Additional Information

Other financial information

Use of Non-GAAP measures

In addition to performance measures directly observable in the Group Financial Statements (IFRS measures), additional measures (described as Non-GAAP) are presented that are used internally by management as key measures to assess performance. Non-GAAP measures are either not defined under IFRS or are adjusted IFRS figures.

→ Further explanation in relation to these measures and their definitions can be found on pages 84 to 88.

Revenue and operating profit Non-GAAP reconciliations

Highlights for the year ended 31 December 2023

Reportable segments

	Revenue				Operating profit			
	2023 $m	2022 (re-presented)[a] $m	Change $m	Change %	**2023 $m**	2022 (re-presented)[a] $m	Change $m	Change %
Per Group income statement	**4,624**	3,892	732	18.8	**1,066**	628	438	69.7
System Fund and reimbursables	**(2,460)**	(2,049)	(411)	20.1	**(19)**	105	(124)	NM[b]
Operating exceptional items	**–**	–	–	–	**(28)**	95	(123)	NM[b]
Reportable segments	**2,164**	1,843	321	17.4	**1,019**	828	191	23.1
Reportable segments analysed as:								
Fee business	**1,672**	1,434	238	16.6	**992**	805	187	23.2
Owned, leased and managed lease	**471**	394	77	19.5	**29**	19	10	52.6
Insurance activities	**21**	15	6	40.0	**(2)**	4	(6)	NM[b]
	2,164	1,843	321	17.4	**1,019**	828	191	23.1

[a] Re-presented for the adoption of IFRS 17 'Insurance Contracts' and to combine System Fund and reimbursables (see 'New accounting standards and other presentational changes' in the Group Financial Statements).

[b] Percentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

Underlying revenue and underlying operating profit

	Revenue				Operating profit			
	2023 $m	2022 $m	Change $m	Change %	**2023 $m**	2022 $m	Change $m	Change %
Reportable segments (see above)	**2,164**	1,843	321	17.4	**1,019**	828	191	23.1
Significant liquidated damages[b]	**–**	(7)	7	NM[a]	**–**	(7)	7	NM[a]
Owned and leased asset disposals[c]	**–**	(19)	19	NM[a]	**–**	(2)	2	NM[a]
Currency impact	**–**	–	–	–	**–**	(1)	1	NM[a]
Underlying revenue and underlying operating profit	**2,164**	1,817	347	19.1	**1,019**	818	201	24.6

[a] Percentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

[b] $7m recognised in 2022 reflects the significant liquidated damages related to one hotel in EMEAA.

[c] The results of three UK Portfolio hotels and one InterContinental Hotel have been removed in 2022 (being the year of disposal) to determine underlying growth.

Underlying fee revenue and underlying fee operating profit

	Revenue				Operating profit			
	2023 $m	2022 (re-presented)[a] $m	Change $m	Change %	**2023 $m**	2022 (re-presented)[a] $m	Change $m	Change %
Reportable segments fee business (see above)	**1,672**	1,434	238	16.6	**992**	805	187	23.2
Significant liquidated damages[b]	**–**	(7)	7	NM[c]	**–**	(7)	7	NM[c]
Currency impact	**–**	(4)	4	NM[c]	**–**	(2)	2	NM[c]
Underlying fee revenue and underlying fee operating profit	**1,672**	1,423	249	17.5	**992**	796	196	24.6

[a] Re-presented for the adoption of IFRS 17 'Insurance Contracts' and to combine System Fund and cost reimbursements (see 'New accounting standards and other presentational changes' in the Group Financial Statements).

[b] $7m recognised in 2022 reflects the significant liquidated damages related to one hotel in EMEAA.

[c] Percentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

Revenue and operating profit Non-GAAP reconciliations continued

Americas

	Revenue				Operating profit[b]			
	2023 $m	2022 $m	Change $m	Change %	2023 $m	2022 $m	Change $m	Change %
Per Group financial statements, note 2	1,105	1,005	100	10.0	815	761	54	7.1
Reportable segments analysed as[a]:								
Fee business	957	879	78	8.9	787	741	46	6.2
Owned, leased and managed lease	148	126	22	17.5	28	20	8	40.0
	1,105	1,005	100	10.0	815	761	54	7.1
Reportable segments (see above)	1,105	1,005	100	10.0	815	761	54	7.1
Currency impact	–	2	(2)	NM[c]	–	–	–	–
Underlying revenue and underlying operating profit	1,105	1,007	98	9.7	815	761	54	7.1

[a] Revenues as included in the Group Financial Statements, note 3.

[b] Before exceptional items.

[c] Percentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

EMEAA

	Revenue				Operating profit[b]			
	2023 $m	2022 $m	Change $m	Change %	2023 $m	2022 $m	Change $m	Change %
Per Group financial statements, note 2	677	552	125	22.6	215	152	63	41.4
Reportable segments analysed as[a]:								
Fee business	354	284	70	24.6	214	153	61	39.9
Owned, leased and managed lease	323	268	55	20.5	1	(1)	2	NM[e]
	677	552	125	22.6	215	152	63	41.4
Reportable segments (see above)	677	552	125	22.6	215	152	63	41.4
Significant liquidated damages[c]	–	(7)	7	NM[e]	–	(7)	7	NM[e]
Owned asset disposals[d]	–	(19)	19	NM[e]	–	(2)	2	NM[e]
Currency impact	–	3	(3)	NM[e]	–	1	(1)	NM[e]
Underlying revenue and underlying operating profit	677	529	148	28.0	215	144	71	49.3

[a] Revenues as included in the Group Financial Statements, note 3.

[b] Before exceptional items.

[c] $7m recognised in 2022 reflects the significant liquidated damages related to one hotel in EMEAA.

[d] The results of three UK Portfolio hotels and one InterContinental Hotel have been removed in 2022 (being the year of disposal) to determine underlying growth.

[e] Percentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

Other financial information continued

Revenue and operating profit Non-GAAP reconciliations continued

Greater China

	Revenue				Operating profit[c]			
	2023 $m	2022 $m	Change $m	Change %	2023 $m	2022 $m	Change $m	Change %
Per Group financial statements, note 2	161	87	74	85.1	96	23	73	317.4
Reportable segments analysed as[a]:								
Fee business	161	87	74	85.1	96	23	73	317.4
Reportable segments (see above)	161	87	74	85.1	96	23	73	317.4
Currency impact	–	(5)	5	NM[b]	–	(1)	1	NM[b]
Underlying revenue and underlying operating profit	161	82	79	96.3	96	22	74	336.4

[a] Revenues as included in the Group Financial Statements, note 3.

[b] Percentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

[c] Before exceptional items.

Highlights for the year ended 31 December 2022

Reportable segments

	Revenue				Operating profit			
	2022 (re-presented)[a] $m	2021 (re-presented)[a] $m	Change $m	Change %	2022 (re-presented)[a] $m	2021 (re-presented)[a] $m	Change $m	Change %
Per Group income statement	3,892	2,907	985	33.9	628	494	134	27.1
System Fund and reimbursables	(2,049)	(1,517)	(532)	35.1	105	11	94	854.5
Operating exceptional items	–	–	–	–	95	29	66	227.6
Reportable segments	1,843	1,390	453	32.6	828	534	294	55.1
Reportable segments analysed as:								
Fee business	1,434	1,144	290	25.3	805	569	236	41.5
Owned, leased and managed lease	394	237	157	66.2	19	(36)	55	NM[b]
Insurance activities	15	9	6	66.7	4	1	3	NM[b]
	1,843	1,390	453	32.6	828	534	294	55.1

[a] Re-presented for the adoption of IFRS 17 'Insurance Contracts' and to combine System Fund and cost reimbursements (see 'New accounting standards and other presentational changes' in the Group Financial Statements).

[b] Percentage change considered not meaningful, such as where a positive balance in the latest period is comparable to a negative or zero balance in the prior period.

Underlying fee revenue

			Revenue	
	2022 (re-presented)[a] $m	2021 (re-presented)[a] $m	Change $m	Change %
Reportable segments fee business (see above)	1,434	1,144	290	25.3
Significant liquidated damages	(7)	(6)	(1)	16.7
Currency impact	–	(22)	22	–
Underlying fee revenue	1,427	1,116	311	27.9

[a] Re-presented for the adoption of IFRS 17 'Insurance Contracts'.

Fee margin reconciliation

	2023 $m	2022 (re-presented)[b] $m	2021 (re-presented)[b] $m
Revenue			
Reportable segments analysed as fee business (page 226)	**1,672**	1,434	1,144
Significant liquidated damages	**–**	(7)	(6)
	1,672	1,427	1,138
Operating profit[c]			
Reportable segments analysed as fee business (page 226)	**992**	805	569
Significant liquidated damages	**–**	(7)	(6)
	992	798	563
Fee margin[a]	**59.3%**	55.9%	49.5%

[a] Reported as a KPI on page 62.

[b] Re-presented for the adoption of IFRS 17 'Insurance Contracts'.

[c] Before exceptional items.

Fee margin is broken down by region as follows:

Year ended 31 December 2023	Americas	EMEAA	Greater China	Central	Total
Revenue $m					
Reportable segments analysed as fee business (pages 226 to 228)	**957**	**354**	**161**	**200**	**1,672**
	957	**354**	**161**	**200**	**1,672**
Operating profit[b]					
Reportable segments analysed as fee business (pages 226 to 228)	**787**	**214**	**96**	**(105)**	**992**
	787	**214**	**96**	**(105)**	**992**
Fee margin	**82.2%**	**60.5%**	**59.6%**	**(52.5)%**	**59.3%**

Year ended 31 December 2022 (Re-presented)[a]	Americas	EMEAA	Greater China	Central	Total
Revenue $m					
Reportable segments analysed as fee business (see above)	879	284	87	184	1,434
Significant liquidated damages	–	(7)	–	–	(7)
	879	277	87	184	1,427
Operating profit[b]					
Reportable segments analysed as fee business (see above)	741	153	23	(112)	805
Significant liquidated damages	–	(7)	–	–	(7)
	741	146	23	(112)	798
Fee margin	84.3%	52.7%	26.4%	(60.9)%	55.9%

Year ended 31 December 2021 (Re-presented)[a]	Americas	EMEAA	Greater China	Central	Total
Reportable segments analysed as fee business (see above)	691	149	116	188	1,144
Significant liquidated damages	–	–	(6)	–	(6)
	691	149	110	188	1,138
Operating profit[b]					
Reportable segments analysed as fee business (see above)	568	32	58	(89)	569
Significant liquidated damages	–	–	(6)	–	(6)
	568	32	52	(89)	563
Fee margin	82.2%	21.5%	47.3%	(47.3)%	49.5%

[a] Re-presented for the adoption of IFRS 17 'Insurance Contracts'.

[b] Before exceptional items.

Other financial information continued

Net capital expenditure reconciliation

$m	12 months ended 31 December 2023 $m	2022 $m
Net cash from investing activities	**(137)**	(78)
Adjusted for:		
Contract acquisition costs, net of repayments	**(101)**	(64)
System Fund depreciation and amortisation[a]	**81**	83
Net capital expenditure	**(157)**	(59)
Analysed as:		
Capital expenditure: maintenance (including contract acquisition costs, net of repayments, of $101m (2022: $64m))	**(139)**	(108)
Capital expenditure: recyclable investments	**(53)**	1
Capital expenditure: System Fund capital investments	**35**	48
Net capital expenditure	**(157)**	(59)

[a] Excludes depreciation on right-of-use assets.

Gross capital expenditure reconciliation

$m	12 months ended 31 December 2023 $m	2022 $m
Net capital expenditure	**(157)**	(59)
Add back:		
Disposal receipts	**(8)**	(16)
Repayments of contract acquisition costs	**(7)**	(3)
System Fund depreciation and amortisation[a]	**(81)**	(83)
Gross capital expenditure	**(253)**	(161)
Analysed as:		
Capital expenditure: maintenance (including contract acquisition costs of $108m (2022: $67m))	**(146)**	(111)
Capital expenditure: recyclable investments	**(61)**	(15)
Capital expenditure: System Fund capital investments	**(46)**	(35)
Gross capital expenditure	**(253)**	(161)

[a] Excludes depreciation on right-of-use assets.

Adjusted free cash flow reconciliation

	12 months ended 31 December 2023 $m	2022 $m	2021 $m	2020 $m	2019 $m
Net cash from operating activities	**893**	646	636	137	653
Adjusted for:					
Payment of contingent purchase consideration	**–**	–	–	–	6
Principal element of lease payments	**(28)**	(36)	(32)	(65)	(59)
Purchase of shares by employee share trusts	**(8)**	(1)	–	–	(5)
Capital expenditure: maintenance (excluding contract acquisition costs)	**(38)**	(44)	(33)	(43)	(86)
Adjusted free cash flow[a]	**819**	565	571	29	509

[a] Reported as a KPI on page 62.

Adjusted interest reconciliation

	12 months ended 31 December 2023 $m	2022 $m	2021 $m
Net financial expenses			
Financial income	**39**	22	8
Financial expenses	**(91)**	(118)	(147)
	(52)	(96)	(139)
Adjusted for:			
Interest attributable to the System Fund	**(44)**	(16)	(3)
Foreign exchange gains	**(35)**	(10)	–
	(79)	(26)	(3)
Adjusted interest	**(131)**	(122)	(142)

Adjusted tax and tax rate reconciliations

	2023			2022			2021		
	Profit before tax $m	**Tax $m**	**Rate %**	Profit before tax Re-presented[a] $m	Tax Re-presented[a] $m	Rate Re-presented[a] %	Profit before tax Re-presented[a] $m	Tax Re-presented[a] $m	Rate Re-presented[a] %
Group income statement	**1,010**	**(260)**	**25.7**	540	(164)	30.4	361	(96)	26.6
Adjusted for:									
Exceptional items	**(28)**	**7**		95	(26)		29	(29)	
Foreign exchange gains	**(35)**	**(3)**		(10)	(4)		–	–	
System Fund	**(19)**	**3**		105	–		11	–	
System Fund interest	**(44)**	**–**		(16)	–		(3)	–	
Fair value (losses)/gains on contingent purchase consideration	**4**	**–**		(8)	–		(6)	1	
	888	**(253)**	**28.5**	706	(194)	27.5	392	(124)	31.6

[a] The definition of adjusted tax measures has been amended in 2023, see page 86. Prior year measures have been re-presented accordingly.

Adjusted earnings per ordinary share reconciliation

	12 months ended 31 December 2023 $m	2022 $m	2021 $m
Profit/(loss) available for equity holders	**750**	375	266
Adjusting items:			
System Fund and reimbursable result	**(19)**	105	11
Interest attributable to the System Fund	**(44)**	(16)	(3)
Operating exceptional items	**(28)**	95	29
Fair value losses/(gains) on contingent purchase consideration	**4**	(8)	(6)
Tax on fair value gains on contingent purchase consideration	**–**	–	1
Foreign exchange gains	**(35)**	(10)	–
Tax attributable to the System Fund	**3**	–	–
Tax on foreign exchange gains	**(3)**	(4)	–
Tax on exceptional items	**7**	(26)	(3)
Exceptional tax	**–**	–	(26)
Adjusted earnings	**635**	511	269
Basic weighted average number of ordinary shares (millions)	**169**	181	183
Adjusted earnings per ordinary share (cents)	**375.7**	282.3	147.0

Other financial information continued

Revenue per available room (RevPAR), average daily rate and occupancy

RevPAR is the primary metric used by management to track hotel performance across regions and brands. RevPAR is also a commonly used performance measure in the hotel industry. RevPAR comprises IHG system rooms revenue divided by the number of room nights available and can be mathematically derived from occupancy rate multiplied by average daily rate (ADR). Occupancy rate is rooms occupied by hotel guests expressed as a percentage of rooms that are available. ADR is rooms revenue divided by the number of room nights sold.

References to RevPAR, occupancy and ADR are presented on a comparable basis comprising groupings of hotels that have traded in both the current and prior year. The principal exclusions in deriving this measure are new hotels, hotels closed for major refurbishment and hotels sold in either of the two years. RevPAR and ADR are quoted at a constant US$ conversion rate, in order to allow a better understanding of the comparable year-on-year trading performance excluding distortions created by fluctuations in exchange rates.

The following tables present RevPAR statistics for the year ended 31 December 2023 and a comparison to 2022. Fee business and owned, leased and managed lease statistics are for comparable hotels and include only those hotels in the Group's System at 31 December 2023 and franchised, managed, owned, leased or operated under a managed lease by the Group since 1 January 2022. The comparison with 2022 is at constant US$ exchange rates.

	Fee business		Owned, leased and managed lease	
	2023	Change vs 2022	2023	Change vs 2022
Americas				
InterContinental				
Occupancy	65.6%	3.6%pts	–	–
Average daily rate	$231.96	5.8%	–	–
RevPAR	$152.16	12.0%	–	–
Kimpton				
Occupancy	70.1%	4.7%pts	–	–
Average daily rate	$280.42	1.6%	–	–
RevPAR	$196.47	8.9%	–	–
Hotel Indigo				
Occupancy	67.2%	2.5%pts	–	–
Average daily rate	$182.36	0.9%	–	–
RevPAR	$122.54	4.9%	–	–
Crowne Plaza				
Occupancy	60.3%	3.4%pts	–	–
Average daily rate	$135.82	4.9%	–	–
RevPAR	$81.87	11.2%	–	–
EVEN Hotels				
Occupancy	67.0%	0.5%pts	–	–
Average daily rate	$162.03	7.7%	–	–
RevPAR	$108.60	8.5%	–	–
Holiday Inn Express				
Occupancy	69.8%	1.6%pts	–	–
Average daily rate	$130.29	4.0%	–	–
RevPAR	$90.90	6.4%	–	–
Holiday Inn				
Occupancy	63.0%	1.7%pts	67.2%	4.3%pts
Average daily rate	$126.49	4.4%	$236.85	12.8%
RevPAR	$79.72	7.2%	$159.15	20.5%
avid hotels				
Occupancy	63.4%	3.4%pts	–	–
Average daily rate	$104.36	2.7%	–	–
RevPAR	$66.12	8.6%	–	–
Staybridge Suites				
Occupancy	76.1%	0.0%pts	–	–
Average daily rate	$131.73	6.1%	–	–
RevPAR	$100.28	6.1%	–	–
Candlewood Suites				
Occupancy	74.2%	(1.6)%pts	–	–
Average daily rate	$100.70	4.7%	–	–
RevPAR	$74.76	2.4%	–	–

RevPAR, average daily rate and occupancy continued

	Fee business		Owned, leased and managed lease	
	2023	Change vs 2022	2023	Change vs 2022
EMEAA				
Six Senses				
Occupancy	42.7%	0.4%pts	–	–
Average daily rate	$1,094.25	16.7%	–	–
RevPAR	$466.91	17.7%	–	–
InterContinental				
Occupancy	66.8%	8.7%pts	59.5%	18.4%pts
Average daily rate	$244.74	9.6%	$279.81	10.3%
RevPAR	$163.37	26.0%	$166.44	59.6%
Kimpton				
Occupancy	69.1%	11.2%pts	74.5%	8.2%pts
Average daily rate	$316.75	23.2%	$291.63	8.2%
RevPAR	$218.75	47.1%	$217.38	21.5%
Hotel Indigo				
Occupancy	75.0%	7.1%pts	–	–
Average daily rate	$167.47	12.6%	–	–
RevPAR	$125.57	24.5%	–	–
voco				
Occupancy	74.0%	7.8%pts	78.9%	6.7%pts
Average daily rate	$148.57	(1.2)%	$163.52	2.6%
RevPAR	$109.94	10.5%	$129.07	12.0%
Crowne Plaza				
Occupancy	67.4%	7.1%pts	–	–
Average daily rate	$131.95	10.6%	–	–
RevPAR	$88.91	23.7%	–	–
Holiday Inn Express				
Occupancy	76.2%	9.3%pts	–	–
Average daily rate	$96.95	7.0%	–	–
RevPAR	$73.85	21.9%	–	–
Holiday Inn				
Occupancy	69.5%	7.3%pts	–	–
Average daily rate	$106.51	10.3%	–	–
RevPAR	$73.99	23.4%	–	–
Staybridge Suites				
Occupancy	80.3%	3.0%pt	–	–
Average daily rate	$124.38	8.2%	–	–
RevPAR	$99.90	12.5%	–	–
Greater China				
Regent				
Occupancy	75.3%	29.3%pts	–	–
Average daily rate	$171.35	28.6%	–	–
RevPAR	$128.97	110.8%	–	–
InterContinental				
Occupancy	66.0%	24.8%pts	–	–
Average daily rate	$127.44	14.0%	–	–
RevPAR	$84.13	82.4%	–	–
Hotel Indigo				
Occupancy	58.3%	20.6%pts	–	–
Average daily rate	$137.55	10.1%	–	–
RevPAR	$80.15	70.3%	–	–
HUALUXE				
Occupancy	57.9%	17.3%pts	–	–

Other financial information continued

RevPAR, average daily rate and occupancy continued

	Fee business		Owned, leased and managed lease	
	2023	Change vs 2022	2023	Change vs 2022
Average daily rate	**$80.26**	23.1%	–	–
RevPAR	**$46.50**	75.6%	–	–
Crowne Plaza				
Occupancy	**61.0%**	19.9%pts	–	–
Average daily rate	**$82.81**	14.3%	–	–
RevPAR	**$50.49**	69.7%	–	–
Holiday Inn Express				
Occupancy	**60.5%**	17.6%pts	–	–
Average daily rate	**$45.05**	13.5%	–	–
RevPAR	**$27.26**	60.3%	–	–
Holiday Inn				
Occupancy	**58.4%**	15.6%pts	–	–
Average daily rate	**$61.83**	20.1%	–	–
RevPAR	**$36.13**	63.8%	–	–

Directors' Report

This Directors' Report includes the information required to be given in line with the Companies Act or, where provided elsewhere, an appropriate cross reference is given. The Governance Report approved by the Board is provided on pages 89 to 142 and incorporated by reference herein.

