

Our approach to risk and resilience

Delivering IHG's strategic objectives requires balancing growth opportunities with resilience and agility. Our risk management framework underpins this balance, ensuring decisions are informed, controls are robust and emerging risks anticipated.

How we define and review our risk appetite and risk tolerance

Key accountabilities and activities

The Board, supported by the Audit Committee, Executive Committee and delegated committees, is accountable for:

- maintaining a robust framework of effective controls that enable risks to be managed;
- ongoing consideration of emerging and evolving uncertainties across a wide range of topics and timeframes;
- reviewing the overall levels of risk within the business, our resilience to individual and aggregated uncertainties and implications for strategic decision-making;
- evaluating our risk appetite and tolerance as part of setting strategy, and cascading expectations through:
 - our values and behaviours, reinforcing a risk aware culture;
 - our Code of Conduct, delegations of authority and other key global policies;
 - our goals and targets;
 - frequent leadership communications to guide decisions and set priorities; and
- reviewing policies, initiatives and learnings to determine if they have operated within acceptable risk tolerances where priorities have shifted or additional actions were required to continuously enhance our future resilience.

Key milestones and outcomes

- Executive Committee and Board strategy meetings, considering the level of risk we are willing to take across our strategic priorities.
- Refining and communicating our bold ambitions through our strategic priorities and associated growth behaviours.
- Periodic review of key global policies, including the Delegation of Authority.
- Dedicated Executive Sub-Committee to review our risk financing and insurance strategy.
- Annual mandatory Code of Conduct training to all colleagues.

How we identify, discuss and escalate risks, including emerging factors

Key accountabilities and activities

Management teams across IHG are aware of the challenges our current industry context creates. Risks are identified, discussed and escalated through a variety of steps across our decision-making calendar, including specific interventions facilitated by our global Risk and Assurance team. In 2025, these have included:

- portfolio risk reviews with the full Executive Committee;
- deep-dive discussions of each principal risk with nominated Executive Committee sponsors;
- regional and functional leadership risk conversations on risk prioritisation and preparedness to inform strategic planning and investment decisions across their area of the business;
- ongoing engagement with first-line teams with day-to-day responsibilities for identifying and managing risk within key decisions, programmes and transactions, and escalating where appropriate; and
- targeted discussions of identified emerging topics, including generative AI, supply chain resilience, and social and ethical expectations factors, with external insight where valuable. We think about emerging risks as:
 - new risks, or existing risks in a new context, when the nature and value of the impact are not yet known or understood; and
 - factors with an increasing impact and probability over a longer time horizon.

Key milestones and outcomes

- Risk and Assurance team partnered with the Strategy team to guide regional and functional leadership teams in reviewing their risk profiles as part of 2026 strategic planning and investment requests.
- Refreshed risk profiles for each principal risk, considering trend indicators and key controls, reviewed with Executive Committee sponsors.
- Mid- and full-year Executive Committee principal risk review, reported to the Board.

This section should be read together with the 2025 Board focus areas and activities and its delegated committees, and:

+ Pages 123 to 137 for 2025 focus activities and its delegated committees.

+ Pages 30 to 39 for Our Strategy.

+ Pages 22 and 23 for more detailed discussion of trends impacting our industry.

How we integrate our risk management and internal control framework components within our business processes

Key accountabilities and activities

- Managing risk isn't one dimensional and management teams across IHG apply many levers and routines to anticipate, address and respond to uncertainty as they drive to achieve business objectives.
- To align across the many different operational and functional teams, the Risk and Assurance team describe our risk management and internal control framework using a deliberately simple structure that can be applied to any principal risk area.



Culture and leadership

Leadership/
accountability
Policy/standards
Targets/incentives
Communication/
training



Processes and controls

Risk assessments
for key topics
Specific process/
control routines
Specific
measurement
activities



Monitoring and reporting

Indicators/
dashboards
Internal/external
reporting

- Elements of the framework are subject to ongoing review and adjustment by management teams, supported by subject matter experts including consideration of how AI can be integrated.
- The Audit Committee reviews the ongoing effectiveness of the risk management and internal control framework.

