

IHG Hotels & Resorts (“IHG”) – Approach to Tax

IHG Hotels & Resorts is a global hospitality company, with a purpose to provide True Hospitality for Good. With a family of 20 hotel brands and IHG One Rewards, one of the world’s largest hotel loyalty programmes, IHG has over 6,800 open hotels in more than 100 countries, and more than 2,200 in the development pipeline.

IHG is committed to operating and growing in a responsible, ethical and inclusive manner. The contribution we make to the jurisdictions in which we operate includes a significant amount of taxes borne and collected, including taxes on our revenues and profits, as well as employment taxes.

We take our responsibility to pay such taxes seriously in the countries in which we operate in accordance with local laws.

Global Approach

We have a global* approach to tax that is consistent with IHG’s broader commitments to doing business responsibly and upholding the highest ethical standards. Those commitments are communicated and reinforced internally via a general Code of Conduct and more specific internal policy and process documents. The objective of IHG’s overall governance approach is to ensure full compliance by all IHG group companies with all tax filing, payment and reporting obligations on the basis of communicative, professional and transparent relationships with worldwide tax authorities. As part of the normal conduct of its business, particularly in the international sphere, IHG is exposed to risks and uncertainties concerning the application of relevant tax laws and principles to its particular facts and profile. IHG assesses and manages these risks as part of its governance processes so as to address them on a basis consistent with its Code of Conduct in a way which minimises unnecessary or disproportionate risks.

Accountability

The IHG Audit Committee has oversight for ensuring tax risk is monitored, controlled and mitigated. This responsibility has been delegated from the main IHG Board of Directors. The IHG Audit Committee is updated annually by our Group Head of Tax concerning any material tax risks and tax developments of note and approves any necessary update or renewal of either this ‘Approach to Tax’ document or supporting internal policy and process documents.

In this respect the management of IHG’s tax risk is subject to IHG’s general governance and controls via delegation and authority processes to ensure relevant experts or Board sub-committees have reviewed specific categories of transactions, via controls and testing within the scope of the Sarbanes-Oxley Act, and more specific tax-focused controls to ensure compliance with the UK’s Senior Accounting Officer rules. Accountability for tax primarily sits with the in-house Group Tax team, which comprises a team of tax/accounting-qualified professionals across a number of locations worldwide. The expertise of these IHG internal professionals is supplemented by external professional advice where needed; for example, where complexity or uncertainty in relation to a specific issue requires such advice, or where there is not sufficient internal expertise relevant to a particular jurisdiction.

Transfer Pricing

The worldwide nature of IHG's operations means we enter into cross-border transactions between Group entities. In line with OECD guidelines and local laws and regulations, such transactions are undertaken applying the "arm's-length" principle. As a result, financial returns are typically recognised in territories where economic activities are performed and where value is created. We support our arm's-length position, where required, by appropriate economic analysis and reports, including producing a Global Transfer Pricing Master File annually.

Tax Planning

We do not enter into abusive tax planning transactions, namely those which are not aligned with our values, our commercial and economic activity and which give rise to a tax result which is contrary to what might be reasonably expected from the relevant law when considered in context.

We do, however, have a responsibility to our shareholders, employees and third-party hotel owners to ensure that we do not incur unnecessary or unintended tax liabilities which would otherwise damage our business. This means that we will engage in reasonable tax planning to ensure we are not taxed multiple times (in different territories) on the same profits or transactions, and that we don't fall into any unintended tax traps such as exposing ourselves to taxes higher than those intended by legislation. Likewise, we will take advantage of tax incentives, exemptions or claims and elections that are provided for in a jurisdiction's legislation or customary practice, where we are able to do so.

Tax Havens

We do not proactively operate out of territories that may be perceived as so-called "tax havens" (namely territories that have low or no levels of tax, or who promote secrecy). However, as a manager of some hotels located in such territories, and as a residual legacy from prior acquisitions, we have a small number of subsidiaries in tax haven territories. We manage these to ensure that any profits are commensurate with local business activities, or by making some subsidiaries resident in the UK for tax purposes. Overall, our activities in tax haven territories are therefore very limited and we proactively look to eliminate such entities where we can.

Tax Evasion or the Facilitation of Tax Evasion

In accordance with our Code of Conduct, we have zero tolerance to any form of financial crime, which specifically includes tax evasion or the facilitation of tax evasion.

**We regard this document as complying with our duty to publish a UK group tax strategy for the year ending 31 December 2026 in accordance with Schedule 19, paragraphs 16(2) and 17(4) FA2016*