Subsidiaries, joint ventures and associated undertakings

The Group has around 370 subsidiaries, joint ventures, associates and related undertakings (including branches outside of the United Kingdom). A list of subsidiaries and associated undertakings disclosed in accordance with the Companies Act is provided at note 33 of the Group Financial Statements on pages 214 to 216.

Directors

The Directors may exercise all the powers of the Company, subject to the Articles of Association, legislation and regulation. This includes the ability to exercise the authority to allot or purchase the Company's shares pursuant to authorities granted by shareholders at the Company's AGM every year. Further details of the powers of the Company's Directors can be found on page 251.

→ For biographies of the current Directors see pages 92 to 95.

Directors' and Officers' (D&O) liability insurance and existence of qualifying indemnity provisions

The Company maintains the Group's D&O liability insurance policy, which covers Directors and Officers of the Company defending civil proceedings brought against them in their capacity as Directors or Officers of the Company (including those who served as Directors or Officers during the year). There were no indemnity provisions relating to the UK pension plan for the benefit of the Directors during 2023.

Articles of Association

→ A summary is provided on pages 251 and 252.

→ The Company's Articles of Association may only be amended by special resolution and are available on the Company's website at **ihgplc.com/investors** under Corporate governance.

Shares

Share capital

The Company's issued share capital at 31 December 2023 consisted of 172,256,766 ordinary shares of 20 340/399 pence each, including 7,006,782 shares held in treasury, which constituted 4.07% of the total issued share capital (including treasury shares).

There are no special control rights or restrictions on share transfers or limitations on the holding of any class of shares.

During 2023, 500,000 shares were transferred from treasury to the employee share ownership trust.

As far as is known to management, IHG is not directly or indirectly owned or controlled by another company or by any government. The Board focuses on shareholder value creation. When it decides to return capital to shareholders, it considers all of its options, including share buybacks and special dividends.

Share issues and buybacks

In December 2023, we completed our $750m share buyback programme which was announced, and commenced, on 21 February 2023. As part of the buyback, 10,643,334 shares were bought back and cancelled.

Further information on the transactions that took place this year can be found on page 260.

Dividends

Dividends	Ordinary shares	ADRs
Interim dividend An interim dividend was paid on 5 October 2023 to shareholders on the register at the close of business on 1 September 2023.	38.7p	48.3¢
Final dividend Subject to approval at the 2024 AGM, a final dividend of 104¢ in respect of 2023 will be payable on 14 May 2024 to shareholders on the register at the close of business on 5 April 2024.	104¢[a]	104¢

[a] The sterling amount of the final dividend will be announced on 25 April 2024 using the average of the daily exchange rates for the three working days commencing 22 April 2024.

Major institutional shareholders

As at 16 February 2024, being the last practicable date, the Company had been notified of the following significant holdings in its ordinary shares under section 5 of the UK Disclosure Guidance and Transparency Rules (DTRs).

	As at 16 February 2024		As at 17 February 2023		As at 21 February 2022	
Shareholder	Ordinary shares/ADSs[a]	%[a]	Ordinary shares/ADSs[a]	%[a]	Ordinary shares/ADSs[a]	%[a]
BlackRock, Inc.	**10,190,311[b]**	**6.14**	11,247,319[c]	6.12	11,247,319[c]	6.12
Boron Investments B.V.	**8,280,000**	**5.01**	6,890,000	3.77	6,890,000	3.77
Royal Bank of Canada	**9,658,543**	**5.84**	9,189,549	5.02	9,189,549	5.02
The Capital Group Companies, Inc.	**8,980,505**	**5.12**	8,980,505	5.12	9,071,574	4.98
PineStone Asset Management Inc.	**12,950,002**	**7.08**	–	–	–	–

[a] The numbers of shares and percentages of voting rights are as set out in the relevant disclosures made in accordance with Rule 5 of the DTRs and do not necessarily reflect the impact of any share buyback programmes or any changes in shareholdings subsequent to the date of notification that are not notified to the Company under the DTRs.

[b] Total shown includes 1,913,249 qualifying financial instruments to which voting rights are attached.

[c] Total shown includes 2,080,427 qualifying financial instruments to which voting rights are attached.

The Company's major shareholders have the same voting rights as other shareholders. The Company does not know of any arrangements, the operation of which may result in a change in its control.

→ For further details on shareholder profiles see page 261.

The Companies (Miscellaneous Reporting) Regulations 2018

Set out below is our employee engagement statement and on page 237, our statement summarising how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others.

→ Details of how the Directors have had regard to the matters set forth in Section 172(1)(a) to (f) of the Companies Act are provided on pages 102 and 103.

Directors' Report continued

Employee engagement statement

Our statement relates to IHG's directly employed individuals and should be read in conjunction with our people section, Section 172 statement, Voice of the Employee and wider workforce remuneration and employee engagement disclosures on pages 29 to 31, 102 and 103, 113, 117 and 118 and 123 and 124.

During 2023, the main communication channels to provide information of concern to employees included weekly newsletters, virtual town halls, CEO and regional leadership calls, podcasts, blogs, email broadcasts, videos and business function team meetings.

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

Each December, employees are invited to join the employee share plan. The plan is available to around 98% of our corporate employees below the senior/mid-management level (who received LTIP and restricted stock units awards). Further details are on page 123.

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

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

Details of how Directors have had regard to employee interests, and the effect of that regard, including principal decisions taken by IHG during the year can be found on pages 38 to 40 and 101 to 103.

Employee numbers

Having a predominantly franchised and managed business model means that many of those people who work at hotels operated under our brands are not our employees.

The average number of IHG employees, including part-time employees, during 2023 were as follows:

- 7,292 people worldwide (including those in our corporate offices, central reservations offices and owned, leased and managed leased hotels (excluding those in a category below)), whose costs were borne by the Group; and
- 20,306 people who either worked directly on behalf of the System Fund and whose costs were borne by the System Fund, or as General Managers and (in the US predominantly) other hotel workers, who work in managed hotels, who have contracts or are directly employed by IHG and whose costs are borne by those hotel owners.

→ See note 4 of the Group Financial Statements on page 178.

Employment of disabled persons

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

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

→ See our people disclosures on pages 29 to 31.

→ Visit **ihgplc.com/responsible-business** for more information.

2023 share awards and grants to employees

Our current policy is to settle the majority of awards or grants under the Company's share plans with shares purchased in the market or from shares held in treasury; however, the Company continues to review this policy. The Company's share plans incorporate the current Investment Association's guidelines on dilution which provide that commitments to issue new shares or re-issue treasury shares under executive plans should not exceed 5%, and under all plans should not exceed 10%, of the issued ordinary share capital of the Company (adjusted for share issuance and cancellation) in any 10-year period. During the financial year ended 31 December 2023, the Company transferred 500,000 treasury shares (0.29% of the total issued share capital) to satisfy obligations under its share plans.

The estimated maximum dilution from awards made under the Company's share plans over the last 10 years is 4.49%.

As at 31 December 2023, there were no options outstanding. The Company has not utilised the authority given by shareholders at any of its AGMs to allot shares for cash without first offering such shares to existing shareholders.

Employee share ownership trust (ESOT)

IHG operates an ESOT for the benefit of employees and former employees. The ESOT receives treasury shares from the Company and purchases ordinary shares in the market and releases them to current and former employees in satisfaction of share awards. During 2023, the ESOT released 899,845 shares and at 31 December 2023, it held 589,077 ordinary shares in the Company. The ESOT adopts a prudent approach to purchasing shares, using funds provided by the Group, based on expectations of future requirements.

Certain shares that have been allocated to share plan participants under the Annual Performance Plan (APP) are held in a nominee account on behalf of those participants by Computershare Investors Plc (Nominee). As at 31 December 2023, the Nominee held 225,688 forfeitable shares as part of the APP. The shares held by the Nominee have been allocated to share plan participants on terms that entitle those participants to request or require the Nominee to exercise the voting rights relating to those shares. The Nominee exercises those votes in accordance with the directions of the participants. Shares that have not been allocated to share plan participants under such terms are held by the ESOT and although the trustee has the right to vote or abstain from exercising their voting rights in relation to those shares, it has a policy of not voting, which is in line with guidelines. The trustee also has the right to accept or reject any offer relating to the shares in any way it sees fit.

Unless otherwise requested by the Company, the trustee of the ESOT waives all ordinary dividends on the shares held in the ESOT, other than shares which have been allocated to participants on terms which entitle them to the benefit of dividends, except for such amount per share as shall, when multiplied by the number of shares held by it on the relevant date, equal one pence or less.

In 2023, the new Deferred Award Plan ('DAP') rules were approved by shareholders at the May AGM. For more information, please see the Remuneration Report on page 127.

Colleague Share Plan

The Company's employee share plan, known as the Colleague Share Plan, was first introduced in 2019 following approval by shareholders at the Company's 2019 AGM.

In accordance with the Colleague Share Plan Rules, participants' contributions are used to purchase shares on a monthly basis on behalf of the individuals (Purchased Shares) and held within the Nominee. At the end of the Plan Year, the participants receive a conditional right to receive one share (Matching Share) for every one Purchased Share that they have purchased. Provided the participants hold the Purchased Shares in the Nominee until the second anniversary of the end of the Plan Year, the conditional right to Matching Shares will vest.

In 2023, 45 shares vested outside of the usual timetable due to deaths or good leavers, and in January 2024, 30,922 shares vested as part of the third Plan Year. As at 16 February 2024, the Nominee held 30,084 Purchased Shares in relation to the fourth Plan Year.

Code of Conduct

The Code of Conduct (Code) applies to all Directors, officers and employees and complies with the NYSE rules as set out in Section 406 of the US Sarbanes-Oxley Act 2002. Further details on our Code, including the Board's oversight of the Code, are set out in the Strategic Report on pages 39 and 40.

Business relationships with suppliers, customers and others

Our business relationships with our guests, hotel owners and suppliers are fundamental to our commercial success. During the year, the Board considered matters related to them and had regard to the impact of decisions on them as detailed in the key matters discussed by the Board on pages 101 to 103. These included strategic and operational matters relating to our brand portfolio, global sales strategy and operating regions.

The Board monitors relationships through a mixture of presentations, reports and direct engagement. The Responsible Business Committee specifically reviews responsible procurement processes, targets and the Supplier Code of Conduct.

Details of how relationships have been maintained during the year are set out in the key stakeholder engagement tables on pages 36 and 37.

The Group is party to a technology agreement with Amadeus Hospitality Americas, Inc. (Amadeus), for the next generation central reservation system used by the Group. The initial term of 10 years will expire in 2028, and the Group has the right to extend this agreement for two additional periods of up to 10 years each on the same terms, conditions and pricing. The financial and performance obligations in this agreement are guaranteed by Amadeus IT Group S.A., the parent company of Amadeus.

Otherwise, there are no specific individual contracts or arrangements considered to be essential to the business of the Group as a whole.

Future business developments of the Group

→ Details on these are set out in the Strategic Report on pages 21 to 27.

Finance

Political donations

The Group made no political donations under the Companies Act during the year and proposes to maintain this policy in respect of such donations. Notwithstanding this policy, in accordance with US law, one of IHG's US subsidiaries provides administrative support to an employee-operated Political Action Committee in the US (US PAC), which is funded by voluntary political donations from eligible employees. The US PAC is not controlled by IHG. All decisions regarding the amounts and recipients of contributions are directed by the Board of Directors of the US PAC, in accordance with its Charter and By-laws. In 2023, a total of US $12,600 was expended on political contributions by the US PAC.

Financial risk management

→ The Group's financial risk management objectives and policies, including its use of financial instruments, are set out in note 24 to the Group Financial Statements on pages 199 to 203.

Significant agreements and change of control provisions

The Group is a party to the following arrangements which could be terminated upon a change of control of the Company and which are considered significant in terms of their potential impact on the business of the Group as a whole:

- The $1.35 billion syndicated loan facility agreement dated 28 April 2022 and (unless extended) maturing in April 2028, under which a change of control of the Company would entitle each lender to cancel its commitment and declare all amounts due to it payable.
- The 10-year £300 million bond issued by the Company on 14 August 2015, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.
- The 10-year £350 million bond issued by the Company on 24 August 2016, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.
- The 8.5-year €500 million bond issued by the Company on 15 November 2018, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.
- The four-year €500 million bond issued by the Company on 8 October 2020, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.
- The eight-year £400 million bond issued by the Company on 8 October 2020, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.
- The six-year €600 million bond issued by IHG Finance LLC on 28 November 2023, under which, if the bond's credit rating was downgraded in connection with a change of control, the bond holders would have the option to require the Company to redeem or, at the Company's option, repurchase the outstanding notes together with interest accrued.

→ Further details on material contracts are set out on page 253.

Disclosure of information to Auditor

→ For details, see page 144.

Directors' Report continued

Greenhouse gas (GHG) emissions

By delivering more environmentally sustainable hotels, we create value for IHG, our hotel owners and all our stakeholders. We recognise the risks from climate change and the importance of reducing our carbon footprint and our 2030 Science Based Target (SBT) reflects this. Our SBT is approved by the SBTi and aligns with the most ambitious goals of the Paris Agreement to keep global warming within 1.5°C by targeting a reduction in market-based greenhouse gas (GHG) emissions of 46% across our Scope 1 and 2 GHG emissions, as well as our Scope 3 GHG emissions covering both our Fuel and Energy Related Activities (FERA) and franchised hotels energy. Our Exclusive Partners hotels (i.e. Iberostar Beachfront Resorts) are not included within the scope of our ESG reporting and are therefore not included in our Streamlined Energy and Carbon Reporting (SECR) table at present.

→ Refer to page 63 for more information on our SBT and Carbon KPI and pages 52 to 59 for more information on how we identify and manage climate-related risks and the steps we are taking to mitigate these, including our transition plan.

Streamlined Energy and Carbon Reporting (SECR)

			2023		2022		2019 Baseline Year	
			Global	**UK and UK offshore only**	Global	UK and UK offshore only	Global	UK and UK offshore only
Energy (MWh)	**Managed, owned, leased and managed lease hotels**	Electricity, heat, steam and cooling	**4,275,818**	**23,249**	3,621,830	22,885	3,759,820	26,221
		Fuel consumption for boilers, furnaces, generators	**2,058,347**	**31,553**	1,806,925	24,789	2,032,555	32,894
	Franchised hotels energy	Electricity, heat, steam and cooling	**4,726,162**	**243,093**	4,600,437	237,626	4,669,277	277,892
		Fuel consumption for boilers, furnaces, generators	**3,206,875**	**271,871**	3,007,008	241,749	3,339,195	311,019
	Corporate office energy	Electricity, heat, steam and cooling	**14,773**	**3,458**	17,606	4,971	26,995	6,694
		Fuel consumption for boilers, furnaces, generators	**2,894**	**1,109**	8,995	3,459	9,312	2,981
		Company-owned vehicle fuel	**221**	**221**	214	214	557	557
		Private vehicle mileage fuel[a]	**196**	**196**	–	–	–	–
Total global energy (MWh)	**Franchised, managed, owned, leased and managed lease hotels and corporate offices**	Electricity, heat, steam and cooling and fuel consumption from boilers, furnaces, generators and company-owned vehicle fuel (excluding fuel from private vehicle mileage)[a]	**14,285,090**	**574,554**	13,063,015	535,693	13,837,711	658,258
GHG emissions (tonnes of CO_2e (tCO_2e))	**Scope 1 + 2**	Scope 1 (fuel consumption for boilers, furnaces, generators and company-owned vehicle fuel)	**486,094**	**6,336**	418,902	5,479	473,803	7,042
		Scope 2 location-based (electricity, heat, steam and cooling)	**2,149,107**	**5,532**	1,805,995	5,387	2,012,896	8,413
		Scope 2 market-based (electricity, heat, steam and cooling)	**2,176,340**	**5,795**	1,825,769	4,671	2,051,839	12,539
		Total Scope 1 + 2 location-based	**2,635,201**	**11,868**	2,224,897	10,866	2,486,699	15,455
		Total Scope 1 + 2 market-based	**2,662,434**	**12,131**	2,244,671	10,150	2,525,642	19,581
	Scope 3	Scope 3 FERA	**556,434**	**2,538**	635,106	2,451	526,603	3,836
		Scope 3 Franchises (including franchises FERA)	**3,150,412**	**174,880**	3,057,648	167,945	3,442,793	200,496
		Scope 3 Business Travel (private vehicle mileage fuel)[a]	**56**	**56**				
		Total Scope 3 (excluding private vehicle mileage)[a]	**3,706,846**	**177,418**	3,692,754	170,396	3,969,396	204,332
Total GHG emissions (tCO_2e)	**Total Scope 1 + 2 + 3**	Scope 1 + 2 +3 market-based (excluding private vehicle mileage fuel)[b]	**6,369,280**	**189,549**	5,937,425	180,546	6,495,038	223,913
GHG Intensity metrics	**Total Gross Revenue (TGR)**	TGR ($m) for managed, owned, leased and managed lease hotels[c]	**11,593**	**258**	9,056	247	11,952	310
	GHG intensity metrics location-based	Scope 1 + 2 tCO_2e per occupied room night[d]	**0.0456**	**0.0196**	0.0475	0.0162	0.0397	0.0163
		Scope 1 + 2 + 3 tCO_2e per occupied room night[d]	**0.0298**	**0.0104**	0.0317	0.0105	0.0305	0.0121
		Scope 1 + 2 tCO_2e per $m revenue[c]	**0.2273**	**0.0460**	0.2457	0.0440	0.2081	0.0499
	GHG intensity metrics market-based	Scope 1 + 2 tCO_2e per occupied room night[d]	**0.0461**	**0.0201**	0.0479	0.0151	0.0403	0.0206
		Scope 1 + 2 + 3 tCO_2e per occupied room night[d]	**0.0304**	**0.0139**	0.0317	0.0142	0.0316	0.0153
		Scope 1 + 2 tCO_2e per $m revenue[c]	**0.2297**	**0.0470**	0.2479	0.0411	0.2113	0.0632

[a] Fuel use from UK private vehicle mileage is not included in the scope of IHG's SBT and therefore not included in the GHG and energy use totals within this table, however it is included in the total figures within our third-party verification statement found at **ihgplc.com/responsiblebusiness/reporting**.