Key milestones and outcomes

- Review of key controls for each principal risk with relevant Executive Committee sponsors.
- Consideration of confidence in the effectiveness of our controls and resilience to risk with each of the Executive Committee member's leadership team.

The following pages describe examples of our key controls, and we will be reviewing the effectiveness of the most important controls in 2026.

How the Board obtains assurance in our risk management and resilience

Key accountabilities and activities

- Our governance arrangements enable the Board and its delegated committees to receive insight and conclude on the appropriateness of our risk management and overall resilience during the year. These include:
 - risk and control considerations within presentations from executive leadership on strategic delivery and major programmes and technology initiatives, including adoption of AI capabilities;
 - updates on matters potentially impacting our overall resilience, including our increased reliance on third-party suppliers, and our crisis management and business continuity frameworks;
 - briefings on specific risk and control topics from key second-line teams, such as information security, privacy, ethics and compliance, financial governance, operational safety and security, loyalty and System Fund controls;
 - review of our Group insurance arrangements, including cyber;
 - independent third-line internal audit reporting on specific reviews, thematic observations on the effectiveness of the risk management and internal control framework, and trends from confidential disclosure channel reporting and investigations; and
 - updates from Risk and Assurance and the external auditors to the Audit Committee in relation to corporate governance developments.

For further information on how the Board and senior management obtain assurance in our risk management and resilience, see pages 123 to 137, which detail the 2025 focus areas and activities for the Board and its delegated committees.

Key milestones and outcomes

- The Board concludes on the effectiveness of IHG's risk management and internal control framework.
- Annual assessment of Global Internal Audit.

Our principal risks and uncertainties

Like many companies, we continue to face a dynamic environment, which includes multiple factors from outside IHG and other inherent execution risks relating to our own initiatives which have the potential to affect the level of uncertainty in relation to our principal risks.

Each of our principal risks often present opportunity and threat at the same time. We consider all risks to be material in absolute terms with further detail of how they have developed in 2025 shown on the following pages.

Executive management monitors indicators of changes in trends for key uncertainties we face. These are shown for each risk below. We also discuss our existing levels of preparedness and whether we need to evolve

our risk management and internal control response, refresh our resilience plans to anticipate threats or position ourselves to exploit opportunities.

Existing and emerging realities for 2026–2028...

- Government policy pivots (tariffs, labour, tax).
- Escalating or spiking geopolitical tensions.
- Market or financial turbulence (including cost of capital, supplier financial stress).
- Evolving cyber-attack methods.
- Variability and uncertainty in regulatory enforcement.
- Litigation and regulatory complaints by pressure and special interest groups.
- Social trends and attitudes – including expectations on franchisors.
- Embedding of high performance culture across IHG teams.

We do not treat artificial intelligence as a standalone principal risk as we consider AI-related scenarios, including those affecting distribution, loyalty, data usage and regulatory compliance, within many of the principal risks described in this section.

Link to our strategy

Our four strategic priorities are core to our success and represented as follows; we consider all principal risks to be interconnected with, and influential to, the successful delivery of all our strategic pillars.

 **Relentless focus on growth**

 **Brands guests and owners love**

 **Leading commercial engine**

 **Care for our people, communities and planet**

+ For more on our strategy, see pages 30 to 39.

Refreshed principal risks for 2026–2028.

