to support the protection of human rights through their business activities concerning forced labour and human trafficking, child labour, freedom of association, nondiscrimination, safety and security of the working environment and to provide workers with grievance mechanisms to report concerns.

The Supplier Code also reflects the SHA’s Principles of Forced Labour, including that no worker should pay for a job. To strengthen this commitment, additional guidance on prohibited recruitment fees and costs has been provided to hotels as part of the Responsible Labour Requirements, including specific requirements for hotels engaging with recruitment agencies and third-party suppliers.

IHG expects suppliers to adhere to these standards within their own business and supply chain. While we aim to work with suppliers to resolve any issues identified, material breaches of the Supplier Code may lead to the termination of a supplier’s contract with IHG.

To help ensure that suppliers are committed to operating with integrity and respect for human rights, IHG requires new corporate suppliers to confirm their acceptance of the Supplier Code at the onboarding stage (or demonstrate that they have equivalent policies in place). The

Supplier Code is a contractual requirement for centrally negotiated hotel programmes in which our hotels can purchase while recommended guidance on responsible procurement is also provided to managed and franchised hotels when buying locally.

In line with the findings of our supply chain risk assessment and informed by a benchmarking exercise, we have commenced the review and refresh of our Supplier Code in 2022. An updated Supplier Code is planned to be implemented in 2023.

→ For further information on our supply chain risk assessment, please see page 16.

Human Resources

We value our colleagues as unique individuals who bring different ideas and perspectives to the operation of our business, and IHG is committed to providing equality of opportunity without discrimination. Our Human Resources (HR) practices include a set of internal recruitment principles that support both corporate and managed hotel colleagues in the recruitment of new colleagues.

We clearly state on our career’s website that IHG does not ask candidates for any fees associated with the recruitment process.

To further support candidates in avoiding other types of recruitment scams, we provide additional details on how to spot and report anything suspicious. In 2022, we recorded 91 attempts of recruitment fraud globally. Where possible, we reported these to authorities to deactivate email addresses and web content related to the fraudulent activity.

OUR CODE AND POLICIES
CONTINUED



Reporting concerns

It is important that our colleagues and any person that has a relationship with IHG, including our suppliers and their workers, feel comfortable reporting ethical concerns.

To facilitate this, we have a confidential reporting channel through which colleagues can share any ethical concerns or breaches of the IHG Code of Conduct, including those in relation to human rights and modern slavery. Translation services (for approximately 150 languages) are available to enable the reporter to raise concerns in their native language. 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. IHG-managed hotels raise awareness of the confidential reporting

hotline by displaying posters in hotel staff areas in English and local languages and information about the hotline is also available on our intranet and our external website.

To increase accessibility to the hotline, a QR code leading to the confidential reporting hotline’s web page (available in 25 languages) is available.

Translation services for
approximately 150 languages

The confidential reporting channel is available to all IHG-branded hotels and corporate colleagues and can be used by any person with a relationship to IHG, including our third-party suppliers and contractors. We take all allegations concerning modern slavery issues within our hotels and supply chain very seriously and encourage third-parties, including media channels, civil society organisations and others, to contact us directly with any concerns, either via our confidential reporting channel (ihgethics.com) or via the Ethics and Compliance team’s email address (ethicsandcompliance@ihg.com). IHG commits to undertaking inquiries for all reports received, which are reviewed and investigated by a group of dedicated personnel.

In 2022, we continued to further advance the monitoring and analysis of confidential hotline cases related to human rights by piloting internal reporting in relation to the number of allegations that may have potential human rights implications. This approach to monitoring and measurement will further inform our activities and priorities moving forward, including helping to identify locations, hotels and/or countries, where a higher risk of human rights issues could exist and also help to update our understanding of IHG’s salient risks.

