# Being a responsible business

JOURNEY TO TOMORROW

## Growing responsibly

Our purpose of True Hospitality for Good brings our brands to life, shapes our culture and reflects our commitment to making a positive difference to our people, guests and communities.




Colleagues in the East Asia Pacific sub-region supporting our annual Giving for Good Month.

# Our approach to responsible business

Creating a culture of responsibility that permeates every level of our organisation is central to how we operate. Alongside our Journey to Tomorrow plan, this commitment is reflected more widely in our strategy, policies, initiatives and engagement with colleagues, customers, industry and communities.

Our approach to responsible business guides our operations and underpins our performance. We recognise that stakeholders value how we grow and contribute to positive change. To align our work with the most critical responsible business issues, we conduct materiality assessments to understand our impact and set our priorities. These assessments help us stay focused on the issues most relevant to our stakeholders, industry and long-term success. For more details on how we engage with stakeholders, please read pages 44 to 45.

'Care for our people, communities and planet' is one of IHG's four key strategic pillars and our Journey to Tomorrow responsible business plan is a critical element of how we deliver on this. The commitments that sit within this plan build on important work achieved over the years, and at the core of our responsible business commitment is strong leadership. The Board oversees our ethical standards of governance, reinforcing our culture, values and responsible business conduct.

The Responsible Business Committee of the Board oversees the Journey to Tomorrow plan, ensuring our responsible business commitments are embedded within our strategy and regularly reviewed for progress and accountability.

## How our Journey to Tomorrow plan supports our strategic priorities:

**Relentless focus on growth**

**Brands guests and owners love**

**Leading commercial engine**

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

**Our people**
Champion an inclusive culture where everyone can thrive

More on pages 62 to 67.

**Communities**
Improve the lives of 30 million people in our communities around the world

More on pages 68 to 69.

**Carbon and energy**
Reduce our energy use and carbon emissions in line with climate science

More on pages 70 to 71.

**Waste**
Pioneer the transformation to a minimal-waste hospitality industry

More on page 72.

**Water**
Conserve water and help secure water access in those areas at greatest risk

More on page 73.

## Being a responsible business continued

# Our culture

## Guiding our approach and purpose

Our culture, shaped by our values and growth behaviours, informs our decisions and how we execute our strategy. Our culture provides the foundation for how we behave responsibly and how we deliver our purpose of True Hospitality for Good.

### Our values

- Do the right thing
- Show we care
- Aim higher
- Celebrate difference
- Work better together

### Our growth behaviours

- Ambitious
- Dedicated
- Courageous
- Caring

### Our structure and governance

The IHG Board has ultimate responsibility for ensuring our culture and ways of working align with our purpose and strategy. Throughout the year, the Board and its Committees review updates and reports on strategic progress through a governance and culture lens.

The Board actively challenges and supports senior leaders, particularly when policies or initiatives need adjustment to maintain alignment between strategy and culture. Day-to-day responsibility for shaping and embedding culture is delegated to the CEO, who, together with the Executive Committee (EC), sets the tone from the top by fostering an open, honest and empowering workplace.

The EC is responsible for executing the Group's strategy and keeping the Board informed on operations and workplace culture.

IHG's hotel development and operations are organised regionally – Americas, EMEAA, and Greater China – supported by global functions including Commercial and Marketing, Product and Technology, Finance, Human Resources, Corporate Affairs, and Business Reputation and Responsibility.

Regional and global leadership teams execute strategic priorities in line with the Group's culture and values.

Decisions on hotel developments and capital expenditure are reviewed by the relevant deal approval and expenditure committees in line with the Group's Global Delegation of Authority Policy, which sets out controls for financial commitments and approvals. Proposals above certain thresholds require approval from the Group's Capital Committee, which reports to the EC.

The Group operates through over 340 subsidiaries worldwide, providing the legal framework to enter into contracts and commitments.

+ Information on the Board's monitoring and assessment of our culture is included on page 125.

### Code of Conduct and related policies

IHG's Code of Conduct (Code) sets the standard for how we do business and underpins our commitment to providing True Hospitality for Good. The Code seeks to enable colleagues to make the right decisions, in compliance with the law and IHG's expectations about conduct.

The Board, EC and all colleagues working in IHG corporate offices, reservation centres, and owned & leased and managed hotels must comply with the Code. We expect those we do business with, including our franchisees, to uphold similar principles and standards.

The Code is reviewed and approved by the Board on an annual basis, and is supported by annual e-learning requirements. We monitor and assess how our values are being embedded into our culture through a variety of methods, such as through direct engagement, employee engagement surveys, tracking of e-learning completion and our confidential reporting hotline.

The Code contains an overview of our values and Group-level policies, including those relating to human rights, respect in the workplace, equal opportunities, accurate reporting, information security, anti-bribery and corruption, and the environment. It also provides guidance on how colleagues can raise concerns or seek further help.

Additional detail regarding other areas of the Code, such as our commitment to creating a culture of inclusion, is on pages 62 and 63, and driving respect for human rights is on page 66. Initiatives to respond to legal and regulatory uncertainties and ethical and social expectations are on page 51.

+ IHG's Code of Conduct is available in 14 languages on the Company's intranet and at **ihgplc.com/en/investors/corporategovernance/code-of-conduct**

### Speaking up

A core component of our people culture is respect in the workplace. IHG has zero tolerance for any form of discrimination, harassment or bullying, in line with our Respect in the Workplace Policy. While we uphold our responsibility to behave ethically and protect IHG's reputation, it is possible that in limited instances, a colleague may act in a way that conflicts with the principles set out in the Code.

Guidance is given to report concerns directly to line managers, supervisors or local HR representatives. A confidential reporting hotline and online reporting facility are available and globally advertised. Concerns can also be reported to the Head of Risk and Assurance or the General Counsel and Company Secretary. The Board routinely reviews summaries of reported concerns and ensures that processes are in place for investigations and follow-up.

### Safety and security

IHG is dedicated to ensuring a safe, secure and healthy environment for all colleagues, guests and visitors. All operations must adhere to relevant health, safety and security laws. In addition to legal compliance, IHG proactively seeks opportunities to enhance the management of safety and security risks, implementing mandatory Brand Safety Standards across all hotels to ensure consistency. Initiatives addressing safety and security risks can be found on page 52.

### Bribery and corruption

IHG is committed to operating with integrity. Colleagues are not permitted to engage in bribery or any form of financial crime, including fraud, money laundering, violations or circumvention of economic and trade sanctions and tax evasion or the facilitation of tax evasion. This standard also applies to agents, consultants and other service providers who do work on our behalf.

Our Anti-Bribery Policy sets out our zero-tolerance approach and is applicable to all Directors, EC members, employees and colleagues in owned & leased and managed hotels. It is accompanied by anti-bribery content in our mandatory Code of Conduct e-learning module.

Our Gifts and Entertainment Policy and guidance further support our approach in this area.

Initiatives to respond to legal, regulatory, ethical and compliance risks are more broadly discussed on page 51.

IHG is a member of Transparency International UK's Business Integrity Forum.

TRANSPARENCY INTERNATIONAL UK
fighting corruption worldwide

### Handling information responsibly

We are committed to ensuring that guests, loyalty programme members, colleagues, shareholders, owners and other stakeholders trust the way we manage data. As part of our privacy and information security programmes, we have standards, policies and procedures in place to manage how personal data can be used and should be protected. Our e-learning training for employees on handling information responsibly is a mandatory annual requirement and covers topics such as password and email security, using personal data in accordance with our policies and privacy commitments, how to work with vendors and transferring data securely. This year we held tabletop exercises to practise our ability to detect and respond to potential security events, as well as phishing exercises.

We continue to develop our privacy and security programmes to address evolving requirements and take account of developing best practice. The Board regards cybersecurity as a critical business discipline, and it regularly receives updates on the Group's cybersecurity risk management and control arrangements.

+ See page 50 for further detail on uncertainties relating to data and information usage, storage, security and transfer.

### Our behaviours

By demonstrating our growth behaviours – ambitious, dedicated, courageous, caring – our leaders and employees create an environment that encourages high performance, while operating responsibly in a way that helps us achieve our strategic priorities and purpose. Our policies, communications, learning programmes and performance management processes reflect these behaviours, ensuring they act as a compass for how we do things and help us create an inclusive culture for all.

## Responsible procurement

We grow our business with innovation and sustainability at the core, guided by high standards of conduct. These principles shape how we select and engage with suppliers. We strive to work with suppliers who uphold our ethical standards and share the ethos of our Journey to Tomorrow plan. Our supply chains span hotel and corporate spend. Purchasing of hotel goods and services predominantly occurs locally, as most hotels are independently owned and manage their own supply chains. In key markets, IHG Global Procurement offers procurement programmes for certain goods and services related to building, opening, renovating, and operating hotels, enabling hotels and owners to leverage IHG's scale. Hotel procurement programmes are available in the US, Canada, Mexico, the Caribbean, Greater China, and EMEAA, covering the UK, Germany, France, the United Arab Emirates, Saudi Arabia, India, Australia, New Zealand, Japan and Singapore. Our corporate supply chain encompasses the procurement of technology, office facilities and professional services such as marketing and consultancy.