Refreshed principal risks – 2026–2028	Executive risk sponsor	Trend
Guest preferences for, or loyalty to, IHG-branded hotel experiences and channels	– Global Chief Commercial and Marketing Officer	→
Owner preferences for, or ability to invest in, our brands	– Global Chief Commercial and Marketing Officer – Regional CEOs	→
Talent and capability attraction or retention	– Chief Human Resources Officer	→
Data and information usage, storage, security and transfer	– Global Chief Product and Technology Officer – Global Chief Commercial and Marketing Officer – Executive Vice President General Counsel and Company Secretary	↑
Ethical and social expectations	– Executive Vice President General Counsel and Company Secretary – Executive Vice President Global Corporate Affairs – Chief Human Resources Officer – Chief Financial Officer	↑
Legal, regulatory and contractual complexity or litigation exposures	– Executive Vice President General Counsel and Company Secretary	↑
Supply chain efficiency and resilience (including corporate and hotel products and services)	– Chief Financial Officer – Chief Product and Technology Officer – Executive Vice President General Counsel and Company Secretary	↑
Operational resilience to incidents or disruption or control breakdown (including geopolitical, safety and security, cybersecurity, fraud and health-related)	– Executive Vice President General Counsel and Company Secretary – Chief Financial Officer – Chief Product and Technology Officer – Regional CEOs	↑
Our ability to deliver technological or digital performance or innovation (at scale, speed, etc.)	– Chief Product and Technology Officer – Global Chief Commercial and Marketing Officer	→
The impact of climate-related physical and transition risks	– Chief Financial Officer – Executive Vice President Global Corporate Affairs – Executive Vice President General Counsel and Company Secretary	→

Key to trend indicators

-  **Increasing** (from previous year)
-  **Stable** (from previous year)
-  **Decreasing** (from previous year)

Guest preferences for, or loyalty to, IHG-branded hotel experiences and channels

Why this uncertainty is important to the achievement of our strategic objectives over the next 1–3 years

Our growth ambitions rely on targeted investment in brand building, loyalty, partnerships and digital platforms, supported by timely insight into evolving guest experiences. Preference and trust in our brands depend on our ability to deliver the fundamentals consistently while meeting rising expectations for personalisation and seamless, cross-channel experiences.

These expectations sit alongside enduring priorities, such as safety and sustainability and scrutiny of environmental impact. As we strengthen our masterbrand, expand new brands and enhance our digital and loyalty propositions, we are making strategic choices that require us to move at pace in areas shaped by changing consumer behaviour.

Failure to manage this uncertainty effectively could erode competitive positioning, slow delivery against our growth agenda and weaken preference among guests and owners.

Example factors discussed with management to monitor trending

- Future consumer travel preferences and megatrends.
- Loyalty proposition, competitiveness and ability to deliver change (including at property level through our business model).
- Brand positioning relative to competitors, as measured by social reviews and guest preference indices.
- Brand awareness and health, including for our masterbrand and loyalty programmes.

Key controls that support our response to this uncertainty

Culture and leadership:

- Brand strategies and standards to define consistent guest experiences.
- Defined accountabilities for individual brands and brand segmentations, including IHG masterbrand and loyalty.
- Targets for brand and loyalty performance guided by a multi-year roadmap.
- Brand, service and loyalty colleague training and educational resources.

Processes and controls:

- Governance processes for the introduction of brand standards, new campaigns and marketing launches, loyalty, technology, and hotel projects.
- Ongoing initiatives to automate benefit delivery and improve consistency.

Monitoring and reporting:

- Measurement of guest experience through social reviews, guest surveys and hotel quality evaluations.
- Executive reporting on key guest-facing metrics.

Examples of how the Board obtained assurance on our risk management and resilience during 2025

- Reviews of brand category and masterbrand awareness, loyalty strategies and responsible business strategies.
- Review of competitor activity analysis.
- Updates on readiness for artificial intelligence-enabled guest experience tools.
- Internal Audit assurance over guest delivery governance processes.

Owner preferences for, or ability to invest in, our brands

Why this uncertainty is important to the achievement of our strategic objectives over the next 1–3 years

Our ability to grow depends on owners seeing clear, enduring value in investing in our brands at a time of economic pressure, inflation and elevated expectations for returns. Confidence in the combined strength of our brands, technology and loyalty platforms influences signings, estate quality and the attractiveness of long-term partnerships.

As we refine service delivery models and advance growth avenues, such as branded residences, we are making choices that involve shifting perceptions of value and support. These changes require careful signalling and execution to maintain advocacy.