Remedy

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

In 2022, we commenced the review of our remedy process related to key human rights risks, with the aim to develop a framework that enables a fair and effective implementation of actions and enhanced quality of remediation. The framework is informed by external resources, including the UNGPs, and the International Organization of Migration (IOM) Operational Guidelines for Businesses on Remediation of Migrant Worker Grievances. Once finalised, the framework will provide guidance for colleagues on remedy that may be appropriate for certain types of human rights impacts or infringements where these are identified and substantiated – for example, within our confidential reporting process.

In addition, we have received feedback from IOM on our framework in 2022, and we will continue our progress with the framework and incorporate feedback in 2023.

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

- Anti-bribery Policy
- Diversity, Equity, Inclusion and Equal Opportunities Policy
- Respect in the Workplace Policy
- Supporting Our Communities Policy; and
- Global Procurement Policy



CASE STUDY

Reporting concerns

In 2022, IHG received a report via email regarding a colleague being required to repay certain training costs at the end of service in a managed hotel in the UAE. After an internal investigation with the support of regional HR, the end-of-service payment was corrected, and the worker was not required to pay for training taken during the employment.

The information provided to the worker during previous employment at another IHG hotel gave the worker the background to report this situation.

IHG practices related to training and recruitment costs have been included in IHG’s Responsible Labour Requirements. In addition, we have developed and communicated guidelines outlining prohibited recruitment fees and costs with hotels.

Our due diligence processes

At IHG, we recognise the importance of ongoing due diligence across our operations and supply chain. We are committed to continue reviewing and developing our policies and processes to support this.



Our supply chain

To help manage and monitor our corporate supply chain, we have a spend intelligence tool that enables spend visibility and intelligence, which adds enhanced capabilities to our services and improves the procurement support provided to our business, owners and hotels.

Empowered by our procurement platforms, our procurement teams play a crucial role in performing due diligence checks on suppliers. In addition to acknowledging adherence to IHG’s Supplier Code, new suppliers participating in a tendering process must complete our responsible procurement due diligence questionnaire. Further strengthening our commitment to growing our business sustainably and delivering long-term value for owners, hotels and guests, this pre-contract criteria includes questions on where products are sourced and/or manufactured to improve our understanding of our supply chain.

For new suppliers of higher-risk products or services, such as textiles, we ask additional responsible procurement due diligence questions around labour practices which cover key human rights risks, including passport

retention, payment of recruitment fees and costs, worker accommodation and grievance mechanisms.

In 2022, 243 responsible procurement due diligence questionnaires were completed, with 26 of these suppliers completing the additional questions on labour practices. We have developed a process guide to assess supplier responses, which is used to determine whether there are potential risks or gaps in practices.

IHG also reserves the right to conduct unannounced assessment and on-site audits. While we aim to work with suppliers to resolve material findings during or after contracting, non-cooperation may lead to contractual termination. We continue to collaborate with our prospective and existing suppliers, managing supply chain risks related to labour practices and sustainability issues.

OUR DUE DILIGENCE
PROCESSES CONTINUED

Recruitment agencies and third-party labour suppliers

As part of the Responsible Labour Requirements, we have reviewed and enhanced our due diligence guidelines for recruitment agencies and third-party labour suppliers in alignment with internationally recognised best practices. The guidelines support hotels with the contracting and renewal of new and existing recruitment agencies and third-party labour suppliers.

Given the increased risks of recruitment fees and costs being paid by workers when recruitment agencies or third-party labour suppliers are involved, the due diligence guidelines, in alignment with IHG’s Human Rights Policy, highlight the prohibition of charging workers for recruitment fees and costs. In addition, we have developed and communicated guidelines outlining prohibited recruitment fees and costs. The guidelines provide additional detail on the types of fees and costs associated with recruitment and obtaining employment, such as payment for travel or transportation that should not be paid by the worker and must not be charged by the hotel or by any recruitment agency or third-party labour supplier used by the hotel.

To create further awareness on the importance of due diligence in the procurement process including the contracting of recruitment agencies and third-party labour suppliers, the IOM and SHA facilitated a training pilot on ethical recruitment.