To manage and monitor this, IHG has implemented a Global Procurement Policy, Centralised Purchase Order Desk, and a Source-to-Pay system to oversee third-party corporate expenditure, while continuing to roll out purchasing systems to support owned & leased, managed and franchised hotels in key markets.

# Being a responsible business continued
## Our culture continued

1


1

Partnering With Suppliers in the Americas and Greater China for Energy Efficient Kitchen Solutions – Demand Based Kitchen Ventilation (DBKV) system procurement solutions have been supported in the Americas region and Greater China, with six new hotels across Greater China adopting the technology. This energy conservation measure reduces energy use in kitchens, including heating and cooling.

Strategic supplier relationships, particularly with global technology and outsourcing providers, are regularly reviewed to ensure alignment with business objectives, to harness innovation, manage risk and drive value realisation.

Global Procurement, supported by our digital solutions and policies (like the Supplier Code of Conduct (SCC) and the Procurement Policy), plays a pivotal role in setting our expectations for suppliers and business stakeholders to conduct business ethically. This involves ensuring that responsible business criteria are incorporated into our supplier selection process. Our Responsible Procurement team offers training and guidance across corporate, managed and franchised teams, including procurement colleagues in our corporate offices. IHG continues to comply with the UK statutory reporting duties on payment practices and performance.

### Policy and guidance

We acknowledge the environmental and social impacts associated with our supply chain and expect our suppliers to uphold principles of integrity and respect consistent with our own.

Accordingly, all new corporate suppliers are required to either accept the Supplier Code of Conduct (SCC) during onboarding or demonstrate equivalent policies. In 2025, 100% of new corporate suppliers signed the SCC.

This requirement is reflected in the contractual terms for central procurement programmes accessible to our hotels. While we endeavour to resolve identified issues collaboratively, significant breaches of the SCC may result in contract termination.

We regularly review our key governance documents, and this year we have updated our SCC. Following a comprehensive benchmarking and gap analysis, the SCC now reflects changes in the external environment, including increased geopolitical uncertainties, evolving regulatory requirements, and shifting customer expectations. Key enhancements include clarified expectations for suppliers on human rights due diligence and animal welfare. The updated SCC is now accessible on IHG's website in 14 languages.

To advance our sustainable sourcing efforts and ensure supplier compliance with our standards, contract templates incorporate ethical, social and environmental reporting requirements.

Furthermore, we have refined our Responsible Sourcing Guidance, which is now available to hotels and owners in 12 languages. This resource provides an overview of third-party certifications and commodity-specific information, supporting informed supplier selection and promoting responsible practices within selected supply chains.

To promote responsible procurement across corporate, managed, and franchised teams, we provide an education programme that has been completed more than 27,100 times since its inception in 2019.

As part of this ongoing initiative, the Human Rights Team facilitated a training session focused on identifying and mitigating human rights risks within our supply chains. We also expanded our Global Procurement team's expertise through sessions on Circular Solutions and Renewable Energy, while continuing to provide annual core modules such as legal and contract training and category management for new joiners.

In 2023, IHG co-founded the Hospitality Alliance for Responsible Procurement (HARP), which is facilitated by EcoVadis. This year, EcoVadis hosted carbon management webinars for suppliers invited by HARP member companies.

### Due diligence and risk management

The new Enterprise Supplier Management (ESM) team centralises and standardises third-party risk and relationship management for IHG's corporate and hotel procurement programme supply chains. Our goal is to build a strong risk management framework and improve supply chain resilience. We identify key risks, develop strategies and tools to address them, and review sourcing, contract and supplier management procedures to implement the required improvements.

To maintain strong alignment with our Executive Committee's risk agenda and ensure programme relevance to business objectives, our Supply Chain Risk Council fosters robust cross-functional collaboration with senior leaders across the organisation. This systematic approach helps facilitate effective identification and mitigation of enterprise-level supply chain risks.

Additionally, by collaborating with leading industry experts, we aim to anticipate emerging risks that could affect our global supply chain, thereby helping to ensure ongoing resilience and adaptability within an evolving market landscape.

### Financial risk

This year, we launched a supplier financial health outreach programme, building on our work to improve due diligence processes. This initiative provides deeper insight into the financial stability of our suppliers by conducting thorough reviews of their financial statements. Through evaluation of default risks and core financial metrics, we adopt a proactive approach to strengthening supply chain resilience, directly engaging with critical suppliers whose financial health may warrant closer attention. In 2025, these efforts encompassed focused engagement with suppliers in the Americas region, as well as selected corporate suppliers.

### Social and environmental risk

We assess social and environmental risks in our supply chain in several ways, including through our own scorecard, EcoVadis assessments and audits.

All new corporate and hotel procurement programme suppliers are required to complete a pre-contract questionnaire detailing where goods are sourced and/or manufactured, and the type of service they provide.

Those suppliers operating in higher-risk countries or industries and who have not already received an EcoVadis rating are required to complete additional questions related to the policies and processes they have in place regarding labour practices (covering key human rights risks, including passport retention, payment of recruitment fees and costs, worker accommodation and grievance mechanisms).

As part of our ongoing post-contract due diligence approach, strategic suppliers and certain higher-risk suppliers are asked to complete an EcoVadis assessment, which measures their environmental, human rights, ethics and sustainable procurement risk management capabilities.

Over the past year, we have increased our coverage of suppliers across hotel procurement programmes. In 2025, 93 suppliers were assessed and rated by EcoVadis. This assessment helps us identify risks and work collaboratively with suppliers to improve performance. Those who score below our expected standards receive corrective actions and support resources.

Continuing from 2024, we are collaborating with Sedex, a prominent platform for companies to manage and share site-level audit data, to progress the development of our approach to supplier audits in the Americas and EMEAA, starting with collecting critical site-level information from our highest-risk Tier 1 centralised hotel procurement programme suppliers. So far, 60 suppliers have been invited to complete a Sedex self-assessment questionnaire. We are now working to drive completion by the remaining suppliers and will be analysing results to determine which suppliers will be invited to participate in a Sedex Members Ethical Trade Audit. We will increase the scope over time. This continues to build on the existing on-site supplier audit programme in Greater China.

### Supplier engagement

We have teamed up with a leading procurement consultancy to strengthen supplier relationships through two main initiatives.

First, we surveyed over 200 suppliers and conducted 16 follow-up interviews to gather honest feedback and benchmark IHG against competitors, guiding our action plan to become the trusted premier hospitality supply management partner.

Second, we are holding segmentation workshops across hotel and corporate procurement categories in all regions, helping category managers identify strategic suppliers and improve collaboration. These efforts allow us to allocate resources efficiently and build resilient partnerships.

By actively listening to suppliers and thoughtfully segmenting our supply base, we are boosting transparency, accountability and collaboration – essential for sustainable procurement success.

### Food and beverage

With millions of meals served weekly in hotels worldwide, we support our hotels in making considered choices about the origins of their food and beverages to help minimise environmental impact. Our guidance and brand standards encourage hotels to offer broad dining options for both business and leisure guests, with a focus on health, wellbeing, and ethical sourcing. For example, certain brand standards require that hotels use locally sourced produce, which can also help to reduce carbon emissions.

We are committed to promoting improved animal welfare standards in our supply chain. Our approach includes focusing on priority categories where we can meaningfully influence welfare outcomes across our brands and regions. We will continue collaborating with suppliers and hotels to responsibly source animal-derived products, adapting to local supply, cost, and availability.

2
Supplier Innovation Across the UK – Driving improved sustainable practices in the UK, our procurement team has been working closely with suppliers to replace plastic-wrapped linen deliveries with reusable crates and fabric bags. Following a successful launch in Scotland last year, the initiative has now expanded to England, with several suppliers adopting the approach.

Being a responsible business continued

# Making stays more sustainable

We work closely with our owners to deliver elevated experiences for our guests, engage with them in meaningful ways throughout their stay and meet growing demand from business customers and other stakeholders to minimise the impact of travel on the world around us.

## Meeting for Good

In 2025, more than 650 hotels participated in Meeting for Good, a programme that supports our hotels in delivering more sustainable meetings for those who host events at IHG hotels. The programme was named the 2025 Gold Medal winner in Northstar's Stella Awards for the 'Best Sustainability Initiative', supporting meeting and event planners in delivering more sustainable events worldwide.


## Making it simple for guests to search for EV charging

Guests can search for hotels with EV charging through the IHG One Rewards app.

## Supporting certified sustainable hotels

We partner with leading certification programmes, including Green Key (FEE) and Green Key Global, to help hotels reference sustainability credentials to guests. In 2025, more than 340 hotels had achieved third-party certification.

## Hotels engaging in local conservation

Hotels are taking action to preserve nature and engage guests in conservation across our estate.

From coral reef restoration in Bali to rooftop beekeeping at InterContinental London Park Lane, properties are working with local NGOs and community groups to protect biodiversity and wildlife.

Read more at **ihgplc.com/en/responsible-business/case-studies**


## Greener Stay initiative reducing resource use

Guests can forgo daily housekeeping and reuse linen and towels in return for IHG One Rewards points, helping to cut water and energy consumption.

# Journey to Tomorrow

Our goal is to help shape the future of responsible travel together with those who stay, work and partner with us.

We will support our people and make a positive difference to local communities, while preserving our planet's beauty and biodiversity… not just today but long into the future.