Failure to manage these dynamics could reduce owner appetite, affect pipeline momentum and weaken our competitive standing.

Example factors discussed with management to monitor trending

- Owners' financial capacity and investment appetite.
- Confidence in IHG's platforms and technology integrations.
- Estate health indicators (length of ownership, Guest Love scores, social media rankings).
- Feedback from owner relationships and advocacy forums.
- Market trends in loyalty and technology propositions.

Key controls that support our response to this uncertainty

Culture and leadership:

- Clear priorities for brand, loyalty, and technology strategies.
- Governance structures and leadership responsibilities to monitor owner returns and support owner finance.
- Colleague training on drivers of loyalty and owner returns.

Processes and controls:

- Initiatives to reduce opening and operating costs and improve efficiency.
- Controls for technology rollouts, including pre-launch testing.
- Compliance processes such as Guest Love and quality.

Monitoring and reporting:

- Regular tracking of cost to build, open and operate hotels.
- Key Executive Committee metrics on Growth and Enterprise, and Loyalty contribution.
- Measurement of ongoing performance and strategy delivery.

Examples of how the Board obtained assurance on our risk management and resilience during 2025

- Market updates from regional CEOs on owner sentiment and financial capacity.
- Reviews of new brand launches, partnership and owner-facing technology.
- Updates on loyalty programme changes and procurement strategies.
- Update on energy, water and waste initiatives.
- Oversight of branded residence initiatives and service model transitions.
- Internal Audit reviews of capital expenditure and partnership practices.

+ For further information on why hotel owners choose to work with IHG see page 29.

Our principal risks and uncertainties continued

Talent and capability attraction, retention and development

Why this uncertainty is important to the achievement of our strategic objectives over the next 1–3 years

Delivering our strategic ambitions depends on our ability to attract, develop and retain high-quality talent across our hotels, reservations offices and corporate functions. Labour market conditions and evolving policy developments in key markets such as the US, China and India influence talent availability and the pace at which we can build skills and capabilities.

Our ability to sustain attraction, engagement and retention while navigating the introduction of automation and AI and addressing increasing costs will require continued organisational resilience. Continued people-cost pressures heighten the challenge for hotels and owners to attract and retain talent.

Where talent-related responsibilities sit with hotel owners, outcomes are dependent on the effectiveness of their practices as well as our own.

Failure to respond effectively could impair hotel operations, weaken leadership and capability pipelines, and increase exposure to non-compliance or litigation.

Example factors discussed with management to monitor trending

- The competitiveness and attractiveness of our recruitment, learning and talent development offer within the hospitality market as well as alternative industries.
- The health of our internal talent and succession pipeline and development pathways, including the impact of expectations of productivity, agility, and performance.
- Key talent engagement and turnover.
- External macro factors, including evolving expectations on inclusion in the workplace, labour practices, operational practices, remuneration structures, and potential for political and regulatory volatility.

Key controls that support our response to this uncertainty

Culture and leadership:

- Employer brand strategies and policies.
- Defined accountabilities and steering structures for key talent leadership topics, including leadership boards and employee resource groups.
- Short- and long-term incentive programmes, incorporating specific incentives for key teams and colleague travel benefits.
- Training and education resources on people leadership and management skills.

Processes and controls:

- Specific recruitment, hiring onboarding and offboarding processes.
- Compensation and benefits benchmarking, including executive remuneration, competitive offering aligned with budgets and payroll processes.
- Global annual talent and performance cadence, including talent forums and supporting technology.

Monitoring and reporting:

- Ongoing Executive Committee tracking of performance, culture and key people metrics.

Examples of how the Board obtained assurance on our risk management and resilience during 2025

- Review of Executive Committee talent and succession pipeline.
- Review of remuneration and incentive strategies and policies.
- Review of Voice of the Employee feedback.
- Review of Journey to Tomorrow people targets.
- Internal Audit reviewed governance of employee engagement metrics and colleague travel benefits.