[b] Based on franchised, managed, owned, leased and manage lease hotels and corporate offices and calculated using a market-based methodology to align with IHG's SBT.

[c] GHG intensity per $m revenue uses TGR from managed, owned, leased and managed lease hotels as reported in the table above and on page 70 of Group Performance.

[d] GHG intensity per occupied room night excludes UK private mileage and uses actual occupied room nights from hotels that fall within the scope of the metric and our SBT, which excludes our Exclusive Partners hotels (i.e. Iberostar Beachfront Resorts).

Our Performance

Our absolute Scope 1, 2 and Scope 3 market-based GHG emissions have decreased by 1.9% compared to our 2019 baseline level despite our system size growing from over 5,900 open hotels in 2019 to over 6,300 in 2023 across 100 countries. In addition, we have seen a reduction of 3.8% in our GHG emissions intensity per occupied room night on the same basis.

Even as our actions become more widely embedded across our estate, the rate at which we can decarbonise will be impacted by several factors, including rates of grid decarbonisation and government's climate change policies. We recognise that our role in collaborating with governments, peers and trade bodies will be crucial to supporting owners and the industry in decarbonising successfully. Some of the key external dependencies we have identified are outlined in our TCFD disclosure on page 58 and have been factored into our decarbonisation plan.

To support our progress towards our decarbonisation target while continuing to grow our business, we are taking action across three main areas: decarbonising our existing hotels; sourcing renewable energy; and developing new-build hotels that operate at very low/ zero carbon.

→ See pages 56 and 57 for more information on our decarbonisation strategy and our transition plan.

→ See pages 47 to 49 of our 2023 Responsible Business Report for a full breakdown of our GHG emissions and energy data including renewable energy.

GHG Scope boundaries

We report Scope 1, Scope 2 and Scope 3 GHG emissions in tonnes (tCO_2e) as defined by the GHG Protocol Corporate Accounting and Reporting Standard methodology, under the operational control approach:

- Scope 1 emissions are direct GHG emissions from the combustion of fuels on-site, in company-owned vehicles and from refrigerant losses from our managed, owned, leased and managed lease hotels and corporate offices.
- Scope 2 emissions are indirect GHG emissions generated by the energy purchased or acquired from our managed, owned, leased and managed lease hotels and corporate offices. A market-based method has been used to calculate total GHG emissions as this aligns with our SBT, however we have also reported Scope 2 location-based emissions for reference in the table above.
- Scope 3 emissions are indirect GHG emissions that occur in IHG's value chain. The Scope 3 emissions included within our SBT are material to IHG in accordance with the SBTi criteria. This includes Category 3 (FERA) from IHG's managed, owned, leased and managed lease hotels and corporate offices, as well as Category 14 (Franchises), which includes the Scope 1 and 2 market-based emissions of our franchised hotels energy consumption and their Scope 3 FERA. For the purposes of SECR, IHG also report Scope 3 emissions from UK business travel in rental or employee-owned vehicles where IHG is responsible for purchasing the fuel, in the table above. However, these emissions are not in the scope of our SBT and, therefore, not included in the total figures above, reported in our Carbon KPI or our 2023 Responsible Business Report.

→ See page 47 of our 2023 Responsible Business Report for more information on our SBT and GHG emissions scopes and materiality.

Methodology

We work with data specialists to give us an up-to-date picture of IHG's carbon footprint and assess our performance over time. To calculate our global energy consumption for the reporting period 1 January to 30 September 2023, we used energy consumption data reported by hotels through IHG's Green Engage system. Energy consumption for the final three months of 2023 has been estimated using an average consumption from the previous 12 months, applied to a projected number of occupied room nights to ensure that all hotels have a consumption figure corresponding to their likely occupancy. This approach was not used for fuel where it was not possible to determine whether data was missed or fuel was not used, or only purchased intermittently/ seasonally. Estimating Q4 enables us to gain assurance over the data we report for the calendar year and aligns with our financial reporting period to enable analysis of both financial and non-financial indicators for the same period. Outlier checks were completed, and a gap-filling, and extrapolation methodology was applied where necessary. Any missing data points for energy consumption were filled using average consumption per room night from the nearest 12-month period. The IHG system size and number of occupied room nights used to estimate missing energy data is based on nine months of actual data and three months of data from 2022. Our estimation methodology is conservative to reduce the risk of under reporting. For 2023, the energy sample included 86% of hotels reporting energy consumption globally. As IHG's system size is constantly changing and as new data becomes available, each year we restate the previous year's figures (2019, 2020, 2021 and 2022).

→ For more information on our restatement method and historical GHG emissions and utility data, see pages 46 to 51 of our 2023 Responsible Business Report.

To calculate our emissions, we use the GHG Protocol Corporate Accounting and Reporting Standard methodology. Energy (MWh) and fuel (Litres) use was converted to GHG emissions using the published conversion factors from sources including IEA, USEPA, AIB and BEIS, and reported to the nearest tonne in tCO_2e across Scope 1, 2 and 3 emissions. The most recently published emissions factors were used for all regions and applied to each energy data point to give associated GHG emissions. Intensities were calculated from the data in the sample group and divided by the total occupied room nights in the sample group.

To ensure that our market-based emissions reporting is robust, IHG only reports on renewable electricity where we have received corresponding Renewable Energy Certificates (RECs) or energy contracts that state that the electricity being purchased is 100% renewable. This evidence is validated by our internal teams and third-party verification provider. We are working to improve this reporting and validation process to account for more of the renewable energy that is being procured by our hotels going forward.

→ The full details of our methodology statements for GHG emissions and all utilities are detailed on pages 46 to 51 of our 2023 Responsible Business Report, where we report our carbon, energy (including renewables), water and waste data since 2019, as part of a performance tracking towards our Journey to Tomorrow commitments.

→ Our carbon, energy and water data has been verified by a third-party, the assurance statements can be found at **ihgplc.com/ responsiblebusiness/reporting**

Directors' Report continued

Energy reduction initiatives

We have devised a strategy to drive forward our carbon reduction commitments while expanding our estate. To make progress against our decarbonisation target while continuing to grow our business, we are taking action across three main areas: decarbonising our existing hotels; sourcing renewable energy; and developing new-build hotels that operate at very low/zero carbon. Due to the different challenges and opportunities across our three regions, we have developed regional plans to take into consideration the significant geographical and operational variances. These regional plans are overseen by a new regional governance structure that incorporates oversight of resource and capital planning requirements. These regional plans have helped us to accelerate action in 2023 and further support hotels where we can.

In 2022, we updated our brand standards to integrate ECMs; these include high-efficiency, low-flow aerated shower heads and taps and LED lighting. In 2023, we integrated further ECMs into our existing estate across the Essentials & Suites (E&S) brands in the Americas. These measures included guest room occupancy sensing thermostats to ensure that heating/ cooling isn't being used unnecessarily in unoccupied rooms, public area and back-of-house programmable thermostats (upon renovation) to ensure heating and cooling operation is efficient, and switching traditional electric resistance packaged terminal air- conditioners with more efficient packaged terminal heat pumps upon replacement. All ECMs integrated into hotel brand standards are carefully considered in consultation with the Hotel Owners Association and supported by our LTIP ESG metrics. We are now working on implementing additional brand standards tailored to each region and segment.

Every hotel is given access to the IHG Green Engage system, our comprehensive online environmental management platform, which helps hotel teams to measure, track and report their utility consumption and carbon footprint, as well as providing over 200 'Green Solutions' with detailed guidance to support hotels in reducing their energy, water and waste impacts. To comply with the IHG Green Engage standard, hotels are required to report their monthly energy consumption and complete key energy-saving actions. Collaborating with our hotels, we actively promote energy efficiency throughout our estate, assigning customised annual and 2025 energy reduction targets to each hotel. To motivate hotels to reduce their energy consumption, these targets are integrated into hotel-level metrics and key performance indicators, aligning with the Executive Committee's broader metrics, including Guest Satisfaction and Guest Love. We track their performance through the verifiable data required to enter into our IHG Green Engage system.

IHG continues to invest in utility data acquisition to improve data quality and assurance to enhance our reporting. This includes our collaboration with an energy specialist to offer all our hotels a centralised data feed solution to collect utility information, which is then sent directly into the Green Engage system. The collected data enables improved analytics for hotels to drive efficiencies in utility management and strengthen hotel RFP responses to corporate clients globally.

Being part of IHG means hotel owners receive a range of support to empower them with the knowledge and resources they need to progress against their energy reduction targets. In 2022, we launched the IHG HERO tool, which guides hotels on the most effective energy conservation measures for their specific building. The tool provides indicative capital costs, energy reductions and payback periods for a range of energy conservation measures based on the hotel's facilities, climate and energy consumption. Since we launched the tool in 2022, over 560 hotels have used it to guide their capital spending. The tool is available across our EMEAA and Americas regions and is expected to launch in Greater China in 2024, following a successful pilot programme in 2023.

Our Energy & Carbon Reduction Training' e-learning modules advise hotel colleagues on how to reduce costs, drive revenue and increase the asset value of their property by providing effective strategies to reduce their hotel's energy consumption and carbon footprint. These modules also cover the global context, the commercial and competitive advantages of sustainability efforts, and what hotels need to do to meet their energy reduction targets. We also have a decarbonisation module for our corporate colleagues. In 2023, we led multiple training workshops for key business functions to engage them on how their role can support us to deliver our decarbonisation commitments.

We are supporting hotels to identify tax and other financial incentives available to them to help fund energy efficiency investments. Owners in our Americas region have access, free of charge, to reports on tax incentives and utility rebates available to their hotels. We have also partnered with an 'energy efficiency as a service' supplier that provides financing, installation, and maintenance of energy conservation measures and then shares the energy cost savings with the hotel.

→ See pages 28 to 32 of our 2023 Responsible Business Report for further information on our work across carbon and energy.

Listing Rules – compliance with LR 9.8.4C

The below table sets out only those sections of LR 9.8.4C which are relevant. The remaining sections of LR 9.8.4 are not applicable.

Section	Applicable sub-paragraph within LR 9.8.4C	Location
1	Interest capitalised	Group Financial Statements, note 7, page 181
4	Details of long-term incentive schemes	Directors' Remuneration Report, pages 116 to 140

Going concern

An overview of the business activities of IHG, including a review of the key business risks that the Group faces, is given in the Strategic Report on pages 2 to 88 and in the Group information on pages 242 to 254.

As at 31 December 2023, the Group had total liquidity of $2,572m, comprising $1,350m of undrawn bank facilities and $1,222m of cash and cash equivalents (net of overdrafts and restricted cash).

There remains a wide range of possible planning scenarios over the going concern period. The scenarios considered and assessment made by the Directors in adopting the going concern basis for preparing these financial statements are included on page 161.

Based on the assessment completed, the Directors have a reasonable expectation that the Group has sufficient resources to continue operating until at least 30 June 2025, and there are no material uncertainties that may cast doubt on the Group's going concern status. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

→ Please see the viability statement on pages 50 and 51.

By order of the Board,

Nicolette Henfrey
Company Secretary
InterContinental Hotels Group PLC
Registered in England and Wales, Company number 5134420
19 February 2024

Group information

History and developments

The Company was incorporated and registered in England and Wales with registered number 5134420 on 21 May 2004 as a limited company under the Companies Act 1985 with the name Hackremco (No. 2154) Limited. In 2004/05, as part of a scheme of arrangement to facilitate the return of capital to shareholders, the following structural changes were made to the Group: (i) on 24 March 2005, Hackremco (No. 2154) Limited changed its name to New InterContinental Hotels Group Limited; (ii) on 27 April 2005, New InterContinental Hotels Group Limited re-registered as a public limited company and changed its name to New InterContinental Hotels Group PLC; and (iii) on 27 June 2005, New InterContinental Hotels Group PLC changed its name to InterContinental Hotels Group PLC and became the holding company of the Group.

The Group, formerly known as Bass, and then Six Continents, was historically a conglomerate operating as, among other things, a brewer, soft drinks manufacturer, hotelier, leisure operator, and restaurant, pub and bar owner. In 1988 Bass acquired Holiday Inn International and the remainder of the Holiday Inn brand in 1990. The InterContinental brand was acquired by Bass in 1998 and the Candlewood Suites brand was acquired by Six Continents in 2003.

On 15 April 2003, following shareholder and regulatory approval, Six Continents PLC separated into two new listed groups, InterContinental Hotels Group PLC, comprising the hotels and soft drinks businesses, and Mitchells & Butler plc, comprising the retail and standard commercial property developments business.

The Group disposed of its interests in the soft drinks business by way of an initial public offering of Britvic (Britannia Soft Drinks Limited for the period up to 18 November 2005, and thereafter, Britannia SD Holdings Limited (renamed Britvic plc on 21 November 2005), which became the holding company of the Britvic Group on 18 November 2005), a manufacturer and distributor of soft drinks in the UK, in December 2005. The Group now continues as a stand-alone hotels business.

Recent acquisitions and divestitures

The Group made no acquisitions or disposals in 2023 or 2022. In 2021, the Group disposed of a portfolio of three EVEN Hotels in the Americas region resulting in a net cash inflow of $44m.

→ Further information is included in note 11 to the Group Financial Statements on page 186.

Capital expenditure

- Gross capital expenditure[a] in 2023 totalled $253 million compared with $161 million in 2022 and $100 million in 2021, see page 230.
- At 31 December 2023, capital committed (being contracts placed for expenditure on property, plant and equipment and intangible assets not provided for in the Group Financial Statements) totalled $10 million, see page 212.

[a] Definitions for Non-GAAP revenue and operating profit measures can be found on pages 84 to 88. Reconciliations of these measures to the most directly comparable line items within the Group Financial Statements can be found on pages 226 to 231.

Risk factors

The Group is subject to a variety of inherent risks that may have an adverse impact on its business operations, financial condition, turnover, profits, brands and reputation. This section describes the main risks that could materially affect the Group's business. The risks below are not the only ones that the Group faces. Some risks are not yet known to the Group and some risks that the Group does not currently believe to be material could later turn out to be material.

During 2023, the Group continued to face risks relating to macro external factors, including the impact of continuing inflationary pressures and challenges to labour availability in key markets, ongoing conflict in Ukraine and, towards the end of the year, in the Middle East. These factors contributed to additional political, economic and financial market developments and uncertainties, including global supply chain disruptions, continuing cybersecurity threat levels, and increases to the cost of borrowing due to rising interest rates.

Following the outbreak of the war in Ukraine, the Group ceased all operations in Russia due to the ongoing and increasing challenges of operating there and consistent with evolving UK, US and EU sanction regimes. The Group continues to monitor the impact of the war in relation to our two hotels in Ukraine, both of which are open to the public.

The Group's refreshed strategy will require balancing of short-term execution and long-term goals, along with resilience in an environment of uncertainties relating to, for example, its ability to deliver innovation at scale and speed; how it uses, stores, secures and transfers data; owner preferences for and ability to invest in its brands; global and local supply chain efficiency and resiliency; and legal and regulatory complexity and litigation trends.

Several other factors will continue to remain important to the Group's outlook, including those relating to operational resilience, such as the safety and security of hotel operations; guest preferences for branded hotel experiences and loyalty in a competitive industry where expectations continue to evolve; and its ability to attract and retain talent and capability where key aspects of the Group's growth ambitions and operations are dependent on access to experience and knowledge.

The Group also faces emerging risks where the impact and likelihood are not yet fully understood or factors that may become significant in the medium- to long-term. This includes uncertainty linked to the rapidly evolving wider macroeconomic and geopolitical factors, including government policy and how this might impact travel patterns and business relationships, central bank policy and how this might impact development and financing costs of owners, rapid development of generative artificial intelligence technology, and the physical risks of climate change on the Group's activities.

To enable focus on the material risk factors facing the Group, the detail below has been organised under headings corresponding to the ordering of the principal risks outlined earlier in this document.

→ The principal risks are on pages 45 to 49, the cautionary statements regarding forward-looking statements are on page 263 and financial and forward-looking information in note 8 on pages 181 to 185, and note 24 on pages 199 to 203.

1. Guest preferences for branded hotel experiences and loyalty

The Group is subject to a competitive and changing industry

The Group competes against other global hotel chains, local hotel companies and independent hotels to win the loyalty of guests, employees and owners. The competitive landscape also includes other types of businesses, both global and specific to certain markets, such as web-based booking channels (which include online travel agents and intermediaries), and alternative sources of accommodation, such as short-term lets of private property. Failure to compete effectively in traditional and emerging areas of the business could impact the Group's market share, system size, profitability and relationships with owners and guests. The hospitality industry has previously experienced consolidation, and further such activity may result in such competitors having access to increased resources, capabilities or capacity and provide advantages from scale of revenues, marketing funds and/or cost structures.

The Group is reliant on the reputation of its existing brands and is exposed to inherent reputation risks

Any event that materially damages the reputation of one or more of the Group's brands and/or fails to sustain the appeal of the Group's brands to its customers and owners may have an adverse impact on the value of that brand and subsequent revenues from that brand or business. In particular, if the Group is unable to create consistent, valued and quality products and guest experiences across the franchised, managed, owned, leased and managed lease hotels or if the Group, its franchisees or business partners fail to act responsibly, this could result in an adverse impact on its brand reputation. In addition, the value of the Group's brands could be influenced by a number of external factors outside the Group's control, such as, but not limited to, changes in sentiments against global brands, changes in applicable regulations related to the hotel industry or to franchising, successful commoditisation of hotel brands by online travel agents and intermediaries, or changes in owners' perceptions of the value of the Group.

The Group is exposed to inherent uncertainties associated with brand development and expansion

The Group has launched eight brands in six years and also maintains co-branded credit card relationships to support the IHG Rewards programme. Since the rollout, integration and growth of these brands (including associated loyalty programmes) is dependent on market conditions, guest preference and owner investment, as well as continued cooperation with third parties, there are inherent risks that we will be unable to recover costs incurred in developing or acquiring the brands or any new programmes or products, or those brands, programmes, or products will not succeed as we intend. The Group's ongoing agenda to deliver industry-leading net rooms growth creates risks relating to the transition of systems, new or changed operating models, services and processes, and may result in failures to improve commercial performance, leading to financial loss and undermining stakeholder confidence.

2. Owner preferences for or ability to invest in our brands

The Group is exposed to a variety of risks related to identifying, securing and retaining franchise and management agreements

The Group's growth strategy depends on its success in identifying, securing and retaining franchise and management agreements. This is an inherent risk for the hotel industry and the franchising business and management model. Competition with other hotel companies may generally reduce the number of suitable franchise, management and investment opportunities offered to the Group and increase the bargaining position of property owners seeking to become a franchisee or engage a manager. The terms of new franchise or management agreements may not be as favourable as current arrangements; the Group may not be able to renew existing arrangements on similarly favourable terms, or at all.

There can be no assurance that the Group will be able to identify, retain or add franchisees to the IHG System, to secure management contracts or open hotels in our development pipeline. For example, the availability of suitable sites, market saturation, planning and other local regulations or the availability and affordability of finance, which has remained a challenge in 2023, may restrict the supply of suitable hotel development opportunities under franchise or management agreements and mean that not every hotel in our development pipeline may develop into a new hotel that enters our system.
In connection with entering into franchise or management agreements, the Group may be required to make investments in, or guarantee the obligations of, third parties or guarantee minimum income to third parties. There are also risks that significant franchisees or groups of franchisees may have interests that conflict, or are not aligned, with those of the Group, including, for example, the unwillingness of franchisees to support individual or masterbrand or system improvement initiatives. This could result in franchisees prematurely terminating contracts, which could lead to disputes, litigation, damages and other expenses and would adversely impact the overall IHG System size and the Group's financial performance.

The Group is exposed to the risks of hotel industry overcapacity

The future operating results of the Group could be adversely affected by industry overcapacity (by number of rooms) and weak demand due, for example, to customer confidence in business and leisure travel, whether related to pandemics, war, or otherwise, the cyclical nature of the hotel industry, other differences between planning assumptions and actual operating conditions, cost-of-living pressures and changes in stakeholder expectations around environmental factors. These conditions could result in reductions in room rates and occupancy levels, which would adversely impact the financial performance of the Group.

