

IHG UK Defined Contribution Pension Plan

Annual Report and Financial Statements

Year Ended 31 March 2025

Registered number: 12009196

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Annual Governance Statement by the Chair of the Trustee

IHG UK Defined Contribution Pension Plan (“the Plan”)

Summary

As Chair of the Trustee of the IHG UK Defined Contribution Pension Plan, I am responsible for looking after the money you and other members have invested in our Plan. This Statement sets out how the Plan has complied with the key governance standards required for the year to 31 March 2025.

The Plan’s default arrangement remains suitable for a typical member

The Trustee carried out its most recent three-yearly full review of the Plan’s default investment arrangement (that is, an investment option for members who do not make an active choice about their investments) in the Plan year to 31 March 2025, taking into account the membership’s profile and data on how members use their pension account at retirement. Having carried out the review, the Trustee noted the default arrangement remains suitable for a typical member of the Plan, however they will consider potential enhancements over 2025-2026. The Trustee will continue to monitor the default arrangement, with the next formal review due to take place in 2027.

The charges and transaction costs borne by members

Although the Annual Management Charges (“AMCs”) payable on each investment fund (including the default investment arrangement) are the same for active and deferred members, during the Plan Year ended 31 March 2025, the employer met the AMCs for active employee members of the Plan and deferred members met their own AMCs.

The investment and other transaction charges paid by deferred members for the Plan’s default investment arrangement were between 0.28%p.a and 0.47%p.a depending on what stage of the path to their target retirement age the member has reached.

The charges for the Plan’s other investment options were between 0.15%p.a and 0.66%p.a.

The Plan gave GOOD value for members

With the help of its advisers, the Trustee carried out its annual assessment of how the Plan’s services, which members pay for, offer good value for members and how this aspect of the Plan compares to other similar schemes. The Plan is no longer a “specified scheme” as described by The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 (‘the 2021 Regulations’) as the Plan’s assets have grown above the £100m threshold. However, the Trustee has elected to continue to carry out a detailed assessment of Value for Members (“VFM”), in line with the guidance set by the Department for Work & Pensions. The Trustee believes the methodology is robust and provides consistency with previous Plan Years, comparing costs and charges and net investment returns against three other “comparator schemes”. The Trustee is committed to ensuring good value for members, and in making its assessment looks at both the quality of the Plan’s services and the level of costs and charges members pay.

The action being taken by the Trustee to improve value for members

During the year to 31 March 2025, the Trustee has sought to improve the Plan’s Value for Members by closely monitoring the performance of the Plan’s investment strategy following the implementation of changes during prior years.

During the next year to 31 March 2026, the Trustee will seek to improve the Plan’s Value for Members by:

- Consider enhancements to the default investment strategy and self-select fund range following the completion of the triennial review.
- Continuing to closely monitor the performance of the Plan’s investment strategy.
- Completing the review of Plan policies, procedures and governance framework against the new General Code of Practice published in January 2024.

Annual Governance Statement by the Chair of the Trustee continued

Financial transactions were carried out promptly and efficiently

The Trustee monitors the performance of the Plan's administration against the agreed service levels. The Trustee is pleased to report that there were no issues with the Plan's day-to-day administration in the last year and that the applicable service levels have been met. The Trustee is satisfied that the Plan has met all applicable requirements for processing financial transactions promptly and accurately in accordance with its legal requirements.

How the Trustee has kept its knowledge of pension matters up to date

The Trustee has an ongoing programme of bespoke training and an annual assessment to help maintain and develop knowledge of pension matters. Trustee directors at ITS continue to be accredited professional pension trustees with the Association of Professional Pension Trustees (APPT), a professional body which requires annual re-registration including fitness and proprietary assessment, a minimum of 25 hours training per annum and passing professional skills examinations.

We hope this Statement helps you understand how your Plan is run. If you have any questions on its contents, please contact the IHG Pensions Team at enquiries.pensions@ihg.com. A copy of this statement and the Implementation Statement is also available via the IHG corporate website: www.ihgplc.com/business/pensions.

The rest of this Statement describes in more detail the Trustee's management of the Plan during the last year.

For the record

This Annual Statement regarding governance has been prepared in accordance with:

Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715) as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015 (SI 2015/879); and

The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 (SI 2018/233).

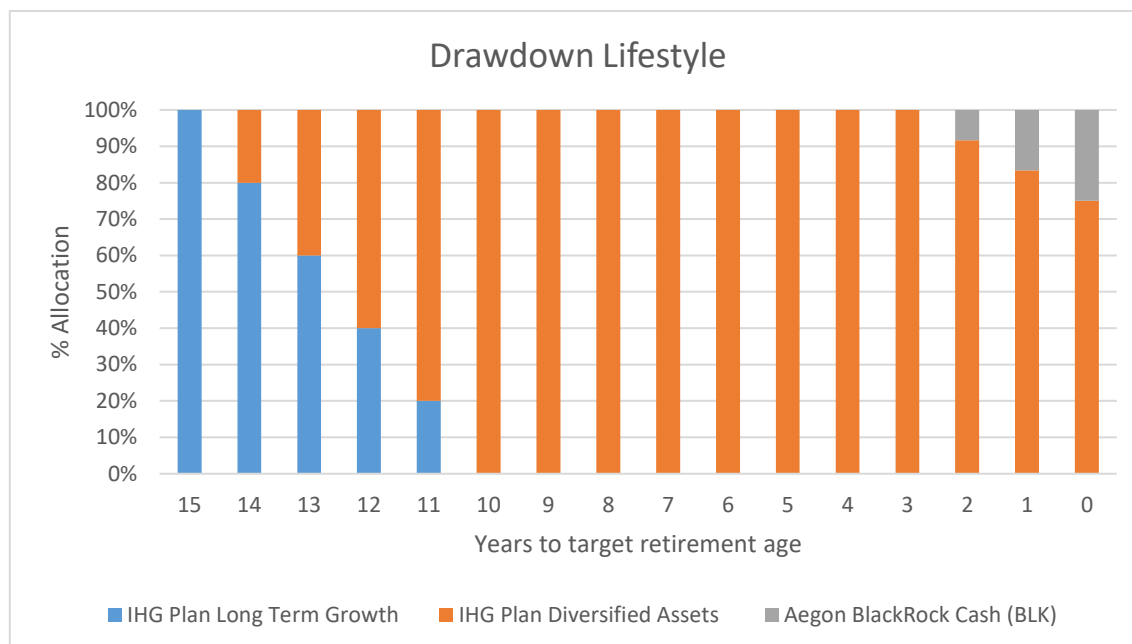
Signed on behalf of the Trustee:

Priti Ruparelia
Chair of the Trustee
29 October 2025

Annual Governance Statement by the Chair of the Trustee continued

(a) The default arrangement

The default arrangement 'glidepath' is illustrated below:



The main investment principles governing the Plan's default arrangement can be outlined as follows:

- To manage members' investment risk over the course of their working life;
- To seek to maximise returns when members are many years from retirement at a low cost, by investing in passively-managed equities;
- To gradually move members' assets into less volatile investments in the diversified assets fund as they approach their selected retirement age; and
- At retirement age, to invest members' assets in line with how the Trustee believes most members will opt to access their benefits.

The following is an extract from the Plan's SIP which details the investment objectives of the default arrangement:

"The default option is intended to be suitable for those Plan members who do not wish to make an active choice on their investments. As the Plan is used for auto enrolment purposes, the Plan is required to have a default investment strategy. The overall aim of the Plan's primary default option is to provide an opportunity for Plan members to generate capital growth whilst managing members' investment risk over their careers and reflect likely benefit choices at retirement. Full details of the strategy can be found in the accompanying Investment Implementation Policy Document but the broad principles behind the strategy and the reasons for the default's construction are set out below.

The Trustee believes that when members are many years before retirement, they should seek to maximise the returns on their investments and to achieve this at a low cost. On this basis, until Plan members are 15 years before their selected retirement date, their assets are invested in passively managed equities. The Trustee also believes that, when members are closer to retirement (and when investment returns become more important than contributions) members' assets should gradually be moved into assets with a lower level of absolute volatility. Between 15 and 10 years before a member's selected retirement age, their investments are gradually switched into a diversified assets fund.

Having consulted with the Plan's membership, and also considered projected fund sizes going forward, the Trustee believes that most members will opt to access Flexi Access Drawdown (FAD) after the point of retirement. Whilst FAD is not offered within the Plan, the Trustee believes that, at the point of retirement, the investment strategy of the default option should be broadly consistent with a post-retirement drawdown portfolio. Additionally, the Trustee believes that most members will continue to access their maximum allowable tax free cash lump sum at the point of retirement.

Annual Governance Statement by the Chair of the Trustee continued

Therefore the default option retains 75% in the Diversified Assets Fund at the point of retirement along with 25% in the Cash fund.

The Trustee's approach to financially material considerations, non-financial matters and stewardship can be found in Section 4 of this statement. The approach taken applies to all funds within the fund range including the default option.

The Trustee will continue to monitor what members of the Plan do at the point of retirement (as well as monitoring trends more widely within the industry) to ensure that this strategy remains appropriate for members. The suitability of the default strategy was last formally reviewed in 2021* and will be formally reviewed every three years (or on any significant changes to the demographic profile of members who are invested in the default option or the overall membership of the Plan or significant changes to legislation or regulation) and will be informally reviewed on an annual basis.

* the current triennial review of the default arrangement, details outlined below, overlapped with the updated SIP and the formal review was conducted within the triennial timetable.

The full SIP dated 24 October 2024 is available at www.ihgplc.com/business/pensions and is also included as Appendix 2 of this Statement. The SIP was updated on 24 October 2024 to reflect the Trustee's illiquid assets policy and to reflect the appointment of the Trustee's new investment adviser.

The Trustee undertook its most recent full three-yearly review of the default arrangement during the year to 31 March 2025. The review was considered by the Trustee on 11 September 2024, and it concluded that the current default investment strategy remains suitable and fit for purpose as the strategy is consistent with the aims and objectives of the membership. Therefore no changes were implemented as a result of this review.

The Trustee will continue to receive regular investment monitoring updates from its advisers to ensure that the default arrangement remains appropriate for the majority of the Plan's members.

The net performance of the investment funds for the one, three and five-year period ended 31 March 2025, are set out below. Net returns have been calculated according to the statutory guidance.

Fund	Investment returns to 31 March 2025		
	1 year	3 years p.a.	5 years p.a.
Equities			
Aegon BlackRock UK Equity Index – Passive	+9.2%	+5.8%	+11.1%
Aegon BlackRock European Equity Index - Passive	+2.3%	+7.2%	+12.2%
Aegon BlackRock Japanese Equity Index - Passive	-3.0%	+6.2%	+8.3%
Aegon BlackRock Pacific Rim Equity Index - Passive	-5.3%	-1.5%	+8.0%
Aegon BlackRock US Equity Index – Passive	+3.7%	+8.1%	+16.4%
Aegon BlackRock World (ex-UK) Equity Index - Passive	+2.9%	+7.2%	+14.6%
Aegon BlackRock Emerging Markets Equity Index – Passive	+7.6%	+1.8%	+7.4%
Aegon HSBC Islamic Global Equity Index – Passive ²	+3.1%	+8.8%	+16.0%
Aegon Baillie Gifford Positive Change Fund – Active ^{2, 3}	-5.2%	-2.8%	n/a
IHG Plan Long Term Growth Fund – Passive ³	+5.4%	+6.7%	n/a
Bonds			
Aegon BlackRock Sterling Bond – Active	-0.7%	-6.0%	-5.6%
Aegon BlackRock Index Linked Gilt - Passive	-9.2%	-16.1%	-9.7%
Aegon BlackRock Long Gilt – Passive	-7.2%	-14.8%	-12.7%
Aegon LGIM Future World Annuity Aware – Passive ^{1,2}	-3.4%	-7.1 %	-5.3%
Other			
Aegon BlackRock Cash Fund- Active	+5.1%	+4.1%	+2.4%
IHG Plan Diversified Assets Fund – Active	+3.7%	+1.9%	+3.9%

¹ The name of this fund was previously Aegon LGIM Pre-Retirement.

² External investment funds are accessed through the Aegon investment platform.

³ Funds have not yet been within the Plan long enough to provide returns over the five-year period.

Annual Governance Statement by the Chair of the Trustee continued

Below are the annualised net investment returns to 31 March 2025 for all funds where life styling does take place.

Default arrangement - Drawdown:

Time period	1 Year (%)
Age of member at beginning of period (years)	01/04/2024 to 31/03/2025
25	+5.4
45	+5.4
55	+3.7

Alternative arrangement - Annuity:

Time period	1 Year (%)
Age of member at beginning of period (years)	01/04/2024 to 31/03/2025
25	+5.4
45	+5.4
55	+3.7

Alternative arrangement - Cash:

Time period	1 Year (%)
Age of member at beginning of period (years)	01/04/2024 to 31/03/2025
25	+5.4
45	+5.4
55	+3.7

Source: Providers, Isio calculations. As the strategy inceptioned in November 2021, 5 years worth of returns do not yet exist.

Notes

1. Returns calculated as the annual geometric average.
2. Age-related returns for members in lifestyle strategies assume annual switching in the glidepath.
3. Performance is net of fees including total expense ratios and transaction costs.
4. Funds have not been in place for 5 years.
5. Net returns have been calculated according to the statutory guidance.

Asset allocation disclosures

Following new guidance from the DWP, for the first scheme year ending after 1 October 2023, trustees of occupational pension schemes must disclose their full asset allocations of investments from their default arrangements. This disclosure should be included in Chair's statements for scheme year ends after 1 October 2023.

The Trustee is required to disclose a breakdown of the asset allocation of the default investment strategy for the Plan. The below table sets out the asset allocation of the default across the core asset classes noted as:

- Cash
- Bonds
- Listed Equities
- Private Equities
- Infrastructure
- Property
- Private debt
- Other (any assets which do not fall into the above)

Annual Governance Statement by the Chair of the Trustee continued

Within the below table, the Trustees have provided a further breakdown within some of these broader categories.

Asset Class ¹	Strategic asset allocation (%) as at 31 March 2025			
	25 year old	45 year old	55 year old	1 day prior to State pension age
Cash			5.6	29.2
Bonds			43.1	32.3
<i>Fixed Interest Government bonds</i>			7.1	5.3
<i>Index-linked Government bonds</i>			3.2	2.4
<i>Investment grade bonds</i>			16.0	12.0
<i>Non-investment grade bonds</i>			16.9	12.6
Listed equities	100	100	40.7	30.5
<i>UK equities</i>	4.0	4.0	3.6	2.7
<i>Developed Market equities</i>	89.6	89.6	34.1	25.6
<i>Emerging markets</i>	6.4	6.4	3.1	2.3
Infrastructure			2.7	2.0
Property			3.1	2.3
Other			5.0	3.0
Total	100	100	100	100

Note: Asset allocations based on fund holdings of the default strategy as at 31 March 2025. 'Other' asset class includes commodities and alternative strategies.

Note: Figures may not sum due to rounding

¹ Securitised credit bonds, private equities (being venture capital, growth equity and buyout/leveraged funds) and private debt are not shown in the above table as there are no allocated assets.

(b) Charges and transaction costs

The charges and transaction costs borne by members or the employer for the Plan's services are:

Service	Costs met by members	Costs met by the employer
Investment management – active members		✓
Investment management – deferred members	✓	
Administration – active members		✓
Administration – deferred members	✓	
Governance (all members)		✓
Investment transaction costs (all members)	✓	

Although the investment and administration charges (also known as the 'Annual Management Charge') are met by the employer for active members of the Plan, those underlying charges are at the same level as those for the Plan's deferred members in all funds. The Trustee and its legal adviser do not therefore consider that deferred members of the Plan are in any way subsidising the costs for active members and therefore this does not constitute an "Active Member Discount" arrangement.

The presentation of the Plan's charges and transaction costs overleaf, together with the projections of the impact of charges and costs, have taken into account the statutory guidance issued by the Department for Work and Pensions. The Trustee has followed the statutory guidance in preparing this information, save where stated otherwise in the interests of member relevance.

Charges

The charges quoted in this Statement are the funds' Total Expense Ratios ("TERs"). The TER consists of the total of a fund's Annual Management Charge ("AMC"), and its Operating Costs and Expenses ("OCE"). OCEs include, for example, the fund's custodian costs. While the AMC is usually fixed, the OCE, and hence the TER, can vary slightly from day to day.

Annual Governance Statement by the Chair of the Trustee continuedTransaction costs

The funds' transaction costs are in addition to the funds' TERs and can arise when:

- The fund manager buys or sells part of a fund's portfolio of assets; or
- The platform provider or fund manager buys or sells units in an underlying fund.

Transaction costs vary from day to day depending on where each fund is invested and stock market conditions at the time. Transaction costs can include: custodian fees on trades, stockbroker commissions and stamp duty (or other withholding taxes).

Transaction costs are taken into account when the funds' unit prices are calculated. This means that transaction costs are not readily visible, but these costs will be reflected in a fund's investment performance.

The Financial Conduct Authority ("FCA") requires fund managers and providers to calculate transaction costs using the "slippage method", which compares the value of assets immediately before and after a transaction has taken place. This can give rise to negative transaction costs where favourable stock market movements during a transaction offset the rest of the trading costs (such as stockbroker commission). The Trustee view the transaction costs for the default strategy as slightly high when compared to other similar schemes, however these still fit within industry ranges. Transaction costs for the self-select range are comparable to that of other schemes. As transaction costs vary year by year, the Trustee is overall satisfied with the level of transaction costs this year however will keep the position under review in ongoing years.

The transaction costs shown in this Statement do not include any costs members may incur from buying or selling units in the provider's funds as a result of the fund manager's fund price moving from a "bid" to "offer" basis (or vice versa).

Default arrangement charges and transaction costs

The funds' charges (TERs) and transaction costs for the funds which form part of the default arrangement in the year 31 March 2025 were:

Fund	Charge *		Transaction costs	
	% p.a. of the amount invested	£ p.a. per £1,000 invested	% p.a. of the amount invested	£ p.a. per £1,000 invested
IHG Plan Long Term Growth	0.28	£2.80	0.0313	£0.31
IHG Plan Diversified Asset	0.47	£4.70	0.1478	£1.48
Aegon BlackRock Cash	0.15	£1.50	0.0138	£0.14

* Charge = the funds' TER, which includes the funds' AMC and OCE. The AMCs for active members are paid by the Company.