+ For further information see [Our People pages 62 to 67](#).

Data and information usage, storage, security and transfer

Why this uncertainty is important to the achievement of our strategic objectives over the next 1–3 years

Data underpins our ability to drive revenue, enhance loyalty and support decision-making. As we transition to cloud-based and third-party platforms, we face increasing dependency on external infrastructure, new governance demands and more complex data flows across regions.

Global divergence in privacy, localisation and consent requirements, together with accelerating AI adoption, creates uncertainty and elevates the importance of data integrity and lifecycle management.

We are building new capabilities and expanding partnerships to support our strategy, which introduces additional points of exposure.

Failure to manage these dynamics could result in operational disruption, financial or reputational harm and reduced stakeholder trust in how we use and protect high-value information assets.

Example factors discussed with management to monitor trending

- Expectations for personalisation, commercialisation and monetisation of data in support of commercial performance.
- Data infrastructure complexity, including relationships with third-party cloud providers, loyalty/customer platforms and hotel systems.
- Cybersecurity threats and trends, including agile threat actors and fraudsters, and growing use of AI tools to perpetrate attacks.
- Developments in regulatory complexity and enforcement, including privacy laws and growing expectations for data integrity.

Key controls that support our response to this uncertainty

Culture and leadership:

- Information governance operating framework.
- Policies for information security and personal data handling, including emerging requirements related to AI and cloud-based platforms.
- Colleague awareness campaigns on phishing, data integrity, and general security education and testing.
- Centralised expertise for information security, privacy and governance.

Processes and controls:

- Privacy and information security risk assessments and horizon scanning, including third-party dependencies.
- IHG privacy framework, including privacy impact assessment process.
- Third-party risk management and threat management programme, including due diligence for key vendors.
- Data tagging and classification processes.

Monitoring and reporting:

- Sarbanes-Oxley Act 2002 (SOX) compliance testing of key data controls.
- Management monitoring of information security issues and privacy programme development.
- Independent assessments of key controls for payment cardholder data and international money and security transfers.

Examples of how the Board obtained assurance on our risk management and resilience during 2025

- Presentations on guest and hotel technology strategy, cyber risks and infrastructure evolution.
- Review of data privacy programme.
- Updates on cyber insurance renewal strategy.
- External cybersecurity assessments on emerging AI-related cyber risks.
- Audit Committee discussion of AI deployment plans and associated control considerations.
- The Internal Audit plan included several independent reviews of processes for verifying and validating key metrics, and programme and configuration governance.

Ethical and social expectations

Why this uncertainty is important to the achievement of our strategic objectives over the next 1–3 years

Operating in more than 100 countries exposes us to rapidly shifting expectations about ethical and responsible business conduct. Scrutiny of corporate values and social positions is intensifying, with local dynamics varying across markets and brand segments.

As a franchisor operating across a varied estate, we must balance influence and accountability while continuing to advance our inclusion and responsible business commitments. Entering new markets, evolving brand propositions and responding to social flashpoints require judgement and adaptability.

Misalignment with stakeholder expectations – or a failure to respond to emerging issues – could undermine trust, constrain growth and create reputational exposure.

Example factors discussed with management to monitor trending

- Interest in our ethical and social performance from the media and investors.
- External stakeholder expectations for IHG to manage and drive ethical and responsible business through our supply chains and across our wider business, including our franchised properties.
- Industry benchmarking, noting the challenging operating environment in many markets to build brands while also considering stakeholder responsibilities.
- Corporate account interest in travel and hospitality ethical and social performance.
- Colleague perceptions of our performance.

Key controls that support our response to this uncertainty

Culture and leadership:

- IHG Code of Conduct supported by individual policies and brand standards on ethical and social topics.
- Formal IHG position statements including Modern Slavery Statement and Approach to Tax.
- Defined accountabilities for key responsible business topic steering and oversight.
- Journey to Tomorrow goals, community strategy, partnerships, and engagement in cross-industry groups.
- Mandatory and support training on responsible business topics.