3. Our ability to attract and retain talent and capability

The Group requires the right people, skills and capability to manage growth and change

In order to remain competitive, the Group relies upon hiring and retaining highly skilled employees with particular expertise or leadership capability. The Group's strategic business plans could be undermined by a failure to build and sustain a resilient corporate culture, failure to recruit or retain key personnel, unexpected loss of key senior employees, inadequate succession planning and incentive plans, or failure to invest in the development of key skills.

The Group must compete against other companies inside and outside the hospitality industry for suitably qualified or experienced employees, up to and including Executive Directors. Some of the markets in which the Group operates may experience economic growth and/or low levels of unemployment, pay compression, and there may be attractive roles and competitive rewards available elsewhere which limit the ability to attract and retain talent.

Labour shortages could restrict our ability and the ability of franchisees to operate hotel properties or grow our business or could result in increased costs that could adversely affect results of operations. The Covid-19 pandemic negatively affected the labour market for employers. Staffing shortages in various parts of the world could hinder our ability to grow and expand our business. Some emerging markets may not have the required local expertise to operate a hotel, particularly for luxury and lifestyle brands, and may not be able to attract the right talent.

If we or our franchisees are unable to attract, retain, train, manage and engage skilled individuals, the ability to staff and operate the hotels that we manage, own or franchise could be diminished. This could reduce customer satisfaction and adversely affect the reputation of our brands. Labour costs may also increase, threatening the ability to operate hotels and our corporate support functions, achieve business growth targets or impact the profitability of our operations. Additionally, unless the Group maintains a sufficient infrastructure to enable knowledge and skills to be passed on, the Group risks losing accumulated knowledge if key employees leave.

Group information continued
Risk factors continued

Collective bargaining activity could disrupt operations, increase our labour costs or interfere with the ability of our management to focus on executing our business strategies.
A significant number of the Group's colleagues at its managed, owned, leased and managed lease hotels in the US, Canada, Mexico, Grand Cayman and Netherlands Antilles are covered by collective bargaining agreements and similar agreements. If relationships with those colleagues or the unions that represent them deteriorate, the properties we own, lease or manage could experience labour disruptions such as strikes, lockouts, boycotts and public demonstrations. In 2024, bargaining agreements in major cities will be expiring within several months of each other. There will be labour activity in many of our major markets, including Washington DC, San Diego, Boston and San Francisco. Hotel sector union member participation continues to increase in key markets within the Americas region, which may require IHG to enter into new labour agreements as more employees become unionised in the future. Labour disputes, which are generally more likely when collective bargaining agreements are being renegotiated, could harm our relationship with our colleagues, result in increased regulatory inquiries and enforcement by governmental authorities and deter guests. Further, adverse publicity related to a labour dispute could harm our reputation and reduce customer demand for our services.

Labour regulation and the negotiation of new or existing collective bargaining agreements could lead to higher wage and benefit costs, changes in work rules that raise operating expenses, legal costs and limitations on our ability or the ability of our third-party property owners to take cost-saving measures during economic downturns. We do not have the ability to control the negotiations of collective bargaining agreements covering unionised labour employed by our third-party property owners and franchisees. Increased unionisation of our workforce, new labour legislation or changes in regulations could disrupt our operations, reduce our profitability or interfere with the ability of our management to focus on executing our business strategies.

4. Data and information usage, storage, security and transfer

The Group is exposed to cybersecurity and data privacy risks
The Group is increasingly dependent upon the collection, usage, retention, availability, integrity and confidentiality of information, including, but not limited to: guest, employee and owner credit card, financial and personal data, business performance, financial reporting and commercial development. The information is sometimes held in different formats, such as digital, paper, voice recordings and video, and could be stored in many places, including cloud-based storage and facilities managed by third-party service providers, in our managed hotels, and by our independently owned and operated hotels, that are all subject to the same or similar risks.

Cyber breaches are increasingly becoming an unfortunate reality for most companies and risks relating to cybersecurity appear to be heightened in light of geopolitical conflicts. The threats towards the hospitality industry and the Group's information are dynamic, and include cyber-attacks, fraudulent use, loss or misuse by employees and breaches of our vendors' security arrangements, among others.

For example, in 2022, parts of the Group's technology systems were subject to unauthorised activity, causing disruption to the Group's booking channels and other applications. A putative class action suit has been filed by a small group of hotel owners related to the incident. This cybersecurity breach follows additional previous cybersecurity incidents of a different nature in 2016.

The legal and regulatory environment around data privacy and requirements set out by the payment card industry surrounding information security across the many jurisdictions in which the Group operates are constantly evolving (such as the EU GDPR, China cybersecurity law, and US State privacy laws). If the Group fails to protect information and ensure relevant controls are in place to enable the acceptable use and release of information through the appropriate channels in a timely and accurate manner, IHG System performance, guest experience and the reputation of the Group may be adversely affected. This could lead to revenue losses, fines, penalties, litigation and other additional costs.

We are required to comply with marketing and advertising laws relating to our direct marketing practices, including email marketing, online advertising, including in our use of generative artificial intelligence, and postal mailings. Further restrictions to the content or interpretations of these laws could adversely impact our current and planned activities and the effectiveness or viability of our marketing strategies to maintain, extend and acquire relationships with customers, and impact the amount and timing of our sales of certain products.

→ For information of incidents and ongoing legal proceedings relating to cybersecurity, data privacy and trade practices, see pages 212 and 254.

The Group is exposed to intellectual property risks
Given the importance of brand recognition to the Group's business, the protection of its intellectual property poses a risk due to the variability and changes in controls, laws and effectiveness of enforcement globally, particularly in jurisdictions that may not have developed levels of protection for corporate assets, such as intellectual property, trade secret, know-how and customer information and records. Any widespread infringement, misappropriation or weakening of the control environment could materially harm the value of the Group's brands and its ability to develop the business and compete currently or in the future. Third-party claims that we infringe their intellectual property could lead to disputes, litigation, damages and other expenses.

5. Ethical and social expectations

The Group's reputation and the value of its brands are influenced by the perception of various stakeholders of the Group
The reputation of the Group and the value of its brands are influenced by a wide variety of factors, including the perception of stakeholder groups, such as guests, owners, suppliers and communities in which the Group operates. The social and environmental impacts of its business are under increasing scrutiny, and the Group is exposed to the risk of damage to its reputation if it fails to (or fails to influence its business partners to) undertake responsible practices and engage in ethical behaviour, or fails to comply with relevant regulatory requirements.

6. Legal and regulatory complexity or litigation trends

The Group is required to comply with existing and changing regulations and act in accordance with societal expectations across numerous countries, territories and jurisdictions
Government regulations affect countless aspects of the Group's business, including corporate governance, health and safety, the environment, social responsibility, bribery and corruption, employment law and diversity, franchise laws and regulation, disability access, data privacy and information protection, financial, accounting and tax. Regulatory changes may require significant changes in the way the business operates and may inhibit the Group's strategy, including the markets the Group operates in, brand protection, and use or transmittal of personal data and use of artificial intelligence. If the Group fails to comply with existing or changing regulations, the Group may be subject to fines, prosecution, loss of licence to operate or reputational damage.

Companies that operate franchise systems may be subject to liabilities and claims relating to the franchisor/franchisee relationship, such as for allegedly being a 'joint employer' with a franchisee. Changes in laws or regulations relating to this relationship could result in a determination that we are a joint employer with our franchisees or that our franchisees are part of one unified system subject to joint and several liability. Such a determination could subject us to liability for employment-related and other liabilities of our franchisees and could cause us to incur other costs that have a material adverse effect on our results of operations and profit.

The Group is exposed to the risk of litigation
Certain companies in the Group are the subject of various claims and proceedings. The ultimate outcome of these matters is subject to many uncertainties, including future events and uncertainties inherent in litigation. In addition, the Group could be at risk of litigation claims made by many parties, including but not limited to: guests, customers, joint venture partners, suppliers, employees, regulatory authorities, franchisees and/or the owners of the hotels it manages. Claims filed may include requests for punitive damages as well as compensatory damages. Unfavourable outcomes of claims or proceedings could have a material adverse impact on the Group's results of operations, cash flow and/or financial position. Exposure to significant litigation or fines may also affect the reputation of the Group and its brands. (See also legal proceedings on page 254.)

Domestic and international environmental laws and regulations may cause us to incur substantial costs or subject us to potential liabilities
The Group is exposed to certain compliance costs and potential liabilities under various foreign and US federal, state and local environmental, health and safety laws and regulations. These laws and regulations govern actions and reporting requirements relating to matters including air emissions, the use, storage and disposal of hazardous and toxic substances, and wastewater disposal. The Group's failure to comply with such laws, including any required permits or licences, could result in substantial fines or possible revocation of our authority to conduct some of our operations. We could also be liable under such laws for the costs of investigation, removal or remediation of hazardous or toxic substances at our currently or formerly franchised, managed, owned, leased or managed lease hotels or at third-party locations in connection with our waste disposal operations, regardless of whether or not we knew of, or caused, the presence or release of such substances. The Group may also be required to remediate such substances or remove, abate or manage asbestos, mould, radon gas, lead or other hazardous conditions at our properties. The presence or release of such toxic or hazardous substances could result in third-party claims for personal injury, property or natural resource damages, business interruption or other losses. Such claims and the need to investigate, remediate or otherwise address hazardous, toxic or unsafe conditions could adversely affect the Group's operations, the value of any affected property, or our ability to sell, lease or assign our rights in any such property, or could otherwise harm our business or reputation. Environmental, health and safety requirements are increasingly stringent, and our costs may increase as a result.

The Group's financial performance may be affected by changes in tax laws
Many factors will affect the Group's future tax rate, the key ones being legislative developments, future profitability of underlying subsidiaries and tax uncertainties. Tax liabilities or refunds may also differ from those anticipated, in particular as a result of changes in tax law, changes in the interpretation of tax law, or clarification of uncertainties in the application of tax law. The Group continues to monitor significant tax reform proposals, most notably the development of the OECD's 'Pillar Two' minimum tax regime; further information is included in note 8 to the Group Financial Statements on page 181.

7. Global and local supply chain efficiency and resilience

The Group is dependent upon a wide range of external stakeholders and business partners
The Group relies on the performance, behaviours and reputation of a wide range of business partners and external stakeholders, including, but not limited to, owners, contractors, lenders, suppliers, outsourced providers, vendors, joint-venture partners, online travel agents, third-party intermediaries and other business partners which may have different ethical values, interests and priorities. Further, the number and complexity of interdependencies with stakeholders is evolving. Breakdowns in relationships, contractual disputes, deterioration of the financial health of our partners, poor vendor performance, sub-standard control procedures, business continuity arrangements, insolvency, stakeholder behaviours or adverse reputations, which may be outside of the Group's control, could adversely impact on the Group's performance and competitiveness, delivery of projects, guest experiences or the reputation of the Group or its brands.

8. Operational resilience to incidents or disruption or control breakdown (including geopolitical, safety and security, cybersecurity, fraud and health-related)

The Group is exposed to a variety of risks associated with safety, security and crisis management
There is a constant need to protect the safety and security of our guests, employees and assets against natural and man-made threats. These include, but are not limited to, exceptional events, such as extreme weather, civil or political unrest, violence and terrorism, serious and organised crime, fraud, employee dishonesty, cyber crime, pandemics or contagious diseases, fire and day-to-day accidents, incidents and petty crime, which impact the guest or employee experience, could cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation and impact reputation. Serious incidents or a combination of events could escalate into a crisis that, if managed poorly, could further expose the Group and its brands to significant reputational damage.

The Group is reliant upon the resilience of its reservation system and other key technology platforms and is exposed to risks that could disrupt their operation and/or integrity
The value of the Group is partly derived from the ability to drive reservations through its reservation system and technology platforms which are highly integrated with other processes and systems and linked to multiple sales channels, including the Group's own websites, in-house and third-party managed call centres, hotels, third-party intermediaries and travel agents.

The scope and complexity of our technology infrastructure, including increasing reliance on third-party suppliers to support and protect our systems and information, as well as the rapidly evolving cyber threats, means that we are inherently vulnerable to physical damage, failures, disruptions, denial of service, phishing or other malware attacks, ransomware, cyber terrorism and fraud, as well as human error, negligence and wilful misuse. These risks may be heightened when these capabilities are provided offshore or in cloud-based environments. Our franchisees and suppliers are also inherently vulnerable to the same risks.

Lack of resilience and operational availability of these systems provided by the Group or third-party technology providers and inability or difficulty in updating existing or implementing new functionality could lead to prolonged service disruption. This might result in significant business interruption, impact the guest booking experience, lead to loss of or theft of data, and subsequently adversely impact Group revenues, incur financial costs to remediate or investigate, lead to regulatory and/or contractual enforcement actions or lawsuits, or damage the Group's reputation and relationships with hotel owners.

The Group is exposed to political and economic developments
The Group is exposed to political, economic and financial market developments, such as recession, inflation and availability and/or cost of credit (due to rising interest rates) and currency fluctuations that could lower revenues and reduce income. The outlook for 2024 may worsen due to continued unrest and conflict in Ukraine, the Middle East, parts of Africa and Asia and other geopolitical tensions; potential disruptions in the US economy; uncertain central bank policies; the impact of fluctuating commodity prices (including oil) on economies dependent on such exports; and barriers to global trade, including unforeseeable changes in regulations, imposition of tariffs or embargoes and other trade restrictions or controls.

Group information continued
Risk factors continued

The interconnected nature of economies suggests any of these events, or other events, could trigger a recession that reduces leisure and business travel as demand for our services is closely associated with the performance of the general economy and is sensitive to business and personal discretionary spending levels. Decreased global or regional demand for hospitality products and services can be especially pronounced during economic downturns or low levels of economic growth, and the hospitality industry may fail to keep pace with overall economic improvement. Such declines in demand for our products and services could adversely affect room rates and/or occupancy levels and other income-generating activities.

Specifically, the Group is most exposed to the impact of political and economic risk factors in relation to the US market, including elections in 2024, and to Greater China. The owners or potential owners of hotels franchised or managed by the Group face similar risks that could adversely impact their solvency and the Group's ability to secure and retain franchise or management agreements. Accordingly, the Group is particularly susceptible to adverse changes in these economies, as well as changes in their currencies. In addition to trading conditions, the economic outlook also affects the financial health of current and potential owners and their ability to access capital, which could impact existing operations, timely payment of IHG fees and the health of the pipeline.

The Group is exposed to continued disruption and consequences from the war in Ukraine
The Group continues to monitor the impact of the war in relation to our two hotels in Ukraine, both of which are open to the public. The Group has ceased all operations in Russia. Although these operations were not material to consolidated financial results, the Group continues to face uncertainty relating to the broader consequences of this conflict on global macroeconomic conditions. These uncertainties include the potential for governments to impose additional sanctions or other economic or military measures. Further expansion or escalation of military confrontations or related geopolitical tensions, including increased restrictions on global trade, could also result in, among other things, depressed or restricted travel demand, declines in consumer confidence and economic growth, an increased likelihood of cyber attacks or information technology disruption, supply chain disruptions, increases in inflation rates, changes to foreign currency exchange rates, constraints, volatility or disruption in financial markets, the decreased availability of raw materials, supplies, freight and labour, and uncertainty about economic and global stability.

The Group is also exposed to disruption and consequences from the conflict in the Middle East
The Group continues to face some disruption relating to the broader consequences of the Middle East conflict on neighbouring countries and on wider global macroeconomic uncertainty, including supply chain disruption through the region. Further expansion or escalation of military confrontations or related geopolitical tensions could also result in similar factors to those listed above relating to the war in Ukraine.

The Group may face difficulties insuring its business
Historically, the Group has maintained insurance at levels determined to be appropriate in light of the cost of cover and the risk profile of the business. However, the Group's claims experience and wider external market forces may limit the scope of coverage the Group can obtain and the Group's ability to obtain coverage at reasonable rates. Other forces beyond the Group's control, such as terrorist attacks or natural disasters, may be uninsurable or simply too expensive to insure. Inadequate or insufficient insurance carried by the Group, our owners or other partners for damage, other potential losses or liabilities to third parties involving properties that we own, manage or franchise could expose the Group to large claims or could result in the loss of capital invested in properties.

The Group is exposed to risks related to executing and realising benefits from strategic transactions, including acquisitions and restructuring
The Group may seek to make strategic transactions, including acquisitions, divestments or investments in the future. The Group may not be able to identify opportunities or complete transactions on commercially reasonable terms, or at all, and may not realise the anticipated benefits from such transactions. Strategic transactions come with inherent valuation, financial and commercial risks, and regulatory and insider information risks during the execution of the transactions. The Group may also continue to make organisational adjustments to support delivery of our growth ambitions, including the integration of acquisitions into the Group's operating processes and systems. This creates inherent risks of complexity and that any changes made could be unsustainable or that we are unable to achieve the return envisaged through reinvestment. In addition, the Group may face unforeseen costs and liabilities, diversion of management attention, as well as longer-term integration and operational risks, which could result in a failure to realise benefits, financial losses, lower employee morale and loss of talent.

The Group is exposed to a variety of risks associated with its financial stability and ability to borrow and satisfy debt covenants
While the strategy of the Group is to grow through activities that do not involve significant amounts of its own capital, the Group does require capital to fund some development opportunities, technological innovations and strategic acquisitions; and to maintain and improve owned, leased and managed lease hotels. The Group is reliant upon having financial strength and access to capital markets and other borrowing facilities to meet these expected capital requirements. The Group's $1,350m revolving credit facility (RCF) is only available if the financial covenants in the facility are complied with. Non-compliance with covenants could result in the Group's lenders demanding repayment of the funds advanced and any undrawn facilities could be unavailable. In addition, if the RCF was drawn and repayment was demanded, it would trigger a repayment of the bond debt. If the Group's financial performance does not meet market expectations, it may not be able to refinance existing bond and bank facilities on terms considered favourable.

The Group currently has a senior unsecured long-term credit rating of BBB from S&P and, since 2023, a Baa2 rating from Moody's. In the event of either rating being downgraded below BBB- and Baa3 respectively (a downgrade of two levels) there would be an additional step-up coupon of 1.25% payable on the public bonds which are subject to those ratings.

The Group's operations are dependent on maintaining sufficient liquidity to meet all foreseeable medium-term requirements and provide headroom against unforeseen obligations
Cash and cash equivalents are held in short-term deposits, money market funds and repurchase agreements with short maturities. Most of the Group's funds are held in the UK or US, although $30 million (2022: $24 million) is held in countries where repatriation is restricted as a result of foreign exchange regulations. Medium and long-term borrowing requirements are met through the bonds and RCF. Short-term borrowing requirements may be met from drawings under uncommitted overdrafts and RCF.

The Group is exposed to an impairment of the carrying value of our brands, goodwill or other tangible and intangible assets negatively affecting our consolidated operating results
Significant amounts of goodwill, intangible assets, right-of-use assets, property, plant and equipment, investments and contract assets are recognised on the Group balance sheet. We review the value of our goodwill and indefinite-lived intangible assets for impairment annually (or whenever events or circumstances indicate impairment may have occurred). Changes to estimated values can result from political, economic and financial market developments or other shifts in the business climate, the competitive environment, the perceived reputation of our brands (by guests or owners),

or changes in interest rates, operating cash flows, market capitalisation, or developments in the legal or regulatory environment. Because of the significance of our goodwill and other non-current assets, we have incurred and may incur future impairment charges on these assets which could have a material adverse effect on our financial results. Due to significant challenges and uncertainty in the data associated with both risks and opportunities, the Group is not yet able to fully quantify the potential financial impacts of climate change. The Group continues to refine its workplan to enable quantification in the future and is focused on ensuring the identified risks and opportunities are integrated into our business strategy.