→ [Please refer to page 17 for further information on the ethical recruitment training.](#)

Third-party hotel owners

We carry out risk-based due diligence and compliance checks on new third-party hotel owners with whom we are entering hotel agreements. These checks include the use of automated screening and monitoring tools and the provision of guidance for our legal, franchise administration and development teams. Escalation criteria ensure a central committee of senior IHG decision makers consider and review any material issues, which 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. The due diligence on third-party hotel owners is overseen by the Ethics and Compliance team.

Our own operations
Labour migration process mapping

In 2021, we partnered with the Philippines Office of the IOM, also known as the UN migration agency, and the SHA to participate in the “Aligning Lenses Toward Ethical Recruitment” (ALTER) project. This multi-stakeholder project focuses on the labour supply chain and recruitment process between the Philippines and the GCC countries to better understand the migrant journey of Filipino workers.

→ [Please refer to IHG’s 2021 Modern Slavery Statement for additional information on the project.](#)

The project has shown that participating hotels have been committed to implementing the principles in IHG’s Human Rights Policy in their own policies and procedures by updating employment contracts and service agreements with recruitment agencies. While participating hotels had already incorporated human rights training into the onboarding of new workers, IOM recommended to further enhance training for migrant workers on their rights during recruitment and to conduct regular refresher training to increase awareness.

In 2022, we received the project findings and recommendations for each hotel and have started to address these. Key areas of improvement identified by the IOM included enhancing recruitment due diligence and monitoring, ensuring migrant workers are provided with appropriate information during their recruitment and onboarding, as well as creating awareness of grievance mechanisms during recruitment. These have been incorporated in the Responsible Labour Requirements.

UK market-level assessment

The impact of Covid-19 and factors such as labour supply shortages and Brexit-related changes have impacted the UK hospitality industry. In 2022, we worked with specialist human rights advisers to carry out a UK market-level labour assessment to better understand potential human rights risks and challenges specific to our industry and hotels within the country.

→ [Please refer to page 15 for further information on the assessment and outcome.](#)

Risk assessment and management

IHG conducts regular risk assessments to prevent and mitigate the impact of human rights risks across our own business, operations and our supply chain. In 2022, we focused on addressing risks related to migrant workers, labour supply chain and staffing.

Human rights impact assessment

Information regarding the risks identified in IHG’s 2018 global human rights impact assessment is provided in our [2019 Statement](#). Areas where IHG could improve its management of salient human rights risks were identified, including focusing on further due diligence related to the management of labour risks, in particular, migrant labour and responsible recruitment risks and human rights risks present in the wider IHG business ecosystem and related to hotel construction and development. In alignment with best practices, in 2022, we have started planning the review of our 2018 human rights impact assessment, which is being supported by external advisers and is due to be completed in 2023. This refreshed assessment will enable us to better understand our progress, identify areas of improvement, and inform our priorities and activities moving forward.

In 2022, we particularly continued to address risks related to migrant workers, labour supply chain and staffing.

External risk indicators

To accurately monitor any changes in the salient risks across our operating countries, we utilise several resources, such as the Responsible Sourcing Tool developed by the US State Department’s Office to Monitor and Combat Trafficking in Persons, Verité, Made in a Free World, and the Aspen Institute and risk indices and country analysis by Verisk Maplecroft, a global risk consulting firm, which assesses migrant worker and modern slavery risks. Together with our risk management approach, we leverage these data points to better target our priorities around due diligence. To assess sourcing country risk, the ITUC Global Rights Index is also taken into account.

Staffing risks

With rising occupancy levels in our hotels, the shortage of staff, including skilled workers, is a key challenge. To attract talent, IHG provides a number of recruitment tools and solutions for hotels, as well as targeted social media campaigns. In addition, IHG has joined the SHA alongside industry peers in providing refugees with access to training and job opportunities. Please refer to IHG’s Responsible Business Report for further information.

Risks associated with shortage of staff include overtime and scheduling challenges. IHG has implemented scheduling principles for owned, leased and managed hotels in the UK. In addition, we have included specific requirements on overtime and compensation in the Responsible Labour Requirements.