### Our people

Champion an inclusive culture where everyone can thrive

### Our communities

Improve the lives of 30 million people in our communities around the world

## Our Planet:

### Carbon and energy

Reduce our energy use and carbon emissions in line with climate science

### Waste

Pioneer the transformation to a minimal waste hospitality industry

### Water

Conserve water and help secure water access in those areas at greatest risk

Empower our people to help shape the future of responsible travel

Our people
Our communities
Carbon and energy
Waste
Water

# Our people

## Championing an inclusive culture where everyone can thrive

- **Cultivate a culture of inclusion for colleagues and owners.**
- **Support all colleagues to prioritise their wellbeing and the wellbeing of others.**
- **Drive respect for and advance human rights.**

**Contributing to the following UN Sustainable Development Goals (SDGs)**

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
10 REDUCED INEQUALITIES
17 PARTNERSHIPS FOR THE GOALS

### 2025 highlights

87%

employee engagement, placing IHG in the top quartile of most engaged employers.

### Employee engagement

Employees can share their thoughts through several forums, including Employee Resource Groups (ERGs), a designated Non-Executive Director for workforce engagement, and Colleague HeartBeat, our employee engagement survey, for colleagues in corporate and reservations offices and owned & leased or managed hotels. The survey allows people to express their views on key aspects of working at IHG.

In our 2025 survey, our overall employee engagement remained at 87%, which maintained our place in the top quartile of most engaged employers, according to Mercer, and reflects strong colleague engagement with our growth strategy.

### Embedding our high-performance culture

In 2025, we strengthened our culture and what makes working at IHG so special by sharpening our focus on performance to drive competitive advantage.

To embed our new approach, we engaged corporate colleagues across key areas, including introducing a simple, consistent definition of high performance. We increased the effectiveness of our work together by launching a structured feedback campaign built around our growth behaviours that apply to the work we do every day, and we clarified the expectations of our people leaders by providing tools to build our talent capabilities in support of IHG's growth.

We also strengthened the link between performance and reward for those who are excelling, with greater differentiation across all elements of pay, which is underpinned by a new Annual Performance Plan aimed at driving the growth of the Company and sharing in its success.

### An inclusive workplace

Our culture of inclusion is essential to attracting, developing and engaging the talent that drives our growth. At IHG, inclusion means ensuring everyone feels like they belong, are valued for their unique contributions, are empowered to thrive and are connected to the communities we serve. In 2025, we advanced our global approach with a focus on three areas: talent and leadership; culture and experiences; and community and partnerships. This focus guides the steps we take around inclusion both globally and locally, strengthening our culture where everyone can thrive and making a positive difference in the communities we serve.

Our Global Inclusion Board and Regional Inclusion Councils meet quarterly to set priorities, monitor progress and ensure we continue creating an environment where colleagues and owners across our markets can grow. This work is underpinned by our Global Inclusion Policy (**ihgplc.com/en/responsible-business/policies-and-position-statements**).

1
The Story Suite is a colleague advocacy programme which empowers employees as brand ambassadors.

1



Our 2025 Colleague Heartbeat survey showed nine in 10 colleagues believe IHG has an inclusive culture. To continue strengthening our approach, we expanded our Europe Inclusion Hotel Ambassadors programme to selected hotels in the Americas to support more inclusive guest and colleague experiences.

Our ERGs are central to creating and maintaining IHG's culture. These employee-organised groups are open to all corporate colleagues who want to join and bring together people of various backgrounds, experiences and skills to share perspectives, support personal and professional growth through mentorship, educational and development initiatives, as well as provide ongoing feedback.

We continue to grow our business responsibly, with inclusive community partnerships a key part of our strategy. In Greater China, we signed a three-year partnership with the China Disabled Persons Federation to provide employment, internships and develop skills. In EMEAA, we continued working with Singapore-based charity APSN and created a partnership with the Al Noor Training Centre in Dubai to provide skills development and training for people of disability.

## Attracting talent

In 2025, IHG strengthened its position as an employer of choice by enhancing the ways we attract and engage talent for our corporate colleagues and managed hotels[a]. Room for You is our refreshed global Employer Value Proposition (EVP), which sits at the heart of our employer brand and underpins our global careers platform (**careers.ihg.com**).

Our social presence continued to expand, amplifying our brand visibility and reach.

We were also named in the Fortune 100 Best Companies to Work For® 2025 list by Great Place To Work® and Fortune, reflecting our ongoing commitment to enhancing workplace culture and colleague benefits.

IHG won five industry awards in 2025, including accolades for recruitment innovation and in-house marketing excellence. We also launched Leading a New Era, our new podcast series that takes listeners behind the scenes of some of our Luxury & Lifestyle hotels and into the minds of the inspiring GMs who lead them, to help support further growth of our GM talent pipeline.

We also launched 'The Story Suite', a colleague advocacy programme designed to empower colleagues as brand ambassadors.

a. We do not employ colleagues in franchise hotels, nor do we control their day-to-day operations, policies or procedures.

# Being a responsible business continued
## Our people continued

**Our people**
Our communities
Carbon and energy
Waste
Water

1
IHG is the only international hotel group in Mainland China recognised by the Top Employer Institute.

2
In 2025, we invested in our hotel learning by expanding IHG University solutions.

1



In addition to strengthening the link between performance and reward as part of our high-performance culture for corporate colleagues, in 2025, we launched our IHG One Pass exclusive colleague travel benefits, which strengthens our employee room rate offering, a key milestone for colleagues and their friends and families.

In 2025, we launched a new AI-powered candidate experience system to transform the way we engage and hire talent for our corporate colleagues and managed hotels. Automating key stages of the hiring journey through our virtual assistant 'Alex', has delivered efficiencies across multiple markets, improving the candidate experience and strengthening our hiring capabilities by enabling us to build and nurture talent pools through our global Candidate Relationship Management (CRM) platform.

### Developing and retaining talent

Our hotel business thrives on exceptional leadership, and General Managers (GMs) are the driving force behind operational performance and brand delivery. To sustain and accelerate growth, we've made building a strong hotel GM pipeline a strategic priority for our managed estate, ensuring every property has the leadership needed to maximise revenue and guest satisfaction.

Our Journey to GM dedicated talent programme for managed hotels, which we launched in 2021, is a cornerstone of this strategy. Today, it represents a strong pipeline with many graduates already in GM roles.

Complementing this, our RISE programme, open to colleagues from managed hotels with aspirations of leadership roles, continues to thrive as a global initiative driving development through mentorship, networking and skills acceleration.

To strengthen global talent capability and support future growth, we established the Global Hotel Talent Service Centre in India. This team centralises processes, data, and analytics to improve efficiency and consistency in talent management worldwide.

Alongside global programmes, we deploy targeted regional initiatives to stay agile and meet local market needs.

### Investing in our learning offer

IHG University continued to strengthen a culture of learning for owners and hotel colleagues in our managed and franchised hotels, as well as for corporate employees throughout 2025.

During the year, IHG University further expanded its Owner Learning Solutions library with five new solutions addressing critical drivers of hotel success. These focused on equipping owners and owner representatives with insights to fine-tune hotel operations, including elevating quality to drive hotel performance, increasing loyalty engagement and speeding up high-quality renovations.

Supporting our purpose of providing True Hospitality for Good, we are committed to developing hotel leaders who focus not only on what they deliver, but also on how they lead. In 2025, we scaled our Journey To programmes to deliver a structured development pathway that grows talent in our managed and franchised hotels from line-level roles through to GM, building leadership capabilities at every stage of a hotel career.

The Journey to Supervisor curriculum focuses on building foundational supervisory capabilities, while the Journey to Manager programme deepens leadership capability in delegation, coaching, feedback, and performance management. To further strengthen career pathways, Journey to Senior Manager is currently in development and scheduled for launch in 2026.

IHG University continued to play a central role in the opening of new properties through the New Hotels and Conversions learning approach.

We also introduced a customisable model so that hotels can create individual training plans tailored to the unique needs of each opening or conversion.

IHG University also supported the embedding of our high-performance culture across our corporate offices, with sessions focused on role-modelling open and honest feedback conversations, as well as enabling leaders to lead through the performance transformation.

+ Further information on the profile of the Board and Executive Committee is included on pages 118 to 121.

In accordance with UK reporting requirements, information on the Directors and relevant employees is set out below:

| As at 31 December 2025 | Male | Female | Total |
|---|---|---|---|
| **Directors** | 6 | 4 | 10 |
| **Executive Committee** | 6 | 4 | 10 |
| **Executive Committee direct reports** | 41 | 20 | 61 |
| **Senior managers** (including subsidiary directors) | 82 | 27 | 109 |
| **All employees**[a] (whose costs were borne by the Group or the System Fund) | 5,893 | 7,156 | 13,049 |

2

a. All employees figure includes only those employees whose costs were borne by the Group or the System Fund and not those who are reimbursed. For details on reimbursed colleague numbers, please see page 200.

# Being a responsible business continued
## Our people continued

Our people
Our communities
Carbon and energy
Waste
Water

### Driving respect for and advancing human rights

Driving respect for and advancing human rights is integral to our approach to responsible business, and our commitment is set out in our Human Rights Policy.