The Group is exposed to fluctuations in exchange rates, currency devaluations or restructurings and to interest rate risk in relation to its borrowings
The US dollar is the predominant currency of the Group's revenue and cash flows. Movements in foreign exchange rates can affect the Group's reported profit, net liabilities and interest cover. The most significant exposures of the Group are in currencies that are freely convertible. The Group's reported debt has an exposure to borrowings held in pounds sterling (including €1,000 million euro bonds which have been swapped into sterling using currency swaps). Conducting business in currencies other than US dollars exposes us to fluctuations in exchange rates, currency devaluations, or restructurings. This could potentially lower our reported revenues, increase our costs, reduce our profits or disrupt our operations. Exposure to these factors is linked to the pace of our growth in territories outside the US and, if the proportion of our revenues grows, this may increase the potential sensitivity to currency movements having an adverse impact on our results. The Group is also exposed to interest rate risk in relation to its fixed and floating rate borrowings and interest rates may be higher on new or replacement borrowings compared to existing interest rates. All of the current bond debt ($3,122m) is at fixed rates. The Group may use interest rate swaps to manage the interest rate exposure.

The Group could be affected by credit risk on treasury transactions
The Group uses long-term credit ratings from S&P, Moody's and Fitch Ratings as a basis for setting its counterparty limits. In order to manage the Group's credit risk exposure, the treasury function sets counterparty exposure limits using metrics including credit ratings, the relative placing of credit default swap pricings, tier 1 capital and share price volatility of the relevant counterparty. The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In respect of credit risk arising from financial assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

9. Our ability to deliver technological or digital performance or innovation (at scale, speed, etc.)

The Group is exposed to inherent risks in relation to changing technology and systems
As the use of the internet, artificial intelligence, mobile and data technology grows, and new and disruptive technology solutions are developed, customer needs and expectations evolve at pace. The Group may find that its evolving technology capability is not sufficient and may have to make substantial additional investments in new technologies or systems to remain competitive. Failure to keep pace with developments in technologies or systems, and also with regulatory, risk and ethical considerations of how these developments are used, for example in relation to cross-border transfers of data, may put the Group at a competitive disadvantage. Generative artificial intelligence is an emerging technology that the Group expects will create uncertainty for the travel and hospitality sector and society in general. The primary impacts are considered to be in relation to how guests will find and interact with hotels, how colleagues will work and talent and capability attraction or retention (among others).

In addition, the technologies or systems that the Group chooses to deploy may not be commercially successful or the technology or system strategy may not be sufficiently aligned with the needs of the business. Any such failure could adversely affect guest experiences, and the Group may lose customers, fail to attract new customers, impact our appeal to owners, incur substantial costs or face other losses. This could further impact the Group's reputation in regards to innovation.

(See also '4. Data and information usage, storage, security and transfer'.)

The Group is exposed to competition from online travel agents and intermediaries
A proportion of the Group's bookings originate from large multinational, regional and local online travel agents and intermediaries with which the Group has contractual arrangements and to which it pays commissions. These platforms offer a wide range of products, often across multiple brands, have growing booking and review capabilities, and may create the perception that they offer the lowest prices. Some of these online travel agents and intermediaries have strong marketing budgets and aim to create brand awareness and brand loyalty among consumers, which may impact the Group's profitability, undermine the Group's own booking channels and value to its hotel owners.

10. The impact of climate change on hospitality (physical and transition risks for IHG)

The Group is exposed to the risk of events or stakeholder expectations that adversely impact domestic or international travel, including climate change
The room rates and occupancy levels of the Group could be adversely impacted by events that reduce domestic or international travel, such as actual or threatened acts of terrorism or war, political or civil unrest, epidemics and pandemics or threats thereof, travel-related accidents or industrial action, natural or man-made disasters, or other local factors impacting specific countries, cities or individual hotels, as well as increased transportation and fuel costs. Additionally, the Group may be impacted by increasing stakeholder and societal expectations and attitudes in relation to factors contributing to climate change including overtravel and overtourism, and those linked directly to hotels including waste, water, energy, or impact on local communities. A decrease in the demand for business and/or leisure hotel rooms as a result of such events or attitudinal and demand shifts may have an adverse impact on the Group's operations or growth prospects and financial results. In addition, inadequate planning, preparation, response or recovery in relation to a major incident or crisis may cause loss of life, prevent operational continuity, or result in financial loss, and consequently impact the value of our brands and/or the reputation of the Group.

The Group is exposed to risks relating to our commitments in relation to Climate Change
In line with our commitment to reduce our energy use and carbon emissions in line with climate science, the Group has implemented a 2030 science-based target to reduce absolute scope 1, 2, and scope 3 greenhouse gas emissions from fuel and energy-related activities and franchises by 46.2% by 2030 from a 2019 base year. This ambition is challenging to implement and will require significant transformation across IHG, hotel owners and supply chain partners, including investment in physical assets and operational procedures. It is also dependent on government financial incentives, the decarbonisation of electricity grids and hotel owners having access to scalable, cost-effective renewable energy, as well as new operational behaviours and mindset shifts, including from guests, to adapt to low-energy products and services. If these changes, many of which are outside of IHG's control, do not occur, the Group may have difficulty achieving its public commitments, which may impact the reputation of the Group.

Group information continued
Cybersecurity

Cybersecurity governance
IHG's board of directors is ultimately accountable for establishing a framework of prudent and effective controls, which enable risk to be assessed and managed. Management, including the Chief Information Security Officer (CISO) and our cybersecurity team, regularly update the Board on the company's cybersecurity programmes, material risks and mitigation strategies and provide status and risk reports at least annually. The audit committee reviews the appropriateness of IHG's risk management system to address risks and has allocated particular attention to cybersecurity and governance in the context of previous criminal, unauthorised access to the Group's technology systems.

Management is responsible for identifying, considering and assessing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential exposures are monitored, putting in place appropriate mitigation measures and maintaining cybersecurity programmes. This is guided by periodic external third-party assessment of IHG's cyber risks and the maturity of the cybersecurity programme. The cyber incident response framework uses defined playbooks, coordinating with external incident response groups and aligning with wider IHG crisis management and escalation protocols, including triggers for reporting to senior management, board of directors and external parties where required.

IHG's CISO has overall responsibility for the Information Security strategy and the development and management of the associated programme. The CISO was hired by IHG in 2018 from Invesco, a global investment management company, where he built and ran the cybersecurity programme as CISO for more than 10 years. The CISO is supported by a dedicated, certified and experienced in-house team, complemented by outsourced groups for performing either highly repetitive or operational tasks or for very specialised skillsets such as penetration testing or cyber forensics. The CISO receives reports from the team to enable the monitoring of the prevention, detection, mitigation, and remediation of cybersecurity incidents.

IHG employs several independent or third-party mechanisms to provide a level of assurance that the different information security capabilities are operating effectively and assessment of risk is also informed by observations arising from a variety of independent auditing either from IHG's Internal Audit function or as part of regulatory compliance work performed including Sarbanes-Oxley, HIPAA, SWIFT, SOC-1 and MLPS (China). As noted above, periodic external assessments are also conducted of the maturity of the cybersecurity programme, which are also reported to the board of directors.

Cybersecurity risk management
Cybersecurity is an integral part of IHG's overall risk management and internal control system. Our information security risk management programme follows the National Institute of Standards and Technology Cyber Security Framework and supports the identification of the systems, data, and other information assets that are considered most sensitive from a confidentiality perspective, or most critical from an availability perspective. These include guest data, credit card data, pre-public financial information, and revenue generating applications.

Standards, policies and procedures are in place to manage how personal data can be used and protected across IHG, including a requirement for participation by all employees in annual e-learning training on handling information responsibly.

The Information Security programme incorporates:

- Engagement with leaders from other IHG business functions, including to identify and assess cybersecurity threats, and to act as point of contact for escalation of issues and incidents.
- User awareness and colleague engagement, including communications to corporate and hotel teams on changing threats and phishing simulation exercises to raise risk awareness.
- Maintenance of information risk management processes including a risk register and standard contract language.
- Risk assessment of third parties based on access to IHG systems, data, and operational reliance using a combination of manual procedures, for example, completion of security questionnaires, and independent cyber risk scoring. Critical rated third parties are reviewed annually.
- Security compliance to coordinate required tracking of compliance for applicable regulations and standards, including remediation of any regulatory and audit findings.
- Security engineering and architecture to define, implement and maintain standards for the secure use of core technology platforms and solutions, including new technology solutions and potential business partners and acquisitions.
- Assessment of the security of individual business applications and platforms, including good security hygiene within coding.
- Vulnerability management for all technical components of infrastructure and core application platforms.
- Identity and access management for global platforms and solutions, including privileged access management, and loyalty account members.
- Cyber threat intelligence relationships with worldwide law enforcement and intelligence sharing organisations, profiling likely threat actors and methods, and providing insight on threat levels.
- Security operations monitoring, triaging alerts to facilitate response and action within agreed service level agreements.
- Cyber incident response using agreed and practised playbooks for security events, coordinating with external incident response groups and wider IHG crisis protocols, and deploying tabletop exercises to simulate scenarios and identify potential gaps in response.
- Center of Excellence project management, continuous process improvement, tracking of key performance metrics, change management, and communications to internal, executive and external stakeholder groups.

In 2023 we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced an undetected cybersecurity incident. As we explained in our 6 and 29 September 2022 Stock Exchange Announcements, parts of our technology systems were subject to unauthorised activity, causing disruption to our booking channels and other applications. In line with our crisis management framework, teams across IHG came together to evaluate and address the incident, supported by external specialists. No evidence of unauthorised access to systems storing guest data was identified. The Board was engaged throughout the incident response.

→ For more information about our risks, please refer to pages 42 to 49 and pages 242 to 247.

Directors' and Executive Committee members' shareholdings

As at 16 February 2024: (i) Executive Directors had a number of beneficial interests in shares (including Directors' share awards under IHG's share plans) set out in the table below; (ii) Non-Executive Directors had the number of beneficial interests in shares set out in the table on page 136; and (iii) Executive Committee members had the number of beneficial interests in shares (including members' share awards under IHG's share plans) set out in the table below. These shareholdings indicate all Directors' or Executive Committee members' beneficial interests and those held by their spouses and other connected persons. As at 16 February 2024, no Director or Executive Committee member held more than 1.0% of the total issued share capital. None of the Directors have a beneficial interest in the shares of any subsidiary.

Executive Committee member	Number of shares held outright			APP deferred share awards			LTIP/DAP share awards (unvested)			Total number of shares held		
	16 Feb 2024	31 Dec 2023	31 Dec 2022	16 Feb 2024	31 Dec 2023	31 Dec 2022	16 Feb 2024	31 Dec 2023	31 Dec 2022	16 Feb 2024	31 Dec 2023	31 Dec 2022
Elie Maalouf	**99,265**	99,265	83,340	**24,833**	24,833	21,308	**157,908**	157,908	111,089	**282,006**	282,006	215,737
Michael Glover	**13,307**	13,307	–	**3,247**	3,247	–	**47,152**	47,152	–	**63,706**	63,706	–
Heather Balsley	**–**	–	–	**3,174**	3,174	–	**34,544**	34,544	–	**37,718**	37,718	–
Jolyon Bulley	**52,164**	52,164	52,164	**17,034**	17,034	14,228	**62,472**	62,472	57,380	**131,670**	131,670	123,772
Yasmin Diamond	**5,043**	5,043	2,902	**11,151**	11,151	9,877	**36,929**	36,929	39,070	**53,123**	53,123	51,849
Nicolette Henfrey	**11,351**	11,351	4,815	**12,545**	12,545	8,981	**42,232**	42,232	43,417	**66,128**	66,128	57,213
Wayne Hoare	**12,172**	12,172	5,700	**16,207**	16,207	9,408	**53,487**	53,487	48,516	**81,866**	81,866	63,624
Kenneth Macpherson	**24,060**	24,060	24,060	**15,808**	15,808	14,088	**52,167**	52,167	55,719	**92,035**	92,035	93,867
George Turner	**20,928**	20,928	37,059	**16,376**	16,376	14,052	**53,555**	53,555	57,616	**90,859**	90,859	108,727

Executive Directors' benefits upon termination of office

All current Executive Directors have a rolling service contract with a notice period from the Group of 12 months. As an alternative, the Group may, at its discretion, pay in lieu of that notice. Neither notice nor a payment in lieu of notice will be given in the event of gross misconduct.

Payment in lieu of notice could potentially include up to 12 months' salary and the cash equivalent of 12 months' pension contributions and other contractual benefits. Where possible, the Group will seek to ensure that, where a leaver mitigates their losses by, for example, finding new employment, there will be a corresponding reduction in compensation payable for loss of office.

→ Visit **ihgplc.com/investors** under Corporate governance in the Directors' Remuneration Policy section for further details about the determination of termination payments in the Directors' Remuneration Policy.

Group information continued

Description of securities other than equity securities

Fees and charges payable to a depositary

Category (as defined by SEC)	Depositary actions	Associated fee
Depositing or substituting the underlying shares	Each person to whom ADRs are issued against deposits of shares, including deposits and issuances in respect of: • Share distributions, stock splits, rights, mergers • Exchange of securities or any other transactions or event or other distribution affecting the ADSs or the deposited securities	$5 for each 100 ADSs (or portion thereof)
Receiving or distributing dividends	Distribution of stock dividends	$5 for each 100 ADSs (or portion thereof)
	Distribution of cash	$0.05 or less per ADS (or portion thereof)
Selling or exercising rights	Distribution or sale of securities, the fee being in an amount equal to the fee for the execution and delivery of ADSs, which would have been charged as a result of the deposit of such securities	$5 for each 100 ADSs (or portion thereof)
Withdrawing an underlying security	Acceptance of ADRs surrendered for withdrawal of deposited securities	$5 for each 100 ADSs (or portion thereof)
Transferring, splitting or grouping receipts	Transfers, combining or grouping of depositary receipts	$1.50 per ADS
General depositary services, particularly those charged on an annual basis	Other services performed by the depositary in administering the ADRs	$0.05 per ADS (or portion thereof) not more than once each calendar year and payable at the sole discretion of the ADR Depositary by billing ADR holders or by deducting such charge from one or more cash dividends or other cash distributions
Expenses of the depositary	Expenses incurred on behalf of ADR holders in connection with: • Compliance with foreign exchange control regulations or any law or regulation relating to foreign investment • The ADR Depositary's or its custodian's compliance with applicable laws, rules or regulations • Stock transfer or other taxes and other governmental charges • Cable, telex, facsimile transmission or delivery • Transfer or registration fees in connection with the deposit and withdrawal of deposited securities • Expenses of the ADR Depositary in connection with the conversion of foreign currency into US dollars (which are paid out of such foreign currency) • Any other charge payable by the ADR Depositary or its agents	Expenses payable at the sole discretion of the ADR Depositary by billing ADR holders or by deducting charges from one or more cash dividends or other cash distributions are $20 per transaction

Fees and charges payable by a depositary

J.P. Morgan Chase Bank N.A. (the ADR Depositary) is the depositary for IHG's ADR programme. The ADR Depositary's principal executive office is at: J.P. Morgan Depositary Receipts, 390 Madison Avenue, New York, NY 10017. The ADR Depositary has agreed to reimburse certain reasonable Company expenses related to the Company's ADR programme and incurred by the Company in connection with the ADR programme. The Company did not receive any payments from the ADR Depositary during the year ended 31 December 2023 in respect of legal, accounting and other fees incurred in connection with the preparation of the Annual Report and Form 20-F, ongoing SEC compliance and listing requirements, investor relations programmes, and advertising and public relations expenditure.

Articles of Association

The Company's Articles of Association (the Articles) were first adopted with effect from 27 June 2005, were most recently amended at the AGM held on 7 May 2020 and are available on the Company's website at **ihgplc.com/investors** under Corporate governance. The following summarises material rights of holders of the Company's ordinary shares under the material provisions of the Articles and English law. This summary is qualified in its entirety by reference to the Companies Act and the Articles.

The Company's shares may be held in certificated or uncertificated form. No holder of the Company's shares will be required to make additional contributions of capital in respect of the Company's shares in the future.

In the following description, a 'shareholder' is the person registered in the Company's register of members as the holder of the relevant share.

Principal objects

The Company is incorporated under the name InterContinental Hotels Group PLC and is registered in England and Wales with registered number 5134420. The Articles do not restrict its objects or purposes.

Directors

Under the Articles, a Director may have an interest in certain matters ('Permitted Interest') without the prior approval of the Board, provided they have declared the nature and extent of such Permitted Interest at a meeting of the Directors or in the manner set out in Section 184 or Section 185 of the Companies Act.

Any matter in which a Director has a material interest, and which does not comprise a Permitted Interest, must be authorised by the Board in accordance with the procedure and requirements contained in the Articles. In particular, this includes the requirement that a Director may not vote on a resolution to authorise a matter in which they are interested, nor may they count in the quorum of the meeting at which such business is transacted.

Further, a Director may not vote in respect of any proposal in which they, or any person connected with them, has any material interest other than by virtue of their interests in securities of, or otherwise in or through, the Company, nor may they count in the quorum of the meeting at which such business is transacted. This is subject to certain exceptions, including in relation to proposals: (a) indemnifying them in respect of obligations incurred on behalf of the Company; (b) indemnifying a third party in respect of obligations of the Company for which the Director has assumed responsibility under an indemnity or guarantee; (c) relating to an offer of securities in which they will be interested as an underwriter; (d) concerning another body corporate in which the Director is beneficially interested in less than one per cent of the issued shares of any class of shares of such a body corporate; (e) relating to an employee benefit in which the Director will share equally with other employees; and (f) relating to liability insurance that the Company is empowered to purchase for the benefit of Directors of the Company in respect of actions undertaken as Directors (or officers) of the Company.

The Directors have authority under the Articles to set their own remuneration (provided certain criteria are met). While an agreement to award remuneration to a Director is an arrangement with the Company that comprises a Permitted Interest (and therefore does not require authorisation by the Board in that respect), it is nevertheless a matter that would be expected to give rise to a conflict of interest between the Director concerned and the Company, and such conflict must be authorised by a resolution of the Board. The Director that is interested in such a matter may neither vote on the resolution to authorise such conflict, nor count in the quorum of the meeting at which it was passed. Furthermore, as noted above, the interested Director is not permitted to vote in respect of any proposal in which they have any material interest (except in respect of the limited exceptions outlined above) nor may they count in the quorum of the meeting at which such business is transacted.

As such, a Director has no power, in the absence of an independent quorum, to vote on compensation to themselves, but may vote on a resolution (and may count in the quorum of the meeting at which it was passed) to award compensation to Directors provided those arrangements do not confer a benefit solely on them.

The Directors are empowered to exercise all the powers of the Company to borrow money, subject to any limitation in the Articles (currently $5 billion), unless sanctioned by an ordinary resolution of the Company.

Under the Articles, there are no age limit requirements relating to a person's qualification to hold office as a Director of the Company.

Directors are not required to hold any shares of the Company by way of qualification.

The Articles require annual retirement and re-election of all Directors at the AGM.

Rights attaching to shares

Dividend rights and rights to share in the Company's profits

Under English law, dividends are payable on the Company's ordinary shares only out of profits available for distribution, as determined in accordance with accounting principles generally accepted in the UK and by the Companies Act. No dividend will bear interest as against the Company.

Holders of the Company's ordinary shares are entitled to receive such dividends as may be declared by the shareholders in general meeting, rateably according to the amounts paid up on such shares, provided that the dividend cannot exceed the amount recommended by the Directors.

The Company's Board of Directors may declare and pay to shareholders such interim dividends as appear to them to be justified by the Company's financial position. If authorised by an ordinary resolution of the shareholders, the Board of Directors may also direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company).

Any dividend unclaimed by a member (or by a person entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law) after six years from the date the dividend was declared, or became due for payment, will be forfeited and will revert to the Company.

Voting rights

The holders of ordinary shares are entitled, in respect of their holdings of such shares, to receive notice of general meetings and to attend, speak and vote at such meetings in accordance with the Articles.

Voting at any general meeting of shareholders is by a show of hands unless a poll, which is a written vote, is duly demanded. On a show of hands, every shareholder who is present in person or by proxy at a general meeting has one vote regardless of the number of shares held. Resolutions put to the members at electronic general meetings shall be voted on by a poll, which poll votes may be cast by such electronic means as the Board in its sole discretion deems appropriate for the purposes of the meeting.