The default arrangement is a "lifestyle strategy" which invests contributions in the funds according to how far each member is from retirement. As a result, charges borne by each member can vary from one year to the next.

For active members of the Plan, the AMC is met by the Company and only the OCE is met by the members. Therefore, during the year to 31 March 2025, the member-borne charges for active members in the default arrangement were in a range from 0.01% to 0.02% of the amount invested or, put another way, in a range from £0.10 to £0.20 per £1,000 invested.

The member-borne charges for deferred members in the default arrangement were in a range from 0.28% to 0.47% of the amount invested or, put another way, in a range from £2.80 to £4.70 per £1,000 invested and are illustrated in the table below:

Period to retirement	Charge	
	% p.a.	£ per £1,000
15 years or more	0.287	£2.80
10 to 15 years	0.28 – 0.47	£2.80 - £4.70
3 to 10 years	0.47	£4.70
0 to 3 years	0.39 – 0.47	£3.90 - £4.70
At retirement	0.39	£3.90

The Trustee has had regard to statutory guidance in preparing this part of the statement.

Annual Governance Statement by the Chair of the Trustee continued

The Plan is a qualifying scheme for auto-enrolment purposes and the Trustee confirms that, during the year covered by this Statement, the member-borne charges for the default arrangement complied with the legislative requirements in respect of the cap on charges.

The transaction costs borne by members in the default arrangement during the year were in a range from 0.0313% to 0.1478% of the amount invested or, put another way, in a range from £0.31 to £1.48 per £1,000 invested.

Non default arrangement charges and transaction costs

Outside of the default arrangement, the Plan offers members a choice of 16 self-select funds and 2 further lifestyle options. The funds' charges (TERs) and transaction costs for the funds available outside the default arrangement in the last year were:

Fund	Charge *		Transaction costs	
	% p.a. of the amount invested	£ p.a. per £1,000 invested	% p.a. of the amount invested	£ p.a. per £1,000 invested
IHG Plan Diversified Assets**	0.47	£4.70	0.1478	£1.48
Aegon BlackRock Cash**	0.15	£1.50	0.0138	£0.14
Aegon LGIM Future World Annuity Aware***	0.30	£3.00	0.0000	£0.00
Aegon BlackRock Emerging Markets Equity	0.37	£3.70	0.0000	£0.00
Aegon BlackRock UK Equity	0.19	£1.90	0.0779	£0.78
Aegon BlackRock European Equity	0.19	£1.90	0.0425	£0.42
Aegon BlackRock US Equity	0.19	£1.90	0.0026	£0.03
Aegon BlackRock World (ex-UK) Equity	0.19	£1.90	0.0297	£0.30
Aegon BlackRock Japanese Equity	0.19	£1.90	0.0345	£0.34
Aegon BlackRock Pacific Rim Equity	0.19	£1.90	-0.0258	-£0.26
Aegon HSBC Islamic Global Equity	0.58	£5.80	0.0000	£0.00
Aegon BlackRock Index Linked Gilt	0.15	£1.50	-0.0542	-£0.54
Aegon BlackRock Long Gilt	0.15	£1.50	-0.0064	-£0.06
Aegon BlackRock Sterling Bond	0.30	£3.00	-0.0125	-£0.13
Aegon Baillie Gifford Positive Change	0.66	£6.60	0.1232	£1.23

* Charge = the funds' TER, which includes the funds' AMC and OCE. The AMCs for active members are paid by the Company.

** Funds which also form part of the default arrangement

*** The name of this fund was previously Aegon LGIM Pre-Retirement

During the year, the charges for the self-select funds were in a range from 0.15% to 0.66% of the amount invested or, put another way, in a range from £1.50 to £6.60 per £1,000 invested.

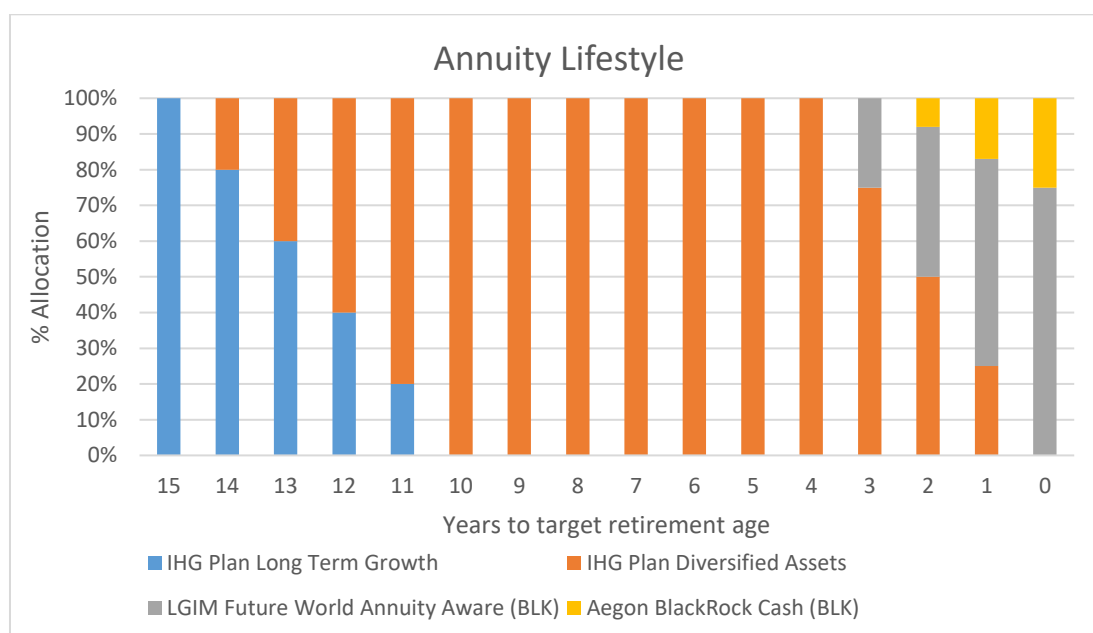
The transaction costs borne by members in the self-select funds during the year were in a range from -0.0542% to 0.1478% of the amount invested or, put another way, in a range from -£0.54 to £1.48 per £1,000 invested. In those cases where transaction costs are a negative number, this means that a small amount of value was added to members' accounts due to the impact of timing within the calculation methodology set by the FCA.

Non-default Lifestyle options

The lifestyle options outside the default arrangement also invest contributions in different funds according to how far each member is from retirement. The charges borne by each member can accordingly vary from one year to the next.

Annual Governance Statement by the Chair of the Trustee continued

The Annuity Lifestyle investment option 'glidepath' is illustrated below:



During the year covered by this Statement, the member-borne charges for deferred members in the Annuity Lifestyle option were in a range from 0.26% to 0.47% p.a. of the amount invested or, put another way, in a range from £2.60 to £4.70 per £1,000 invested:

Period to retirement	Charge	
	% p.a.	£ per £1,000
15 years or more	0.28	£2.80
10 to 15 years	0.28 – 0.47	£2.80 - £4.70
4 to 10 years	0.47	£4.70
0 to 4 years	0.26 – 0.47	£2.60 - £4.70
At retirement	0.26	£2.60

The transaction costs borne by members in the Annuity lifestyle option during the year were in a range from 0.0034% to 0.1478% of the amount invested or, put another way, in a range from £0.00 to £1.48 per £1,000 invested.

The Cash Lifestyle investment option 'glidepath' is illustrated below:



Annual Governance Statement by the Chair of the Trustee continued

During the year covered by this Statement, the member-borne charges for deferred members in the Cash Lifestyle option were in a range from 0.15% to 0.47% p.a. of the amount invested or, put another way, in a range from £1.50 to £4.70 per £1,000 invested:

Period to retirement	Charge	
	% p.a.	£ per £1,000
15 years or more	0.28	£2.80
10 to 15 years	0.28 – 0.47	£2.80 - £4.70
3 to 10 years	0.47	£4.70
0 to 3 years	0.15 – 0.47	£1.50 - £4.70
At retirement	0.15	£1.50

The transaction costs borne by members in the Cash lifestyle option during the year were in a range from 0.0138% to 0.1478% of the amount invested or, put another way, in a range from £0.14 to £1.48 per £1,000 invested.

The Trustee has had regard to statutory guidance in preparing this part of the statement.

Impact of costs and charges

The Trustee has asked the Plan's administrator to illustrate the impact over time of the costs and charges borne by members.

These illustrations show projected fund values in today's money before and after costs and charges for:

1. a typical non-Executive member at stages from joining the Plan at age 21 up to retirement at age 65;
2. a typical Executive member at stages from joining the Plan at age 27 up to retirement at age 65; and
3. a typical deferred member at stages from age 22 up to retirement.

The illustrations show these figures for the default arrangement, the self-select fund with the lowest rate of assumed growth (Long Gilt Fund) and the self-select fund with the highest level of assumed growth (World (ex-UK) Equity fund), together with a note of the assumptions used in calculating these illustrations. The illustrations are included as Appendix 1 of this Statement or by using the website address www.ihgplc.com/business/pensions. There are processes in place to notify members about this in the Annual Benefit Statement. The illustration for an active non-Executive member in the default arrangement is shown below.

As an example, for an active non-Executive member who is in the default arrangement and aged 21, the level of charges and costs seen in the last year (applied on a cumulative basis up to the member's retirement) would reduce their projected fund value at retirement in today's money from £1,046,622 to £1,008,394. As a further example, for an active Executive member who is in the default arrangement and aged 27, the level of charges and costs seen in the last year (applied on a cumulative basis up to the member's retirement) would reduce their projected fund value at retirement in today's money from £1,597,066 to £1,543,663. (Please note: these illustrative values are not guaranteed and may not prove to be a good indication of how your own savings might grow.)

Example illustration showing the impact of transactional costs and charges for an active non-Executive member in the default arrangement. Note that non-Executive members comprise the largest group in the Plan. The Trustee has had regard to statutory guidance in preparing these examples.

Years of membership in the Plan	Fund value before all charges (£)	Fund value after all charges (£)
1	£29,639	£29,611
3	£50,168	£50,048
5	£72,463	£72,196
10	£136,726	£135,812
15	£214,888	£212,813
20	£309,387	£305,473
25	£423,063	£416,427
30	£559,016	£548,483
35	£712,417	£694,763
40	£887,542	£859,329
44	£1,046,622	£1,008,394

Annual Governance Statement by the Chair of the Trustee continued

Key assumptions:

- Starting fund value is £20,000 as this is the average fund value for non-Executive members;
- Current salary is £50,000 and will increase by 3.5% per annum;
- Current age is 21 and retirement age is 65;
- Future contributions will be 18% of salary as this is the most popular contribution level chosen by members;
- Inflation will be 2.0% per annum;
- AMC is paid by the Company; and
- As the default arrangement is a lifestyle strategy consisting of multiple investment funds, the assumed growth rate, after allowing for inflation, ranges from 2.04% to 3.00% per annum depending on how far the member is from retirement.

(c) Value for Members

Approach

The Plan is no longer a “specified scheme” as described by The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 (‘the 2021 Regulations’) as the Plan’s assets have grown above the £100m threshold. However, the Trustee has elected to continue to carry out a detailed assessment of Value for Members (“VFM”), in line with the guidance set by the Department for Work & Pensions. The Trustee believes the methodology is robust and provides consistency with previous Plan Years.

The Trustee adopted the following approach to assessing VFM for the last year:

- Costs and charges – considered the costs and charges of the Plan’s investment funds and compared these with 3 other “comparator schemes”.
- Net investment returns – considered the net investment returns of the Plan’s investment funds and compared these with 3 other “comparator schemes”.
- Plan governance and administration – assessed the Plan on an absolute basis against 7 key governance and administration criteria.
- Rating – each factor was rated on the basis described below.

The Trustee chose the comparator schemes in accordance with TPR guidance – Comparator A (a Master Trust), Comparator B (a Master Trust with a different target market) and Comparator C (an Isio client (un-bundled trust-based scheme with asset value c. £650 million)).

Results for the year ending 31 March 2025

The Plan provided “**Good**” Value for Members during the year ending 31 March 2025. The rating criteria used in the assessment were:

Rating	Definition
Good	The Trustee considers the Plan offers good value for members, with net investment returns and costs & charges that are similar to / better than the average of the 3 comparator schemes, as well as providing administration and governance services that are of sufficient or excellent quality.
Average	The Trustee considers the Plan offers average value for members, with net investment returns that are similar to / worse than the average of the 3 comparator schemes. The Plan’s costs & charges are similar to / worse than the average of the 3 comparator schemes (and there are no mitigating factors). The Plan’s administration and governance services are generally of a sufficient quality, but could do with some improvements on certain prescribed metrics.
Poor	The Trustee considers the Plan offers poor value for members, with net investment returns and costs & charges that are worse than the average of the 3 comparator schemes with no mitigating factors, as well as providing administration and governance services that are of insufficient quality.

Annual Governance Statement by the Chair of the Trustee continued

Overall detailed assessment of Value for Members

Factor	Value for Member weighting	Value for Member assessment	Overall assessment of Value for Members
Costs and charges	30%	Average	Good
Net investment returns	35%	Good	
Governance and administration	35%	Good	

The rationale for the rating of each service was in outline:

Factor and weighting	Rating	Rationale
Costs and charges 30%	Average	Charges were similar to those of the comparator schemes within the growth phase of the strategy (i.e. greater than 15 years from retirement). Charges were higher than those of comparator schemes closer to retirement (i.e. less than 15 years from retirement). IHG PLC currently pays all charges except additional expenses for active members within the Plan. As such, these active members receive good value across all points in the glidepath. Transaction costs were broadly in line with those of the comparator schemes in the growth phase but higher than the comparator schemes closer to retirement.
Net investment returns 35%	Good	The net investment returns in the default arrangement are higher than those of the comparator schemes over the 1 year period. Long term performance is not available for comparison. The net investment returns for self-select funds in which members of the Plan are frequently invested are in line with the long term average for comparator funds in most instances. It is therefore reasonable to deduce that the funds represent good value for members from the standpoint of investment returns.
Plan governance and administration 35%	Good	All of the metrics for administration and governance are satisfied. In particular: Core financial transactions have largely been processed promptly and accurately. The Plan holds reliable, accurate and secure data. The default investment strategy was last reviewed in September 2024 and should be reviewed at least on a three yearly basis (next review due in September 2027). The last review confirmed the default strategy is appropriate for each stage of the member journey and the risk and return is suitable for the objectives of the Plan, and demographic profile of the members. Documented and robust investment governance procedures are in place and are adhered to. The Trustee is a professional sole trustee and has the necessary knowledge, understanding and skill to operate the Plan effectively. Communication with Plan members is clear, accurate, timely and of good quality. Communications come from both the Plan's platform provider, Aegon, and directly from the Trustee. Robust conflicts of interest policies and controls are in place as part of a wider governance manual held by the IHG Pensions Team.

The Trustee has agreed an action plan for the following year to improve value for members where necessary and obtain any missing information. This action plan, along with details of the missing information and value assessment limitations, are detailed in other sections of this Chair's Statement.

Annual Governance Statement by the Chair of the Trustee continued

(d) Processing financial transactions and administration

The Trustee has appointed Aegon to administer the Plan on its behalf.

The Trustee monitored core financial transactions during the year including:

- The receipt and investment of contributions (including inward transfers of funds);
- Switches between investment options; and
- Payments of benefits (including retirements and outward transfers of funds).

The Trustee has a service level agreement in place with the Plan's administrator to ensure the accuracy and timeliness of all core financial transactions covering:

- New joiner and regular contributions files and the allocation of contributions are processed within 1 working day;
- Provision of retirement pack and quotation of benefits within 5 working days;
- Payments of benefits are made within 5 working days;
- Provision of drawdown quotation within 5 working days;
- Provision of transfer value quotation within 5 working days;
- Payment of transfer value within 5 working days;
- Processing individuals transferring in to the Plan within 5 working days;
- Response to members enquiries within 5 working days;
- Provision of statements upon request within 5 working days; and
- Processing of investment switches within 1 working day.

The Plan's administrator, Aegon, aim to ensure that 90% to 100% of all these processes are completed within these service levels.

The Trustee understands that the administrator monitors its performance against these service levels by:

- Monitoring daily transactions;
- Monitoring daily workflow items;
- Regular internal audits of administration procedures; and
- Reviewing the level, causes and resolution of complaints.

The Trustee monitored core financial transactions and administration service levels during the year by:

- Checking that contributions deducted from members' earnings have been paid promptly to the Plan by the Company;
- Receiving quarterly reports from the administrator on the processing of financial transactions and other administration processes against the agreed service levels;
- Maintain a risk register and monitor the administration provider against it;
- Carrying out monthly contribution reconciliations;
- Considering the reasons for and resolution of any breaches of service standards;
- Arranging reviews of data accuracy; and
- Considering member feedback including any complaints.

These actions ensure that no issues arise in the processing of core financial transactions, and there were no such issues in the period covered by this statement.

Annual Governance Statement by the Chair of the Trustee continued

The Trustee is satisfied that the service standards are competitive because:

- The Trustee asks their advisers to compare service levels annually against other similar administrators; and
- The Trustee conducted a review of the administrator in 2025, when they were found to be comparable with other administrators. There were some improvements identified, which are being worked on with the Trustee, the Company, advisers and Aegon. The next formal review is due to be carried out in the Plan year to 31 March 2028.
- Aegon performed as expected throughout the year with over 95% of tasks being completed within target. There was no increase in the number of complaints compared to previous years.

Overall, the Trustee is satisfied that during the year:

- Core financial transactions were processed accurately, promptly and efficiently, and that the administrator's performance is on a par with other similar administrators; and
- The wider administration of the Plan achieved the agreed service standards over the year as a whole, and the Trustee is satisfied that those standards are appropriate for the Plan.