2022 Qatar FIFA World Cup

Ahead of the 2022 FIFA World Cup in Qatar, we worked closely with our hotels in Qatar to support them in preparation for the event.

All IHG hotels in Qatar received approval from the Qatar Supreme Committee ahead of the World Cup, following their participation in government audits on ethical recruitment, hotel staff accommodation and worker welfare.

We also conducted internal audits of our hotels in Qatar against our Responsible Labour Requirements, which enabled us to better understand the hotels’ performance and identify key areas of improvement ahead of the World Cup. In addition, hotels were given guidance on recruitment fees and related costs, recruitment scams, and information on short term labour recruitment.

We recognise the importance of engagement with all workers to further strengthen IHG’s speak-up culture. With the support of regional HR, hotels across Qatar implemented additional daily activities such as pulse check-ins and offering additional dedicated opportunities for workers to communicate with hotel leadership. In addition, an electronic welfare survey was shared with all colleagues, enabling them to provide feedback anonymously. The survey included questions related to colleague facilities, including living conditions, working environment and employee welfare. Best practices have been shared regularly across our hotels in Qatar to address feedback received by workers and to further enhance their experience.

We aim to ensure that best practice continues to be adopted in Qatar and other countries hosting major events by applying our learnings from 2022 FIFA World Cup and implementing the Responsible Labour Requirements.

Industry surveys in Qatar and IMEA

In 2022, IHG participated in the Business and Human Rights Resource Centre’s hospitality survey on migrant workers’ rights. This survey was a follow-up to the survey completed in 2021 and focused on reviewing the progress made on human rights practices across the hospitality industry ahead of the 2022 FIFA World Cup. The survey helped us to understand IHG’s progress in comparison to peers within the industry, as well as to identify areas of improvement.

In addition, IHG reviewed findings related to migrant workers based on research from Equidem and Global Labour Justice – International Labour Rights Forum, conducted between February 2020 and July 2022. We take all concerns that have been raised seriously and have, where applicable, addressed the findings with the relevant hotels.

→ [Please refer to IHG’s 2021 Modern Slavery Statement for information on previous activities related to the FIFA World Cup in Qatar.](#)

RISK ASSESSMENT AND
MANAGEMENT CONTINUED

Worker-centric due diligence

UK market-level assessment

We recognise the importance of continuing to assess human rights risks across all our regions and, in line with the UN Guiding Principles on Business and Human Rights, understand that human rights due diligence should be ongoing. This includes recognising that human rights risks may change over time as the business enterprise’s operations and operating context evolve. The impact of Covid-19 and factors such as labour supply shortages and Brexit-related changes have impacted the UK hospitality industry. To better understand the changes in human rights risks associated with these challenges, we carried out a market-level labour assessment in the UK working with a specialist human rights adviser, Article One. Commencing in 2021 and completed in 2022, the project included desktop research to review policies and processes in IHG hotels in the UK, eight hotel visits (including worker interviews and focus groups) to assess the practices at hotel level, and interviews with external stakeholders, such as UK labour authorities, international NGOs, human rights organisations, and shareholders, as well as gathering feedback from a sample of our UK franchisees.

Worker-centric due diligence

The assessment process was informed by the guidance from the UN Guiding Principles on Business and Human Rights, including that the assessment should involve “meaningful consultation with potentially affected groups and other relevant stakeholders”. As such, the engagement phase of the assessment was designed to hear directly from workers at IHG owned, leased and managed hotels, including a sample of workers across the following categories: UK nationals, EU nationals, non-EU/UK nationals, female workers, young workers (under the age of 24), older workers and contract workers. Article One conducted interviews with 179 workers, representing approximately 18% of the workforce of participating hotels across focus groups which included directly employed and contracted workers. Hotel senior management was not present for any of the focus groups.