Processes and controls:

- Periodic risk assessments (anti-bribery, human rights, new country entry).
- Owner and supplier due diligence processes.
- Responsible labour requirements for hotels.

Monitoring and reporting:

- Executive tracking of human rights performance, responsible procurement metrics and confidential disclosure channel reporting trends.
- Tracking of Code of Conduct training levels for key leaders.
- Tracking of supplier code acceptance and monitoring of adverse supplier practices.

Examples of how the Board obtained assurance on our risk management and resilience during 2025

- Review of Code of Conduct.
- Updates on strategies for ethics and compliance, community partnerships, human rights and responsible procurement supported by external perspectives.
- The Internal Audit team maintained oversight of the confidential reporting hotline and supported independent investigations where required.

+ For further information see our Being a responsible business pages 54 to 84.

Legal, regulatory and contractual complexity or litigation exposures

Why this uncertainty is important to the achievement of our strategic objectives over the next 1–3 years

Our growth ambitions and digital transformation expose us to a wide and evolving set of legal, regulatory and contractual requirements across multiple jurisdictions. Rapid legislative change, differing enforcement approaches, sanctions regimes and the rise of litigation, including class actions and joint-employer theories, require ongoing attention.

Our business model depends on complex owner and supplier relationships, including partnerships with major technology providers. These arrangements bring significant opportunity but also increase the importance of contractual clarity, governance discipline and compliance.

Failure to navigate these uncertainties could result in regulatory breaches, monetary or non-monetary penalties, adverse litigation outcomes and reputational harm.

Example factors discussed with management to monitor trending

- The scope and maturity of regulation, encompassing ongoing legislative developments that impact our franchise relationships with hotel owners, our supplier interactions, our obligations to consumers and colleagues, and emerging requirements related to generative AI.
- The frequency and severity of regulatory enforcement, which can vary considerably between territories, and which is subject to political influence. This includes ongoing use of sanctions and countermeasures as foreign policy tools.
- The rapid evolution of litigation and class action lawsuits, including the impact of external funding on both costs and claim volumes.

Key controls that support our response to this uncertainty

Culture and leadership:

- IHG Code of Conduct and Delegation of Authorities supported by individual policies on regulatory matters (anti-bribery, sanctions, anti-trust, etc.) and an overarching policy governance framework.
- Defined legal accountabilities and organisational structures for information governance, safety, privacy and regulatory compliance.
- Education and training resources for first-line colleagues, including hotel general managers, on key legal, regulatory, and contractual requirements.

Processes and controls:

- Risk assessments on specific regulatory matters.
- Specific control processes, including third-party due diligence, franchise disclosure, new country entry, sanctions monitoring, HR procedures and entity management.
- Compliance programmes for safety, anti-bribery, anti-trust and privacy.

Monitoring and reporting:

- Executive-level reporting on operational safety and security, privacy, ethics and compliance, human rights trends and litigation matters.
- Corporate governance and regulatory developments updates.

Examples of how the Board obtained assurance on our risk management and resilience during 2025

- Review of corporate governance, regulatory and corporate affairs developments (including external advice).
- Specific updates on regulatory topics including privacy, tax, fraud and litigation.
- The Internal Audit team assessed governance for compliance with incoming regulatory changes.

Our principal risks and uncertainties continued

Supply chain efficiency and resilience (including corporate and hotel products and services)

Why this uncertainty is important to the achievement of our strategic objectives over the next 1–3 years

Geopolitical fragmentation, regionalisation and shifts in trade policy increase uncertainty in sourcing, input costs and supply continuity. Supporting owners navigating cost pressures and disruption is central to our competitiveness and the resilience of our global estate.

As we broaden our supplier base and integrate more technology-enabled and AI-driven providers, including new entrants to the market, we are expanding the range of capabilities we depend on. This requires clear accountability for performance, security and commercial outcomes.

Failure to adapt effectively could affect hotel openings and renovations, commercial channel performance, margins and overall reputation.