(e) Trustee knowledge and understanding

The Trustee's current practices to maintain and develop their level of knowledge and understanding of matters relating to the Plan (in accordance with sections 247 and 248 of the Pensions Act 2004) are:

- Trustee Directors are expected to have a working knowledge of the Plan's Trust Deed and Rules and all other documents setting out the Trustee's current policies;
- Trustee Directors are expected to have a working knowledge of the Plan's Statement of Investment Principles as well as the investment and funding concepts relevant to the Plan;
- Trustee Directors are expected to have a working knowledge of the law and legislation relating to pension schemes and trusts;
- Trustee Directors are encouraged to undertake further study and qualifications which support their work as Trustee Directors;
- The Trustee has a plan in place for Trustee Directors to access ongoing training appropriate to their duties;
- The effectiveness of these practices and the training received are reviewed annually;
- The Trustee Directors carry out regular assessments to confirm and identify any gaps in their knowledge and skills.

The Pensions Regulator's General Code includes a section on Trustee Knowledge and Understanding to assist trustees and trustee directors on this matter which became effective from 28 July 2017. This section of the Statement sets out how the requirements for knowledge and understanding have been met during the year to 31 March 2025.

Sole Trustee continuity and support

Independent Trustee Services Limited ("ITS"), trading as Independent Governance Group, was appointed as the sole Trustee of the Plan on 1 April 2015. ITS is a specialist pension trustee services company which also formed part of the previous trustee board that oversaw the Plan prior to 1 April 2015. ITS has a governance model for sole trustee appointments that includes a second director who supports the lead director in all aspects of the plan. This ensures that a range of relevant experience and knowledge is applied to the plan beyond the Lead Director.

Mark Engelbretson joined the sole Trustee as the Second Trustee on 14 February 2025 and had an induction meeting with IHG's Head of Global Corporate Reward, Keith Sully, on 17 February 2025.

The Lead Trustee changed with effect from 24 March 2025 and the former Lead, Jo Holden, and new Lead, Priti Ruparelia, had a handover meeting to cover all actions and responsibilities of the Lead Trustee of the Plan on 3 March 2025.

Annual Governance Statement by the Chair of the Trustee continued

Plan documentation

The Trustee has a good working knowledge of the trust deed and rules and other documents setting out the trustees' current policies. The Trustee refers to them for key decision making. The Trustee's knowledge of the trust deed and rules and policies ensures that any proposals or changes to benefit structures or member rights are considered fully and validly, in members' interests. The rules were consulted in the Plan Year in respect of regulatory changes, in order to ascertain any impact on members, and relevant legal advice sought.

SIP and Investments

The Trustee, with the help of its advisers, reviews the Plan's SIP at least every three years. The last review was carried out on 24 October 2024 to reflect the Trustee's illiquid assets policy and to reflect the appointment of the Trustee's new investment adviser. These regular reviews, together with frequent training on investment topics, ensure familiarity with the Plan's investment objectives and strategy, as well as changing investment trends in defined contribution schemes. During the year to 31 March 2025, the Chair attended training sessions on relevant investment issues, which included attending the DC conference hosted by Professional Pensions and a Pension Investment conference hosted by Mercer and reviewing a DC paper drafted by Eversheds and attended a DC roundtable. This allowed the Trustee to demonstrate an understanding of the Scheme's SIP and the relevant principles relating to the funding and investment of occupational schemes.

Pensions law and legislation

Complying with changing pensions regulations is an important aspect of a trustee's role in governing a scheme. The Trustee receives quarterly "hot topics" from their pensions and legal advisers covering technical and legislative changes affecting defined contribution schemes in general. At external and internal training sessions, legal topics covered during the period of this Statement included the requirements of the Regulator's General Code of Practice; the impact of recent regulations on transfers out, the rules around stronger nudges; changes in assumptions supporting pension projections for member benefit statements; and details of recent cases from the Pensions Ombudsman. This allowed the Trustee to demonstrate an understanding of the law relating to pensions and trusts.

Ongoing professional trustee commitment to continuous learning

All ITS Directors have completed the Pension Regulator's Trustee Toolkit assessment modules including the additional Pension Scams toolkit (which assess competence in several key areas of pensions knowledge, including pensions law, investment and the role of trustees). All Trustee Directors at ITS are accredited professional pension trustees with APPT, a professional body which requires annual re-registration of fitness and proprietary assessment, a minimum of 25 hours' training per annum and passing professional skills examinations.

Training plans – group and individual

All ITS Directors partake in an ongoing mandatory training programme, which is designed to ensure that our knowledge is kept up to date. Each Trustee Director maintains a personal record of both group and individual training, which is documented and logged throughout the year. In doing so, Trustee Directors can identify any knowledge gaps that they may have and request training accordingly.

The ITS internal training programme is set with consideration of current pensions topics or upcoming changes to pensions regulations and disclosure requirements of which there have been many in the period of this Statement and more to come. At the beginning of each year, ITS Directors are asked to provide input into the annual training programme based on the anticipated needs of their schemes and upcoming pensions changes or deadlines. Relevant topics earmarked for attention in the period of this Statement included ongoing cyber security and cyber resilience training, Trustee Insurance and protection training, TPR Insights, Breach Management, Diversity, Equity and Inclusion, Pension Dashboard, and new Inheritance Tax Rules in particular the impact on pensions and death benefits. These sessions were delivered by external specialists in their respective fields or led by internal experts. After each ITS training session, attendees are asked to provide feedback on the quality and effectiveness of the training.

In addition to participating in the ITS training programme, the Chair attends individual training where appropriate, based on personal training objectives. On an individual level, ITS directors complete a self-evaluation questionnaire on an annual basis to consider any knowledge gaps, especially on any technical and governance issues, and specifically seek out training opportunities to fill those gaps or refresh our knowledge. External training is delivered through a mix of face-to-face learning at seminars, webinars and personal technical reading of relevant pensions industry publications and papers.

Annual Governance Statement by the Chair of the Trustee continued

This is not an exhaustive list but shows that individually and collectively, all ITS colleagues as professional trustees are committed to continuous improvement through relevant and extensive training to provide quality governance to the Plan.

Trustee advisers

A number of specialist advisers have been formally appointed to assist ITS with our duties as Trustee, including a legal adviser and an investment adviser. We regularly review our advisers to ensure that the service they provide is appropriate and offers good value, and as sole trustee, we provide feedback to each adviser annually in the spirit of continuous improvement.

A formal review of the Plan's auditor, Ernst & Young, was undertaken during 2019/2020 using a competitive tender process. This enabled the Trustee to benchmark its providers with the market. We also appoint specialist communications advisers for both ongoing and one-off communications to members. The next formal review of the Plan's auditor is due to be undertaken during the 2025/26 Plan year. During 2025/26, the Trustee will also be reviewing the administrator and legal advisor.

Training outcomes

The above combined knowledge and understanding of the Trustee, together with advice received from professional, expert advisers, enabled the Trustee to properly exercise its functions as Trustee of the Plan during the period covered by this Statement in the following ways:

- The knowledge, understanding and advice is directly relevant to the Trustee's functions in relation to the Plan;
- It supports and facilitates good decision-making in line with the Plan's rules and legislation;
- It supports effective administration and investment of the Plan's assets; and
- It ensures that the Trustee Directors are up to date with the latest legislative requirements, guidance and industry practice relating to the Plan.

(f) Action plan

In the coming year (which will be covered by the next Statement), the Trustee intends to carry out the following:

- Continue to carefully monitor the performance of the Plan's investment strategy;
- Review Plan policies, procedures and governance framework against the new General Code of Practice published in January 2024. Work was started during the Plan year to 31 March 2024 and is ongoing during 2025 to produce the Trustee Own Risk Assessment by 31 March 2026;
- Conduct a triennial review of the Legal provider and Auditor.
- Continue to liaise with Aegon regarding future developments in their digital proposition and member communications; and
- High level review of the SIP.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 1: Illustrations of the impact of charges and costs

Note on the illustrations included in this Appendix: these illustrations have been prepared in accordance with the statutory guidance issued by the Department for Work and Pensions, except that these illustrations relate to funds that have costs and charges in the range from 0.15 % p.a. to 0.47% p.a. The statutory guidance suggests that illustrations should show a representative range of the costs and charges in the Plan's funds, including the funds with the lowest and the highest charges. The Plan offers funds with costs and charges ranging from 0.15% p.a. to 0.66% p.a. The Trustee considered that the full range of costs and charges in the funds offered by the Plan is not materially broader than the range represented by the illustrated funds. This is particularly the case for active members, where the employer pays the AMC. The Trustee therefore concluded that further illustrations in addition to the ones shown would not be necessary or helpful to members.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 1: Illustrations of the impact of charges and costs continued

Illustration 1: An active non-Executive member:

Purpose of this example illustration

This isn't a personal illustration, it is based on the assumptions detailed later on in this document. The purpose of the illustration is to show how fund related costs and charges can affect the overall value of the funds you invest in over time.

	Active Member Drawdown Lifestyle*	Fund transaction costs and charges total (%)	
		Aegon BlackRock Index-Linked Gilt (BLK)	Aegon BlackRock US Equity Index (BLK)
Growth	2.04% to 3.00%	2.00%	3.00%
AMC	0.00%**	0.00%**	0.00%**
AAE	0.00% to 0.02%	0.00%	0.01%
TC	0.01% to 0.19%	-0.01%	0.02%

* As the Lifestyle investment option consists of multiple investment funds we have shown the range of growth and fund costs & charges.

** Annual Management Charge is paid by the employer.

Growth is the assumed growth rate for the fund after taking into account assumed price inflation of 2% per annum.

AMC is the Annual Management Charge, which is a yearly management charge expressed as an annual percentage but calculated and deducted on a daily basis from the fund.

AAE are the Additional Annual Expenses, which are an estimate of any additional fees and expenses that may apply, such as fees for custody, administration and trustee services that may be incurred in addition.

TC are the Transaction Costs, which are an estimate of explicit and implicit costs incurred as a result of buying, selling, lending or borrowing of investments in the fund, based on the average of the actual annual transaction costs for the period 01/04/20 to 31/03/25.

The impact of transaction costs and charges on fund values (£)

The 'Before Charges' column shows each fund value without any transaction costs, charges or expenses being applied to the fund's holdings.

The 'After all charges' column shows the fund's holdings after transaction costs, charges and expenses have been deducted.

Years	Active Member Drawdown Lifestyle*		Aegon BlackRock Index-Linked Gilt (BLK)		Aegon BlackRock US Equity Index (BLK)	
	Before Charges	After all charges	Before Charges	After all charges	Before Charges	After all charges
1	29639	29611	29391	29391	29639	29631
3	50168	50048	49113	49113	50168	50136
5	72463	72196	70142	70142	72463	72390
10	136726	135812	128879	128879	136726	136476
15	214888	212813	197337	197337	214888	214319
20	309387	305473	276770	276770	309387	308314
25	423063	416427	368582	368582	423063	421240
30	559016	548483	474339	474339	559214	556327
35	712417	694763	595785	595785	721673	717321
40	887542	859329	734868	734868	914890	908566
44	1046622	1008394	860282	860282	1095053	1086699

About this illustration

Your current age is 21 and retirement age is 65. This is based on the age of the youngest person in the scheme.

Your current salary is £50,000 and will increase each year by 3.5%.

Future contributions paid will be 18% of your salary (£750 each month increasing by 3.5% each year in line with assumed salary increases).

The existing fund value is £20,000.

We've shown the default Active Member Drawdown Lifestyle investment Option that the majority of active members invest in.

We've also shown the Aegon BlackRock Index-Linked Gilt (BLK) and Aegon BlackRock US Equity Index (BLK) funds to show the asset classes with the lowest and highest assumed growth.

Investment growth

The value of your investments will grow at a rate appropriate to the funds you're invested in and inflation will be 2.0% every year. This is an illustrative growth rate only. The investment growth achieved may be more or less than this and may vary depending on the fund(s) you're invested in.

The assumed growth rate used for each fund is shown above. This rate is based on our view of potential long-term returns of the main asset classes (equities, property, corporate bonds, government bonds and cash) and will vary depending on the fund(s). The growth rates for mixed asset funds are derived from the asset class growth rates based on the investment objectives and long-term asset allocation of the funds.

If the growth rate we've used is:

- the same as the rate of inflation this reduces the growth rate, after making an allowance for inflation, to 0%;
- less than the rate of inflation, this produces a negative growth rate after making an allowance for inflation.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 1: Illustrations of the impact of charges and costs continued

Illustration 2: An active Executive member:

Purpose of this example illustration

This isn't a personal illustration, it is based on the assumptions detailed later on in this document. The purpose of the illustration is to show how fund related costs and charges can affect the overall value of the funds you invest in over time.

Fund transaction costs and charges total (%)			
	Active Member Drawdown Lifestyle*	Aegon BlackRock Index-Linked Gilt (BLK)	Aegon BlackRock US Equity Index (BLK)
Growth	2.04% to 3.00%	2.00%	3.00%
AMC	0.00%**	0.00%**	0.00%**
AAE	0.00% to 0.02%	0.00%	0.01%
TC	0.01% to 0.19%	-0.01%	0.02%

* As the Lifestyle investment option consists of multiple investment funds we have shown the range of growth and fund costs & charges.

** Annual Management Charge is paid by the employer.

Growth is the assumed growth rate for the fund after taking into account assumed price inflation of 2% per annum.

AMC is the Annual Management Charge, which is a yearly management charge expressed as an annual percentage but calculated and deducted on a daily basis from the fund.

AAE are the Additional Annual Expenses, which are an estimate of any additional fees and expenses that may apply, such as fees for custody, administration and trustee services that may be incurred in addition.

TC are the Transaction Costs, which are an estimate of explicit and implicit costs incurred as a result of buying, selling, lending or borrowing of investments in the fund, based on the average of the actual annual transaction costs for the period 01/04/20 to 31/03/25.

The impact of transaction costs and charges on fund values (£)

The 'Before Charges' column shows each fund value without any transaction costs, charges or expenses being applied to the fund's holdings.

The 'After all charges' column shows the fund's holdings after transaction costs, charges and expenses have been deducted.

Years	Active Member Drawdown Lifestyle*		Aegon BlackRock Index-Linked Gilt (BLK)		Aegon BlackRock US Equity Index (BLK)	
	Before Charges	After all charges	Before Charges	After all charges	Before Charges	After all charges
1	86155	86068	85393	85393	86155	86131
3	126917	126584	123998	123998	126917	126826
5	171135	170446	165131	165131	171135	170947
10	298377	296216	279877	279877	298377	297786
15	452815	448143	413400	413400	452815	451534
20	639206	630850	568118	568118	639206	636858
25	861817	847336	746731	746731	863083	859176
30	1112518	1086633	952250	952250	1130875	1124778
35	1402674	1360418	1188032	1188032	1450052	1440961
38	1597066	1543663	1345567	1345567	1669775	1658415

About this illustration

Your current age is 27 and retirement age is 65.

Your current salary is £95,000 and will increase each year by 3.5%.

Future contributions paid will be 18% of your salary (£1,425 each month increasing by 3.5% each year in line with assumed salary increases).

The existing fund value is £67,000.

We've shown the default Active Member Drawdown Lifestyle Investment Option that the majority of active members invest in.

We've also shown the Aegon BlackRock Index-Linked Gilt (BLK) and Aegon BlackRock US Equity Index (BLK) funds to show the asset classes with the lowest and highest assumed growth.

Investment growth

The value of your investments will grow at a rate appropriate to the funds you're invested in and inflation will be 2.0% every year. This is an illustrative growth rate only. The investment growth achieved may be more or less than this and may vary depending on the fund(s) you're invested in.

The assumed growth rate used for each fund is shown above. This rate is based on our view of potential long-term returns of the main asset classes (equities, property, corporate bonds, government bonds and cash) and will vary depending on the fund(s). The growth rates for mixed asset funds are derived from the asset class growth rates based on the investment objectives and long-term asset allocation of the funds.

If the growth rate we've used is:

- the same as the rate of inflation this reduces the growth rate, after making an allowance for inflation, to 0%;
- less than the rate of inflation, this produces a negative growth rate after making an allowance for inflation.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 1: Illustrations of the impact of charges and costs continued

Illustration 3: A deferred member:

Purpose of this example illustration

This isn't a personal illustration, it is based on the assumptions detailed later on in this document. The purpose of the illustration is to show how fund related costs and charges can affect the overall value of the funds you invest in over time.

	Fund transaction costs and charges total (%)		
	Deferred Member Drawdown Lifestyle*	Aegon BlackRock Long Gilt (BLK)	Aegon BlackRock World (ex-UK) Equity Index (BLK)
Growth	2.04% to 3.00%	2.00%	3.00%
AMC	0.15% to 0.46%**	0.15%	0.18%
AAE	0.00% to 0.02%	0.00%	0.01%
TC	0.01% to 0.19%	-0.02%	0.02%

* As the Lifestyle investment option consists of multiple investment funds we have shown the range of growth and fund costs & charges.

Growth is the assumed growth rate for the fund after taking into account assumed price inflation of 2% per annum.

AMC is the Annual Management Charge, which is a yearly management charge expressed as an annual percentage but calculated and deducted on a daily basis from the fund.

AAE are the Additional Annual Expenses, which are an estimate of any additional fees and expenses that may apply, such as fees for custody, administration and trustee services that may be incurred in addition.

TC are the Transaction Costs, which are an estimate of explicit and implicit costs incurred as a result of buying, selling, lending or borrowing of investments in the fund, based on the average of the actual annual transaction costs for the period 01/04/20 to 31/03/2025.

The impact of transaction costs and charges on fund values (£)

The 'Before Charges' column shows each fund value without any transaction costs, charges or expenses being applied to the fund's holdings.

The 'After all charges' column shows the fund's holdings after transaction costs, charges and expenses have been deducted.