The assessment was conducted while some Covid-19 restrictions were still in place and travel was gradually increasing. The assessment had some positive findings including that the hotels and IHG have an inclusive and welcoming culture with staff that were interviewed highlighting the benefits of hotel work, including engaging with a diverse mix of guests, opportunities for career progression and supportive colleagues. No incidences of modern slavery or forced labour were found, but some areas of improvement were identified. The most salient risks identified during the assessment related to contracts and hours, wages, harassment, and agency workers. One of the primary concerns raised by workers was staff shortages which can lead to both overtime-related risks as well as increased use of different staffing methods such as use of agencies or outsourcing.

Priority Risk Areas Identified

Contracts & Hours	Wages	Harassment	Agency Workers
The primary concern raised by staff was staff shortages and overtime. Some issues were also raised in relation to scheduling such as ensuring consecutive days off and avoiding the use of split shifts where possible.	High costs of living and inflation, particularly in some locations, creating wage concerns.	Staff reported challenges with responding to guest harassment. While staff largely agreed that hotels had a zero-tolerance policy when it came to harassment, additional training has been identified as beneficial.	The hotels in the assessment reported using agency staff particularly in areas of Housekeeping and F&B. Agency workers often experience inconsistent work schedules and may have less training and less experience resulting in increased pressure on existing staff.

We have reviewed the detailed findings and recommendations from the report and started to address these including:

- Providing guidance to owned, leased and managed hotels on scheduling including sufficient advance notice of schedules, providing consecutive rest days, and avoiding use of split shifts unless these are requested
- Reinforcing importance of due diligence of agencies (see the Responsible Labour Requirements on [page 9](#))
- Reviewing guidance and training available to hotels/colleagues related to guest harassment and how this can be enhanced

We will continue to assess the findings and to implement recommendations as part of our 2023 plan.

RISK ASSESSMENT AND
MANAGEMENT CONTINUED

Governance of supply chain risks

In 2022, we continued to build our supply chain risk programmes and have worked with Procurement leadership teams across regions to develop risk profiles based on IHG’s material supply chain risks. This has helped to identify control mechanisms and to mitigate risks. We reviewed and refreshed the objectives of our Supply Chain Risk Council. They focus on ensuring cross-functional collaboration, reviewing IHG’s profile of supply chain risks and corresponding methodology, and identifying emerging risks.

Supply chain risk assessment

Building on our work in 2021, we have implemented responsible procurement digital solutions focusing on sustainability, risk management and supplier diversity to enhance our supplier due diligence checks, identify opportunities in our supply chain and enhance the visibility of procurement risks, including human rights. One of our partners is EcoVadis, a global leader in business sustainability ratings to assess supplier risk and sustainability performance, including labour and human rights. To date, we have requested 92 suppliers globally to participate in the EcoVadis ESG risk assessment. Insights from the scorecards will be used to understand supplier performance, drive improved scores, and identify ESG risks in

our supply chain. In 2023, we will explore how EcoVadis assessment can be incorporated into our due diligence processes for new suppliers.

In 2021, we commenced a project with human rights adviser Article One to review and update our internal supply chain risk assessment work. This project continued in 2022 to better understand potential human rights risk areas and included a review of our policies, which identified gaps and opportunities, as well as engagement with relevant internal stakeholders.

The assessment provided us with an overview of high-risk regions, high-risk commodities, and key supply chain risks. In overview, forced labour and working conditions were identified as potential human rights risk areas in products commonly sourced by the hotel industry. Commodities identified as higher risk include items such as cotton, textiles, paper, water and wood.

The following have been identified as key areas of improvement:

Integrated policies – Opportunity to review policies including Supplier Code to further align with human rights goals and strengthen policy integration.

Due diligence – The assessment has highlighted that the visibility and traceability of products can be challenging. Improvement areas for IHG include expanding country-level sourcing data to help conduct more detailed profiling for high-risk commodities. In addition, in some areas more detailed information on commodities and raw materials is needed to assess risks in manufactured goods such as fixtures and fittings and IT hardware.