Group information continued

Articles of Association continued

On a poll, every shareholder who is present in person or by proxy has one vote for every share held by that shareholder. A poll may be demanded by any of the following:

- the Chair of the meeting;
- at least five shareholders present in person or by proxy and entitled to vote at the meeting;
- any shareholder or shareholders present in person or by proxy representing in the aggregate not less than one-tenth of the total voting rights of all shareholders entitled to vote at the meeting; or
- any shareholder or shareholders present in person or by proxy holding shares conferring a right to vote at the meeting and on which there have been paid up sums in the aggregate at least equal to one-tenth of the total sum paid up on all the shares conferring that right.

A proxy form will be treated as giving the proxy the authority to demand a poll, or to join others in demanding one.

The necessary quorum for a general meeting is two persons carrying a right to vote upon the business to be transacted, whether present in person or by proxy.

Matters are transacted at general meetings of the Company by the proposing and passing of resolutions, of which there are two kinds:

- an ordinary resolution, which includes resolutions for the election of Directors, the approval of financial statements, the cumulative annual payment of dividends, the appointment of the Auditor, the increase of share capital or the grant of authority to allot shares; and
- a special resolution, which includes resolutions amending the Articles, disapplying statutory pre-emption rights, modifying the rights of any class of the Company's shares at a meeting of the holders of such class or relating to certain matters concerning the Company's winding up or changing the Company's name.

An ordinary resolution requires the affirmative vote of a majority of the votes of those persons present and entitled to vote at a meeting at which there is a quorum.

Special resolutions require the affirmative vote of not less than three-quarters of the persons present and entitled to vote at a meeting at which there is a quorum.

AGMs must be convened upon advance written notice of 21 days. Other meetings must be convened upon advance written notice of 14 days. The days of delivery or receipt of the notice are not included. The notice must specify the nature of the business to be transacted. The Board of Directors may, if they choose, make arrangements for shareholders, who are unable to attend the place of the meeting, to participate at other places or to allow for shareholders to attend and participate in shareholder meetings by electronic means.

Variation of rights

If, at any time, the Company's share capital is divided into different classes of shares, the rights attached to any class may be varied, subject to the provisions of the Companies Act, with the consent in writing of holders of three-quarters in nominal value of the issued shares of that class or upon the adoption of a special resolution passed at a separate meeting of the holders of the shares of that class. At every such separate meeting, all of the provisions of the Articles relating to proceedings at a general meeting apply, except that the quorum is to be the number of persons (which must be two or more) who hold or represent by proxy not less than one-third in nominal value of the issued shares of that class.

Rights in a winding-up

Except as the Company's shareholders have agreed or may otherwise agree, upon the Company's winding up, the balance of assets available for distribution is to be distributed among the holders of ordinary shares according to the amounts paid up on the shares held by them:

- after the payment of all creditors including certain preferential creditors, whether statutorily preferred creditors or normal creditors; and
- subject to any special rights attaching to any class of shares.

This distribution is generally to be made in cash. A liquidator may, however, upon the adoption of a special resolution of the shareholders, divide among the shareholders the whole or any part of the Company's assets in kind.

Limitations on voting and shareholding

There are no limitations imposed by English law or the Articles on the right of non-residents or foreign persons to hold or vote the Company's ordinary shares or ADSs, other than the limitations that would generally apply to all of the Company's shareholders.

Working Time Regulations 1998

In the UK, many employees of Group companies are covered by the Working Time Regulations, which came into force on 1 October 1998. These regulations implemented the EU Working Time Directive and parts of the Young Workers Directive, and lay down rights and protections for employees in areas such as maximum working hours, minimum rest time, minimum days off and paid leave. The Working Time Regulations continue to apply in the UK following the UK's exit from the EU as retained EU law under the European Union (Withdrawal) Act 2018, as amended.

In the UK, there is in place a national minimum wage under the National Minimum Wage Act 1998, as amended. At 31 December 2023, the minimum wage for individuals aged 18 to 20 was £7.49 per hour, aged 21 to 22 was £10.18 per hour and for those aged 23 or over was £10.42 per hour in each case, excluding apprentices aged under 19 years or, otherwise, in the first year of their apprenticeships.

This particularly impacts businesses in the hospitality and retailing sectors. Compliance with the National Minimum Wage Act is being monitored by the Low Pay Commission, an independent statutory body established by the UK Government.

None of the Group's UK employees are covered by collective bargaining agreements with trade unions.

Continual attention is paid to the external market in order to ensure that terms of employment are appropriate. The Group believes the Group companies will be able to conduct their relationships with trade unions and employees in a satisfactory manner.

Material contracts

The following contracts have been entered into otherwise than in the course of ordinary business by members of the Group: (i) in the two years immediately preceding the date of this document in the case of contracts which are or may be material; or (ii) that contain provisions under which any Group member has any obligation or entitlement that is material to the Group as at the date of this document. To the extent that these agreements include representations, warranties and indemnities, such provisions are considered standard in an agreement of that nature, save to the extent identified below.

Syndicated Facility

In April 2022, the Company, together with Six Continents Limited and InterContinental Hotels Limited (as borrowers and guarantors), signed a five-year $1.35 billion bank facility agreement (Syndicated Facility) with Bank of America Europe Designated Activity Company, Bank of China Limited, London Branch, Barclays Bank PLC, BNP Paribas, London Branch, Commerzbank Aktiengesellschaft, London Branch, DBS Bank Ltd, London Branch, Mizuho Bank, Ltd., MUFG Bank, Ltd., Standard Chartered Bank, Truist Securities, Inc., Unicredit Bank AG, U.S. Bank National Association and Wells Fargo Bank, N.A., London Branch all acting as lenders, mandated lead arrangers and joint bookrunners, and MUFG Bank, Ltd. as facility agent.

During 2023, IHG Finance LLC, a Group company, acceded to the Syndicated Facility agreement as an additional guarantor and the Syndicated Facility agreement was amended to ensure that the implementation of IFRS 16 'Leases' was accurately reflected in the agreement's terms. The Company also exercised its ability to extend the term of the Syndicated Facility by an additional period of 12 months, taking its term to April 2028.

The interest margin payable on borrowings under the Syndicated Facility is linked to the long-term credit rating assigned to the senior unsecured and unsubordinated debt of the Company. The margin can vary between the applicable reference rate + 0.50% and the applicable reference rate + 1.00% depending on the credit rating. The Syndicated Facility was undrawn as at 31 December 2023.

£4 billion Euro Medium Term Note programme

In 2023, the Group updated its Euro Medium Term Note programme (EMTN Programme) and issued a tranche of €600 million 4.375% notes due 28 November 2029 (2023 Issuance).

On 21 September 2023, an amended and restated trust deed (Trust Deed) was executed by the Company and IHG Finance LLC (IHGFL) as issuers (Issuers); the Company, IHGFL, Six Continents Limited and InterContinental Hotels Limited as guarantors (Guarantors) and U.S. Bank Trustees Limited as trustee (Trustee), pursuant to which the trust deed dated 27 November 2009, as supplemented by five supplemental trust deeds dated 7 July 2011, 9 November 2012, 16 June 2015, 11 August 2016 and 14 September 2020 between the Company as issuer, Six Continents Limited and InterContinental Hotels Limited as guarantors and HSBC Corporate Trustee Company (UK) Limited as trustee relating to the Programme, was amended and restated. Under the Trust Deed, the Issuers may issue notes (Notes) unconditionally and irrevocably guaranteed by the Guarantors, up to a maximum nominal amount from time to time outstanding of £4 billion (or its equivalent in other currencies). Notes are to be issued in series (each a Series) in bearer or registered form. Each Series may comprise one or more tranches (each a Tranche) issued on different issue dates. A Tranche of Notes may be issued on the terms and conditions set out in a base prospectus as amended and/or supplemented by a document setting out the final terms (Final Terms) of such Tranche or in a separate prospectus specific to such Tranche.

Under the Trust Deed, each of the Issuers and the Guarantors has given certain customary covenants in favour of the Trustee.

The Final Terms issued under the 2023 Issuance provide that the holders of the Notes have the right to repayment if the Notes (a) become non-investment grade within the period commencing on the date of announcement of a change of control and ending 90 days after the change of control (Change of Control Period) and are not subsequently, within the Change of Control Period, reinstated to investment grade; (b) are downgraded from a non-investment grade and are not reinstated to its earlier credit rating or better within the Change of Control Period; or (c) are not credit rated and do not become investment grade credit rated by the end of the Change of Control Period.

On 21 September 2023, the Issuers and the Guarantors entered into an amended and restated agency agreement (Agency Agreement) with Elavon Financial Services DAC, UK Branch as principal paying agent, Elavon Financial Services DAC as transfer agent and registrar and the Trustee, pursuant to which the Issuers and the Guarantors appointed paying agents and calculation agents in connection with the EMTN Programme and the Notes.

Under the Agency Agreement, each of the Issuers and the Guarantors has given a customary indemnity in favour of the paying agents and the calculation agents.

On 21 September 2023, the Issuers and the Guarantors entered into an amended and restated dealer agreement (Dealer Agreement) with Barclays Bank PLC as arranger and Bank of China Limited, London Branch, Barclays Bank PLC, Commerzbank Aktiengesellschaft, Merrill Lynch International, MUFG Securities EMEA plc, Truist Securities, Inc. and Wells Fargo Securities International Limited as dealers (Dealers), pursuant to which the Dealers were appointed in connection with the EMTN Programme and the Notes.

Under the Dealer Agreement, each of the Issuer and the Guarantors has given customary warranties and indemnities in favour of the Dealers.

Exchange controls and restrictions on payment of dividends

There are no restrictions on dividend payments to US citizens.

Although there are currently no UK foreign exchange control restrictions on the export or import of capital or the payment of dividends on the ordinary shares or the ADSs, economic sanctions which may be in force in the UK from time to time impose restrictions on the payment of dividends to persons resident (or treated as so resident) in or governments of (or persons exercising public functions in) certain countries.

Other than economic sanctions which may be in force in the UK from time to time, there are no restrictions under the Articles of Association or under English law that limit the right of non-resident or foreign owners to hold or vote the ordinary shares or the ADSs. In addition, the Articles contain certain limitations on the voting and other rights of any holder of ordinary shares whose holding may, in the opinion of the Directors, result in the loss or failure to secure the reinstatement of any licence or franchise from any US governmental agency held by Six Continents Hotels, Inc. or any subsidiary thereof.

Group information continued
Legal proceedings

Group companies have extensive operations in the UK, as well as internationally, and are involved in a number of legal claims and proceedings incidental to those operations. These legal claims and proceedings are in various stages and include disputes related to specific hotels where the potential materiality is not yet known. It is the Company's view that such proceedings, either individually or in the aggregate, have not in the recent past and are not likely to have a significant effect on the Group's financial position or profitability.

Notwithstanding the above, the Company notes the matters set out below, which are ongoing. Litigation is inherently unpredictable and, as of 16 February 2024, unless stated otherwise, the outcome of these matters cannot be reasonably determined.

A claim was filed on 5 July 2016 by CPTS Hotel Lessee, LLC (CPTS) against Holiday Hospitality Franchising, LLC (HHF). The claimant alleged breach of the licence agreement and sought a declaratory judgement from the court that it had the right to terminate its licence with HHF. In June 2023, this case was dismissed.

A claim was filed on 26 June 2017 against InterContinental Hotels Corporation, InterContinental Hotels Group Resources, Inc., and InterContinental Hotels Group (Canada), Inc. seeking class action status and alleging breach of fiduciary duty, negligence, breach of confidence, intrusion upon seclusion, breach of contract, breach of privacy legislation, and unjust enrichment regarding an alleged data breach. The claim was amended in March 2018 to name Six Continents Hotels, Inc. as the sole defendant. The claimant alleges that security failures allowed customers' financial information to be compromised. As of 16 February 2024, the likelihood of a favourable or unfavourable result cannot be reasonably determined, and it is not possible to determine whether any loss is likely or to estimate the amount of any loss.

Seven claims were filed in March 2022 against Holiday Hospitality Franchising LLC, Six Continents Hotels, Inc., and the IHG Owner's Association, seeking class action status on behalf of IHG franchisees. Following dismissal of two claims and consolidation of the remaining, an amended claim was filed against Holiday Hospitality Franchising LLC and Six Continents Hotels, Inc., alleging claims for breach of contract, breach of implied covenant of good faith and fair dealing, breach of fiduciary duty, declaratory judgement, violation of the Sherman Act and demand for accounting. The claims allege that IHG, as franchisor, is engaged in unlawful business practices relating to numerous programmes, products and requirements which are purportedly part of IHG's franchise system. The Court dismissed the majority of the claims, and the remaining claims allege breach of contract and deceptive trade practices. As of 16 February 2024, the likelihood of a favourable or unfavourable result cannot be reasonably determined and it is not possible to determine whether any loss is likely or to estimate the amount of any loss.

A claim was filed on 15 September 2022 against Holiday Hospitality Franchising LLC, Six Continents Hotels, Inc., and IHG Technology Solutions, Inc. seeking class action status and damages for alleged claims for breach of contract, deceptive trade practices under state law, negligence and unjust enrichment. The allegations relate to the criminal, unauthorised access into IHG's systems. As of 16 February 2024, the likelihood of a favourable or unfavourable result cannot be reasonably determined, and it is not possible to determine whether any loss is likely or to estimate the amount of any loss.

An arbitration was filed on December 11, 2022, alleging that Holiday Inns Middle East Limited breached its contractual obligations by causing delay in relation to the opening of a hotel. The claim seeks monetary damages for various alleged losses. As of 16 February 2024, the likelihood of a favourable or unfavourable result cannot be reasonably determined, and it is not possible to determine whether any loss is likely or to estimate the amount of any loss.

Shareholder information

Taxation

This section provides a summary of material US federal income tax and UK tax consequences to the US holders, described below, of owning and disposing of ordinary shares or ADSs of the Company. This section addresses only the tax position of a US holder who holds ordinary shares or ADSs as capital assets. This section does not, however, discuss all of the tax considerations that may be relevant to any particular US holder, such as the provisions of the Internal Revenue Code of 1986, as amended (IR Code) known as the Medicare Contribution tax or tax consequences to US holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers and traders in securities who use a mark-to-market method of tax accounting;
- persons holding ordinary shares or ADSs as part of a straddle, conversion transaction, integrated transaction or wash sale, or persons entering into a constructive sale with respect to the ordinary shares or ADSs;
- persons whose functional currency for US federal income tax purposes is not the US dollar;
- partnerships or other entities classified as partnerships for US federal income tax purposes;
- persons liable for the alternative minimum tax;
- tax-exempt organisations;
- persons who acquired the Company's ADSs or ordinary shares pursuant to the exercise of any employee stock option or otherwise in connection with employment; and
- persons who, directly or indirectly, own ordinary shares or ADSs representing 10% or more of the Company's voting power or value.

This section does not generally deal with the position of a US holder who is resident in the UK for UK tax purposes or who is subject to UK taxation on capital gains or income by virtue of carrying on a trade, profession or vocation in the UK through a branch, agency or permanent establishment to which such ADSs or ordinary shares are attributable ('trading in the UK').

As used herein, a 'US holder' is a person who, for US federal income tax purposes, is a beneficial owner of ordinary shares or ADSs and is: (i) a citizen or individual resident of the US; (ii) a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the US, any state therein or the District of Columbia; (iii) an estate whose income is subject to US federal income tax regardless of its source; or (iv) a trust, if a US court can exercise primary supervision over the trust's administration and one or more US persons are authorised to control all substantial decisions of the trust.

This section is based on the IR Code, its legislative history, existing and proposed regulations, published rulings and court decisions, and on UK tax laws and the published practice of HM Revenue and Customs (HMRC), all as of the date hereof. These laws, and that practice, are subject to change, possibly on a retroactive basis.

This section is further based in part upon the representations of the ADR Depositary and assumes that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms. For US federal income tax purposes, an owner of ADRs evidencing ADSs will generally be treated as the owner of the underlying shares represented by those ADSs. For UK tax purposes, in practice, HMRC will also regard holders of ADSs as the beneficial owners of the ordinary shares represented by those ADSs (although case law has cast some doubt on this). The discussion below assumes that HMRC's position is followed.

Generally, exchanges of ordinary shares for ADSs, and ADSs for ordinary shares, will not be subject to US federal income tax or UK taxation on capital gains, although UK stamp duty or stamp duty reserve tax (SDRT) may arise as described below.

Investors should consult their own tax advisers regarding the US federal, state and local, the UK and other tax consequences of owning and disposing of ordinary shares or ADSs in their particular circumstances.

The following disclosures assume that the Company is not, and will not become, a passive foreign investment company (PFIC), except as described below.

Taxation of dividends

UK taxation

Under current UK tax law, the Company will not be required to withhold tax at source from dividend payments it makes.

A US holder who is not resident for UK tax purposes in the UK and who is not trading in the UK will generally not be liable for UK taxation on dividends received in respect of the ADSs or ordinary shares.

US federal income taxation

A US holder is generally subject to US federal income taxation on the gross amount of any dividend paid by the Company out of its current or accumulated earnings and profits (as determined for US federal income tax purposes). Distributions in excess of the Company's current and accumulated earnings and profits, as determined for US federal income tax purposes, will be treated as a return of capital to the extent of the US holder's basis in the ordinary shares or ADSs and thereafter as capital gain. Because the Company has not historically maintained, and does not currently maintain, books in accordance with US tax principles, the Company does not expect to be in a position to determine whether any distribution will be in excess of the Company's current and accumulated earnings and profits as computed for US federal income tax purposes. As a result, it is expected that amounts distributed will be reported to the Internal Revenue Service (IRS) as dividends.

Subject to applicable limitations, dividends paid to certain non-corporate US holders will be taxable at the preferential rates applicable to long-term capital gain if the dividends constitute 'qualified dividend income'. The Company expects that dividends paid by the Company with respect to the ordinary shares or ADSs will constitute qualified dividend income. Non-corporate US holders should consult their own tax advisers to determine whether they are subject to any special rules that limit their ability to be taxed at these preferential rates.

Dividends must be included in income when the US holder, in the case of shares, or the ADR Depositary, in the case of ADSs, actually or constructively receives the dividend, and will not be eligible for the dividends-received deduction generally allowed to US corporations in respect of dividends received from other US corporations. For foreign tax credit limitation purposes, dividends will generally be income from sources outside the US.

The amount of any dividend paid in pounds sterling will be the US dollar value of the sterling payments made, determined at the spot sterling/US dollar rate on the date the dividend distribution is includible in income, regardless of whether the payment is in fact converted into US dollars. If the dividend is converted into US dollars on that date, a US holder should not be required to recognise foreign currency gain or loss in respect of the dividend income. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible in income to the date the payment is converted into US dollars will be treated as ordinary income or loss from sources within the US.

Shareholder information continued

Taxation continued

Taxation of capital gains

UK taxation

A US holder who is not resident for UK tax purposes in the UK and who is not trading in the UK will not generally be liable for UK taxation on capital gains, or eligible for relief for allowable losses, realised or accrued on the sale or other disposal of ADSs or ordinary shares. A US holder of ADSs or ordinary shares who is an individual and who, broadly, has temporarily ceased to be resident in the UK or has become temporarily treated as non-resident for UK tax purposes for a period of not more than five years and who disposes of ordinary shares or ADSs during that period may, for the year of assessment when that individual becomes resident again in the UK, be liable to UK tax on capital gains (subject to any available exemption or relief), notwithstanding the fact that such US holder was not treated as resident in the UK at the time of the sale or other disposal.

US federal income taxation

A US holder who sells or otherwise disposes of ordinary shares or ADSs will recognise a capital gain or loss for US federal income tax purposes equal to the difference between the amount realised and its tax basis in the ordinary shares or ADSs, each determined in US dollars. Such capital gain or loss will be a long-term capital gain or loss where the US holder has a holding period greater than one year. Losses may also be treated as long-term capital losses to the extent of certain 'extraordinary dividends' that qualified for the preferential tax rates on qualified dividend income described above. The capital gain or loss will generally be income or loss from sources within the US for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations.