Years	Deferred Member Drawdown Lifestyle*		Aegon BlackRock Long Gilt (BLK)		Aegon BlackRock World (ex-UK) Equity Index (BLK)	
	Before Charges	After all charges	Before Charges	After all charges	Before Charges	After all charges
1	15435	15378	15285	15265	15435	15403
3	16343	16163	15871	15810	16343	16241
5	17305	16988	16480	16373	17305	17124
10	19964	19239	18106	17873	19964	19549
15	23031	21788	19893	19509	23031	22317
20	26570	24675	21856	21295	26570	25478
25	30653	27945	24013	23245	30653	29085
30	35311	31566	26383	25373	35363	33204
35	40095	34772	28986	27697	40797	37906
40	45364	38064	31846	30233	47066	43274
43	48765	40189	33696	31864	51281	46853

About this illustration

Your current age is 22 and retirement age is 65.

The existing fund value is £15,000.

No future contributions will be paid.

We've shown the default Deferred Member Drawdown Lifestyle Investment Option that the majority of deferred members invest in.

We've also shown the Aegon BlackRock Long Gilt (BLK) and Aegon BlackRock World (ex-UK) Equity Index (BLK) funds to show the asset classes with the lowest and highest assumed growth.

Investment growth

The value of your investments will grow at a rate appropriate to the funds you're invested in and inflation will be 2.0% every year. This is an illustrative growth rate only. The investment growth achieved may be more or less than this and may vary depending on the fund(s) you're invested in.

The assumed growth rate used for each fund is shown above. This rate is based on our view of potential long-term returns of the main asset classes (equities, property, corporate bonds, government bonds and cash) and will vary depending on the fund(s). The growth rates for mixed asset funds are derived from the asset class growth rates based on the investment objectives and long-term asset allocation of the funds.

If the growth rate we've used is:

- the same as the rate of inflation this reduces the growth rate, after making an allowance for inflation, to 0%;
- less than the rate of inflation, this produces a negative growth rate after making an allowance for inflation.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 2: Statement of Investment Principles

IHG UK Defined Contribution Pension Plan (the “Plan”) Statement of Investment Principles (SIP)

1. Introduction

1.1 Statutory Information

This Statement of Investment Principles (the “Statement”) is produced to meet the requirements of the Pensions Acts 1995 & 2004 and the Occupational Pension Schemes (Investment) Regulations 2005. The Trustee also complies with the requirements to maintain and take advice on the Statement and with the disclosure requirements. This includes the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2018 which came into force on 1st October 2019.

This Statement reflects the outcome of the Trustee’s review of the Plan’s investments in light of the ‘Freedom & Choice’ changes introduced from April 2015 under the Pensions Act 2015; and the most recent review of the administration and investment platform provider in 2021.

The Plan is a defined contribution (DC) pension arrangement. It is a qualifying scheme for auto enrolment purposes.

1.2 Governance

The Trustee has full regard to its investment and other powers under the Trust Deed and Rules and the best interests of the Plan’s members, and will assess the suitability of different types of investments to meet their needs.

Responsibilities:

The key responsibilities in connection with the governance of the Plan are:

The Employer is responsible for paying the contributions to the Plan and for providing support to the Trustee to help govern the Plan.

The Trustee is responsible for the selection, monitoring and replacement of the investment platform provider, investment managers and the administrator, taking advice from the Plan’s investment consultants where necessary. The Trustee maintains an Investment Implementation Policy Document (IIPD) which contains details of the Plan’s investment arrangements.

The Trustee does not give advice to individual members on their fund selections. Members are encouraged to take independent financial advice when making their individual investment choices.

The day-to-day management of members’ investments is delegated to Scottish Equitable plc (“AEGON”), the Plan’s current provider for both administration and investment management services. AEGON operates in accordance with a Service Level Agreement which the Trustee monitors on a regular basis.

AEGON is responsible for investing contributions with the selected fund managers while ensuring that the funds are priced correctly, maintaining sufficient liquidity and meeting regulatory requirements. It is also responsible for the creation and ongoing running of blended funds, at the request of the Trustee. The fund managers are responsible for the day-to-day investment management of the funds' assets. Please refer to the IIPD for the current list of funds available to members. The IIPD is available to members on request from the Plan administrators.

Custodians are appointed by the investment manager(s) and are responsible for the safekeeping of the assets of the funds and processing the settlement of transactions.

The role of Isio (the investment consultant) is to give advice to the Trustee on the development of a clear set of aims, objectives and investment strategy for the Plan including the default option, lifestyle strategies and self-select fund range. It provides general advice in respect of the Plan's investment activities. It advises on the construction of an overall investment management structure and fund offering that meets the objectives of the Trustee's investment strategy. It also provides views on the investment manager(s) used by the Plan and assists the Trustee in the selection and appointment of appropriate investment managers when necessary.

In preparing this Statement, the Trustee has taken into account current guidance from the Pensions Regulator.

Conflicts of interest

The Trustee maintains a register of its interests and those of its advisers. This register is reviewed at each Trustee meeting to ensure that any potential conflicts between stakeholders are identified in a timely manner and dealt with appropriately.

In the event of a conflict of interests, the Trustee will need to ensure that contributions for the default option are invested in the sole interests of members and beneficiaries.

When appointing platform providers and choosing investment managers' funds on the provider's platform, the Trustees will seek to establish that the platform provider and each investment manager has an appropriate conflicts of interest policy in place.

1.3 Advice

The Trustee obtains and considers proper advice from a suitably qualified person from Isio on the suitability of the investments, the need for diversification and the principles contained in this Statement. Isio operates under an agreement to provide a service which ensures the Trustee is fully briefed to take decisions itself and to monitor those it delegates. Isio is authorised and regulated by the Financial Conduct Authority.

1.4 Employer consultation

The Employer has been consulted on the contents of this Statement and will be consulted should the Trustee wish to make any amendments to this Statement.

2 Investment Principles

2.1 Investment objective

To provide a range of investment options suitable to meet Plan members' needs, by providing options that give members a reasonable expectation of:

- influencing the value of their assets at retirement, allowing for individual members' risk tolerances;
- where required, maintaining the purchasing power of their savings in real (i.e. post-inflation) terms; and
- providing protection for accumulated assets in the years approaching retirement against a sudden (downward) volatility in the capital value and, where required, against fluctuations in the cost of annuities;

whilst taking into account the impact that increased complexity may have on administration requirements and the overall cost of the arrangements.

Three lifestyle options are offered to members of the Plan, with each intended to target the provision of one of the three retirement benefit choices: Annuity, Cash and Drawdown. Alternatively, a range of self-select funds is available for Plan members to invest in.

Following analysis of the demographic composition of the Plan's membership, and having taken advice from Isio, the Trustee selected the Drawdown lifestyle option as the default investment option. The Trustee intends the default investment option to be suitable for the majority of Plan members and will therefore continue to monitor member funds, behaviours and choices at retirement to ensure that it remains appropriate.

Primary default option

The default option is intended to be suitable for those Plan members who do not wish to make an active choice on their investments. As the Plan is used for auto enrolment purposes, the Plan is required to have a default investment strategy. The overall aim of the Plan's primary default option is to provide an opportunity for Plan members to generate capital growth whilst managing members' investment risk over their careers and reflect likely benefit choices at retirement. Full details of the strategy can be found in the accompanying Investment Implementation Policy Document but the broad principles behind the strategy and the reasons for the default's construction are set out below.

The Trustee believes that when members are many years before retirement, they should seek to maximise the returns on their investments and to achieve this at a low cost. On this basis, until Plan members are 15 years before their selected retirement date, their assets are invested in passively managed equities. The Trustee also believes that, when members are closer to retirement (and when investment returns become more important than contributions) members' assets should gradually be moved into assets with a lower level of absolute volatility. Between 15 and 10 years before a member's selected retirement age, their investments are gradually switched into a diversified assets fund.

The expected returns on these assets (both the initial passively managed equities and then the diversified assets fund) is detailed in section 2.4.2 below.

The Trustee considers the risks relating to the default investment option, in particular:

- whether it remains suitable for the requirements of the Plan's membership who invest in it;
- whether it will meet the reasonable expectations of those members; and
- whether the fund managers will meet their objectives and the operational risks with the fund managers and other third parties involved in the default investment option.

As set out in further detail in section 2.3 below, the Trustee considers these risks as part of its formal strategy review, both in respect of the Plan's investments as a whole and more specifically in relation to the Plan's default option. The Trustee also regularly monitors the performance of the default option and the fund managers in relation to the default option and ensures the suitability and qualifications of any third parties who advise in relation to the default option.

AEGON must switch member fund holdings in the default option in accordance with member instructions. Generally, investments will be realised quickly.

Having consulted with the Plan's membership, and also considered projected fund sizes going forward, the Trustee believes that most members will opt to access Flexi Access Drawdown (FAD) after the point of retirement. Whilst FAD is not offered within the Plan, the Trustee believes that, at the point of retirement, the investment strategy of the default option should be broadly consistent with a post-retirement drawdown portfolio. Additionally, the Trustee believes that most members will continue to access their maximum allowable tax free cash lump sum at the point of retirement. Therefore the default option retains 75% in the Diversified Assets Fund at the point retirement along with 25% in the Cash fund.

The Trustee's approach to financially material considerations, non-financial matters and stewardship can be found in Section 4 of this statement. The approach taken applies to all funds within the fund range including the default option.

The Trustee will continue to monitor what members of the Plan do at the point of retirement (as well as monitoring trends more widely within the industry) to ensure that this strategy remains appropriate for members. The suitability of the default strategy was last formally reviewed in 2021 and will be formally reviewed every three years (or on any significant changes to the demographic profile of members who are invested in the default option or the overall membership of the Plan or significant changes to legislation or regulation) and will be informally reviewed on an annual basis. The next formal review is currently underway with Isio.

Temporary default option

In the event that members are unable to invest their contributions in a particular fund, contributions will be directed into an alternative fund agreed by the Trustee (unless the member selects otherwise). For example, this situation could occur in the event of significant economic uncertainty impacting on the ability for fund managers to value the underlying assets. Under current regulations, this creates a temporary default arrangement.

The objective of a temporary default arrangement is to provide:

- A very high level of liquidity, such that funds can be diverted back into the original fund once it is available.
- Protection on the capital value of contributions and low volatility so that members can divert contributions back into their chosen fund at the value that they would have gone in originally.
- A fee level (total expense ratio) that is lower than the current charge cap.

In 2020 certain property funds were suspended from trading, due to the difficulty in valuing underlying assets (the **Suspended Funds**). Under these circumstances, the Trustee believes that contributions that were meant to be invested in the Suspended Funds should be directed into the AEGON BlackRock Cash Fund, as this fund carries the lowest volatility amongst the Plan's self-select funds, has a low likelihood of having trading suspended and is the most liquid (meaning funds can be invested and disinvested promptly). Therefore the AEGON BlackRock Cash Fund is a temporary default arrangement, and its objectives are in line with those set out above. Once a suspension is lifted, members will be notified and will have the option to move any previously redirected contributions into the suspended fund (or another fund of their choice), if the member does not make a decision then these contributions will be moved to the Plan's primary default option.

Illiquid assets policy

From 1 October 2023 the Trustee is required to state its policy on investing in illiquid assets for the Plans' default investment arrangements. As defined by the Pensions Regulator, illiquid assets are those that cannot easily or quickly be sold or exchanged for cash and include any such assets held in a collective investment Plan.

The Trustee recognises the potential benefits from illiquid investments, including improved diversification and enhanced risk adjusted returns.

The primary default option does not currently include any allocations to illiquid investments, however this approach is currently being reviewed as part of the next triennial strategy review. Should appropriate opportunities arise for the Plan to invest in illiquid assets, with the intention of improving expected member outcomes, the Trustee will explore these with their adviser, Isio.

The temporary default option also doesn't invest in illiquid assets. However, as this is a cash fund and designed for short-term liquidity holdings, the Trustee does not believe it appropriate to consider the inclusion of illiquid assets within the fund.

2.2 Policy for maintaining funding

The nature of a defined contribution plan is such that the assets exactly match the liabilities, which means that the Plan maintains 100% funding at all times.

The Trustee's policy is to provide suitable information to Plan members so that they can make appropriate investment decisions to ensure adequate provision for their own retirement. A range of funds is available on the AEGON platform for the Plan's members to invest in.

Contributions from the sponsoring employer and the members are paid into a member's account which is then invested in the funds which have been selected. Where no selection has been made, the monies are invested in the default Drawdown lifestyle option.

2.3 Risk measurement and management

The Trustee considers the following main sources of risk:

- Risk of not meeting the reasonable expectations of members, bearing in mind members' contributions and fund choices. This is controlled by the selection of funds offered to members and by regularly monitoring investment performance.
- Risk of fund managers not meeting their objectives ("manager risk"). This risk is considered by the Trustee and its advisers both upon the initial appointment of the fund manager and regularly thereafter [through provider reviews].
- Risk of the default option being unsuitable for the requirements of some members. This risk is minimised by offering three lifestyle strategies which switch members' holdings as retirement approaches and are identical until 5 years prior to retirement. Members opting for the lifestyle strategy are made aware that it may not be the most appropriate investment strategy for their personal circumstances and attitude to risk; and member funds, behaviours and retirement choices are monitored by the Trustee.
- Risk of fraud, poor advice or acts of negligence ("operational risk"). The Trustee has sought to minimise such risk by ensuring that all advisers and third party service providers are suitably qualified and experienced and that suitable liability and compensation clauses are included in all contracts for professional services received.
- Risk that the extent to which Environmental, Social and Governance ("ESG") issues (including climate change risk) are not reflected in asset prices and / or not considered in investment decision making leads to underperformance relative to expectations. The Trustee will seek to minimise this risk by adopting a set of ESG beliefs which will be reviewed regularly and used to support with investment decision making. The Plan's investment adviser will keep the Trustee informed of developments in this space.

Other risks involved in the investment of assets include the following:

- *Inflation risk* – the risk that the purchasing power of Plan members' retirement pots is not maintained is addressed by the range of asset classes available and the expected returns on those (see 2.4.2 below).
- *Currency risk* – the risk of the effect of currency movements on the capital value of the assets held in non-sterling denomination is addressed by investing in global or regional funds, or funds classified by asset classes rather than solely by jurisdiction.
- *Liquidity risk* – the risk of holding assets that cannot be easily sold should the need arise. This risk is addressed through the use of pooled funds and/or insurance policies with frequent dealing dates and, where appropriate, by limiting exposure to funds and/or policies that may be more difficult to realise at times (such as property funds) whilst recognizing that illiquid investments can still be a beneficial element of a balanced portfolio over the long term.
- *Diversification risk* – the risk of lack of diversification of investment is addressed through investing in a range of pooled funds and/or insurance policies with appropriate asset allocation range.

- *Country/political risk* – the risk of an adverse influence on investment values from political intervention is reduced by offering investment options for members to achieve diversification across several countries.
- *Benefit conversion risk* – investment conditions just prior to retirement may increase the cost of turning members' fund values into retirement benefits. For members taking cash at retirement, funds investing in cash deposits and other short-term interest-bearing investments provide a high degree of (but not complete) capital security. Funds investing in a mix of different assets are expected to be broadly suitable for members planning income drawdown during retirement. For members buying an annuity at retirement, the value of funds investing in longer-dated bonds may be expected to broadly follow changes in annuity rates caused by long-term interest rates.
- *Volatility/Market risk* – falls in fund values prior to retirement lead to a reduction in retirement benefits. However, funds investing in bonds or a mix of assets or investment techniques intended to manage short-term risks may be expected to be subject to lower levels of short-term fluctuations in values - although there may be occasions when this does not hold good.

Ability to invest/disinvest promptly

The Trustee recognises that it is important that members' contributions can be invested promptly in selected investment funds, and that these can be sold promptly. The Trustee manages this risk by selecting pooled investment funds which can be dealt on a daily basis. AEGON is responsible for monitoring the ability for members to invest and disinvest promptly and is expected to notify the Trustee if a situation develops whereby there is any restriction on the ability for members to do so. For example, this situation could occur in the event of significant economic uncertainty impacting on the ability for fund managers to value the underlying assets. In these circumstances, contributions will be directed into another fund agreed by the Trustee (unless the member selects otherwise) and will be redirected into the original fund(s) once restrictions are lifted.

The Trustee will have regard for these risks when determining investment strategy and will keep them under regular review. These risks are further addressed by the investment managers' investment decisions, made in line with the Trustee's investment strategy, and by appropriate investing to ensure that risks are addressed in the ways detailed above.

The Trustee monitors the age profile of the Plan's membership to arrive at an appropriate investment horizon for different groups of members when considering all investment and financially material risks. The Plan is open to new entrants from age 16 (18 for the Executive section) and as a result, investment risks need to be considered over a long time horizon.

Due to the complex and interrelated nature of these risks, the Trustee considers these risks in a qualitative rather than quantitative manner as part of each formal strategy review. The Trustee has also established a set of ESG beliefs for the Plan, which were formed with the assistance of the Trustee's investment consultant and in consultation with IHG.

2.4 Policy for choosing investments

Individual investment choices are made in accordance with the wishes of members from a range of options. The lifestyle strategies are based on a general principle that investment needs change as a member approaches retirement and that at retirement the member will take one of three benefit choices, including the maximum available tax free cash under each option.

2.4.1 Suitability for the Plan's investments

The range of funds made available to Plan members was chosen by the Trustee after taking advice from the Trustee's investment consultant. In choosing the Plan's investment options, it is the Trustee's policy to consider:

- a full range of asset classes
- the suitability of different styles of investment management
- the need for manager diversification
- the suitability of each asset class to meet the needs of the Plan's members
- the suitability of managers' ESG policies
- the need for appropriate diversification of asset classes
- the need for a default option for members who do not make an active choice
- the costs and charges associated with investment funds.

The Trustee expects that the fund managers will have the members' financial interests as their first priority when choosing and monitoring investments.