Capacity building – The expansion of training for internal and external stakeholders, including suppliers, has been identified as an area of opportunity, to further enhance engagement and capacity building.

The assessment included a benchmarking exercise of IHG’s Supplier Code against industry peers and best practices. In line with the recommendation provided as part of the assessment, we have started to review our Supplier Code.

The project provided a clear overview of key priorities and further recommendations for improving our supply chain management. In 2023, we will continue to implement recommendations and to act on the findings.

Textile deep dive

We recognise suppliers working in the textile industry as a priority, given that they play a significant role in products used in our hotels. This has been confirmed by the outcome of the global supply chain risk assessment, which identified textiles as a high-risk commodity.

Therefore, as part of our global supply chain risk assessment, we carried out a more detailed assessment, with the support of Article One, focusing on human rights risks related to workers in our textile supply chain. The review included engagement with internal stakeholders and two critical suppliers of textile commodities, including cotton and polyester, in our US hotel procurement programmes. The selected suppliers provide IHG hotels with bed linens, bathmats, hand towels and washcloths.

The findings of the assessment support key areas of improvement identified in the Supply Chain Risk Assessment. In addition, the textile deep dive has highlighted risks and additional opportunities on how to strengthen engagement when working with suppliers of high-risk commodities.

The risk assessment findings will inform our supply chain due diligence approach, and we will continue to engage with our suppliers and internal teams to address findings alongside implementing the recommendations in 2023.

Project with CARE International UK

In 2022, in partnership with CARE International UK and a selected textile supplier, we continued our programme to create a more gender inclusive workplace, with the aim of creating a more productive, resilient, and secure supply chain in the textile industry. Following a workplace gender analysis with a supplier across two factories involving interviews and engagement with a focus group of 55 workers in 2021, this year CARE hosted an interactive workshop with internal stakeholders to review the findings and identify recommended actions. In 2023, we will continue implementing key findings and recommendations.

Worker voice

We included specific considerations on worker voice in several of our 2022 areas of focus, including:

- **Responsible Labour Requirements** – Launched in 2022, these requirements for owned, leased and managed hotels, set expectations for gathering worker feedback and raising awareness of the confidential hotline for reporting concerns among all colleagues, including third-party workers.
- **For more information on the Responsible Labour Requirements, see page 9.**
- **Accessibility of the Confidential Hotline** – To create awareness and ensure accessibility for all workers, posters and QR code are available for hotels. The QR code can be easily read by mobile devices and is available in 25 languages.
- **For more information on the Confidential Hotline, see page 11.**
- **Worker interviews** – As part of the UK labour market assessment, 179 workers have participated in the worker focus groups including direct and contracted workers. Their engagement and input are essential to help identify areas for further improvement of processes. In addition, as part of the CARE project 55 workers have been interviewed or participated in focus groups.
- **Additional worker engagement activities across all hotels in Qatar**

→ **Please refer to page 14 for further details.**

Training and awareness

IHG-wide engagement

Code of Conduct

The importance of respecting human rights and combating modern slavery is made clear to colleagues as soon as they start working for IHG through our Code of Conduct training. This includes information on our approach to human rights and modern slavery and information on how to report concerns. This training is part of the onboarding of all new employees, and it is an annual requirement for all current corporate and central reservation office employees and designated senior colleagues in IHG-owned and managed hotels.

We have updated and launched a new Code of Conduct training module to reflect changes to IHG’s Code, which was refreshed in 2022. In 2022, more than 59,000 colleagues have completed the training.

To aid the group or classroom training of a greater number of frontline hotel colleagues, additional resources, such as a ‘10-minute trainer’ are available.

Preventing Human Trafficking and Responsible Recruitment training

We continue to build on our risk-based approach to training in relation to human rights topics to

focus on those colleagues (in particular, frontline hotel colleagues) and parts of our business that play an important role in preventing and mitigating human rights impacts. In support of our Human Rights Brand Standard, we offer two additional e-learning modules on Preventing Human Trafficking and Responsible Recruitment. The Preventing Human Trafficking training, which was developed by ECPAT USA and Polaris, was completed by more than 52,000 colleagues in 2022.