Example factors discussed with management to monitor trending

- The complexity of our corporate supply chain (including partners we work with, marketing investments and outsourced services).
- External geopolitical, economic and environmental instability, including trade, labour and other government policies.
- Key supplier financial health and resilience, including exposures to conflict-affected geographies and the potential for disruption from technology and AI.
- Legislative, regulatory, and code changes, including demands for transparency and due diligence across global supply chains.
- The complexity and competitiveness of the hotel supply chain (including partners we work with, market investments and outsourced services) with increasing regionalisation and deglobalisation trends.

Key controls that support our response to this uncertainty

Culture and leadership:

- Key policies and delegated authorities, supported by training resources, to structure how we engage with suppliers (for example, capital expenditure controls, policies for procurement, information security, supplier conduct).
- Dedicated cross-business forum to review supply chain risk and control matters.

Processes and controls:

- Supplier financial risk ratings, due diligence assessments and certifications, and onboarding and offboarding processes.
- Regular validation of supplier security controls.

Monitoring and reporting:

- Tracking of service level agreements, regular meetings and executive status updates for strategic suppliers.

Examples of how the Board obtained assurance on our risk management and resilience during 2025

- Audit Committee oversight of emerging supply chain risks and governance.
- Procurement considerations within market updates from regional CEOs.
- Review of specific major supplier contracts.
- The Internal Audit plan included independent assurance over procurement processes within a key market.

+ For our approach to Responsible Procurement see pages 57 to 59.

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

Why this uncertainty is important to the achievement of our strategic objectives over the next 1–3 years

Operating at global scale exposes us to a wide range of disruptive uncertainties, including geopolitical volatility, cyber threats (amplified by AI), fraud, natural disasters and health-related incidents. Foundational controls for safety, security and resilience must remain robust as we expand into new markets, modernise systems and adopt AI-enabled technologies.

These changes increase the complexity of our operating environment and the risk of control breakdown, particularly where processes become more automated or where dependencies on third parties rise.

Failure to anticipate or respond effectively could disrupt operations, lead to financial loss or claims and reduce stakeholder confidence.

Example factors discussed with management to monitor trending

- Internal and external threat levels linked to geopolitics, cyber-crime, fraud, insider threats, natural catastrophes and extreme weather events.
- Exposure to system and infrastructure failures, including age of key infrastructure and evolving supplier and data ecosystems.
- Potential for human-related control breakdowns caused by organisational change, automation and fatigue.
- Stakeholder expectations of how IHG responds to disruption, including new notification requirements in key territories.
- AI-related risks, including misinformation, vendor risk and litigation exposure.

Key controls that support our response to this uncertainty

Culture and leadership:

- Centralised expertise in resilience, safety and security, threat management and information security, supported by third-party specialists.
- Crisis management framework, supported by training for duty directors and leadership teams on escalation protocols and crisis communications.
- Cross-business fraud oversight and updated Fraud Prevention Policy.
- Targeted awareness campaigns for potential threats (for example, phishing).

Processes and controls:

- Ongoing management risk assessments in executive leadership teams, supported by geopolitical intelligence.
- Contractual provisions for resilience, insurance and information security.
- Specific preventative controls, including privileged access reviews and localised fraud risk strategies.
- Business continuity and disaster recovery planning for key processes and services and supplier relationships.
- Brand Safety Standards, including digital self-assessments for managed hotels.

Monitoring and reporting:

- Periodic external benchmarking of programme maturity (safety, cyber, threat management).
- Compliance reporting to senior management.
- Ongoing control monitoring, including SOX testing (financial, IT controls).

Examples of how the Board obtained assurance on our risk management and resilience during 2025

- Reviews of operational safety and security, serious incidents and threats, financial control and governance, fraud risk management and cybersecurity.
- Specific updates on geopolitical risks, including within regional CEO updates in relation to priority growth markets.
- PwC assurance on SOC1 control reports.
- Internal Audit assessed the Identity and Access Management programme.