2.4.2 Expected return

The expected returns on the principal asset classes and fund types within the Plan are:

Equities - should achieve a strong positive return relative to inflation over the longer-term, but tends to be the most volatile asset class over the shorter-term;

Property – should achieve a positive return relative to inflation over the longer-term which is lower than that for equities, but with a lower level of shorter-term volatility than equities;

Corporate Bonds – should achieve a return moderately below inflation over the longer-term which is lower than that for equities and property, but with a lower level of shorter-term volatility than equities or property;

Fixed Interest Government Bonds (Gilts) – should deliver a return moderately below inflation over the longer-term which is lower than that of equities, property and corporate bonds, but with a lower level of shorter-term volatility than equities, property and corporate bonds;

Index-linked Government Bonds (Index-Linked Gilts) – should deliver a return moderately below inflation over the longer-term, but with a lower level of shorter-term volatility than equities, property and corporate bonds;

Cash – should deliver a return slightly below inflation, while normally providing a minimal level of volatility and high degree of capital security;

Long-dated Government Bonds (Gilts) and long-dated Corporate Bonds – values should move broadly in line with the financial factors influencing annuity rates;

Diversified Growth/multi-asset Funds – invest in a varying mix of asset classes with an objective of delivering a target level of positive returns relative to inflation over the longer-term, with a target level of shorter-term volatility lower than equities.

Responsible Investment (i.e. funds selecting assets to mitigate ESG and/or climate change risks) – the strategy of these funds is expected to give a better risk adjusted net return over the long-term than the broader market for the type of assets involved (e.g. equities).

2.4.3 Fund options

The Trustee, in consultation with the investment consultant, decided: it was not generally appropriate to offer actively managed equity funds, as there was no strong historical evidence that the additional costs involved were outweighed by improved returns; and the geographic range of passively managed index-tracking equity funds, which are designed to produce a return as close as possible to the relevant market benchmark, should be sufficiently broad. Fixed-interest and index-linked gilt funds, a UK corporate bond fund and a specialist 'pre-retirement' fund are available for investment diversification and to protect against changes in the cost of purchasing annuities at retirement. A Cash fund is available to provide protection against short-term changes in capital values. A diversified asset option is available for investment diversification and a specialist investment option is available for members who require a Sharia-law compliant investment.

The additional funds are offered to give members a choice of investment options because:

- While the default arrangement is intended to meet the needs of a majority of the Plan's members, it may not meet the needs of a wider cross-section of members;
- Attitudes to investment risks and the need for investment returns will vary from member to member and will also vary for each member over time and, in particular, as they approach retirement;
- Members have differing investment needs and these needs change during their working lives; and
- Some members will want to be more closely involved in choosing where their contributions are invested.

The Trustee believes that understanding the Plan's membership is important to maintaining an appropriate range of investment options and have taken into account a number of aspects including:

- The members' age and salary profile;
- The likely sizes of members' pension funds at retirement;
- Members' retirement dates and likely range of benefit choices at retirement;
- The levels of investment risk and return members may be willing to take;
- The degree to which members are likely to take an interest in where their contributions are invested; and

- The number of members who are likely to want responsible, ethical or faith-based investment

A list of the fund options in place at the time of approving this Statement are provided in the IIPD.

2.5 Monitoring

The Trustee's policy is to review the range of funds offered and the suitability of the lifestyle options regularly.

The risks outlined in section 2.3 are considered as part of each normal strategy review. In addition, the Trustee receives quarterly reports showing:

- Performance of individual funds versus their respective targets reported by each manager. These are shown net of fees.
- Any significant issues with the fund managers that may impact their ability to meet the performance targets set by the Trustee. Where issues arise during the quarter with the managers of the funds offered to members, the Plan's investment consultant will bring these to the attention of the Trustee and appropriate action will be taken if considered necessary.
- The Trustee regularly monitors the charges on the default option to ensure that it does not exceed the DWP's charge cap. Charges on both the default option and the self-select funds are monitored on a regular basis to ensure they represent value for money for members.
- The Trustee monitors transaction charges on all of the funds offered to members to ensure that these represent value for members.
- The Trustee aims to meet with all major fund managers on a periodic basis. The Trustee will provide the fund managers with an agenda for discussion, including issues relating to individual holdings voting record and, where appropriate, ESG issues. Managers are challenged both directly by the Trustee and by the Plan's investment advisers on the impact of any significant issues including shareholder voting record, conflicts of interests and, where appropriate, ESG issues that may affect the prospects for return from the portfolio.
- The results of the monitoring of charges will be reported on in the Chair's Statement, which forms part of the Plan's report and accounts.

2.6 Appropriateness for members

Younger members have a greater need for good long term returns and can be less concerned with shorter term price fluctuations. With this need in mind the Plan offers passively managed UK and overseas equity funds.

Those members with larger accumulated funds or in the years approaching retirement will be more conscious of capital security and, if applicable, annuity prices. Bond funds provide some protection against movement in fixed income annuity prices and offer more capital security (but lower expected returns) than equities. Cash provides the greatest capital security protection.

The Drawdown lifestyle option operates as a default if the member does not wish to make their own selection of funds. This lifestyle option is designed to be appropriate for a typical member with a targeted retirement date. However it may be less suitable for members who opt to take their funds entirely as cash at retirement or members who opt to purchase annuities - alternative lifestyle options are available for such members.

The Trustee will continue to monitor what members of the Plan do at the point of retirement (as well as monitoring trends more widely within the industry) to ensure that this strategy remains appropriate for members.

2.7 Realisation of investments

AEGON must switch member fund holdings in accordance with member instructions. Generally, investments may be realised quickly if required and AEGON is expected to notify the Trustee if a situation develops whereby there is any restriction on the ability to do so. The Trustee recognises that there may be a delay on dis-investment from some funds (for example those which include investments in property), as addressed in more detail above.

2.8 Portfolio turnover

The Trustee does not expect fund managers to take excessive short-term risk and will monitor the fund manager's performance against the benchmarks and objectives on a short, medium and long terms basis.

For passively managed funds the turnover of holdings is driven by changes in the index the fund seeks to track and, therefore, is outside the control of the investment manager. This is not the case where the total fund's assets under management are relatively small, where the investment manager does not fully replicate the index or where a fund invests in less liquid stocks.

When selecting actively managed funds, the Trustee will consider, with the help of the Plan's investment advisers, the expected level of turnover commensurate with a fund's investment objectives, the investment manager's style and processes and the nature of the fund's assets.

Whilst the Trustee expects performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustee will ask AEGON or underlying fund managers to report on at least an annual basis on the underlying assets held within the fund with details of any transactions and turnover costs incurred over the Plan's reporting year. The Trustee will seek to compare portfolio turnover and the resultant costs against peer groups or portfolio turnover and costs for an appropriate index.

Where a fund has significantly under or outperformed its benchmark, the Trustee will seek to ascertain where necessary whether higher or lower than normal turnover has been a contributory factor. The Trustee will challenge AEGON and/or investment managers if there is a sudden change in portfolio turnover or if the level of turnover seems excessive.

2.9 Portfolio duration

The Trustee recognises the long-term nature of the defined contribution pension investments and chooses funds which are expected to deliver sustainable returns over the Plan members' investment horizon. The Trustee, with the assistance of its investment adviser, will carry out necessary due diligence on the underlying investment decision making process, to ensure the fund manager makes investment decisions over an appropriate time horizon aligned with the objectives for the related investment option.

The Trustee expects that each fund will be used for at least three years, this being the period over which performance of the fund can be appropriately evaluated and the costs of change amortised, although all funds are subject to ongoing review against various financial and non-financial metrics in addition to their continued appropriateness within the investment strategy.

2.10 Manager incentives

The basis of remuneration of the fund managers by AEGON may be subject to commercial confidentiality. However, the Trustee will seek transparency of all costs and charges borne by members. The Trustee expects that it will be in the interests of both AEGON and the fund managers on the provider's platform to produce growth in asset values in line with the funds' investment objectives. For passively managed funds this should be within an acceptable margin of the index the fund tracks. For actively managed funds the investment return should be commensurate with the level of investment risk implied by the fund's objectives.

When selecting funds, the Trustee will ask the Plan's investment advisor to consider the fund managers' remuneration strategies and appropriateness of each fund's investment guidelines to ensure that there is no inducement or scope to take an undue level of risk and that the investment managers will act in line with the interests of the Plan's members.

In accordance with the 2015 Regulations, the Trustee conduct an annual Value for Members assessment and will take action should AEGON be found to be giving poor value. In addition, in accordance with guidance from the Pensions Regulator, the Trustee will periodically review the Plan's choice of provider to ensure their charges and services remain competitive. The Trustee believe that these steps are the most effective way of incentivising the provider to align their investment strategy with the Trustee's objectives and deliver Value for Members, of which investment management charges and investment performance are key considerations.

The Trustee also undertakes a review at least every three years in which the appropriateness of the investment options and the suitability of the Plan's investment management arrangements are also considered. If an investment manager is deemed suitable, they are expected to remain in place until at least the date of the next three-year review.

The Trustee monitors the investment managers against a series of metrics on a quarterly basis over a long-term time horizon including:

- Performance of their funds' respective benchmarks [or performance targets];
- Relative tracking error where appropriate;
- The exercise of stewardship responsibilities (including engagement with issuers); and
- The management of risks.

AEGON (and underlying fund managers) are expected to provide explanations for any significant divergence from a fund's objectives. A material deviation from performance and risk targets or approach to portfolio management is likely to result in the fund being formally reviewed. The Trustee believes that these steps are the most effective way of incentivising the provider to make decisions based on assessments of long-term performance.

3 Additional Voluntary Contributions

The same range of funds and options is available for members who make Additional Voluntary Contributions (AVCs). Members can choose to invest their AVCs in a different way to their core contributions.

4 ESG, stewardship and ethical policy

The Trustee will continue to develop its investment approach to ESG matters taking account of the views and corporate policies of IHG and will remain updated on IHG's responsible business targets and policies.

The Trustee believes that ESG considerations have a bearing on the risk and return profile of investment strategies and ultimately can lead to better risk-adjusted returns for DC members over the longer term.

Investments are predominantly held in pooled funds where the operation of the fund is governed by a prospectus or similar document. The Trustee therefore has no powers to control the operation of each fund in regard to ESG or stewardship. The Trustee nevertheless seeks to manage financially material considerations to protect investments and generate long-term returns by:

- Choosing fund managers who have clearly articulated policies for managing financially material considerations including ESG and climate change;
- Considering the extent to which ESG issues including climate risk, where relevant, are integrated into the fund managers' investment processes and benchmark indices as appropriate, and being satisfied that the fund managers follow an approach which takes account of financially material factors;
- For actively managed funds (as and when applicable), expecting the fund managers to take financially material considerations, such as ESG factors, into account when selecting which companies and markets to invest in;
- For passively managed funds, the Trustee recognises that the funds' objectives are to deliver returns in line with its benchmark (which may or may not take into account ESG factors), which the Trustee believes will deliver appropriate risk-adjusted returns. The Trustee will review the index benchmarks employed by the funds used in the Plan on a periodic basis;
- For all funds, expecting fund managers to engage with companies in which the fund invests to encourage business strategies which should improve or protect the value of those investments;

Fund managers are only expected to take non-financial considerations into account when these do not conflict with or detract from a fund's investment return and risk objectives.

The Plan offers members the default arrangement and a choice of alternative lifestyle options and self-select funds. The Trustee's stewardship activities are to be focused on the default arrangement which is used by the largest number of members.

5 Activism and the exercise of the rights attaching to investments

The Trustee's policy is to delegate responsibility for the exercise of the rights (including voting rights) attaching to investments to the investment manager. The fund managers are expected to exercise the voting rights attached to individual investments in accordance with their own house policy.

The Trustee does not engage directly with companies in respect of its investments. However, the Trustee believes it is appropriate for the fund managers to actively engage with key stakeholders which may include corporate management, regulators, governance bodies and other interested persons about relevant matters in relation to investments. Relevant matters may include how to improve corporate behaviours, how to improve performance, considerations on capital structure and management of actual or potential conflicts of interest, and how to mitigate financial risks. The Trustee will request, where appropriate and practicable, that AEGON or investment managers notify the Trustee of any issue on which it may be beneficial for the Trustee to undertake further direct engagement with the investment manager (or underlying company where applicable). The Trustee has delegated the review of this engagement activity undertaken by the fund managers to its investment advisers.

The Trustee expects AEGON to adopt similar practices with regards to the inclusion and ongoing oversight of fund managers on their platform and to challenge investment managers if deemed necessary. The Trustee also expects AEGON to be able to evidence their own governance practices on request.

The Trustee has delegated the following matters to the Plan's investment consultant:

- monitoring adherence of fund managers to stated voting and engagement policies; and
- engaging with managers where concerns are identified and to report on these issues.

The Trustee will request/receive reports from the Plan's investment consultant on the fund managers' voting activity on a periodic basis.

The Trustee reviews the fund managers' voting activity at least annually in conjunction with the Plan's investment consultant and use this information as a basis for discussion with AEGON and fund managers. Where the Trustee deems it appropriate, any issues of concern will be raised with the manager for further explanation.

6 Fee structure for advisers and managers

Details of the fee arrangements in place with the Plan's investment advisers and for each of the available investment funds are provided in the IIPD.

7 Compliance with this Statement

The Trustee will monitor compliance with this Statement annually.

8 **Review of this Statement**

The Trustee will review this Statement at least every three years and immediately following any significant changes in investment policy, any significant change to the nature of the membership of the Plan or any relevant changes in legislation or regulation. Any such review will be based on written, expert investment advice. The Trustee will consult the Employer over any changes to this Statement.

Approved by Independent Trustees Limited, acting as Trustee for the IHG UK Defined Contribution Pension Plan

Date: 24 October 2024.....

IHG UK Defined Contribution Pension Plan Implementation Statement for the year ending 31 March 2025

Welcome to the Trustee's Statement of how it implemented the policies and practices in the Plan's Statement of Investment Principles during the year ending 31 March 2025.

Why do the Plan's investments matter to me?

The Plan provides you with benefits on a defined contribution ("DC") basis (sometimes called money purchase benefits). This means that the size of the benefits paid to you when you retire will depend on how much the funds your pension savings are invested grow over the years.

What is the Statement of Investment Principles ('SIP')?

The SIP sets out the investment principles and practices the Trustee follows when governing the Plan's investments. It describes the rationale for the investment options which you can choose (including the default arrangement if you don't make a choice). It also explains the risks and expected returns of the funds used and the Trustee's approach to responsible investing (including considerations regarding climate change). The Trustee maintains an Investment Implementation Policy Document ('IIPD') which contains details of the Plan's investment arrangements and sits alongside the SIP.

The last review of the Plan's SIP was completed on 24 October 2024 and the next review will take place no later than 24 October 2027.

During the year ending 31 March 2025, the Trustee updated the SIP to include their policy on illiquid assets and to reflect Isio as the new professional advisor to the Plan.

If you want to find out more, you can find a copy of the Plan's current SIP (and the latest Plan's Chair's Statement) at <https://www.ihgplc.com/en/business/pensions>

What is this Implementation Statement for?

The Trustee is required to prepare an annual Implementation Statement which sets out how it has complied with the Plan's SIP during the last year.

Overall, the Trustee is satisfied that:

- The Plan's investments have been managed in accordance with the SIP; and
- The provisions in the SIP are suitable for the Plan's members.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 3: Implementation Statement for the year ending 31 March 2025 continued

How the Plan's investments are governed

The Trustee has overall responsibility for how the Plan's investments are governed and managed in accordance with the Plan's Trust Deed and Rules as well as Trust Law, Pensions Law and Pension Regulations.

There were no changes to the Plan's governance structure over the year to 31 March 2025.

The Trustee has delegated day-to-day investment decisions, such as which investments to buy and sell, to the Plan's platform provider and underlying fund managers.

The Trustee undertook the following during the last year to ensure that their knowledge of investment matters remained up to date:

- DC trends in design and delivery (monitoring of investment themes provided by the Investment Adviser on a quarterly basis);
- Being up to date on regulatory items pertaining to investment; and
- The Trustee is a professional Trustee so also receives training and brings experience from its other appointments of other schemes and market developments.

The Trustee monitors how well its investment advisers meet mutually agreed objectives which are in line with the requirements from the Competition & Markets Authority (CMA). These requirements came into effect on 10 December 2019, however, from 1 October 2022 the Department for Work and Pensions (DWP) brought them into pensions legislation under The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the scheme administration regulations). These requirements are now being overseen by the Pensions Regulator (TPR).

The investment advisers agreed the following specific investment objectives for the Plan with the Trustee:

- Risk and return objectives at each stage of the default investment strategy are as follows:

	Return Objective	Risk Objective
Growth	CPI+ 4% p.a.	Negative return in 7/20 years
Consolidation	CPI+ 3% p.a.	Negative return in 3/10 years
Pre-retirement	CPI+ 1-2% p.a.	Negative return in 1/5 years

- The Investment Adviser is also assessed on strategic decisions, manager and ratings decisions and the timeliness and accuracy of compliance and regulatory reporting. This is inclusive of the default and self-select fund options.

The Trustee is satisfied that during the last year:

- The Plan's DC governance structure was appropriate;
- The Trustee has maintained its understanding of investment matters; and
- The Plan's investment advisers performed in line with the objectives they were set.

A new adviser was appointed during the Plan year. New strategic objectives were agreed between the Trustee and the Investment advisor to be reviewed at least annually. The next review is Q3 2025 and will be detailed in next years report. The above targets were in place for the duration of the Plan year covered by this report.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 3: Implementation Statement for the year ending 31 March 2025 continued

How the default arrangement and other investment options are managed

The objectives and rationale are set out in the SIP in section 2.1 for the default arrangement and the other investment options.

The objectives, in summary, look to provide a range of investment options suitable to meet Plan members' needs, by providing options that give members a reasonable expectation of:

- Influencing the value of their assets at retirement, allowing for individual members' risk tolerances;
- Where required, maintaining the purchasing power of their savings in real (i.e. post-inflation) terms; and
- Providing protection for accumulated assets in the years approaching retirement against a sudden (downward) volatility in the capital value and, where required, against fluctuations in the cost of annuities;

The Trustee carries out an annual high-level monitoring of the default arrangement and other investment options to ensure they remain suitable for most members. This involves:

- Ensuring that the default arrangement complies with the charge cap (this is done on a quarterly basis through reviewing information received from Aegon);
- Monitoring the investment performance of each fund (this is done on a quarterly basis);
- Monitoring the turnover of the assets in which each fund is invested;
- Considering whether the funds still meet the investment objectives the Trustee has set for the default arrangement and other investment options; and
- Checking whether there have been any significant changes in the demographic profile of the Plan's membership, members' choices of investment options and members' choices of benefits when they retire. This is done through a review of the quarterly administration report provided by the Plan's platform provider.