Responsible Recruitment training, provided by the SHA, is recommended to all Human Resources colleagues and recruiting managers to continue to drive responsible recruitment practices, and 2,986 completed this training in 2022.

Ethical recruitment training

The SHA and IOM developed training on ethical recruitment for Procurement colleagues with IHG supporting this project by providing feedback on the content of the modules. A pilot of training was conducted online in September 2022 with a small number of colleagues from across different regions including from HR and Procurement.

The aim of the training is to provide colleagues, particularly those working in Procurement with information on how to contribute to ethical recruitment practices.

Procurement training

Raising awareness of responsible procurement practices among our corporate, managed, and franchised colleagues is fundamental to our supply chain practices. In 2019, we launched an education programme on responsible procurement to increase colleague awareness of ethical suppliers. The programme educates colleagues on what responsible procurement involves, including raising awareness of supply chain risk. Since 2019, 18,000 colleagues have completed this training.

We also provided managed and franchised hotels with Responsible Sourcing Principles that focus on social and environmental matters. To date, 777 have accessed this responsible procurement guidance, demonstrating their commitment to sourcing responsibly. We will continue to further expand our colleague education programme focused on responsible procurement best practice.

In addition, this year our Procurement Excellence team and partners delivered training to the Global Procurement team showcasing our sustainability, supplier risk and diversity responsible procurement dashboards, which enable our colleagues to gain better visibility of our suppliers and leverage the tools available to identify new opportunities.

Hotel-level engagement

We continue to work closely with colleagues, both at corporate and hotel level, to provide enhanced training on key areas of human rights, raise awareness of the tools available and review operational procedures to support and to mitigate any identified risks where necessary – for example, in relation to major sporting events. Tools and training materials are made available to hotels in preparation for events, including Preventing Human Trafficking and Responsible Recruitment e-learning, as well as guidance on recruitment scams and short-term labour.

Finally, to support the implementation of the Responsible Labour Requirements, managed hotels have been provided with supporting tools and training materials such as guidelines on recruitment fees and costs.

Super Bowl

Ahead of the 2023 Super Bowl in Phoenix, IHG is again partnering with It’s a Penalty leading up to and during the event to raise awareness and help prevent human trafficking in the city through local activities. More than 40 IHG hotels in the Phoenix area will receive awareness kits that contain campaign resources about recognising and reporting instances of human trafficking. The campaign material will be distributed to hotel teams and guests to raise awareness of human trafficking with training on how best to use the resources provided to hotel teams. Previous campaigns have positively affected awareness and prevention of human trafficking – for more information please see It’s A Penalty’s Impact Report available [here](#).



Working together

Working together – governance

The Responsible Business Committee of IHG’s Board of Directors is responsible for reviewing our overall Human Rights programme. The General Counsel and Executive Vice President is the sponsor of the programme and, with the support of the Business Reputation and Responsibility leadership team, reviews the overall priorities and strategy. In 2022, the Ethics and Compliance team provided updates on the human rights programme directly to the Responsible Business Committee.

At the management level, IHG’s Responsible Business Governance Committee supports our Board and Executive Committee. It is comprised of cross-departmental Senior Leaders who advise and collaborate on a number of responsible business priorities and initiatives, specifically including human rights and modern slavery, to help drive IHG’s responsible business ambitions and external targets and commitments. These include our Journey to Tomorrow 10-year responsible business plan that we launched in 2021, which includes our commitment to drive respect for and advance human rights.

Working together – collaboration

We strongly believe that collaborative initiatives are a powerful 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. Collaborative initiatives play an important role in addressing human rights risks through focusing attention and actions towards a joint purpose with the potential of driving systemic change. We engaged in various collaborations in 2022, including:

We engaged in various collaborations in 2022:



Sustainable Hospitality Alliance

- Regular attendance at the SHA’s human rights working group to collaborate with industry peers.
- Providing feedback on material and supporting resources developed by the SHA.