PFIC rules

Based on the manner in which the Group operates its business and estimates of the value of its assets (which estimates are based, in part, on the market value of the Company's ADSs) the Company believes that it was not a PFIC for US federal income tax purposes for its 2023 taxable year. However, the Company's PFIC status is an annual factual determination and thus may be subject to change. If the Company were a PFIC for any taxable year during which a US holder owned ordinary shares or ADSs, gain realised on the sale or other disposition of ordinary shares or ADSs would, in general, not be treated as capital gain. Instead, gain would be treated as if the US holder had realised such gain rateably over the holding period for the ordinary shares or ADSs and, to the extent allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC, would be taxed as ordinary income. The amount allocated to each other taxable year would be taxed at the highest tax rate in effect (for individuals or corporations, as applicable) for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. In addition, similar rules would apply to any 'excess distribution' received on the ordinary shares or ADSs (generally, the excess of distributions received on the ordinary shares or ADSs during the taxable year over 125% of the average amount of distributions received during a specified prior period). The preferential rates for qualified dividend income described above would not apply if the Company were a PFIC for the taxable year of the distribution or the preceding taxable year.

Certain elections may be available (including a market-to-market election) to US holders that would result in alternative treatments of the ordinary shares or ADSs. If the Company were a PFIC for any taxable year in which a US holder held ordinary shares or ADSs, a US holder would generally be required to file IRS Form 8621 with their annual US federal income tax returns, subject to certain exceptions.

Additional tax considerations

UK inheritance tax

An individual who is neither domiciled nor deemed domiciled in the UK is only chargeable to UK inheritance tax to the extent the individual owns assets situated in the UK. As a matter of UK law, it is not clear whether the situs of an ADS for UK inheritance tax purposes is determined by the place where the depositary is established and records the entitlements of the deposit holders, or by the situs of the underlying share which the ADS represents, but HMRC may take the view that the ADSs, as well as the ordinary shares, are or represent UK-situs assets.

However, an individual who is domiciled in the US (for the purposes of the Estate and Gift Tax Convention (the Convention)), and is not a UK national as defined in the Convention, will not be subject to UK inheritance tax (to the extent UK inheritance tax applies) in respect of the ordinary shares or ADSs on the individual's death or on a transfer of the ordinary shares or ADSs during their lifetime, provided that any applicable US federal gift or estate tax is paid, unless the ordinary shares or ADSs are part of the business property of a UK permanent establishment or pertain to a UK fixed base of an individual used for the performance of independent personal services. Where the ordinary shares or ADSs have been placed in trust by a settlor, they may be subject to UK inheritance tax unless, when the trust was created, the settlor was domiciled in the US and was not a UK national. If no relief is given under the Convention, inheritance tax may be charged on death and also on the amount by which the value of an individual's estate is reduced as a result of any transfer made by way of gift or other undervalue transfer, broadly within seven years of death, and in certain other circumstances. Where the ordinary shares or ADSs are subject to both UK inheritance tax and to US federal gift or estate tax, the Convention generally provides for either a credit against US federal tax liabilities for UK inheritance tax paid or for a credit against UK inheritance tax liabilities for US federal tax paid, as the case may be.

UK stamp duty and SDRT

Neither stamp duty nor Stamp Duty Reserve Tax (SDRT) will generally be payable in the UK on the purchase or transfer of an ADS, provided that the ADS and any separate instrument or written agreement of transfer are executed and remain at all times outside the UK. UK legislation does however provide for stamp duty or SDRT to be payable at the rate of 1.5% on the amount or value of the consideration (or, in some cases, the value of the ordinary shares) where ordinary shares are transferred to a person (or a nominee or agent of a person) whose business is or includes issuing depositary receipts or the provision of clearance services. In accordance with the terms of the deposit agreement, any tax or duty payable on deposits of ordinary shares by the depositary or by the custodian of the depositary will typically be charged to the party to whom ADSs are delivered against such deposits. However, such transfers will not attract stamp duty or SDRT where they satisfy the conditions of an exemption, including exemptions which can apply to certain capital raising or qualifying listing arrangements.

The discussion above assumes that the provisions affecting stamp duty and SDRT contained in the Finance Bill currently proceeding through the UK Parliament (which, broadly, provide for the repeal of certain 1.5% SDRT charges on the issue of securities by a UK company to depositary receipt issuers and clearance services and the exemptions mentioned above which can apply to certain transfers of securities made in the course of capital raising or qualifying listing arrangements) are enacted in substantively the same form as currently published and have retroactive effect from 1 January 2024. Until the Finance Bill receives Royal Assent (which is likely to be later in 2024), relevant provisions affecting stamp duty and SDRT have been given provisional statutory effect, as if they were contained in an Act of Parliament, under (in the case of SDRT) the Provisional Collection of Taxes Act 1968 and (in the case of stamp duty) the Finance Act 1973, through resolutions of the

House of Commons passed on 27 November 2023. Specific professional advice should be sought before paying a 1.5% SDRT or stamp duty charge in any circumstances.

A transfer of the underlying ordinary shares will generally be subject to stamp duty or SDRT, normally at the rate of 0.5% of the amount or value of the consideration (rounded up to the next multiple of £5 in the case of stamp duty). A transfer of ordinary shares from a nominee to its beneficial owner, including the transfer of underlying ordinary shares from the depositary to an ADS holder, under which no beneficial interest passes, will not be subject to stamp duty or SDRT.

Any UK stamp duty or SDRT imposed upon transfers of ADSs or ordinary shares will not be creditable for US federal income tax purposes. US Holders should consult their tax advisers regarding whether any such UK stamp duty or SDRT may be deductible or reduce the amount of gain (or increase the amount of loss) recognised upon a sale or other disposition of the ADSs or ordinary shares.

US backup withholding and information reporting
Payments of dividends and sales proceeds with respect to ADSs and ordinary shares may be reported to the IRS and to the US holder. Backup withholding may apply to these reportable payments if the US holder fails to provide an accurate taxpayer identification number or certification of exempt status, or fails to report all interest and dividends required to be shown on its US federal income tax returns. Certain US holders (including, among others, corporations) are not subject to information reporting and backup withholding. The amount of any backup withholding from a payment to a US holder will be allowed as a credit against the holder's US federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished in a timely manner to the IRS. US holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Certain US holders who are individuals (and certain specified entities), may be required to report information relating to their ownership of non-US securities unless the securities are held in accounts at financial institutions (in which case the accounts may be reportable if maintained by non-US financial institutions). US holders should consult their tax advisers regarding any reporting obligations they may have with respect to the Company's ordinary shares or ADSs.

Disclosure controls and procedures

As of the end of the period covered by this report, the Group carried out an evaluation under the supervision and with the participation of the Group's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Group's disclosure controls and procedures (as defined in Rules 13a–15(e) and 15d–15(e) of the Securities Exchange Act 1934).

These are defined as those controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act 1934 is recorded, processed, summarised and reported within the specified periods. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Group's disclosure controls and procedures were effective.

Shareholder information continued

Summary of significant corporate governance differences from NYSE listing standards

The Group's statement of compliance with the principles and provisions specified in the UK Corporate Governance Code issued in July 2018 by the Financial Reporting Council (the Code) is set out on pages 141 and 142.

IHG has also adopted the corporate governance requirements of the US Sarbanes-Oxley Act and related rules and of the NYSE, to the extent that they are applicable to it as a foreign private issuer. As a foreign private issuer, IHG is required to disclose any significant ways in which its corporate governance practices differ from those followed by US companies. These are as follows:

Basis of regulation

The Code contains a series of principles and provisions. Listed companies are required to state how they have applied the Code's principles, and the provisions operate on a 'comply or explain' basis, where any areas of non-compliance should be disclosed with an explanation for the non-compliance.

In contrast, US companies listed on the NYSE are required to adopt and disclose corporate governance guidelines adopted by the NYSE.

Independent Directors

The Code's principles recommend that at least half the Board, excluding the Chair, should consist of independent non-executive directors. As at 16 February 2024, the Board consisted of the Chair, independent at the time of her appointment, two Executive Directors and eight independent Non-Executive Directors. NYSE listing rules applicable to US companies state that companies must have a majority of independent directors. The NYSE has set out six bright line tests for director independence. The Board's judgement is that all of its Non-Executive Directors are independent. However, it did not explicitly take into consideration the NYSE's tests in reaching this determination.

Chair and Chief Executive Officer

The Code recommends that the Chair and Chief Executive Officer should not be the same individual to ensure that there is a clear division of responsibility for the running of the Company's business. There is no corresponding requirement for US companies. The roles of Chair and Chief Executive Officer were, as at 16 February 2024 and throughout 2023, fulfilled by separate individuals.

Committees

The Company has a number of Board Committees which are similar in purpose and constitution to those required for domestic companies under NYSE rules. The NYSE requires US companies to have audit, remuneration and nominating/corporate governance committees composed entirely of independent directors, as defined under the NYSE rules. The Company's Nomination, Audit and Remuneration Committees consist entirely of Non-Executive Directors who are independent under the standards of the Code, which may not necessarily be the same as the NYSE independence standards. The nominating/governance committee is responsible for identifying individuals qualified to become Board members and to recommend to the Board a set of corporate governance principles. As the Company is subject to the Code, the Company's Nomination Committee is responsible for nominating, for approval by the Board, candidates for appointment to the Board, including recommending suitable candidates for the role of Senior Independent Non-Executive Director. The Company's Nomination Committee consists of the Chair and independent Non-Executive Directors.

The Chair of the Company is not a member of the Audit Committee. As set out on page 94, the Audit Committee is chaired by an independent Non-Executive Director who, in the Board's view, has the experience and qualifications to satisfy the criterion under US rules for an 'audit committee financial expert'.

Non-Executive Director meetings

NYSE rules require that non-management Directors of US companies must meet on a regular basis without management present, and independent Directors must meet separately at least once per year. The Code recommends: (i) the Board Chair to hold meetings with the Non-Executive Directors without the Executive Directors present; and (ii) the Non-Executive Directors to meet at least annually without the Chair present to appraise the Chair's performance. The Company's Non-Executive Directors have met frequently without Executive Directors being present, and intend to continue this practice, after every Board meeting if possible.

Shareholder approval of equity compensation plans

The NYSE rules require that shareholders must be given the opportunity to vote on all equity compensation plans and material revisions to those plans. The Company complies with UK requirements, which are similar to the NYSE rules. The Board does not, however, explicitly take into consideration the NYSE's detailed definition of 'material revisions'.

Code of Conduct

The NYSE requires companies to adopt a code of business conduct and ethics, applicable to Directors, officers and employees. Any waivers granted to Directors or officers under such a code must be promptly disclosed. As set out on pages 39 and 40, IHG's Code of Conduct is applicable to all Directors, officers and employees, and is available on the Company's website at **ihgplc.com/corporate-governance/code-of-conduct**. No waivers have been granted under the Code of Conduct.

Compliance certification

Each chief executive of a US company must certify to the NYSE each year that he or she is not aware of any violation by the Company of any NYSE corporate governance listing standard. As the Company is a foreign private issuer, the Company's Chief Executive Officer is not required to make this certification. However, he is required to notify the NYSE promptly in writing after any of the Company's executive officers become aware of any non-compliance with those NYSE corporate governance rules applicable to the Company.

Return of funds

Since March 2003, the Group has returned over £7 billion of funds to shareholders by way of special dividends, capital returns and share repurchase programmes.

Return of funds programme	Timing	Total return	Returned to date
£501m special dividend[a]	Paid in December 2004	£501m	£501m
£250m share buyback	Completed in 2004	£250m	£250m
£996m capital return[a]	Paid in July 2005	£996m	£996m
£250m share buyback	Completed in 2006	£250m	£250m
£497m special dividend[a]	Paid in June 2006	£497m	£497m
£250m share buyback	Completed in 2007	£250m	£250m
£709m special dividend[a]	Paid in June 2007	£709m	£709m
£150m share buyback	N/A[b]	£150m	£120m
$500m special dividend[ac]	Paid in October 2012	£315m[d] ($500m)	£315m[e] ($505m)
$500m share buyback	Completed in 2014	£315m[d] ($500m)	£315m ($500m)[f]
$350m special dividend	Paid in October 2013	£229m[g] ($350m)	£228m ($355m)[h]
$750m special dividend[a]	Paid in July 2014	£447m[i] ($750m)	£446m ($763m)[j]
$1,500m special dividend[a]	Paid in May 2016	£1,038m[k] ($1,500m)	£1,038m ($1,500m)
$400m special dividend[a]	Paid in May 2017	£309m[l] ($400m)	£310m ($404m)
$500m special dividend[a]	Paid in January 2019	£389m[m] ($500m)	£388m ($510m)
$500m share buyback	Completed in January 2023	£432m ($496m)	£432m ($496m)
$750m share buyback	Completed in December 2023	£595m ($746m)	£595m ($746m)
Total		£7,672m	£7,640m

a Accompanied by a share consolidation.

b This programme was superseded by the share buyback programme announced on 7 August 2012.

c IHG changed the reporting currency of its Consolidated Financial Statements from sterling to US dollars effective from the Half-Year Results as at 30 June 2008.

d The dividend was first determined in US dollars and converted to sterling immediately before announcement at the rate of $1=£0.63, as set out in the circular detailing the special dividend and share buyback programme published on 14 September 2012.

e Sterling dividend translated at $1=£0.624.

f Translated into US dollars at the average rates of exchange for the relevant years (2014 $1=£0.61; 2013 $1=£0.64; 2012 $1 = £0.63).

g The dividend was first determined in US dollars and converted to sterling immediately before announcement at the rate of $1=£0.65, as announced in the Half-Year Results to 30 June 2013.

h Sterling dividend translated at $1=£0.644.

i The dividend was first determined in US dollars and converted to sterling immediately before announcement at the rate translated at $1=£0.597.

j Sterling dividend translated at $1=£0.5845.

k The dividend was first determined in US dollars and converted to sterling at the rate of $1 = £0.6923, as announced on 12 May 2016.

l The dividend was first determined in US dollars and converted to sterling at the rate of $1 = £0.7724, as announced on 11 May 2017.

m The dividend was first determined in US dollars and converted to sterling at the rate of £1 = $1.2860, as announced on 17 January 2019.

Shareholder information continued

Purchases of equity securities by the Company and affiliated purchaser

The Group's $750m share buyback programme was announced on 21 February 2023 and completed on 8 December 2023. As at 31 December 2023, 10,643,334 shares had been repurchased at an average price of £55.8797 per share (approximately £595m).

	Total number of shares (or units) purchased	Average price paid per share (or unit) (£)	Total number of shares (or units) purchased as part of publicly announced plans or programmes	Maximum number of shares (or units) that may be purchased under the plans or programmes
Month 1 (no purchases this month)	–	–	–	18,401,631[a]
Month 2	197,021	55.4399	197,021	18,401,631[a]
Month 3	53,665	53.8770	53,665	18,401,631[a]
Month 4	3,284,657	54.6737	3,284,657	18,401,631[a]
Month 5	622,030	53.6625	622,030	17,515,456[b]
Month 6	998,070	54.1602	998,070	17,515,456[b]
Month 7	2,415,477	54.1101	2,415,477	17,515,456[b]
Month 8	419,276	57.2867	419,276	17,515,456[b]
Month 9	2,073,696	61.1512	2,073,696	17,515,456[b]
Month 10	210,503	58.9185	210,503	17,515,456[b]
Month 11	368,361	59.4679	368,361	17,515,456[b]
Month 12	578	64.7148	578	17,515,456[b]

[a] Reflects the resolution passed at the Company's AGM held on 6 May 2022.

[b] Reflects the resolution passed at the Company's AGM held on 5 May 2023.

Dividend history

The table below sets forth the amounts of ordinary dividends on each ordinary share and special dividends, in respect of each financial year indicated.

	Interim dividend		Final dividend		Total dividend		Special dividend	
	pence	cents	pence	cents	pence	cents	pence	cents
2023	**38.7**	**48.3**	**N/A[a]**	**104**	**N/A[a]**	**152.3**	**–**	**–**
2022	37.8	43.9	76.08	94.5	113.88	138.4	–	–
2021	–	–	67.50	85.9	67.50	85.9	–	–
2020	–	–	–	–	–	–	–	–
2019	32.0	39.9	–[b]	–[b]	32.0	39.9	–	–
2018	27.7	36.3	60.4	78.1	88.1	114.4	203.8[ce]	262.1[ce]
2017	24.4	33.0	50.2	71.0	74.6	104.0	156.4[c]	202.5[c]
2016	22.6	30.0	49.4	64.0	72.0	94.0	438.2[c]	632.9[c]
2015	17.7	27.5	40.3	57.5	58.0	85.0	–	–
2014	14.8	25.0	33.8	52.0	48.6	77.0	174.9[c]	293.0[c]
2013	15.1	23.0	28.1	47.0	43.2	70.0	87.1	133.0
2012	13.5	21.0	27.7	43.0	41.2	64.0	108.4[c]	172.0[c]
2011	9.8	16.0	24.7	39.0	34.5	55.0	–	–
2010	8.0	12.8	22.0	35.2	30.0	48.0	–	–
2009	7.3	12.2	18.7	29.2	26.0	41.4	–	–
2008[d]	6.4	12.2	20.2	29.2	26.6	41.4	–	–
2007	5.7	11.5	14.9	29.2	20.6	40.7	200[c]	–
2006	5.1	9.6	13.3	25.9	18.4	35.5	118[c]	–

[a] The sterling amount of the final dividend will be announced on 25 April 2024 using the average of the daily exchange rates for the three working days commencing 22 April 2024.

[b] The Board withdrew its recommendation of a final dividend in respect of 2019 of 85.9¢ per share.

[c] Accompanied by a share consolidation.

[d] IHG changed the reporting currency of its Consolidated Financial Statements from sterling to US dollars effective from the Half-Year Results as at 30 June 2008. Starting with the interim dividend for 2008, all dividends have first been determined in US dollars and converted into sterling prior to payment.

[e] This special dividend was announced on 19 October 2018 and paid on 29 January 2019.

Shareholder profiles

Shareholder profile by type as at 31 December 2023

Category of shareholder	Number of shareholders	Percentage of total shareholders	Number of ordinary shares	Percentage of issued share capital
Private individuals	27,873	95.24	6,903,273	4.01
Nominee companies	1,054	3.60	130,457,086	75.73
Limited and public limited companies	176	0.60	16,828,012	9.77
Other corporate bodies	157	0.54	18,060,803	10.48
Banks and unknown	7	0.02	7,592	0
Total	29,267	100	172,256,766	100

Shareholder profile by size as at 31 December 2023

Range of shareholdings	Number of shareholders	Percentage of total shareholders	Number of ordinary shares	Percentage of issued share capital
1–199	20,303	69.37	1,178,392	0.68
200–499	4,958	16.94	1,550,178	0.90
500–999	1,956	6.68	1,357,640	0.79
1,000–4,999	1,349	4.61	2,639,651	1.53
5,000–9,999	173	0.59	1,202,834	0.70
10,000–49,999	275	0.94	6,322,715	3.67
50, 000–99,999	84	0.29	5,741,501	3.33
100,000–499,999	126	0.43	27,664,401	16.06
500,000–999,999	19	0.06	12,789,629	7.42
1,000,000 and above	24	0.08	111,809,825	64.91
Total	29,267	100	172,256,766	100

Shareholder profile by geographical location as at 31 December 2023

Country/Jurisdiction	Percentage of issued share capital
UK	35.8%
Rest of Europe	20.3%
North America (including ADRs)	41.8%
Rest of world	2.1%
Total	100%

The geographical profile presented is based on an analysis of shareholders (by manager) of 10,000 shares or above where geographical ownership is known. This analysis only captures 93% of total issued share capital. Therefore, the known percentage distributions have been multiplied by 100/93 to achieve the figures shown in the table above.

As of 16 February 2024, 13,057,667 ADRs equivalent to 13,057,667 ordinary shares, or approximately 7.58% of the total issued share capital, were outstanding and were held by 405 holders. Since certain ordinary shares are registered in the names of nominees, the number of shareholders on record may not be representative of the number of beneficial owners.