The Trustee's investment beliefs

The Trustee has developed a set of investment beliefs which are set out in section 2 of the SIP which it follows when making investment decisions.

There have been no changes to these beliefs in the last year.

The expected risks and returns on your savings in the Plan

The investment risks relating to members' benefits are described in the SIP in section 2.3 and the expected returns from each type of investment used by the Plan are set out in the SIP in section 2.4.2.

During the last year the Trustee, with the help of its investment adviser, completed its formal triennial review of the default strategy, which included reviewing the appropriateness of the risks and expected returns detailed by the Plan. No changes were made to these as the Trustee was satisfied that they remained appropriate. The Trustee reviews the expected risk and returns annually and the next formal triennial review of the default is due to take place in October 2027.

The Trustee believes that the main investment risks members face in the Plan are described within the SIP and are suitable for managing the Plan.

The Trustee is satisfied that the current expected rates of investment return for the types of funds described in the SIP are still reasonable, relative to the risks that members face.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 3: Implementation Statement for the year ending 31 March 2025 continued

Platform providers and fund managers

Choice of platform providers and funds

The Trustee monitors the service of the platform provider used by the Plan by:

- Periodically reviewing the performance of the platform provider against the wider market.
- Assessing the enhanced Value for Members of the service offered by the platform provider on an annual basis, including administration services, governance practices, investment performance, investment options and retirement support. The Trustee considers the Plan to offer Good value for money to members when compared to similar pension schemes.

The Trustee monitors the performance of the funds used by the Plan by:

- Receiving quarterly monitoring reports from their Investment Adviser.
- Discussing investment performance, in line with these reports, at Trustee meetings.

The Trustee reviews the platform provider on a regular basis, the last review being March 2025.

As mentioned, the Trustee also reviews their fund managers on a regular basis through the Investment Adviser monitoring reports. Additionally, the Trustee meets with key asset managers as required.

The Trustee is satisfied that the platform provider and fund managers used by the Plan remained appropriate.

Ability to invest / disinvest promptly

It's important that your contributions can be invested promptly in the default arrangement, or the investment options you have chosen. It is also important that your investments can be sold promptly when you want to change where they are invested, transfer your pension pot to another pension scheme or your benefits are due to be paid out when you retire.

The Trustee ensures this happens by selecting pooled investment funds that can be dealt daily. Aegon are expected to notify the Trustee promptly should a situation arise where member's ability to invest/disinvest has been or may be impacted.

The Trustee is satisfied that money can be invested in and taken out of the Plan's funds without delay as set out in the SIP.

Changes in where funds are invested

The Plan's Investment Adviser monitors the volume of buying and selling of the underlying funds of the Plan. This is achieved indirectly by considering the level of transaction costs incurred by each fund, which reflect the costs of buying and selling underlying assets as well as the impact of other trading-related costs.

Short-term changes in the level of turnover of the assets in which a fund is invested may be expected when a fund manager alters its investment strategy in response to changing market conditions. However, a change in the level of portfolio turnover might indicate a shift in the amount of risk the fund manager is taking, which could mean that a fund is less likely to meet the objectives for which it was chosen by the Trustee.

The Trustee is not aware of any underlying turnover within the funds used in the Plan that is inconsistent with those funds' objectives and has set up a process to monitor this.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 3: Implementation Statement for the year ending 31 March 2025 continued

Security of your savings in the Plan

In addition to the normal investment risks faced when investing in the funds used by the Plan, the security of your savings in the Plan depends upon:

- The financial strength of the investment platform provider used by the Plan;
- The financial strength of the fund managers used by the investment platform; and
- The legal structure of the funds the Plan invests in.

The financial strength of the platform provider and the fund managers has a bearing on the risk of losses to the Plan's members caused by the remote chance of one of these institutions getting into financial difficulties. The legal structure of the funds used has a bearing on the degree to which the funds' assets are "ring-fenced" from the rest of the provider's or fund managers' business in the unlikely event that the provider or manager becomes insolvent.

The Trustee reviewed the security of assets as part of the Triennial Investment Strategy Review in October 2024.

The Trustee is not aware of any material changes in the financial strength of the fund managers used by the platform in the last year. The financial strength rating of Aegon UK, the investment platform, was stable over the Plan year and remains rated as S&P rating A+ Outlook Stable (last reviewed March 2025).

The 'Stable' outlook reflects Aegon's significant capital buffers and the expectation that it is well positioned to continue building a record of very strong capital and earnings, despite further market volatility, which maintaining its strong competitive position in the life business and asset management.

The Trustee is satisfied that the Plan's platform provider remains appropriate.

Conflicts of interest

As described on page 2 of the SIP, the Trustee considers potential conflicts of interest:

- When choosing fund managers;
- When monitoring the interests of the Trustee and the Plan's advisers;
- When monitoring the fund managers' investment performance and the fund managers' approaches to investment stewardship and responsible investing; and
- When the fund manager is making decisions on where each fund is invested.

The Trustee expects the fund managers to invest the Plan's assets in members' best interests. As the funds used by the Plan are held at arms-length from the Trustee via an investment platform, the Trustee plans to ask the platform provider to report on its own investment governance of the funds including potential conflicts of interest. The Trustee liaised with Aegon regarding their conflicts of interest management. On 13 June 2024, Aegon confirmed that they maintain an internal conflicts of interest policy.

The Trustee maintains a conflicts of interest log and reviews this on a quarterly basis. The Trustee is satisfied that there have been no material conflicts of interest during the year.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 3: Implementation Statement for the year ending 31 March 2025 continued

Manager incentives

As described in section 2.10 of the SIP, the Trustee seeks to ensure that the fund managers are suitably incentivised to deliver investment performance in keeping with the funds' objectives.

The funds used by the Plan are held at arms-length from the Trustee via an investment platform. Nevertheless, the Trustee believes it is in the platform provider's best commercial interests to ensure that the fund managers are suitably incentivised to meet their funds' investment objectives.

Incentivisation is assessed based on the fees paid to the underlying asset managers and the appropriateness of their risk and return objectives. The most recent triennial strategy review focused on incentivisation for managers. The Trustee notes that none of the asset managers used by the Plan use performance-related fees.

The Trustee is satisfied that the Plan's underlying fund managers are suitably incentivised to deliver good outcomes for the Plan's members.

Responsible Investment

The Trustee believes that responsible investing covers both sustainable investment and effective stewardship of the assets the Plan invests in.

Investing sustainably is important to control the risks that environmental factors (including climate change), social factors (such as the use of child labour) and corporate governance behaviour (collectively known as "ESG" factors) can have on the value of the Plan's investments and in turn the size of your retirement benefits. As a result, the Trustee has an allocation to ESG-tilted funds in the default investment strategy which are in line with their investment beliefs.

The Trustee has considered the length of time members' contributions are invested in the Plan when choosing and reviewing the funds used in the investment options.

The Trustee periodically reviews the platform provider's and fund managers' approaches to sustainable investing. The Trustee receives quarterly reports from their investment advisers on how the fund managers have handled these risks in the form of a responsible investment rating.

Investment stewardship

As described within the SIP, the Trustee believes it is important that the fund managers as shareholders or bond holders take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on significant issues which could affect a company's financial performance (and in turn the value of the Plan's investments).

As the Plan's investments are held at arms-length from the Trustee and members through an investment platform operated by Aegon, the Trustee is not able to instruct the fund managers how they should vote on shareholder issues. The Trustee nevertheless:

- Chooses fund managers whose voting policy are consistent with the Plan's objectives;
- Expects fund managers to vote in a way which enhances the value of the funds in which the Plan invests and be signatories of the UK Stewardship Code (all of the underlying fund managers are signatories);
- Monitor how the fund managers exercise their voting rights.

The Trustee identified climate change as its stewardship priority in 2023. To follow through with this priority, the Trustee met with key fund managers to discuss their stewardship policies in relation to climate change. Additionally, the Trustee now has copies of these fund managers' voting and engagement policies to review and ensure alignment with the Plan.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 3: Implementation Statement for the year ending 31 March 2025 continued

How does the Trustee monitor stewardship?

The Trustee periodically reviews the platform provider's and fund managers' approaches to stewardship including voting and engagement policies.

The Trustee is planning to receive quarterly reports from Aegon on how the fund managers have voted at shareholder meetings and what topics fund managers have discussed with the companies in which they invest.

The funds with voting rights attached that are available to members as part of the default fund range or the self-select fund range are listed below along with summary voting statistics for each fund.

Funds within the Default Arrangement

- | | |
|---|---|
| 1. BlackRock Emerging Markets Equity Index Fund | 5. Schroders Life Sustainable Future Multi-Asset Fund |
| 2. BlackRock World ESG Equity Tracker Fund | 6. LGIM Future World Multi-Asset Fund |
| 3. BlackRock MSCI Currency Hedged World Fund | 7. Aegon BlackRock Cash Fund* |
| 4. Schroders Sustainable Multi-Factor Equity Fund | |

Self-Select Funds

- | | |
|---|--|
| 8. Aegon Baillie Gifford Positive Change Fund | 15. Aegon BlackRock Emerging Markets Equity Fund |
| 9. Aegon BlackRock UK Equity Fund | 16. Aegon BlackRock Long Gilt Fund* |
| 10. Aegon BlackRock US Equity Fund | 17. Aegon BlackRock Index Linked Gilt Fund* |
| 11. Aegon BlackRock European Equity Fund | 18. Aegon Sterling Bond Fund* |
| 12. Aegon BlackRock Japanese Equity Fund | 19. LGIM Pre-Retirement Fund* |
| 13. Aegon BlackRock Pacific Rim Equity Fund | 20. HSBC Islamic Global Equity Index Fund |
| 14. Aegon BlackRock World (ex-UK) Equity Fund | 21. Aegon BlackRock Cash Fund* |

* Voting reporting is not applicable for the cash and bond funds

Default Funds:

	1	2	3	4	5	6
No. of resolutions eligible to vote	22,300	6,679	21,305	4,569	8,959	96,018
% resolutions voted	98.9%	92.0%	98.0%	90.7%	95.9%	99.8%
Of the resolutions voted, % voted for management	88.7%	97.6%	98.1%	87.1%	88.7%	76.8%
Of the resolutions voted, % voted against management	11.3%	2.4%	3.9%	12.9%	11.3%	22.4%
Of the resolutions voted, % abstained and did not vote*	3.8%	0.2%	0.4%	0.1%	0.3%	0.8%
Of the meetings voted, the % voted with management	60.0%	83.9%	76.5%	32.3%	44.4%	29.3%
Of the meetings voted, the % against management at least once	40.0%	16.1%	23.5%	67.7%	55.6%	70.7%
Of the resolutions voted, the % contrary to proxy adviser's recommendation	0.5%	0.1%	0.2%	10.9%	10.3%	14.0%

Annual Governance Statement by the Chair of the Trustee continued

Appendix 3: Implementation Statement for the year ending 31 March 2025 continued

Self-Select Funds:

	8	9	10	11	12	13	14	15	20
No. of resolutions eligible to vote	322	9,642	7,061	8,192	5,679	1,330	24,298	22,300	1,720
% resolutions voted	100.0%	99.4%	97.4%	84.2%	100.0%	100.0%	94.0%	98.9%	97.5%
Of the resolutions voted, % voted for management	94.7%	97.5%	98.0%	91.0%	97.0%	92.3%	94.7%	88.7%	78.3%
Of the resolutions voted, % voted against management	4.7%	2.5%	2.0%	9.0%	3.0%	7.7%	5.3%	11.3%	21.7%
Of the resolutions voted, % abstained and did not vote*	0.6%	0.1%	0.0%	0.8%	0.0%	0.0%	0.3%	3.8%	0.1%
Of the meetings voted at, the % voted with management	71.9%	86.3%	83.9%	56.3%	78.1%	78.7%	73.9%	60.0%	20.4%
Of the meetings voted at, the % against management at least once	28.1%	13.7%	16.1%	43.7%	21.9%	21.3%	26.1%	40.0%	79.6%
Of the resolutions voted, the % contrary to proxy adviser's recommendation	n/a**	0.0%	0.0%	0.1%	1.3%	0.0%	0.3%	0.5%	1.6%

*Per BlackRock figures may not total 100% as a vote of 'Abstain' may also be considered a vote for or against management

**Baillie Gifford is aware of proxy adviser's recommendations, but all voting is decided in house.

The Trustee also considers how the fund managers voted on specific issues. The Trustee considers 'significant votes' to be either companies with relatively large weightings in the funds which members invest in (as this will impact the greatest number of members by the largest amount), or where there were shareholder issues that members are expected to have an interest in.

The funds/managers in question fit into the strategy in the following ways:

- Are underlying funds for the IHG Plan Long Term Growth Fund;
- Are underlying funds for the IHG Diversified Assets Fund; or
- Form a part of the self-select range of funds.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 3: Implementation Statement for the year ending 31 March 2025 continued

	Company	Date	Resolution	Vote	Rationale	Outcome
Schroders PLC	HCA Healthcare Inc	25/04/2024	Report on Improving Maternal Health Outcomes	For (against management)	Schroders believe greater disclosure on what steps the company is taking and what measures are in place to improve maternal health outcomes would be extremely helpful to shareholders to better understand the wider opportunities and potential risks. Schroders believe it's in the best financial interests of their clients' investments.	The resolution did not pass.
BlackRock	Berkshire Hathaway Inc.	04/05/2024	Disclose BHE's Emissions and Progress Towards Goal in Consolidated Report	For	BlackRock believed additional information regarding the company's plan to manage their strategy in the context of a transition to a low-carbon economy would help investors assess long-term risks and opportunities on this economically material issue.	The resolution failed.
HSBC Global Asset Management (HSBC)	Amazon.com Inc.	22/05/2024	Report on Efforts to Reduce Plastic Use	For (against management)	HSBC believed the proposal would contribute to circular economy.	The shareholder resolution did not pass. HSBC will likely vote for a similar proposal again.
Legal & General Investment Management (LGIM)	Microsoft Corporation	10/12/2024	Report on AI Data Sourcing Accountability	For	LGIM voted for the resolution as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. LGIM believes shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large models.	The resolution failed. LGIM will continue to engage with the company, publicly advocate their position and monitor progress.
Baillie Gifford	Deere & Company	26/02/2025	Request for a Civil Rights Audit	Against	Baillie Gifford opposed the shareholder resolution as they are comfortable with the management structures in place at the company and its capacity to assess related risks. They are also comfortable with the company's current policies so do not think that a report would benefit shareholders at this time.	The resolution did not pass and Baillie Gifford will continue to monitor the company's approach to human capital management.

Data reflects that available at the time of writing.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 3: Implementation Statement for the year ending 31 March 2025 continued

How do fund managers implement their votes?

The managers often make use of proxy voting to inform their decision making. The managers use the following organisations as proxies for their voting activity:

Manager	Comment on approach
Schroders	Glass Lewis (GL) act as Schroders one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its internet-based platform, Viewpoint. Schroders receives recommendations from GL in line with their own bespoke guidelines, in addition, Schroders receive GL's benchmark research. This is complemented with analysis by their in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
BlackRock	BlackRock Investment Stewardship leverages Institutional Shareholder Services (ISS) as an external proxy services vendor. ISS' electronic voting platform allows BlackRock Investment Stewardship to monitor voting activity, execute proxy vote instructions, record keep, and generate client and regulatory voting reports. BlackRock Investment Stewardship also uses Glass Lewis' services to support research and analysis. In addition to the global research provided by ISS and Glass Lewis, BlackRock Investment Stewardship subscribes to market-specific research providers including Institutional Voting Information Service in the UK, Ownership Matters in Australia, Stakeholder Empowerment Services in India, and ZD Proxy in China. Although proxy research firms provide important data and analysis, BlackRock Investment Stewardship does not follow any proxy research firm's voting recommendations. BlackRock Investment Stewardship has operational specialists on the team who are fully focused on ensuring votes cast on behalf of clients are successfully instructed, using its vendor's electronic voting platform. The controls BlackRock Investment Stewardship has in place ensure that the team identifies upcoming meetings, cast votes ahead of the voting deadline for each meeting, reconcile holdings with ballots received, and identify any uninstructed ballots.
HSBC	HSBC use the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of their voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene their guidelines. HSBC review voting policy recommendations according to the scale of their overall holdings. The bulk of holdings are voted in line with the recommendation based on their guidelines.
LGIM	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure LGIM's proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.
Baillie Gifford	Whilst Baillie Gifford is cognisant of proxy advisers' voting recommendations, they do not rely upon their recommendations when deciding how to vote on clients' shares. All client voting decisions are made in-house. They vote in line with their in-house policy and not with the proxy voting providers' policies. Baillie Gifford utilises two proxy advisers' voting research, ISS and Glass Lewis, for information only. They also have specialist proxy advisers in the Chinese and Indian markets to provide more nuanced market specific information, ZD Proxy and IIAS respectively.

The Trustee is satisfied that the fund managers' voting record on the companies in which their funds invest was aligned with the stewardship policy described in the SIP.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 3: Implementation Statement for the year ending 31 March 2025 continued

Ethical Investing

The Trustee recognises that some members will have strong views on where their pension savings should be invested.

The Plan offers members a choice of funds which:

- Invest in a variety of global equity indices;
- Invest in a Shariah compliant manner; and
- Invest in a manner that is cognisant of ESG factors, including climate change.

Nevertheless, the Trustee recognises that it is not possible to cater for everyone's views on non-financial/ethical matters.

The Trustee monitors the investments held by the Plan's ethical investment options through quarterly reporting from the platform provider. The Trustee also monitors developments in ethical investing funds which could be appropriate to the Plan's members.

The Trustee is satisfied that the Plan offers enough ethical investment options for members.

Communication and member engagement

The Trustee's approach to communicating the Plan's investment options and investment governance have not changed during the last year.