Our human rights work focuses on our salient human rights issues – those human rights at risk of being the most severely impacted through our business activities or relationships. These are currently identified as: guest welfare; freedom of association and collective bargaining; discrimination and harassment; wages and working hours; health and safety, forced labour and child labour; sex trafficking and sexual exploitation; and environment and community.

While we continue to collaborate with colleagues across the business to better understand and manage issues, our efforts this year focused on addressing risks related to forced labour, sex trafficking and sexual exploitation, and our supply chain. To ensure our actions are consistent, measurable and targeted towards the activities that will have the biggest impact, our approach focuses on the following areas.

#### Governance and policies

We work to ensure clear accountability for human rights risks and the alignment of relevant policies with international human rights standards across the business. Overall accountability for the programme sits with our Executive Vice President, General Counsel and Company Secretary, who is a member of IHG's Executive Committee. Our Human Rights team is responsible for integrating human rights into the business and works closely with other teams across the organisation to bring our commitments to life.

This year we expanded our brand standard that requires IHG hotel colleagues to complete annual training on preventing human trafficking to have global coverage.

#### Due diligence

We conduct ongoing human rights due diligence across our business and supply chain through risk and impact assessments, integrating findings and tracking the effectiveness of actions taken. We utilise a wide range of internal and external data to support these efforts and strive to meaningfully engage with rights holders such as workers.

We continue to drive compliance with IHG's Responsible Labour Requirements (RLRs), which set out minimum standards for our managed, owned & leased hotels on ethical recruitment, staff accommodation, worker voice and the use of third parties to source labour. In 2025, we rolled out new digital self-assessments globally, enhancing transparency, monitoring and the quality of corrective actions. Over 92% of hotels completed the self-assessment and generally demonstrated good understanding and alignment with the RLRs.

This year, we have worked on addressing the findings from our on-site assessments conducted across selected hotels in the United Arab Emirates, Saudi Arabia and Kuwait at the end of 2024.

These assessments included focus groups and one-to-one interviews with a range of colleagues, interviews with managers, engagement with selected labour suppliers and tours of different departments and staff accommodation. The on-site assessments generally identified examples of good responsible labour practices across all hotels, demonstrating the ongoing progress being made and the value of the RLRs. However, areas of improvement were noted, particularly in relation to colleagues employed by labour suppliers. We have taken action to address the findings, working with the hotels to drive stronger labour standards across our operations.

For further information on how some of the gaps and adverse impacts identified through the on-site assessment are being addressed, see page 14 of our 2025 Modern Slavery Statement.

1



1
Developing the next generation of hospitality talent through the IHG Internship Programme.

2

2
In 2025, IHG embedded a new approach to high performance.

To help support our franchised hotels' efforts on this topic, this year we made guidance on responsible labour practices available to them.

In 2025, we also continued to strengthen human rights due diligence across our supply chain by progressing our work to trial supplier assessments and audits with Sedex. For further information, please see the Responsible Procurement section on page 57.

### Remediation

We work to provide access to reporting channels for anyone whose human rights may have been affected by our business activities or business relationships and provide remedy for those impacts we have caused or contributed towards. This year, we continued to address recommendations from the 2024 review of our confidential reporting channel against the effectiveness criteria set out in the UN Guiding Principles on Business and Human Rights. We made key materials for users available in additional languages and strengthened communication with reporters.

### Capabilities and engagement

We drive awareness of human rights through our mandatory Code of Conduct e-learning module and via targeted training for colleagues to understand the commitments and actions relevant to their role.

This includes training for colleagues in owned & leased, managed and franchised hotels on how to identify and report suspected human trafficking activities. This year, in partnership with leading anti-trafficking NGO PACT and industry peers, we updated this training to reflect the latest guidance from experts and insights from survivors. We also continued to drive completion of our responsible labour e-learning for owned & leased and managed hotels and hosted internal learning sessions for colleagues in procurement, legal and corporate responsibility.

We strongly believe that collaboration with experts and peers, both in our industry and beyond, plays an important role in addressing human rights risks through focusing attention and action towards a joint purpose, with the potential of driving systemic change.

For example, IHG is participating in a multi-stakeholder, cross-industry initiative facilitated by Impactt to develop a freely available map of labour migration corridors at higher risk of recruitment fees and related costs. This resource aims to provide companies across all sectors with data on recruitment fees and related costs paid by workers to inform human rights due diligence processes and decisions affecting migrant workers' human rights. Further information on our key human rights partnerships can be found on page 21 of our 2025 Modern Slavery Statement.

Being a responsible business continued

Our people
**Our communities**
Carbon and energy
Waste
Water

# Our communities

## Improve the lives of 30 million people in our communities around the world

- Drive economic and social change through skills training and innovation.
- Support our communities when natural disasters strike.
- Collaborate to aid those facing food poverty.

Contributing to the following UN SDGs


## 2025 highlights

**>10.2m[a]**

lives improved through our collective action and work with our charity partners since 2021.

**22**

natural disasters responded to, supporting charities in critical recovery efforts.


1

Sitting at the heart of our work in communities is a pledge to improve the lives of 30 million people through focusing on skills training, disaster response and food security. We do this through direct funding and working in partnership with expert organisations, with our colleagues also sharing their time, skills and passion to address social needs in their communities.

### Local action and Giving for Good month

Throughout the year, teams support a wide range of local causes, and each September we amplify this impact through Giving for Good month. Colleagues take part in activities ranging from clean-up events and supporting homeless shelters and food banks, to fundraising for local organisations. Highlights this year included Greater China's Decathlon of Charity, which engaged more than 8,000 colleagues, and Singapore's fourth annual Giving for Good relay, which raised funds for an organisation that provides training and job opportunities for people with learning disabilities.

Our guests are also given the opportunity to show their support to communities by donating their IHG One Rewards points for good. We work with a range of non-profits, from food banks to job-training organisations, where donated points are converted into dollars to support their work.

In total, we have improved over 10.2 million lives through our collective action and work with our charity partners since 2021.

### Skills training

The travel and tourism industry plays a vital role in economic growth, accounting for one in 10 jobs worldwide and offering a variety of career pathways. Since 2006, the IHG Academy has supported communities by helping people build the skills, confidence and access needed to pursue meaningful careers in hospitality.

The IHG Academy is structured around three interconnected pillars – Discover, Skills Builder and Career Launcher – designed to engage, educate and inspire talent at every stage of their journey into hospitality. As the programme approaches its 20th anniversary in 2026, it continues to evolve to meet changing industry needs and expand access to opportunity.

Through IHG Discover, we introduce people to the breadth of roles available in hospitality. In 2025, we delivered interactive sessions across countries, engaging participants through schools, NGOs and charities. This included a pilot of Virtual IHG Discover Career Workshops, improving accessibility and broadening our reach to new audiences.

IHG Skills Builder, our free online learning platform, supports learners around the world to develop both hospitality-specific and transferable skills.

a. The methodology IHG uses for 'lives improved' focuses on the number of individuals directly engaged through IHG's community impact programmes, using the Business for Societal Impact (B4SI) framework to assess IHG's community investments, measuring inputs, outputs, outcomes and long-term societal impacts.

In 2025, learners signed up to complete courses and earn digital badges to recognise their progress. The platform was further enhanced through new content, including the launch of Careers in Hospitality e-learning in Arabic and English, alongside increased global awareness through social media campaigns.

Through IHG Career Launcher, we provide structured, on-property opportunities that help individuals transition into employment. In 2025, the programme delivered internships, work placements and apprenticeships across multiple countries, offering practical experience and pathways into long-term careers. This included a new partnership in the UK with The King's Trust, where our events have already resulted in employment opportunities. We also established the IHG Academy alumni talent community, strengthening ongoing engagement with future talent beyond individual programmes.

Together, these initiatives reflect our continued commitment to strengthening communities, fostering inclusive growth and developing the next generation of hotel talent.

## Disaster response

Across all our regions, our swift and coordinated responses to natural disasters in 2025 reflect our deep commitment to supporting communities and colleagues. We have supported the response to multiple disasters over the years – including wildfires, tropical storms and flooding – and have a proud record of being there when our communities need us most.

In 2025, we supported 22 disaster relief efforts around the globe, including in the US, China and South East Asia, working closely with charity relief experts such as CARE International and The International Federation of Red Cross and Red Crescent Societies. We activated the IHG Disaster Colleague Assistance Fund to provide financial support for colleagues needing food and secure living conditions following natural disasters.