Business and Social Responsibility (BSR)

- Regular attendance at BSR human rights working group webinars and meetings to hear updates and to consult with experts and cross industry peers on best practices and challenges.



UN Forum on Business and Human Rights

- Attended 2022 UN Forum on Business and Human Rights, which focused on the next decade of business and human rights.



Project with CARE International UK

- Collaborated with CARE on a gender-analysis assessment with our key supplier in the textile industry. Please refer to [page 16](#) for further information on this project.



ECPAT

- Announced partnership with ECPAT in 2022 to further strengthen IHG’s efforts against trafficking and support of survivors.
- Supported ECPAT through the donation of IHG One Rewards points to help them provide refuge for those escaping dangerous situations.

- Senior adviser of ECPAT joining IHG’s Anti-Human Trafficking steering committee to provide subject matter expertise to support our continued work on this area
- For further information on this partnership, see our announcement [here](#).
- 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. In 2021 we achieved Top Member status.



Polaris

- Announced partnership with Polaris in 2022 to further strengthen IHG’s efforts against trafficking and support of survivors.
- Supported Polaris through the donation of IHG One Rewards points to help them provide refuge for those escaping dangerous situations.

- Senior adviser of Polaris joined IHG’s Anti-Human Trafficking steering committee to provide subject matter expertise to support our continued work on this area.
- IHG will serve as the sole hospitality sponsor of Polaris National Survivor Study.
- For further information on this partnership, see our announcement [here](#).

Our effectiveness and performance indicators



IHG is committed to continuously review the impact of its activities related to human rights and modern slavery. To determine the effectiveness of our activities, we understand that it is crucial to regularly assess our performance. While we continue to identify the most suitable approach to assess our performance, the effectiveness of our activities is currently measured by taking the following factors into account:

Item	Outcome
Number of colleagues completed the Code of Conduct training	59,965
Number of colleagues completed the Responsible Recruitment e-learning	2,986
Number of colleagues completed the Preventing Human Trafficking e-learning	52,334
% of new suppliers signed Supplier Code	100%
Colleague Heartbeat – I know where to go if I have to raise a concern about the workplace (Managed, Corporate)	91%
Colleague Heartbeat – I feel safe to speak up without fear of adverse consequences (Managed, Corporate)	88%

In addition, participation in external benchmarking such as the Business and Human Rights Resource Centre survey on migrant worker risks enables us to monitor our progress and get a better understanding of our performance in comparison with other companies.



Looking ahead

We consider that increased transparency is key in the way businesses are addressing risks to combat modern slavery.



We consider that increased transparency is key to businesses addressing risks to combat modern slavery. As an organisation with a long-standing commitment to responsible business, IHG recognises its areas of improvement, and we are focused on further developing our approach to human rights and combating modern slavery.

Looking ahead to 2023, key areas of focus include:

- To continue enhancing our due diligence efforts
- To update our global human rights impact assessment
- To advance the monitoring and measurement of initiatives, including the measurement of the Responsible Labour Requirements

- To advance the incorporation of human rights in existing business processes
- To build on our work in preparation of the 2022 FIFA World Cup in Qatar and apply our learnings to host countries of upcoming major events
- To continue to engage with industry and cross-industry collaborative initiatives to drive systematic change
- To progress our supply chain risk assessment work

The IHG Board has approved this statement on 17 February 2023.

Keith Barr
CEO

The Statement is in accordance with UK 2015 Modern Slavery Act and for the financial year ended 31 December 2022 and covers InterContinental Hotel Group PLC, IHG Hotels Limited, InterContinental Hotels Group Services Company, Six Continents Limited and all fully owned group entities as listed in [IHG's Annual Report and Form 20-F 2022](#).

We welcome any feedback you may have in relation to this statement – please contact us at ethicsandcompliance@ihg.com.