During the last year the Trustee undertook the following to support member engagement and obtain member feedback:

- Issued a communication to all active members in March 2025 to remind members that they can utilise all or part of their bonus (usually paid in March payroll) to make additional pension contributions.
- Consulting the 3-person member forum to obtain feedback on the annual plan newsletter.
- Inviting Aegon to present on current and future developments in their digital proposition and member communications.

The key points to emerge from engagement with members during the last year were:

- The reminder that employees can use their bonus to pay additional contributions resulted in a significant increase in the amount of additional contributions paid into the Plan compared to the remainder of the year.

As a result of this feedback and an initial review of standard pre-retirement communications the Trustee will take the following actions:

- Provide feedback regarding pre-retirement communications to Aegon, the Plan's administrator.
- Continue to monitor the development of digital services and communications delivery by Aegon and develop an annual communications plan.
- Following the impact of the March 2025 communication about utilising bonus to pay additional contributions, issue a similar communication in March 2026.

During the last year the Trustee followed the policies and practices described in the SIP.

Annual Governance Statement by the Chair of the Trustee continued

Appendix 3: Implementation Statement for the year ending 31 March 2025 continued

Looking forward

In the next Plan year, which will be covered by next year's Implementation Statement, the Trustee intends to undertake the following actions in relation to the SIP:

- Conduct the annual high-level review of the SIP;
- Work with their investment advisers and fund managers to understand more about their voting policies and explore climate change as a specific objective set by the Trustee; and
- Monitor the performance, voting and engagement of the underlying investment managers.

Signed on behalf of the Trustee:

Priti Ruparelia
Chair of the Trustee
29 October 2025

Trustee's Report

1. Introduction

The IHG UK Defined Contribution Pension Plan (the "Plan") was established on 14 May 2014 as part of the process of winding-up the Company's previous pension arrangements following the buy-in of the defined benefit ("DB") section of the InterContinental Hotels UK Pension Plan (the "Predecessor Plan") in August 2013. On 6 August 2014, members of the defined contribution ("DC") section of the Predecessor Plan were transferred to the new Plan which mirrored the provisions of the DC section of the Predecessor Plan. The Plan provides retirement and death in service benefits to eligible UK employees of subsidiaries of InterContinental Hotels Group PLC ("IHG" or the "Company"). The Plan's sponsoring company is Six Continents Limited, which is a principal subsidiary undertaking of IHG. The Plan is registered with HM Revenue & Customs under section 150(2) of the Finance Act 2004.

The Plan is a Defined Contribution pension scheme governed by a Trust Deed and Rules, copies of which are held for inspection by the Secretary to the Trustee. The Plan has also been used for auto-enrolment purposes since inception.

There are a number of different sources of information which are available to members from the Company and the Plan's third party administrators, these include:

- Plan Handbooks, which set out details of the benefits and contributions (including Additional Voluntary Contributions) of the Plan;
- annual benefit statement; and
- a dedicated page on the Company's corporate website which includes all important member communications, including all documents relating to annual reporting and governance requirements.
- access to individual member records via the administrator's online portal <https://lwp.aegon.co.uk/targetplan> and a dedicated app.

2. Plan Advisers and Administration

Plan Auditors	Ernst & Young LLP
Investment Adviser	Hymans Robertson LLP (to July 2024) Isio (appointed July 2024)
Investment Managers	Aberdeen Standard Investments Aegon
Solicitors	Allen & Overy LLP
Bankers	HSBC Bank plc
Secretary to Trustee	Ben Hawley (left 14 March 2025) ITS represented by Catalina Esler (interim) (commenced 17 March 2025)

3. Management of the Plan

The assets of the Plan are held entirely separately from those of the Company and are in the care of the Trustee which is legally independent of the Company and whose role is to ensure that the Plan is administered according to the Rules and to safeguard the assets of the Plan in the best interests of all its members.

ITS acts as the sole Trustee of the Plan. ITS attended five trustee meetings in the year ended 31 March 2025 (2024: five meetings) to review investment activities, administration and any other matters affecting the Plan and its members.

The Trustee, with the help of its advisers, reviewed and updated the Plan's Statement of Investment Principles ("SIP") to include their policy on illiquid assets and to reflect Isio as the new professional advisor to the Plan. The day-to-day management of members' investments is delegated to the Plan's administration and investment platform provider for both administration and investment management services. Service Level Agreements are in place which the Trustee monitors quarterly.

Aegon is responsible for investing contributions with selected fund managers whilst ensuring that the funds are priced correctly, maintaining sufficient liquidity, and meeting regulatory requirements. It is also responsible for the creation and ongoing running of blended funds. The fund managers are responsible for the day-to-day investment management of the funds' assets.

Custodians are appointed by the investment managers and are responsible for the safekeeping of the assets of the funds and processing the settlement of transactions.

Trustee's Report continued

3. Management of the Plan continued

During the year ended 31 March 2025, a full market review of investment advisers was completed. This was concluded in July 2024 and resulted in Isio Group Limited being appointed and replacing Hymans Robertson LLP as the Plan's investment advisers. Both investment advisers are authorised and regulated by the FCA. The role of the advisers included providing advice to the Trustee on the development of a clear investment strategy and set of objectives for the Plan, including the default arrangement, lifestyle strategies and self-select fund range. It provided general advice in respect of the Plan's investment activities. It advised on the construction of an overall investment management structure and fund offering that meet the objectives of the Trustee. It also provided views on the investment manager(s) used by the Plan and assists the Trustee in the selection and appointment of the appropriate investment manager(s) when necessary.

4. Investment Principles

The Statement of Investment Principles ("SIP") sets out the Trustee's policy towards the investment of the Plan's assets and the strategic management of the Plan. It also includes the Trustee's social, environmental, and ethical policy as well as its policy regarding activism and the exercise of rights attaching to investments. The SIP meets the requirements of the Pensions Acts 1995 & 2004 and the Occupational Pension Schemes (Investment) Regulations 2005. The SIP was updated in October 2024, with the SIP in place prior to this being revised in December 2021.

The day to day implementation of the investment strategy is detailed in the Trustee's Investment Implementation Policy Document ("IIPD"), which is a companion document to the SIP. The IIPD details the investment arrangements of the Plan, as well as the management charges for each available fund and fees payable to the Plan's investment adviser. The IIPD was last revised in 2021 as part of the strategy review.

The SIP is available via the IHG corporate website: www.ihgplc.com/business/pensions. The IIPD is available at any time by written application to the Secretary to the Trustee.

5. Security of assets

The security of the assets held on behalf of members is of paramount importance to the Trustee. The Plan invests entirely in authorised and regulated pooled investment funds and does not make any direct investments in securities, property or any other form of alternative investments or any unregulated investment products.

6. Plan Membership

The Plan had 1,934 members at 31 March 2025, compared with 1,923 members at 31 March 2024 as shown below:

	Members in Service	Deferred Members	Total
31 March 2024	840	1,083	1,923
New entrants	85	88	173
Leavers	(88)	(4)	(92)
Transfers/refunds	(8)	(47)	(55)
Retirements	-	(13)	(13)
Deaths	(1)	(1)	(2)
31 March 2025	828	1,106	1,934

New member numbers under auto-enrolment are reported net of those who have opted out.

At the end of the Plan year there were 261 in-service members paying additional voluntary contributions ("AVC") and 178 deferred members with AVC benefits remaining in the Plan (2024: 235 in-service members and 175 deferred members).

Trustee's Report continued

7. Financial Development of the Plan

The value of the net assets at 31 March 2025 is £135.7m (2024: £122.0m) as shown in the financial statements on page 59. The accounts have been prepared and audited in accordance with regulations made under s 41(1) and (6) of the Pensions Act 1995.

The table below shows how the Plan's assets (excluding assets not allocated to members) increased by £13.0m in the year to 31 March 2025 (2024: increased by £22.2m).

	31 March 2025		31 March 2024	
	£'000	%	£'000	%
Annuity LifeStyle	1,055	0.8	959	0.8
Cash LifeStyle	383	0.3	463	0.4
Drawdown LifeStyle	109,851	83.5	97,290	82.0
FreeStyle/Self-select	20,339	15.4	19,947	16.8
Total *	131,628	100.0	118,659	100.0

* The above table does not include assets not allocated to members.

The return on members' overall investments was a gain of £5.8m in the year (2024: gain of £17.6m).

The cost of administering the Plan in the year was £0.5m (2024: £0.5m) which is analysed in Note 8 of the financial statements. The cost of administering the Plan is reimbursed by the Company in accordance with the Payment Schedule.

8. Review of Performance

The performance of the investment funds net of fees (where available) for the one, three and five-year period ended 31 March 2025, are set out below.

Fund	Investment returns to 31 March 2025		
	1 year	3 years p.a.	5 years p.a.
Equities			
Aegon BlackRock UK Equity Index – Passive	+9.2%	+5.8%	+11.1%
Aegon BlackRock European Equity Index - Passive	+2.3%	+7.2%	+12.2%
Aegon BlackRock Japanese Equity Index - Passive	-3.0%	+6.2%	+8.3%
Aegon BlackRock Pacific Rim Equity Index - Passive	-5.3%	-1.5%	+8.0%
Aegon BlackRock US Equity Index – Passive	+3.7%	+8.1%	+16.4%
Aegon BlackRock World (ex-UK) Equity Index - Passive	+2.9%	+7.2%	+14.6%
Aegon BlackRock Emerging Markets Equity Index - Passive	+7.6%	+1.8%	+7.4%
Aegon HSBC Islamic Global Equity Index – Passive ¹	+3.1%	+8.8%	+16.0%
Aegon Baillie Gifford Positive Change Fund – Active ^{1, 2}	-5.2%	-2.8%	n/a
IHG Plan Long Term Growth Fund – Passive ²	+5.4%	+6.7%	n/a
Bonds			
Aegon BlackRock Sterling Bond – Active	-0.7%	-6.0%	-5.6%
Aegon BlackRock Index Linked Gilt - Passive	-9.2%	-16.1%	-9.7%
Aegon BlackRock Long Gilt - Passive	-7.2%	-14.8%	-12.7%
Aegon LGIM Future World Annuity Aware – Passive ^{1, 3}	-3.4%	-7.1%	-5.3%
Other			
Aegon BlackRock Cash Fund- Active	+5.1%	+4.1%	+2.4%
IHG Plan Diversified Assets Fund – Active	+3.7%	+1.9%	+3.9%

¹ External investment funds are accessed through the Aegon investment platform.

² Funds have no performance data available for over a five-year period.

³ The name of this fund was previously Aegon LGIM Pre-Retirement.

Trustee's Report continued

8. Review of performance continued

IHG Plan Long Term Growth Fund

This fund aims to provide members with high growth at low costs in the early part of their lifestyle strategy. During the period ended 31 March 2025, the Fund approximately invested 34% in the Aegon BlackRock MSCI Currency Hedged World Index Fund, 30% in the Aegon BlackRock World ESG Equity Tracker Fund, 30% in the Aegon Schroder Sustainable Multi-Factor Equity Fund and 6% in the Aegon BlackRock Emerging Markets Equity Index Fund. The performance of the constituent parts of the Fund at 31 March 2025 is as follows:

Fund	1 year	3 years p.a.	5 years p.a.
Aegon BlackRock MSCI Currency Hedged World Index – Passive	+5.2%	+8.8%	+15.8%
Composite index (benchmark)	+4.8%	+8.3%	+15.2%
Aegon Schroder Sustainable Multi-Factor Equity – Passive	+4.7%	+6.0%	+14.1%
Composite index (benchmark)	+4.9%	+7.6%	+14.3%
Aegon BlackRock World ESG Equity Tracker Fund – Passive	+3.5%	+7.1%	+14.8%
Composite index (benchmark)	+4.9%	+8.1%	+15.2%
Aegon BlackRock Emerging Markets Equity Index - Passive	+7.9%	+2.1%	+7.7%
Composite index (benchmark)	+7.7%	+2.4%	+7.8%

IHG Plan Diversified Assets Fund

This fund aims to achieve a return in line with, or in excess of its, benchmark over a rolling five-year period, with lower volatility relative to equities. The Fund is a blend of Aegon Schroders Sustainable Future Multi-Asset Fund (50%) and Aegon LGIM Future World Multi-Asset (50%). These external investment funds are accessed through the Aegon investment platform. The performance of the constituent parts is as follows:

Fund	1 year	3 years p.a.	5 years p.a.
Aegon Schroders Sustainable Future Multi-Asset Fund	+4.4%	+1.9%	+5.9%
Composite index (benchmark)	+8.9%	+9.2%	+8.7%
Aegon LGIM Future World Multi-Asset	+4.0%	+2.7%	+6.3%
Composite index (benchmark)	+3.1%	+2.8%	+7.6%

Of the four actively managed funds, two outperformed for one and three-year and one for five-years against their respective benchmarks to 31 March 2025. A summary of fund performance against benchmarks is as follows:

Fund	Outperformed benchmark		
	1 year	3 years p.a.	5 years p.a.
Equities			
Aegon Baillie Gifford Positive Change Fund – Active ¹	No	No	n/a
Bonds			
Aegon BlackRock Sterling Bond – Active	Yes	Yes	Yes
Other			
Aegon BlackRock Cash Fund- Active	Yes	Yes	Neutral
IHG Plan Diversified Assets Fund – Active	No	No	No

¹ Funds have no performance data available for over a five-year period.

Trustee's Report continued

8. Review of performance continued

Of the twelve passively managed funds, six underperformed in all years available against their respective benchmarks in the year to 31 March 2025. It should be noted that not outperforming their benchmarks is not uncommon with passively managed funds. Of the remaining six funds, all outperformed over the one-year period with four funds also outperforming for the three-year periods. Performance is in line with expectations. A summary of fund performance against benchmarks is as follows:

Fund	Outperformed benchmark		
	1 year	3 years p.a.	5 years p.a.
Equities			
Aegon BlackRock UK Equity Index - Passive	Yes	Neutral	No
Aegon BlackRock European Equity Index - Passive	No	No	No
Aegon BlackRock Japanese Equity Index - Passive	Yes	No	Neutral
Aegon BlackRock Pacific Rim Equity Index - Passive	Yes	Yes	Yes
Aegon BlackRock US Equity Index - Passive	No	No	No
Aegon BlackRock World (ex-UK) Equity Index - Passive	No	No	No
Aegon BlackRock Emerging Markets Equity Index - Passive	No	No	No
Aegon HSBC Islamic Global Equity Index – Passive ¹	No	No	No
IHG Plan Long Term Growth Fund – Passive ²	No	No	n/a
Bonds			
Aegon BlackRock Index Linked Gilt - Passive	Yes	Yes	No
Aegon BlackRock Long Gilt – Passive	Yes	Yes	No
Aegon LGIM Future Annuity Aware – Passive ¹	Yes	Yes	Yes

¹ External investment funds are accessed through the Aegon investment platform.

² Funds have no performance data available for over a five-year period.

9. The Sponsoring Employer

The sponsoring employer of the Plan throughout the year ended 31 March 2025 was Six Continents Limited, a subsidiary company of InterContinental Hotels Group PLC, whose registered office is 1 Windsor Dials, Arthur Road, Windsor, Berkshire, England, SL4 1RS.

10. Payment Schedule

The Payment Schedule which applied to the Plan for the year ended 31 March 2025 was signed on 12 November 2020, being effective from 1 December 2020.

11. Internal Dispute Resolution Procedures

The Plan operates an internal dispute resolution procedure. This aims to ensure that, if a dispute arises it is properly investigated and, when possible, resolved to the satisfaction of all parties.

Full details of the formal internal dispute resolution procedure can be obtained from the Trustee Secretary at IHG UK Defined Contribution Pension Plan, No 1 First Avenue, Centrum 100, Burton on Trent, Staffordshire, DE14 2WB.

12. Contact for Further Information

If you wish to obtain further information about the Plan, including copies of Plan documentation, or about your own pension position, please contact:

Aegon Workplace Investing
 PO Box 17486
 Edinburgh, EH12 1NU
 Telephone helpline: 01733 353418
 Email address: my.pension@aegon.co.uk

Trustee's Report continued

13. Employer-related Investments

The Pensions Act 1995 limits employer related investments to a maximum of 5% of the total value of the net assets of the Fund. There were no employer related investments during or at the end of the year.

14. Going Concern

The Trustee continues to monitor the operations of the Plan and has no significant concerns regarding the Plan's ongoing ability to fulfil its operational, cash flow or benefit payment requirements.

The Trustee considers that the Plan remains a going concern.

Statement of Trustee's Responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK, FRS 102, are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Plan will not be wound up.