## Collaborating to aid those facing food poverty

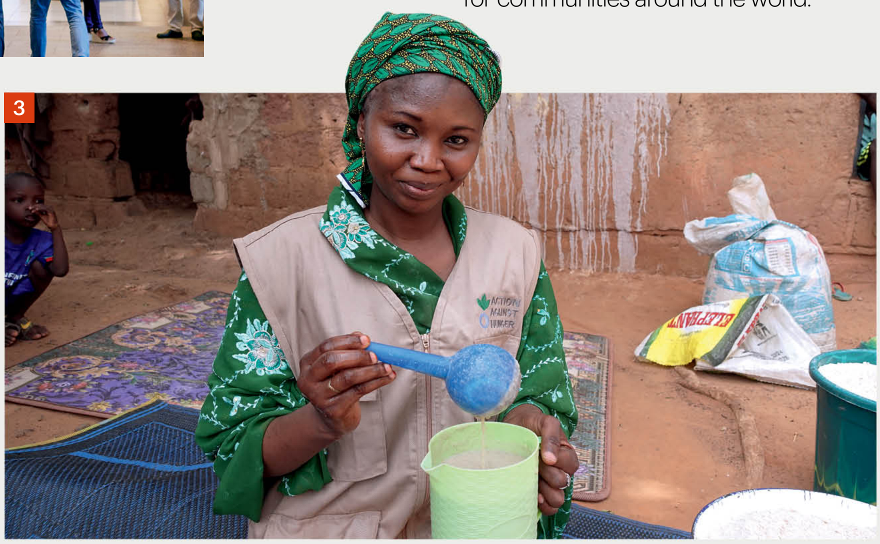
Food insecurity continues to affect billions worldwide, and addressing it remains a key focus. In 2025, we marked the one-year anniversary of our global partnership with Action Against Hunger, supporting its mission to combat hunger and malnutrition globally. From funding nutrition screenings to strengthening local health systems, our partnership delivers both immediate relief and long-term impact, with 5.4 million people supported through our partnership since launch.

Locally, we continue to work with food banks and charities. In the US, a number of hotels are participating in initiatives with surplus food recovery organisations to help support local communities. We supported No Kid Hungry's Taste of the Nation events in Houston and Chicago, which both helped to raise funds to support the organisation's work in addressing childhood hunger. In Australia and New Zealand, 49 hotels took part in our Stay for Good initiative with OzHarvest and KiwiHarvest in which participating guests donated $1 per stay. This resulted in over 140,000 meals being donated to local communities. The programme was also expanded to Singapore, Indonesia, Vietnam and Thailand.

By combining global reach with local action, we are helping reduce food waste, improve access to nutrition and support healthier futures for communities around the world.

2


3



1
Colleagues from the EVEN Hotel Pittsburgh Downtown, US, supporting a community food bank during Giving for Good month.

2
Our Atlanta-based interns embody IHG's commitment to developing the next generation of hospitality leaders and strengthening local communities.

3
Amina, Nutrition Assistant at Action Against Hunger, assisting women in the preparation of tom brown porridge that improves children's health. Bagarawa, Sokoto State, Nigeria.

Being a responsible business continued

Our people
Our communities
**Carbon and energy**
Waste
Water

# Our planet

## Carbon and energy: Reduce our energy use and carbon emissions in line with climate science

- **Implement a 2030 science-based target that delivers 46% absolute reduction in carbon dioxide emissions from our franchised, managed and owned & leased hotels.**
- **Target 100% new-build hotels to operate at very low/zero carbon emissions by 2030.**
- **Maximise/optimise the role of renewable energy.**

Contributing to the following UN SDGs

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
10 REDUCED INEQUALITIES
17 PARTNERSHIPS FOR THE GOALS

## Carbon and energy

By taking action on climate change, we can reduce our environmental footprint, strengthen resilience to future risks and meet growing demands from guests, owners, investors and colleagues for action in this area.

Our emissions reduction plan focuses on three key areas based on what IHG can control and influence: implementing energy efficiency measures in hotels; pioneering low-carbon hotels; and supporting hotels to source renewable energy.

Our asset-light business model means that almost all of our hotels are owned by third parties, with just over half of the emissions under our carbon target generated by franchisees who manage and operate their properties independently. We are committed to supporting owners – many of whom are small businesses – to decarbonise and improve operational efficiency by providing a wide range of tools and resources. For example, our Hotel Energy Reduction Opportunities (HERO) tool benchmarks an individual hotel against other IHG hotels of the same brand, region and climate zone and analyses where the hotel's energy is being consumed. It is then able to make customised suggestions on which energy conservation measures (ECMs) are most appropriate for that hotel and provides approximate costs, savings and payback periods to support forward capital planning.

## Our 2025 performance

In 2021, we set a target to reduce absolute Scope 1, 2, and 3 (including energy from FERA and franchised hotels) by 46% by 2030 from a 2019 baseline – a goal validated by the Science Based Targets initiative (SBTi).

Our ongoing commitment to actions driving energy reduction and decarbonisation has delivered a 10.2% reduction in energy consumption per available room and a 11.0% reduction in carbon emissions per available room in 2025 compared with 2019. Last year, we reported that we were off track to meet our 2030 target and this continues to be the case in 2025 due to the continued lack of a clean energy infrastructure in many of our markets, alongside the successful opening of more hotels globally. This means total carbon emissions are up 7.7% since 2019.[a]

As we review our future carbon target, we are considering the evolving landscape of sustainability standards, including updates to carbon accounting, target validation criteria from third parties and emerging technologies. Maintaining focus on where IHG can drive and influence decarbonisation will be critical to shaping strategies that remain relevant and effective across all regions and communities we serve. This work will be completed during 2026.

We remain committed to supporting hotel owners in reducing their energy consumption and carbon emissions. While our programmes will take time to scale, the actions we are implementing today will enhance operational efficiency across IHG hotels and position us for accelerated decarbonisation when market conditions become more favourable.

+ See pages 82 to 83 for detailed energy and carbon data, and page 83 for our data methodology statement.

## Implementing energy efficiency measures in hotels

In 2025, we continued to integrate ECMs into our brand standards, prioritising those with paybacks under five years and developing additional standards for specific regions and segments. Over the past four years, 18 ECMs have been incorporated, targeting kitchens, heating and cooling, lighting and swimming pools. Almost 95% of our managed, owned & leased hotels have now been upgraded with LED lighting and water-efficient fixtures, including back-of-house areas. By making these replacements in all hotels we are delivering significant energy and water savings without compromising guest experience.

To drive further action, every hotel is also assigned customised annual energy reduction targets, tailored to its brand, region and climate zone, and performance is monitored as part of broader hotel metrics.

a. All figures are restated annually (see page 82 to 83). Given 2025 revisions, performance trends should be assessed using only the restated figures in this report.

## Pioneering low-carbon hotels

To support the future development of IHG hotels, we are focused on testing, learning and sharing insights on innovative approaches that can accelerate our efforts and inspire broader adoption of carbon reduction practices across our estate. In 2025, we celebrated one year of our Low Carbon Pioneers programme, which brings together energy-efficient hotels that do not combust fossil fuels on site and are powered by renewable energy. We expanded this network to include hotels across Asia, Europe and the Americas. This provides more sustainable choices for corporate clients and leisure guests, while enabling us to test, learn and share insights on what works in practice. In our Americas region, we are supporting owners that are opening new hotels for select brands by working alongside architects during the design phase to provide low-carbon options of prototypes for hotel designs.

## Supporting hotels source renewable energy

Helping hotels access renewable energy can enable them to quickly reduce emissions, particularly in regions with carbon-intensive electricity grids.

While most of our hotels operate under franchise agreements, and therefore purchase their own energy, we strive to help hotels access renewable energy solutions where we can, including connecting them with Community Solar programmes in select US markets.

Where credible renewable energy markets exist, we assist our managed hotels in negotiating renewable electricity contracts.

In addition, several of our global offices, including our headquarters in Windsor in the UK and Atlanta in the US, are procuring 100% renewable electricity.

We continue to explore the delivery of a broader renewable energy programme that can be accessed by a wider range of our hotels. In Greater China, we undertook a feasibility survey this year before launching a number of pilots for renewable energy contracts. In the US, continued efforts have been focused on the development of resources to support hotels interested in exploring on-site solar opportunities.

1


2

1
Our Meeting for Good programme was named the 2025 Gold Medal winner in Northstar's Stella Awards for the Best Sustainability Initiative.

2
In partnership with Zeal Hotels and Valor Hospitality, we opened voco Zeal Exeter Science Park in the UK, our first branded hotel designed to reach net zero operational and embodied carbon. The hotel is designed to operate entirely on renewable energy and is part of our Low Carbon Pioneers programme.

# Being a responsible business continued
## Our planet continued

Our people
Our communities
Carbon and energy
**Waste**
Water

## Waste: Pioneering the transformation to a minimal waste hospitality industry

- Eliminate single-use items, or move to reusable or recyclable alternatives across the guest stay.
- Minimise food going to waste through a 'prevent, donate, divert' plan.
- Collaborate to achieve circular solutions for major hotel commodity items.

Contributing to the following UN SDGs

11 Sustainable cities and communities
12 Responsible consumption and production
14 Life below water
17 Partnerships for the goals

### Waste

We recognise the importance of reducing, reusing and recycling wherever possible. Key waste streams in our industry include food service and single-use items, and this year we have continued to advance efforts across our three regions to reduce our impact in these areas.

### Eliminating single-use items

Hotels are supported through access to a Single-Use Items Toolkit, which provides guidance on reducing, reusing, replacing and recycling single-use items. This resource is available to our hotels globally and includes brand examples and insights tailored to properties operating with varied waste-management infrastructures.

In our EMEAA hotels, guest-facing communications complement this approach, and certain guest room amenities, such as combs and toothbrushes, are now provided on request rather than placed in every room, helping to reduce unnecessary waste. This approach is further supported in Greater China, where the expansion of our partnership with Ant Forest to nearly 480 hotels enables guests to forgo selected amenities in exchange for green points that contribute to tree-planting programmes.