As of 16 February 2024, there were a total of 30,018 recorded holders of ordinary shares, of whom 228 had registered addresses in the US and held a total of 275,706 ordinary shares (0.16% of the total issued share capital).

Exhibits

The following exhibits are filed as part of this Annual Report on Form 20-F with the SEC, and are publicly available through the SEC's website.

→ Visit **sec.gov** and search InterContinental Hotels Group PLC under Company Filings.

Exhibit 1[a]	Articles of Association of the Company dated 7 May 2020 (incorporated by reference to Exhibit 1 of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 4 March 2021)
Exhibit 2(d)	Description of Securities Registered Under Section 12 of the Exchange Act
Exhibit 4(a)(i)	Amended and restated trust deed dated 21 September 2023 relating to a £4 billion Euro Medium Term Note Programme, among InterContinental Hotels Group PLC, IHG Finance LLC, Six Continents Limited, InterContinental Hotels Limited and U.S. Bank Trustees Limited
Exhibit 4(a)(ii)[a]	$1.35 billion bank facility agreement dated 28 April 2022, among InterContinental Hotels Group PLC and certain of its subsidiaries, and Bank of America Europe Designated Activity Company, Bank of China Limited, London Branch, Barclays Bank PLC, BNP Paribas, London Branch, Commerzbank Aktiengesellschaft, London Branch, DBS Bank Ltd, London Branch, Mizuho Bank, Ltd., MUFG Bank, Ltd., Standard Chartered Bank, Truist Securities, Inc., Unicredit Bank AG, U.S. Bank National Association and Wells Fargo Bank, N.A., London Branch (incorporated by reference to Exhibit 4(a)(ii) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 2 March 2023)
Exhibit 4(a)(iii)	Extension letter dated 10 March 2023 relating to the $1.35 billion bank facility agreement dated 28 April 2022
Exhibit 4(a)(iv)	Amendment letter dated 10 August 2023 relating to the $1.35 billion bank facility agreement dated 28 April 2022
Exhibit 4(a)(v)	Accession letter dated 12 October 2023 relating to the $1.35 billion bank facility agreement dated 28 April 2022
Exhibit 4(c)(i)	Michael Glover's service contract dated 12 December 2022, commenced on 20 March 2023
Exhibit 4(c)(ii)[a]	Rules of the InterContinental Hotels Group Long Term Incentive Plan as approved by shareholders on 2 May 2014 and as amended on 14 February 2019, 4 December 2019 and 7 May 2020 (incorporated by reference to Exhibit 4(c)(ii) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 4 March 2021)
Exhibit 4(c)(iii)[a]	Rules of the InterContinental Hotels Group Annual Performance Plan as amended (incorporated by reference to Exhibit 4(c)(iii) of the InterContinental Hotels Group PLC Annual Report on Form 20-F (File No. 1-10409) dated 4 March 2021)
Exhibit 4(c)(iv)	Elie Maalouf's service contract dated 4 May 2023, commenced on 1 July 2023
Exhibit 4(c)(v)	Rules of the InterContinental Hotels Group Deferred Award Plan as approved by shareholders on 5 May 2023 and as amended on 18 October 2023
Exhibit 8	List of subsidiaries as at 31 December 2023 (can be found on pages 214 to 216)
Exhibit 12(a)	Certification of Elie Maalouf filed pursuant to 17 CFR 240.13a–14(a)
Exhibit 12(b)	Certification of Michael Glover filed pursuant to 17 CFR 240.13a–14(a)
Exhibit 13(a)	Certification of Elie Maalouf and Michael Glover furnished pursuant to 17 CFR 240.13a–14(b) and 18 U.S.C.1350
Exhibit 15(a)	Consent of independent registered public accounting firm, PricewaterhouseCoopers LLP
Exhibit 97	Incentive-Based Compensation Recovery Policy approved on 18 October 2023
Exhibit 101.INS	Inline XBRL Instance Document
Exhibit 101.SCH	Inline XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document

[a] Incorporated by reference.

Forward-looking statements

The Annual Report and Form 20-F 2023 contains certain forward-looking statements as defined under US legislation (Section 21E of the Securities Exchange Act of 1934) with respect to the financial condition, results of operations and business of the Group and certain plans and objectives of the Board of Directors of InterContinental Hotels Group PLC with respect thereto. Such statements include, but are not limited to, statements made in the Chair's statement and in the Chief Executive Officer's review. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', or other words of similar meaning. These statements are based on assumptions and assessments made by the Group's management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate.

By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty. There are a number of factors that could cause actual results and developments to differ materially from those expressed in, or implied by, such forward-looking statements, including, but not limited to: the Group's exposure to a competitive and changing industry; the Group's reliance on the reputation of its existing brands and exposure to inherent reputation risks; the Group's exposure to inherent uncertainties associated with brand development and expansion; the Group's exposure to a variety of risks related to identifying, securing and retaining franchise and management agreements; the Group's exposure to the risks of hotel industry overcapacity; the Group's requirement to have the right people, skills and capability to manage growth and change; the risk that the Group's collective bargaining activity could disrupt operations, increase labour costs or interfere with the ability of management to focus on executing business strategies; the Group's exposure to cybersecurity and data privacy risks; the Group's exposure to intellectual property risks; the risk that the Group's reputation and the value of its brands are influenced by the perception of various stakeholders of the Group; the Group's requirements to comply with existing and changing regulations and act in accordance with societal expectations across numerous countries, territories and jurisdictions; the Group's exposure to the risk of litigation; the potential for domestic and international environmental laws and regulations to cause the Group to incur substantial costs or subject the Group to potential liabilities; the Group's financial performance being affected by changes in tax laws; the Group's dependence on a wide range of external stakeholders and business partners; the Group's exposure to a variety of risks associated with safety, security and crisis management; the Group's reliance on the resilience of its reservation system and other key technology platforms and the exposure to risks that could disrupt their operation and/or integrity; the Group's exposure to political and economic developments; the Group's exposure to continued disruption and consequences from the war in Ukraine; the Group's exposure to disruption and consequences from the conflict in the Middle East; the potential for the Group to face difficulties insuring its business; the Group's exposure to risks related to executing and realising benefits from strategic transactions, including acquisitions and restructuring; the Group's exposure to a variety of risks associated with its financial stability and ability to borrow and satisfy debt covenants; the dependence of the Group's operations on maintaining sufficient liquidity to meet all foreseeable medium-term requirements and provide headroom against unforeseen obligations; the Group's exposure to an impairment of the carrying value of its brands, goodwill or other tangible and intangible assets negatively affecting its consolidated operating results; the Group's exposure to fluctuations in exchange rates, currency devaluations or restructurings and to interest rate risk in relation to its borrowings; the potential for the Group to be affected by credit risk on treasury transactions; the Group's exposure to inherent risks in relation to changing technology and systems; the Group's exposure to competition from online travel agents and intermediaries; the Group's exposure to the risk of events or stakeholder expectations that adversely impact domestic or international travel, including climate change; and the Group's exposure to risks relating to its commitments in relation to climate change.

The main factors that could affect the business and financial results are described in the Strategic Report of the Annual Report and Form 20-F 2023.

Form 20-F cross-reference guide

The table below references information in this document that will be included in the Company's Annual Report on Form 20-F for 2023 filed with the SEC.

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Form 20-F cross-reference guide continued

Glossary

ADR
an American Depositary Receipt, being a receipt evidencing title to an ADS.

ADR Depositary
J.P. Morgan Chase Bank N.A.

ADS
an American Depositary Share as evidenced by an ADR, being a registered negotiable security, listed on the New York Stock Exchange, representing one ordinary share of 20 340⁄399 pence each of the Company.

AGM
Annual General Meeting.

APP
Annual Performance Plan.

Average daily rate
rooms revenue divided by the number of room nights sold.

Capital expenditure
purchases of property, plant and equipment, intangible assets, associate and joint venture investments, and other financial assets, plus contract acquisition costs (key money).

Captive
the Group's captive insurance company, SCH Insurance Company.

Code
IHG's Code of Conduct.

Colleague
individuals who work at IHG corporate offices, reservation centres, managed, owned, leased, managed lease and franchised hotels collectively.

Companies Act
the UK Companies Act 2006, as amended from time to time.

Company or Parent Company
InterContinental Hotels Group PLC.

Comparable RevPAR
a comparison for a grouping of hotels that have traded in all months in financial years being compared. Principally excludes new hotels, hotels closed for major refurbishment and hotels sold in either of the two years.

Compound Annual Growth Rate (CAGR)
growth over a period of years expressed as the constant rate of growth that would produce the same growth if compounded annually.

Constant currency
a prior-year value translated using the current year's average exchange rates.

Currency swap
an exchange of a deposit and a borrowing, each denominated in a different currency, for an agreed period of time.

DAP
Deferred Award Plan.

Deferred Compensation Plan or DCP
a US plan that allows for the additional provision for retirement within a dedicated trust, either through employee deferral of salary with matching company contributions, deferral of APP earnings or through direct company contribution.

Derivatives
financial instruments used to reduce risk, the price of which is derived from an underlying asset, index or rate.

DE&I
Diversity, equity & inclusion.

EMEAA
Europe, Middle East, Asia and Africa (excludes Greater China).

Employee engagement survey
our employee engagement survey, known as the Colleague HeartBeat, completed by IHG employees or those colleagues who are employed at managed or managed lease hotels.

Enterprise contribution to revenue
the percentage of room revenue booked through IHG managed channels and sources: direct via our websites, apps and call centres; through our interfaces with Global Distribution Systems (GDS) and agreements with Online Travel Agencies (OTAs); other distribution partners directly connected to our reservation system; and Global Sales Office business or IHG One Rewards members that book directly at a hotel.

ERG
employee resource group.

ESG
Environmental, social and governance.

Executive officers
defined by the SEC as the president, any vice president in charge of a principal business unit, division or function (such as sales, administration or finance), any officer who performs a policy making function, or any other person who performs similar policy making functions.

Fee business
IHG's franchised and managed businesses combined.

FERA
Fuel and energy related emissions.

Franchised hotels
hotels operated under an IHG brand license by a franchisee. IHG receives a fixed percentage of rooms revenue and neither owns, leases nor operates the property.

Franchisee
an owner who uses a brand under licence from IHG.

FRC
UK Financial Reporting Council.

Group or IHG
the Company and its subsidiaries.

Guest Love
IHG's guest satisfaction measurement tool used to measure brand preference and guest satisfaction.

Guest Reservation System or GRS
our global electronic guest reservation system.

Hedging
the reduction of risk, normally in relation to foreign currency or interest rate movements, by making offsetting commitments.

Hotel revenue
revenue from all revenue-generating activity undertaken by managed, owned, leased and managed lease hotels, including room nights, food and beverage sales.

IASB
International Accounting Standards Board.

IFRS
International Financial Reporting Standards as issued by the IASB and adopted under UK law.

IHG PLC
InterContinental Hotels Group PLC.

International Sustainability Standards Board (ISSB)
formed by the IFRS to create sustainability-related disclosure standards that provide investors with consistent and comparable information about companies' sustainability-related risks and opportunities.

Journey to Tomorrow
IHG's responsible business plan to create positive change by 2030.

Liquidated damages
payments received in respect of the early termination of franchise and management agreements.

Glossary continued

Listing Rules
regulations subject to the oversight of the Financial Conduct Authority, which set out the obligations of UK listed companies.

LTIP
Long Term Incentive Plan.

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

Managed lease
properties which are held through a lease but with the same characteristics as management agreements.

Management agreement
a contract to operate a hotel on behalf of the hotel owner.

Market capitalisation
the value attributed to a listed company by multiplying its share price by the number of shares in issue.

Net rooms supply
net total number of IHG System hotel rooms.

NYSE
New York Stock Exchange.

Occupancy rate
rooms occupied by hotel guests, expressed as a percentage of rooms that are available.

Ordinary share
ordinary shares of 20 340⁄399 pence each in the Company.

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

Owner
the owner of a hotel property.

Pipeline
hotels/rooms due to enter the IHG System at a future date. A hotel enters the pipeline once a contract has been signed and appropriate fees paid.

% pts
a percentage point is the unit for the arithmetic difference of two percentages.

Reimbursable revenues
reimbursements from managed and franchised hotels for costs incurred by IHG, for example the cost of IHG employees working in managed hotels. The related revenues and costs are presented gross in the Group income statement and there is no impact to profit.

Revenue management
the employment of pricing and segment strategies to optimise the revenue generated from the sale of room nights.

RevPAR or Revenue per available room
rooms revenue divided by the number of room nights that are available (can be mathematically derived from occupancy rate multiplied by average daily rate).

Revolving Credit Facility or RCF
the Group's syndicated bank revolving credit facility.

Room count
number of rooms franchised, managed, owned, leased or managed lease by IHG.

Rooms revenue
revenue generated from the sale of room nights.

Royalties
fees, based on rooms revenue, that a franchisee pays to the Group.

Science-based targets (SBTs)
measurable, actionable and time-bound carbon reduction targets, based on the best available science and in line with the scale of reductions required to keep global warming below 2°C or 1.5°C from pre-industrial levels.

Science Based Targets initiative (SBTi)
helps businesses commit to and meet SBTs by independently assessing and approving any targets that are set.

SEC
US Securities and Exchange Commission.

Subsidiary
a company over which the Group exercises control.

System
hotels/rooms operating under franchise and management agreements together with IHG owned, leased and managed lease hotels/rooms, globally (the IHG System) or on a regional basis, as the context requires.

System Fund or Fund
assessment fees and contributions collected from hotels within the IHG System which fund activities that drive revenue to our hotels including marketing, the IHG One Rewards loyalty programme and our distribution channels.

Task Force on Climate-related Financial Disclosures (TCFD)
created by the Financial Stability Board to improve and increase reporting of climate-related financial information and to help inform investors and others about the risks they face related to climate change.

Total Shareholder Return or TSR
the theoretical growth in value of a shareholding over a period, by reference to the beginning and ending share price, and assuming that dividends, including special dividends, are reinvested to purchase additional units of the equity.

UK Corporate Governance Code
a Code issued in 2018 by the Financial Reporting Council in the UK, which guides best practice for the governance of listed companies.

Working capital
the sum of inventories, receivables and payables of a trading nature, excluding financing and taxation items.

→ For the definitions of our Key performance measures (including Non-GAAP measures) see pages 84 to 88.

Useful information
Investor information

Website and electronic communication
As part of IHG's commitment to reduce the cost and environmental impact of producing and distributing printed documents in large quantities, this Annual Report and Form 20-F 2023 has been made available to shareholders through our website at **ihgplc.com/investors** under Annual Report. Shareholders may electronically appoint a proxy to vote on their behalf at the 2024 AGM. Shareholders who hold their shares through CREST may appoint proxies through the CREST electronic proxy appointment service, by using the procedures described in the CREST Manual.

Shareholder hotel discount
IHG offers discounted hotel stays (subject to availability) for registered shareholders only, through a controlled-access website. This is not available to shareholders who hold shares through nominee companies, ISAs or ADRs. For further details please contact the Company Secretary's office (see page 271).

Responsible Business Report
In line with our commitment to responsible business practices, this year we have produced a Responsible Business Report showcasing our approach to responsible business and progress against our Responsible Business Targets.

→ Visit **ihgplc.com/responsible-business** for further information.

Modern Slavery Statement
In accordance with the UK Modern Slavery Act 2015, we have produced a Modern Slavery Statement.

→ Visit **ihgplc.com/reporting** for further information.

Registrar
For information on a range of shareholder services, including enquiries concerning individual shareholdings, notification of a shareholder's change of address and amalgamation of shareholder accounts (in order to avoid duplicate mailing of shareholder communications), shareholders should contact the Company's Registrar, Equiniti, on +44 (0) 371 384 2030[a].

Dividend services
Dividend Reinvestment Plan (DRIP)
The Company offers a DRIP for shareholders to purchase additional IHG shares with their cash dividends. For further information about the DRIP, please contact our Registrar helpline on +44 (0) 371 384 2030[a].

→ Visit **shareview.co.uk/info/drip** for a DRIP application form and information booklet.

Bank mandate
We encourage shareholders to have their dividends paid directly into their UK bank or building society accounts, to ensure efficient payment and clearance of funds on the payment date. For further information, please contact our Registrar (see page 271).

Overseas payment service
It is also possible for shareholders to have their dividends paid directly to their bank accounts in a local currency. Charges are payable for this service.

→ Visit **shareview.co.uk/info/ops** for further information.

Out-of-date/unclaimed dividends
If you think that you have out-of-date dividend cheques or unclaimed dividend payments, please contact our Registrar (see page 271).

Individual Savings Account (ISA)
Equiniti offers a Stocks and Shares ISA that can invest in IHG shares.

For further information, please contact Equiniti on +44 (0) 371 384 2030[a].

Share-dealing services
Equiniti offers the following share-dealing facilities.

Postal dealing
+44 (0) 371 384 2030 from the UK and overseas[a]

Telephone dealing
For more information, call +44 (0)371 384 2030[b]

Internet dealing
Visit **shareview.co.uk** for more information.

Changes to the base cost of IHG shares
Details of all the changes to the base cost of IHG shares held from April 2004 to January 2019, for UK Capital Gains Tax purposes, may be found on our website at **ihgplc.com/investors** under Shareholder centre in the Tax information section.

'Gone away' shareholders
Working with ProSearch (an asset reunification company), we continue to look for shareholders who have not kept their contact details up to date. We have funds waiting to be claimed and are committed to doing what we can to pay these to their rightful owners. Please contact ProSearch on +44 (0) 371 384 2735[c] or visit **prosearchassets.com** for further details.

a Lines are open from 08:30 to 17:30 Monday to Friday, excluding UK public holidays.
b Lines are open from 08:00 to 18:00 Monday to Friday, excluding UK public holidays.
c Lines are open from 09:00 to 17:00 Monday to Friday, excluding UK public holidays.

Shareholder security
Many companies have become aware that their shareholders have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. More detailed information on this or similar activity can be found at **fca.org.uk/consumers** on the Financial Conduct Authority website.

Details of any share dealing facilities that the Company endorses will be included in Company mailings.

Trading markets
The principal trading market for the Company's ordinary shares is the London Stock Exchange (LSE). The ordinary shares are also listed on the NYSE, trading in the form of ADSs evidenced by ADRs. Each ADS represents one ordinary share. The Company has a sponsored ADR facility with J.P. Morgan Chase Bank, N.A., as ADR Depositary.

American Depositary Receipts (ADRs)
The Company's shares are listed on the NYSE in the form of American Depositary Shares, evidenced by ADRs and traded under the symbol 'IHG'. Each ADR represents one ordinary share. All enquiries regarding ADR holder accounts and payment of dividends should be directed to J.P. Morgan Chase Bank, N.A., our ADR Depositary bank (contact details shown on page 271).

Documents on display
Documents referred to in this Annual Report and Form 20-F that are filed with the SEC can be found at the SEC's public reference room located at 100 F Street, NE Washington, DC 20549. For further information and copy charges please call the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically and the Company's SEC filings since 22 May 2002 are also publicly available through the SEC's website at **sec.gov** Copies of the Company's Articles of Association can be obtained via the website at **ihgplc.com/investors** under Corporate governance or from the Company's registered office on request.

Useful information continued

Financial calendars

Dividends

	2023
2023 Interim dividend	
Ex-dividend date	31 August
Record date	1 September
Payment date	5 October

	2024
2023 Final dividend of 104¢ per ordinary share[a]	
Ex-dividend date	4 April
Record date	5 April
Payment date	14 May

[a] The sterling amount of the final dividend will be announced on 25 April 2024 using the average of the daily exchange rates for the three working days commencing 22 April 2024.

Other dates

	2023
Financial year end	31 December

	2024
Announcement of Preliminary Results for 2023	20 February
Announcement of 2024 First Quarter Trading Update	3 May
Annual General Meeting	3 May
Announcement of Half-Year Results for 2024	6 August
Announcement of 2024 Third Quarter Trading Update	22 October
Financial year end	31 December

	2025
Announcement of Preliminary Results for 2024	February

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