The Trustee is also responsible for making available certain other information about the Plan in the form of an annual report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is responsible under pensions legislation for securing that a payment schedule is prepared, maintained and from time to time revised showing the rates of contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for adopting risk-based processes to monitor whether contributions are made to the Plan by the employer in accordance with the payment schedule. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Signed on behalf of the Trustee:

Trustee

29 October 2025

Independent Auditor's Report to the Trustee of the IHG UK Defined Contribution Pension Plan

Opinion

We have audited the financial statements of the IHG UK Defined Contribution Pension Plan for the year ended 31 March 2025 which comprise the Fund Account, the Statement of Net Assets and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial transactions of the Plan during the year ended 31 March 2025, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Plan's ability to continue as a going concern for a period of 12 months from when the Plan's annual accounts are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Plan's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements, our auditor's report thereon and our auditor's statement about contributions. The Trustee is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report continued

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 54, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Trustee is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to wind up the Plan or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with the trustee.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Plan and determined that the most significant related to pensions legislation and the financial reporting framework. These are the Pensions Act 1995 and 2004 (and regulations made thereunder), FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice (Financial Reports of Pension Schemes). We considered the extent to which a material misstatement of the financial statements might arise as a result of non-compliance.
- We understood how the Plan is complying with these legal and regulatory frameworks by making enquiries of the Trustee. We corroborated our enquiries through our review of the Trustee's meeting minutes.
- We assessed the susceptibility of the Plan's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Plan has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. In our assessment we considered the risk of management override of controls. Our audit procedures included verifying cash balances and investment balances to independent confirmations, testing manual journals on a sample basis and also those journals where there is an increased risk of override, and an assessment of segregation of duties. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Independent Auditor's Report continued

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of the Trustee for their awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of Trustee's minutes.
- The Plan is required to comply with UK pensions regulations. As such, we have considered the experience and expertise of the engagement team to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Plan with these regulations as part of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Plan's Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Manchester

Date: 29 October 2025

The maintenance and integrity of the Plan web site is the responsibility of the Trustee: the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

IHG UK Defined Contribution Pension Plan financial statements

Fund Account – for the year ended 31 March 2025

		Year ended 31 March 2025	Year ended 31 March 2024
	<i>Note</i>	£'000	£'000
Contributions			
Employer contributions	3	13,456	12,236
Employee contributions	3	-	2
Transfers in	4	533	358
Other income	5	-	27
		13,989	12,623
Benefits			
Benefits paid or payable	6	338	184
Payments to and on account of leavers	7	5,170	6,213
Administration expenses	8	542	453
		6,050	6,850
Net additions from dealings with members		7,939	5,773
Returns on investments			
Investment income	9	83	56
Change in market value of investments	10	5,777	17,562
Investment management expenses	15	(63)	(72)
Net return on investments		5,797	17,546
Net increase in the Fund during the year		13,736	23,319
Net assets at 1 April		121,989	98,670
Net assets at 31 March		135,725	121,989

IHG UK Defined Contribution Pension Plan financial statements

Statement of Net Assets

	<i>Note</i>	31 March 2025 £'000	31 March 2024 £'000
Investment assets			
Pooled investment vehicles	10,11,12	131,628	118,659
Other investment balance	10,12	2,170	1,637
Current assets	16	2,224	1,982
Current liabilities	17	(297)	(289)
Net assets at 31 March		135,725	121,989

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year.

The financial statements were approved by the Plan's Trustee on 28 October 2025. The accompanying notes form an integral part of these financial statements.

Signed on behalf of the Trustee:

Trustee

29 October 2025

Notes to the financial statements

1. Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard ("FRS") 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by The Financial Reporting Council and with the guidance set out in the Statement of Recommended Practice ("SORP") Financial Reports of Pension Schemes (revised June 2018).

2. Accounting policies

a) Investment assets

The Plan measures its investments in pooled investment vehicles at fair value at each reporting date.

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction. FRS102 and the SORP requires the use of a three-level hierarchy to estimate the fair value of investment. See Note 12.

The fair value for pooled investment vehicles is valued at the closing bid price or, if single priced, at the closing single price provided by the relevant fund managers which reflect the market value of the underlying investments.

The fair value for pooled investment vehicles attributable to members is valued at prices provided by the relevant fund managers which reflect the market value of the underlying investments.

The Aberdeen Standard Liquidity Fund (Lux) Sterling Fund units are valued at net asset value, as reported by the fund administrator.

b) Change in market value of investments

Change in market value of investments comprises:

- Investment income from pooled investment vehicles (e.g. unit trusts, open-ended investment companies) where this is accumulated within the value of units or automatically reinvested in additional units;
- Profits and losses on the sale of investments together with changes in market values of investments during the year; and
- Profits and losses on the translation of foreign currency assets.

c) Investment Income

Income from pooled investment vehicles, cash and short-term deposits is accounted for on an accruals basis unless it is reinvested, in which case it is reflected in the unit price and reported within change in market value of investments.

d) Foreign currencies

The functional and presentational currency of the Plan is sterling. Transactions in foreign currencies during the period, including purchase and sales of securities, investment income and expenses are translated at the rate of exchange prevailing on the date of the transaction. Amounts denominated in foreign currencies at the year-end are translated into sterling at the rates of exchange ruling at the year-end date. Foreign exchange differences arising on the conversion or translation of investments are reported as part of the change in market value of investments.

e) Transfer values

Transfer values to and from the Plan are included in the financial statements on the basis of when the member liability is accepted or discharged, normally when the transfer amount is paid or received.

Transfer values for members are calculated and verified in accordance with the requirements of the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

Notes to the financial statements continued

2. Accounting policies (continued)

f) Contributions

Contributions are accounted for on an accruals basis and are paid in accordance with the Payment Schedule. Augmentation and other contributions are accounted for on a receipts basis in the absence of a formal agreement.

g) Benefits payable

Benefits payable are included in the financial statements when the administrator is notified as to the type or amount of benefit to be taken, or where there is no choice, on the date of retirement, leaving or death.

h) Tax Liabilities

Where a member's benefit entitlement exceeds the United Kingdom HMRC tax limits (Lifetime or Annual Allowance are exceeded) the member is liable for taxation. The Plan allows an affected member to request their tax liability is paid to HMRC by the Plan, with the cost reflected in a permanent reduction in their benefit entitlement.

i) Administration and investment expenses

Administration and investment expenses are accounted for on an accruals basis.

j) AVCs

The funds of AVC payers are invested in the same managed fund units as their core contributions.

Notes to the financial statements continued

3. Contributions receivable

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Employers		
Normal	9,994	9,114
AVCs	2,464	2,200
Administration charge	998	922
	13,456	12,236
Employees		
Normal	-	2
	-	2
	13,456	12,238

Employer normal contributions and AVC's include contributions in respect of salary sacrifice arrangements made available to certain members by the Employer. This arrangement was introduced from April 2020. Employer contributions in respect of salary sacrifice total £5,785,000 (2024: £5,232,000), being employer normal contributions of £3,321,000 (2024: £3,032,000) and AVC's of £2,464,000 (2024: £2,200,000).

The administration charge covers the costs of administering the Plan, member ill health and life assurance benefits. The Payment Schedule which applied to the Plan for the year ended 31 March 2025 was signed on 12 November 2020, being effective from 1 December 2020.

4. Transfers in

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Individual members	533	358

Transfers in comprised transfers of individual members' benefits from other registered schemes, including AVCs.

5. Other income

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Sundry income	-	27

Sundry income relates to cash receipts from investments previously held by the Predecessor Plan, being compensation from the Madoff Victims Fund.

Notes to the financial statements continued**6. Benefits paid or payable**

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Commutations and lump sum retirement benefits	285	184
Lump sum death benefits	53	-
	338	184

7. Payments to and on account of leavers

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Individual members transferring to approved schemes	5,170	6,213

8. Administration expenses

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Aegon fees	201	156
Administration services	197	189
Consultancy fees	64	13
Member communications and sundry costs	37	32
Audit fee	22	24
Trustee fees	17	39
Other	4	-
	542	453

Plan administration expenses are borne by the Plan.

9. Investment income

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Interest on cash deposits	83	56

Notes to the financial statements continued

10. Investment assets

	Opening balance at 1 April 2024 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	Closing balance at 31 March 2025 £'000
Assets allocated to members:					
Pooled investment Vehicles	106,813	10,429	(4,986)	5,168	117,424
AVC investments	11,846	2,271	(522)	609	14,204
	118,659	12,700	(5,508)	5,777	131,628
Assets not allocated to members:					
Aberdeen Standard Liquidity Fund (Lux) Sterling Fund	1,637	533	-	-	2,170
	1,637	533	-	-	2,170
Total investment assets	120,296	13,233	(5,508)	5,777	133,798

The change in market value of investments comprises all increases and decreases in the market value of investments held at any time during the year, including all profits and losses realised on sales of investments during the year.

Ordinary plan and AVC investments allocated to members are in pooled investment vehicles which are UK-registered.

Direct and indirect transaction costs are incurred by members through, for example, commission, taxes and the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Plan for single swinging priced investments.

11. Pooled investment vehicles

The Plan is the sole investor in the IHG Plan Long Term Growth Fund and the IHG Plan Diversified Assets Fund, both operated by Aegon. For further details relating to the underlying funds, see pages 50 to 52.

The Plan's investments in pooled investments at the year-end comprised:

	31 March 2025 £'000	31 March 2024 £'000
Equity	92,839	85,778
Diversified growth	36,958	31,261
Cash	1,377	1,156
Bonds	454	464
	131,628	118,659

Notes to the financial statements continued**12. Fair value determination**Valuation techniques

The fair value for pooled investment vehicles allocated to members is valued at prices provided by the relevant fund managers which reflect the market value of the underlying investments.

The fair value of the Aberdeen Standard Liquidity Fund (Lux) Sterling Fund, which is not allocated to members, is valued at its net asset value.

Accounting classification and fair value hierarchy

The fair value of investments has been determined using the following fair value hierarchy:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

The Plan's investments have been analysed using the above hierarchy categories as follows:

	At 31 March 2025			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles:				
Equity	-	92,839	-	92,839
Diversified growth	-	36,958	-	36,958
Cash	-	1,377	-	1,377
Bonds	-	454	-	454
	-	131,628	-	131,628
Other Investment balances:				
Aberdeen Standard Liquidity Fund (Lux) Sterling Fund	2,170	-	-	2,170
	2,170	131,628	-	133,798
	At 31 March 2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles:				
Equity	-	85,778	-	85,778
Diversified growth	-	31,261	-	31,261
Cash	-	1,156	-	1,156
Bonds	-	464	-	464
	-	118,659	-	118,659
Other Investment balances:				
Aberdeen Standard Liquidity Fund (Lux) Sterling Fund	1,637	-	-	1,637
	1,637	118,659	-	120,296

Notes to the financial statements continued

13. Investment Risks

Types of risk relating to investments

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk comprises currency risk, interest rate risk and other price risk as follows:

- Currency risk is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Investment strategy

The Trustee's objective is to provide a range of investment options suitable to meet members' needs, by providing options that give members a reasonable expectation of:

- Influencing the value of their assets at retirement, allowing for individual members' risk tolerances;
- Where required, maintaining the purchasing power of their savings in real (i.e., post-inflation) terms; and
- Providing protection for accumulated assets in the years approaching retirement against a sudden (downward) volatility in the capital value and, where required, against fluctuations in the cost of annuities;

whilst taking into account the impact that increased complexity may have on administration requirements and the overall cost of the arrangements.

The SIP outlines the investment objectives and strategy for the assets of the Plan.

The investment funds offered to members are selected by the Trustee from a range of funds available on Aegon's investment platform and include white label funds, IHG Plan Diversified Assets Fund and the IHG Plan Long Term Growth Fund, specifically created for the Plan, which contain one or more underlying individual funds. Most of the funds are managed by BlackRock. Investment fund categories include:

- Equity
- Bonds
- Cash
- Diversified growth

The Trustee has a Service Level Agreement in place with Aegon that sets out guidelines for the underlying investments held by the funds. The day-to-day management of the underlying investments is delegated to the fund managers. The Trustee monitors the underlying risks on a regular basis with Aegon with the assistance of the investment adviser.

The risks declared overleaf relate to the Plan's investments as a whole. Members are able to choose their own investments from the range of funds offered and therefore, may face a different profile of risks from their individual choices compared with the Plan as a whole.

Notes to the financial statements continued

13. Investment risks continued

Credit and market risk

The Plan is subject to direct credit risk within the investment portfolio to the extent of the holding in pooled investment vehicles and cash holdings. The Plan is indirectly exposed to credit risks arising on the underlying financial instruments held within the pooled investment vehicles.

The Plan's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by:

- The underlying assets of the pooled arrangement being ring-fenced from the manager;
- The regulatory environments in which the manager operate; and
- The diversification of investments amongst a number of pooled arrangements.

At the Plan year-end, the bond, cash and diversified growth funds were exposed to underlying credit risk. The Aberdeen Standard Liquidity Fund (Lux) Sterling Fund cash is held with an institution which is investment grade credit rated.

The majority of the Plan's members invest in the default arrangement, which represents 84.0% (2024: 82.9%) of the Plan's investments. The market risk disclosures are therefore focussed on the related funds as follows:

The funds comprising the default arrangement have significant exposure to foreign currency, interest rate and other price risk arising from the underlying investment as follows

Fund	Interest Rate Risk	Currency Risk	Other Risks
IHG Plan Long Term Growth Fund:			
Aegon BlackRock MSCI Currency Hedged World Index	No	No	Yes
Aegon Schrodgers Sustainable Multi-Factor Equity	No	Yes	Yes
Aegon BlackRock World ESG Equity Tracker	No	Yes	Yes
Aegon BlackRock Emerging Markets Equity	No	Yes	Yes
IHG Plan Diversified Assets Fund:			
Aegon Schrodgers Sustainable Future Multi-Asset Fund	Yes	Yes	Yes
LGIM Future World Multi-Asset Fund	Yes	Yes	Yes
Other:			
Aegon BlackRock Cash	Yes	No	Yes

The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis, monitors performance with the assistance of the investment adviser.

14. Concentration of investments

At 31 March 2025 and 31 March 2024, the following investments exceed 5% of the net assets of the Plan:

IHG Plan Long Term Growth Fund **54.5%** (2024: 55.2%)

IHG Plan Diversified Assets Fund **27.2%** (2024: 25.6%)

Aegon BlackRock World (ex-UK) Equity Index **5.7%** (2024: 6.5%)

Notes to the financial statements continued**15. Investment management expenses**

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Investment manager fees	63	72

Investment management expenses are borne by the Plan.

16. Current assets

	31 March 2025 £'000	31 March 2024 £'000
Allocated to members:		
Contributions due from Participating Employer in respect of:		
employer normal	832	789
AVC	1,245	1,052
Transfers in	54	-
Bank balance	49	53
	2,180	1,894
Not allocated to members:		
Bank balance	44	88
	44	88
	2,224	1,982

All contributions on behalf of members due at the year-end have been subsequently received by the Plan in accordance with the timescale required by the Payment Schedule.

17. Current liabilities

	31 March 2025 £'000	31 March 2024 £'000
Allocated to members:		
Unpaid benefits	49	53
Not allocated to members:		
Other creditors	248	236
	297	289

Other creditors include £103,000 (2024: £107,000) payable to Six Continents Limited for expenses paid on the Plan's behalf, together with accrued expenses.

18. Related party transactions

The Trustee has an agreement with InterContinental Hotels Group PLC to provide administration services to the Plan. In the year to 31 March 2025 the Plan paid £197,000 to Six Continents Limited for administration services (2024: £189,000).

Key management personnel comprise the sole Trustee ITS. ITS has been paid a total of £45,000 for their services to the Plan as Trustee and other ad-hoc advice (2024: £39,000).

19. Employer related investments

There were no employer related investments during or at the end of the year.

Compliance Report

1. Changes to the Plan

The Rules were effective from 1 December 2020 and were not changed during the Plan year.

2. Tax Status

The Plan is a Registered Pension Scheme under the provisions of Schedule 36 of the Finance Act 2004. Accordingly, under the provisions of sections 186 and 187 of the Finance Act 2004 its income and investment gains are free of taxation. However, income from a trading activity is not investment income and so will be assessed to tax in the normal way.

3. Transfers out of the Plan

The transfer values paid during the year were calculated and verified in accordance with the requirements of the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

4. Money and Pensions Service, Pension Ombudsman and the Pension Regulator

If Plan members have any queries concerning their benefits they should contact the Plan's administrator by writing to the pension administration office at the address shown on page 52.

If a member has a complaint against the Plan, which has not been resolved to their satisfaction through the Plan's dispute procedure, MaPS (The Money and Pensions Service) an independent and impartial service may be able to offer advice. The name of the local MaPS advisor can be obtained by contacting MaPS at www.maps.org.uk or by phone on 0800 011 3797.

If the complaint is not satisfactorily resolved, the government appointed Pension Ombudsman can investigate complaints of injustice caused by bad administration, either by the Trustee or Plan administrators, or disputes of fact or law. The Pension Ombudsman can be contacted on their website at www.pensions-ombudsman.org.uk or at:

10 South Colonnade
Canary Wharf
E14 4PU
Telephone 0800 917 4487
Email enquiries@pensions-ombudsman.org.uk

A pension tracing service is in place for members (and their dependents) of previous employers' schemes, who have lost touch with earlier employers and trustees. To trace a benefit entitlement under a former employer's scheme, enquiries should be addressed to:

The Pension Service, Post Handling Site A, Wolverhampton, WV98 1AF
Telephone 0800 731 0175
Website address: www.gov.uk/find-pension-contact-details

The Pensions Regulator is responsible for overseeing pension scheme administration and for complaints about non-disclosure of information. It also now acts as the registrar of occupational and personal pension schemes. The website for the Pensions Regulator can be contacted via their website at www.thepensionsregulator.gov.uk or by phone on 0345 600 0707 or contacted at:

Customer Support,
The Pensions Regulator,
Telecom House
125-135 Preston Road
Brighton
BN1 6AF

Independent Auditor's Statement about Contributions to the Trustee of the IHG UK Defined Contribution Pension Plan

We have examined the summary of contributions to the IHG UK Defined Contribution Pension Plan for the Plan year ended 31 March 2025 to which this statement is attached.

In our opinion contributions for the Plan year ended 31 March 2025, as reported in the summary of contributions, and payable under the Payment Schedule have in all material respects been paid at least in accordance with the Payment Schedule dated 12 November 2020.

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions on page 71 have in all material respects been paid at least in accordance with the Payment Schedule. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Payment Schedule.

Respective responsibilities of Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Plan's Trustee is responsible for securing that a Payment Schedule is prepared, maintained and from time to time revised and for monitoring whether contributions are made to the Plan by the employer in accordance with the Payment Schedule.

It is our responsibility to provide a Statement about Contributions paid under the Payment Schedule and to report our opinion to you.

Use of our statement

This statement is made solely to the Plan's Trustee, as a body, in accordance with regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to it in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan's Trustee as a body, for our work, for this statement, or the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Manchester

Date: 29 October 2025

IHG UK Defined Contribution Pension Plan

Summary of Contributions

During the year ended 31 March 2025, the contributions payable to the Plan were as follows:

	£'000
Required by the Payment Schedule	
Employer normal contributions	9,994
Employee normal contributions	-
Administration charge paid by employer	998
Total contributions under Payment Schedule	<u>10,992</u>
Other contributions	
Employer additional voluntary contributions	2,464
	<u> </u>
Total contributions per Note 3 of the financial statements	<u>13,456</u>

Signed on behalf of the Trustee:

Trustee

29 October 2025