Brand standards continue to strengthen our approach to reducing plastic waste. This year, standards eliminating plastic water bottles from guestrooms, meetings and events were extended beyond European hotels to properties in Australia, New Zealand, Singapore, Japan, Saudi Arabia and the UAE.

A further brand standard was introduced to remove plastic bin liners from guest bedrooms in our EMEAA region.

### Circular solutions

We recognise that products provided to guests staying in our hotels can collectively generate large amounts of waste if not reused or recycled. We therefore aim to embed circular economy principles by procuring products that incorporate recycled content or make sure items can be put to good use once they leave our hotels. Across our regions, hotels partner with innovative organisations to create circular solutions that reduce waste, drawing on a range of approaches tailored to different products, materials and local needs.

In the US, owners can access our Renew, Renovate, Recover (3RE) playbook, which supports the handling of major commodity items during refurbishments and helps identify partners that can refurbish or repurpose equipment. In 2025, for example, more than 100 US hotels participated in a decommissioning programme for packaged terminal air conditioners, with over 2,000 units diverted from landfill upon replacement. Other initiatives across our regions include exploring recycling and reuse options, from coffee-capsule recycling and food-waste diversion to integrating recycled content into products ranging from upholstery to uniforms.

### Food waste

To effectively combat food waste, we have implemented a comprehensive approach that focuses on training, monitoring, reducing waste at the source and donating surplus food whenever possible.

Since launching our global food waste e-learning module in 2022, it has been accessed by more than 2,700 hotels with over 85,000 courses completed. This year, we updated it with user experience enhancements, additional context and actionable guidance to further engage and help hotel teams reduce food waste. The refreshed module will be launched in 2026.

In 2025, we continued to transition Holiday Inn Express hotels in the US and Canada to bulk condiments within their Express Start breakfast bars, helping to reduce the number of single-use plastic items and limit food waste.

Additionally, we focus on supporting our hotels to divert surplus food from going to waste. In the US, several hotels have piloted initiatives with surplus-food recovery organisations to support local communities through waste-diversion efforts, and in EMEAA we launched new guidance for hotels on donating and diverting surplus food. We also continued our collaboration with the Too Good To Go app across more than 100 hotels in the UK, saving over 110,000 meals from going to waste. In Greater China, more than 50 hotels now work with the third-party platform Xishi Magic Bag, connecting them with customers who purchase unsold food and helping to avoid more than 12 tonnes of food waste, with additional hotels expected to join soon.

+ For more details on how we support our communities through food redistribution initiatives, please see page 69.

Our people
Our communities
Carbon and energy
Waste
Water

## Water: Conserving water and helping secure water access in those areas at greatest risk

- **Implement tools to reduce the water footprint of our hotels.**
- **Mitigate water risk through stakeholder collaboration to deliver water stewardship at basin level.**
- **Collaborate to ensure adequate water, sanitation and hygiene (WASH) conditions for our operating communities.**

**Contributing to the following UN SDGs**

6 Clean water and sanitation
11 Sustainable cities and communities
13 Climate action
17 Partnerships for the goals

## Water

Running our hotels can require significant volumes of water, so it's critical we support them to use water efficiently, particularly those hotels located in areas experiencing high water stress or drought risk.

Since 2019, we have been part of the UN CEO Water Mandate, which represents a commitment to six principles aimed at mobilising business leaders around water, sanitation and the UN SDGs. As part of our involvement, we remained members of the Water Resilience Coalition, which seeks to prioritise global water stress on the corporate agenda and preserve the world's freshwater resources through collaborative efforts.

## Mitigating water risks

To assess water risks at all hotel locations based on usage-to-supply ratios, we use the World Resources Institute Aqueduct Water Risk Atlas. We disclose this information in accordance with the Sustainability Accounting Standards Board framework, which includes details on water use in regions facing extreme and high water scarcity.

## Reducing water use

We have continued to drive installation of high-efficiency aerated showerheads and taps across our hotels. Almost 95% of our managed, owned & leased hotels this year have now adopted these measures to reduce water use.

Our Greener Stay Initiative allows guests to forgo daily housekeeping and reuse linen and towels in return for IHG One Rewards points, which helps to reduce water and energy consumption.

This year we launched a new water conservation guidebook for hotels in both our Americas and EMEAA regions. The guidebook provides advice on establishing a culture of water conservation within a hotel, as well as understanding the utilities and billing structure. The guidebook also shares operational best practices and enhancements that drive water efficiency across different areas of the hotel, encompassing: plumbing; food and beverage; housekeeping and laundry; pool and heating; and cooling systems and landscaping.

In our Americas region, we have also been developing resources, running pilots and gathering case studies on water-saving technologies to support engagement with hotels.

In 2025, our water intensity ($m^3$ of water use per available room) decreased by 1.7% compared with 2019. We anticipate that as we implement water efficiency brand standards across our hotels, this improvement in water efficiency will continue to grow. For detailed water data, please refer to page 7 of our 2025 ESG Databook.

At the local level, hotels across our estate are also taking action to conserve water and engage with local conservation charities. For more on the other ways we support our communities, see page 68.

1
Our voco Brussels City North hotel in Belgium has installed an innovative system that collects and treats shower water from guestrooms, helping the hotel reduce water use and associated costs.

Being a responsible business continued

Our people
Our communities
**Carbon and energy**
**Waste**
**Water**

# How IHG is helping hotels reduce their environmental impact

We are committed to working closely with our owners, many of whom are small business owners, to support their efforts in reducing their environmental impacts, decarbonising their properties and improving operational efficiency.

Choosing to partner with IHG offers our hotel owners access to the following tools and resources to build their knowledge, skills and awareness of ways to reduce their hotel energy consumption and reduce water and waste.

## Tools and resources to help our owners

### Environmental management platform and data collection

Every IHG hotel has access to our IHG Green Engage system, which enables hotel teams to measure and report energy, water and waste data. Hotels are set annual energy reduction targets, and we continue to invest in data acquisition solutions, including centralised utility data feeds developed with specialist partners, which send usage data directly into Green Engage to improve accuracy and strengthen hotels' ability to respond to client information requests.

### Energy and carbon reduction training, tools and incentives

IHG provides resources to help hotels identify and implement energy-efficiency measures. E-learning modules outline practical actions to reduce consumption, and the HERO tool gives building-specific recommendations for energy conservation measures, including indicative costs, savings and payback periods, supported by guides and case studies. Hotels are also supported to identify financial incentives, including tax-incentive and utility-rebate reports in the Americas and an 'energy-efficiency-as-a-service' option that finances and installs energy conservation measures with shared savings.

### Water and waste reduction resources

Food waste training modules and supporting materials, such as tracking tools and surplus food rescue guidance, help teams apply practical steps aligned with our "Prevent, Donate, Divert" approach. Hotels in several regions have access to guidance to reduce water use and associated costs.

### Helping communicate sustainability to guests

Hotels receive practical support to make their sustainability work visible to guests. Resources include support for achieving green certifications, with guidance on requirements and discounted fees through partnerships with Green Key and Green Key Global. Step-by-step instructions help hotels enrol in Meeting for Good, our sustainable meetings programme, and communication toolkits and an online advisory tool enable hotels to communicate initiatives confidently. Engagement is further reinforced through networks of hotel-based champions.

### Community impact resources

Hotels can draw on a range of practical resources to deliver community initiatives. These include the Action Against Hunger partnership toolkit, the Community Tracker guide for consistent reporting of volunteering and donations, and "Activities in a Box" materials that help teams run impactful, locally relevant projects.

# 2025 Transition Plan

## Our ambition

In 2021, we set an ambition to reduce absolute Scope 1, 2, and 3 emissions (including those from FERA and franchised hotels) by 46% by 2030 from a 2019 base year. This target received validation from the Science Based Targets initiative (SBTi) to align with climate science. Please see the carbon and energy section on page 70 for an overview of our performance against this target.

## Reducing our emissions

While programmes will take time to scale and achieving our target relies on the adoption of clean energy infrastructure in many of our markets, actions are underway to improve hotel operational efficiency and position IHG for accelerated decarbonisation when market conditions allow. Since setting our target, we have mapped what it would take to achieve it, identified key initiatives and focused on areas we can control and influence.

## Integrating governance and performance

Oversight sits with the Chief Sustainability Officer, who reports to the Executive Committee and the Responsible Business Committee.

We embed accountability by integrating annual energy reduction targets into hotel performance, tailored by region, brand and climate zone. These are supported by compliance expectations and a focus on verifiable data to strengthen transparency. We also reinforce our commitments by incorporating carbon measures into the LTIP for Executive Directors and senior leaders. Together, these elements create a coherent approach that seeks to drive meaningful change across the business.