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

Why this uncertainty is important to the achievement of our strategic objectives over the next 1–3 years

Technology and digital innovation are central to guest experience, operational efficiency and our competitive position. The pace of development in AI, generative AI and cloud platforms, combined with expanding ecosystem complexity, creates uncertainty in execution, governance and resilience.

Our multi-year roadmap requires us to modernise core platforms, retire technical debt and deliver at pace – often in partnership with third parties. These choices introduce dependencies that must be managed carefully.

Failure to do so could slow the realisation of benefits, impair competitiveness and heighten operational or reputational risks.

Example factors discussed with management to monitor trending

- The current state of our foundational technology infrastructure and applications, and readiness for innovation.
- Status of multi-year investment programmes, particularly where we are reliant on third parties.
- Pace of change in AI and digital behaviours, and implications for guest expectations, owners, suppliers and colleagues.
- Talent and capabilities to deliver change, including partnerships with suppliers, academic institutions and thought leaders.

Key controls that support our response to this uncertainty

Culture and leadership:

- Product and Technology leadership team, including defined senior leadership accountability for AI and technology architecture and accountabilities for product ownership across website, app and loyalty platforms, supported by development teams.
- External networking and thought leadership, including engagement with educational institutions and consultants.
- AI Steering Committee.

Processes and controls:

- Formalised change management processes, including phased rollout roadmaps.
- Centralised agile delivery and portfolio management tools.
- Defined governance processes for generative AI initiatives.
- Colleague training on generative AI tools supported by guidance on responsible use.

Monitoring and reporting:

- Executive-level monitoring of programme execution and technology debt.
- Portfolio confidence metrics and reporting on cross-functional priorities.
- Specific assessments, including analysis of field services and organisational readiness.

Examples of how the Board obtained assurance on our risk management and resilience during 2025

- External benchmarking and strategic planning discussion on AI-related disruption and risk appetite.
- Audit Committee review of spend governance and control of key products.
- Internal Audit reviewed governance for generative artificial intelligence adoption.

The impact of climate-related physical and transition risks

Why this uncertainty is important to the achievement of our strategic objectives over the next 1–3 years

Climate-related physical and transition risks create uncertainty for IHG and the owners who invest behind our brands. While acute physical impacts may materialise beyond the near term, investor and regulatory expectations require credible transition planning and visible progress today.

Exposure varies significantly by geography, asset type and brand positioning, influencing cost, investment needs, reporting obligations and corporate client expectations. Operating across a range of markets means we must navigate differing levels of readiness and regulatory maturity.

Failure to prepare effectively could result in reputational harm, reduced stakeholder confidence and impacts on performance and growth in key markets.

Example factors discussed with management to monitor trending

- Evolving regulatory and fiscal interventions, including reporting requirements on corporates.
- Expectations of investors and ratings agencies.
- Cost implications for owners, for example, to build, convert and renovate hotel assets.
- Corporate client preferences and whether climate considerations influence travel and spending decisions.
- Exposure to acute and chronic physical risks for our open and pipeline hotels over the short, medium and longer term.

Key controls that support our response to this uncertainty

Culture and leadership:

- Definition of planet-related goals and programmes within overall strategy.
- Industry, investor and stakeholder engagement on key topics, including industry standards and financial incentives.
- Steering Committee accountabilities for Journey to Tomorrow and decarbonisation.

Processes and controls:

- Physical and transition risk assessments, supported periodically by external resources.
- Energy reduction processes and resources (including brand standards and e-learning) to help mitigate cost risks for owners.

Monitoring and reporting:

- Hotel energy use reporting via IHG Green Engage tool.
- Executive tracking of TCFD metrics and governance oversight of climate-related reporting and resource allocation.

Examples of how the Board obtained assurance on our risk management and resilience during 2025

- Review of TCFD disclosures and the embedding of climate considerations in strategy, governance, risk management and performance management.
- Review of climate data, including Internal Audit assurance over energy data estimation methodologies and governance of Environmental, Social and Governance metrics.

+ For further information see Our planet pages 70 to 84.