## Our Transition Plan

2019 — Short-term — Mid-term — 2030

| Primary decarbonisation levers | Plan | Act | Scale |
|---|---|---|---|
| **1** Implementing energy efficiency measures in hotels | – Energy and carbon modelling to identify decarbonisation pathways and that integrate business growth plans.<br>– Return on investment analysis of energy efficiency measures, considering regional market variations. | – Implementing energy conservation measures in all existing and new-build hotels, prioritising those requiring minimal resources or with a return on investment under five years, supported by brand standards, hotel-level energy metric and LTIP remuneration targets for Executive Directors and senior leaders.<br>– Investing in tools and training, such as the HERO tool and the Green Engage platform, to help owners with decarbonisation initiatives. | – Continue to increase hotel adoption of ECMs.<br>– Partner with organisations that can incentivise hotel owners to adopt ECMs with longer payback periods. Explore innovative new ECMs and adopt as and when the technology becomes available. |
| **2** Pioneering low-carbon hotels | – Develop a definition of a very low or zero operational carbon building to guide development of future IHG hotels. | – Development of our Low Carbon Pioneers programme to increase the number of hotels that operate at very low or zero carbon to help us test, learn and share findings on carbon reduction measures. | – Test, learn and share findings to promote the wider adoption of carbon reduction practices, and increase the number of hotels operating at very low or zero carbon. |
| **3** Supporting hotels to source renewable energy | – Understanding availability of renewable energy at scale. | – Transitioning to renewable energy through mechanisms such as green tariffs, community solar and on-site renewable generation, where commercially viable.<br>– Identifying financial mechanisms to support widespread adoption of on-site and off-site renewables. | – Scale access and adoption of renewable energy as markets deregulate. |

# Being a responsible business continued
## 2025 Transition Plan continued

### The external landscape

As a global leader in the hospitality industry, IHG is committed to driving sustainability and decarbonisation efforts across our operations. Reducing energy use and carbon emissions is important to supporting our strategy, enhancing resilience and meeting the expectations of guests, investors and wider stakeholders.

Our fee-based, asset-light business model enables the rapid growth of our hotel estate and delivers higher returns with lower economic risk. However, it also means we have limited direct control over many of the emissions generated across our business.

We engage owners and key external stakeholders, supporting hotels to reduce operational costs, improve performance and meet evolving sustainability expectations. This includes working with industry bodies such as the World Sustainable Hospitality Alliance (WSHA), the Global Business Travel Association (GBTA) and the World Travel & Tourism Council (WTTC) to help shape shared standards and accelerate decarbonisation across the sector. For example, IHG has supported the WSHA with developing the industry's Pathway to Net Positive Hospitality and tools for measuring sustainability.

IHG is also a founding member of the HARP, which aims to improve supplier sustainability by fostering collaboration with trading partners, increasing transparency and scaling positive impact across the industry's value chains, underpinned by appropriate governance and compliance controls.

Many of the countries in which we operate do not have national net-zero policies, which are critical for providing the infrastructure, incentives and regulatory certainty needed to support progress towards our decarbonisation target. The key external macro- and industry-level factors influencing the pace at which IHG can decarbonise are outlined below.

### Macro factors

#### Energy infrastructure

Energy costs and electricity price differentials influence how attractive energy-efficiency improvements are, and determine the viability speed and payback period of hotel electrification.

Availability of renewable energy sources and grid capacity for clean energy adoption impact decarbonisation.

#### National regulations

National and local environmental laws, taxes and standards can have a significant impact on the pace and scope of the achievement of our carbon reduction commitments.

#### Economic outlook

Spend by consumers on travel continues to be an area of resilient discretionary spending, and is dependent on the global macro-economic outlook. Hotel owners' willingness to invest in initiatives is impacted by growth conditions in the global hotel industry.

### Industry factors

#### High cost of retrofits

Retrofitting buildings for energy efficiency (such as through heating, ventilation and air conditioning (HVAC), lighting or insulation upgrades or on-site renewable energy installations) can be costly and disruptive, slowing decarbonisation efforts.

#### Carbon accounting standards

Current lack of clarity and confidence in future carbon accounting and certification rules, such as the use of market-based solutions like Renewable Energy Certificates, inhibits effective business planning.

#### Employee turnover

The hotel industry faces high employee turnover, making it harder to maintain consistent sustainability practices with high levels of retraining required.

### Value chain factors

#### Franchise business model

Many hotel franchisees are small business owners with limited resources and access to credit, making it harder to invest in costly decarbonisation efforts. They might not face the same regulatory or investor expectations concerning carbon performance as IHG does.

#### Owner investment decisions

Even within the franchise model, the pace of decarbonisation depends heavily on whether individual property owners choose to invest in energy efficiency upgrades. These decisions are influenced by local economics, access to finance and competing priorities, and IHG can only encourage rather than mandate them.

#### Market demand

Guest preferences for sustainable practices and eco-friendly products and services can impact the pace at which a business decarbonises.

# Managing climate risks and opportunities

## Compliance with Listing Rule 6.6.6R(8)

Our Task Force on Climate-related Financial Disclosures (TCFD) reporting for 2025 is integrated into our Annual Report, and is consistent with the Companies Act 2006 requirements s414CA and 414CB and the London Stock Exchange Listing Rule 6.6.6R(8). This includes consistency with all 11 TCFD recommendations and with the Guidance for All Sectors.

The disclosures are supplemented by additional content within the 2025 ESG Databook.

## Governance

### Board oversight of climate-related risks and opportunities

The Board retains ultimate responsibility for the Group's strategy, including decarbonisation, and ensures effective controls and risk management systems are in place. Management is accountable for identifying and addressing climate-related risks and opportunities, as well as for delivering on climate targets. Climate-related matters are reviewed quarterly by the Board and its Committees, and are embedded in annual strategy sessions, risk reviews and budget planning. These discussions include updates on progress against carbon reduction commitments, climate risks and opportunities, and implications for financial resilience and capital allocation, where applicable.

In line with best practice, the performance and effectiveness of the Board and its Committees are carefully reviewed each year through a formal evaluation process. The Board's overall effectiveness considers Board composition, including knowledge, experience and competencies, and succession planning (see page 127).

Details of Board and Committee membership and attendance for 2025 are provided on page 117. Individual Board reports, outlining key duties, Committee roles, focus areas and activities during the year, can be found on pages 128 to 139. We recognise the importance of stakeholder perspectives in Board decision-making, and further information on how Directors have had regard to these, is provided in the Section 172 statement (pages 124 to 125) and in our stakeholder engagement disclosures (pages 44 to 45).

Climate-related responsibilities are integrated across all Board Committees:

- **Audit Committee:** Oversees climate-related risks as part of the annual risk cycle, monitors assurance and data integrity for financial and non-financial disclosures and considers the potential impact of climate change on financial position.
- **Responsible Business Committee:** Advises on responsible business strategy, including climate change, and monitors progress against our Journey to Tomorrow goals and Transition Plan. Provides recommendations and reports on carbon-related LTIP measures to the Remuneration Committee.
- **Remuneration Committee:** Embeds climate accountability at senior levels through LTIP measures linked to carbon targets.
- **Nomination Committee:** In line with UK corporate governance principles, the Committee reviews the composition of the Board and its Principal Committees, evaluating the balance of skills, experience, independence and knowledge.

### Management's role in assessing and managing climate-related risks and opportunities

IHG's governance structure embeds climate-related risks and opportunities, including decarbonisation as a key mitigation strategy, into strategic planning and risk management processes.

- **Executive Committee:** Holds overall responsibility for managing climate-related risks and opportunities within IHG's strategic objectives and risk framework, including oversight of our decarbonisation strategy.

  Accountability is reinforced through Executive Committee Sponsors, the CFO and EVP of Global Corporate Affairs, who sponsor the principal risk relating to climate change, receive updates twice a year and report to the Board as required.
- **ESG Risk & Reporting Steering Committee:** Senior leaders from finance, legal, risk and corporate responsibility oversee identification and assessment of climate-related risks and opportunities, integrate scenario analysis into planning and monitor progress against climate risk objectives. The Committee meets quarterly and reports to the Executive Committee as needed.
- **Regional Environment Steering Committees:** These committees tailor decarbonisation and environmental strategies to regional contexts and oversee implementation across operations. They meet quarterly.

## Strategy

IHG's long-term success relies on the sustainability of our operations, the resilience of our supply chain and effective management of risks that could impact our business model and performance, including those related to climate change. As a major global hospitality company, we recognise the important role we play in addressing climate-related impacts.

### Overview of climate-related risks and opportunities

IHG has identified a range of climate-related risks and opportunities across short-, medium- and long-term horizons that could potentially have a material impact on IHG. Key risks include transition risks associated with decarbonisation expectations and changing consumer preferences, as well as physical risks from acute weather events and chronic changes in climate patterns. Potential opportunities include enhancing operational efficiency, strengthening reputation and providing carbon efficient hotels aligned with a low-carbon economy. See table on page 79 to 80 for more details on these risks and opportunities.

# Being a responsible business continued
## Managing climate risks and opportunities continued

To determine which climate-related risks and opportunities could have a material financial impact on IHG, we follow a process aligned with our principal risk management framework (see pages 46 to 48 for more details). This includes:

1. horizon scanning of regulatory trends, stakeholder expectations and market developments;
2. financial materiality screening, which constitutes a holistic assessment based on the potential impact across the following parameters: operating profit impact, reputational impact, operational impact, and impact to investment-grade credit rating; and
3. regular review and governance oversight, with updates provided to senior leadership and the Board as part of our principal risk reporting cycle.

This process ensures that climate-related risks and opportunities are prioritised based on their likelihood, potential impact and relevance to IHG's long-term value creation.

### Impacts of climate-related risks and opportunities

Climate-related risks and opportunities could affect IHG's business model, strategic priorities and financial planning, if unmitigated. Transition risks may impact reputation, and operational efficiency, while physical risks could disrupt hotel operations, supply chains and resource availability. These factors could influence long term shareholder value, requiring ongoing adaptation of our strategy, investment in decarbonisation and mitigation measures, and integration into capital allocation.

Based on current analysis, these risks are not assessed as material to IHG's financial performance at present; however, they could become material over the long-term if unmitigated. We recognise that certainty over the scale and timing of these impacts is inherently challenging, and therefore integrate these considerations into our strategic planning and risk management. Our management strategies aim to proactively address these risks and opportunities as circumstances evolve.

To see how IHG integrates this information into key decision making, see 'Integration into overall risk management' on page 81 and 'Management of climate-related risks and opportunities' on page 80.

Given our asset-light model, we believe our strategic approach is well suited to address these challenges and maximise associated opportunities. 'Care for our people, communities and planet' is one of IHG's four key strategic pillars and is delivered through our Journey to Tomorrow responsible business plan. Within this, our Transition Plan (see pages 75 to 76) sets out practical actions to advance our decarbonisation goals, including improving energy efficiency, supporting hotels to source renewable energy and expanding our Low Carbon Pioneers programme. It also recognises external challenges, such as evolving regulations, market dynamics and infrastructure availability, that influence the pace at which we can achieve our targets. For 2025 performance and progress against the target, see pages 70 to 71.

### Resilience of IHG's strategy to climate-related risks and opportunities

IHG's strategy is tested for resilience under a range of climate scenarios.

In accordance with TCFD recommendations, we've assessed climate risks and opportunities against (1) transition risks: related to the transition to a low-carbon economy, and (2) physical risks: related to the physical impacts of climate change in our three regions (Americas, EMEAA and Greater China).

To assess potential transition impacts, we have used the International Institute for Applied Systems Analysis' Shared Socioeconomic Pathways to capture how societal, economic and technological trends could evolve under three selected temperature rise scenarios.

To assess potential physical impacts, we have aligned the temperature rise scenarios in our analysis with the Intergovernmental Panel on Climate Change's 1.5°C, 2°C and 4°C aligned Representative Concentration Pathways (RCPs) 2.6, 4.5 and 8.5, respectively.

These scenarios were selected to capture a range of plausible futures, from ambitious global decarbonisation (1.5°C and 2°C) to higher physical climate risk (4°C), enabling IHG to assess the resilience of its strategy under both transition and physical risk conditions relevant to our global operations and stakeholder expectations. The analysis uses the same boundaries, definitions and calculation methods as our GHG reporting methodology (see page 83), ensuring assumptions and estimates are consistent, transparent and based on verified data.

Our strategy is designed to remain resilient under both transition and physical risks, with adaptive measures and ongoing review ensuring we can respond effectively to a 2°C-or-lower scenario and to increased physical climate-related risks. See the table on pages 79-80 for more details on how we build resilience to address each climate-related risk and opportunity. We have considered these over the short, medium and long term.

| Climate risk time horizons | Description |
|---|---|
| **Short** (1–5 years) | Our short-term horizon encompasses our financial going concern and viability statement assessments, along with our budget-setting timeline. Our hotel energy performance targets are also aligned to this timeframe. |
| **Medium** (6–15 years) | Our medium-term time horizon reflects the Group Long Range Plan time horizon from a strategic planning perspective. |
| **Long** (16–30 years) | A long-term time horizon of up to 30 years aligns with national government policy and regulatory timeframes: For example, the UK's 2050 net-zero target and global climate agreements. It also reflects the longer-term nature of the contracts we sign with our owners. |

# IHG's climate-related risks and opportunities, if unmitigated

**Unmitigated potential risks and opportunities**

**IHG's risk management and strategic response to build business resilience**

## Risk/opportunity 1:
### IHG's ability to decarbonise in line with stakeholder expectations
Potential short-term (1–5 years) impact under a 1.5°C scenario, if unmitigated

Failure to decarbonise in line with stakeholder expectations could create reputational risk, especially under a 1.5°C scenario, and extend into the medium/long term if progress lags competitors. Under a 4°C scenario, the reputational risk diminishes as broader failure to meet targets becomes more common.

**Market:** Stakeholder perceptions may influence investor decisions, potentially impacting our inclusion in sustainability indices and therefore overall attractiveness to investors, and access to certain financing. It's possible that some franchisees might be less willing to partner with us, which could lead to lower system growth over the long term.

Based on current investor feedback, and performance in sustainability indices, we are not seeing a material reputational impact at the Group level. However, we continue to listen closely to owners and operational teams to understand how this risk may manifest in our communities at a regional or local level, and take appropriate action to mitigate its impact.

**Policy and legal:** The ability of governments to implement policies and plans to implement their climate commitments significantly influences the pace at which IHG can decarbonise.

Current regulatory frameworks are not fully aligned to support business decarbonisation, which is negatively impacting progress against our target. Given this is outside our direct control, we are not seeing it result in a negative reputational impact for our business, but we remain committed to supporting hotel owners in reducing energy consumption and carbon emissions, and continue to engage with policymakers and industry partners to help drive alignment and accelerate progress.

By taking action to decarbonise and reduce our environmental impact, we help our hotel owners manage rising operational costs, create more secure supply chains and reduce financial risks linked to climate change, while strengthening IHG's reputation. Our predominantly asset-light business model means that the majority of our hotels are owned by third parties, so we work closely with hotel owners and their teams to lower energy use and carbon emissions. These efforts are embedded within IHG's strategic priority to 'Care for our people, communities and planet'.

We actively engage with our stakeholders, maintain transparency in our reporting and provide a wide range of resources, guidance and training to support our hotels in reducing their carbon emissions. Our programmes will require time to scale, the actions we are taking today will improve operational efficiency of our buildings and prepare us for accelerated decarbonisation once local market factors, such as renewable energy support for electricity grids, are more favourable. We continue to track stakeholder perceptions in this area.

+ Our decarbonisation strategy and Transition Plan, outlined on pages 75 to 76, detail our actions, dependencies and progress towards our decarbonisation target.

## Risk/opportunity 2:
### Changing consumer preferences towards sustainable travel
Potential short-term (1–5 years) impact under a 1.5°C scenario, if unmitigated

**Market:** Growing demand for sustainable travel could affect IHG's financial performance positively or negatively, depending on our ability to adapt. The impact is likely greater under a 1.5°C scenario, which assumes faster, stricter decarbonisation measures and stronger consumer expectations and regulatory pressure than 2°C or 4°C pathways.

Our analysis of potential financial impacts considers how travel behaviour could change across different business segments. It indicates that our corporate customer segment may be most exposed if business travel is included in customer carbon reduction targets. Using publicly available data, we modelled how demand for business travel could be affected under different climate pathways, based on the carbon reduction commitments of companies that use our hotels. While this is a useful indicator, we cannot form a direct correlation to future travel behaviour as sustainability is one of many factors that influence travel decisions, and it is not possible to isolate the impact that each one has individually. We do not have sufficient evidence to suggest that corporate clients are actively reducing travel in a meaningful way to meet emissions goals, and it is not yet clear what role carbon offsets will play in individual strategies. Given IHG's asset-light, fee-based business model, we do not see a material impact from this risk at the Group level at present. We will continue to monitor this risk as market behaviours and regulations evolve.

Understanding guest preferences and expectations is central to IHG's long-term success. To meet evolving expectations for sustainable travel, we are committed to reducing the environmental impact of our hotels by providing training, tools and resources, alongside fostering innovation through cross-industry partnerships. We work closely with owners to ensure guests are informed about sustainability initiatives and can make choices that align with their values. In 2025 we continued to expand our Low Carbon Pioneers programme, promoted our Greener Stay initiative, supported hotels with third-party sustainability certifications and advanced our award-winning Meeting for Good programme to address demand for sustainable options. We track corporate customer requests for sustainability related information.

We acknowledge the need to analyse other components of this risk to determine its overall materiality, including corporate and leisure consumer preferences for sustainable stays. While we cannot discount the risk of leisure travellers making more sustainable travel choices, there is currently insufficient evidence to suggest that this is a significant factor in decision-making. As more external data becomes available, we will explore other components of this risk and continue to refine our assumptions and modelling of the medium- and long-term risk.

+ See page 71 for more on our Low Carbon Pioneer programme.

# Being a responsible business continued
## Managing climate risks and opportunities continued

**Unmitigated potential risks and opportunities**

**IHG's risk management and strategic response to build business resilience**

### Risk 3:
### Increased frequency and severity of extreme weather events
Potential long-term (16–30 years) impact under a 2°C and 4°C scenario, if unmitigated

**Acute:** Rising global temperatures and the resulting increase in the frequency and severity of extreme weather events creates an inherent risk of disruption to IHG hotel operations, worsening under a 4°C scenario. Disruptions from such events could impact hotel revenues (and the fee income received by IHG), potentially reducing the appeal of the hotel industry to owners in specific locations. Additionally, IHG may face reputational risks if we do not respond effectively to these events or provide adequate support to affected owners and communities.

In 2025, we completed further analysis to understand how certain acute physical risks might change in the future and how they could impact our operations. Hotel-level analysis indicates that there could be significant increases in incidences of severe storms in the US, China and Southeast Asia by 2050. While these could impact revenue and owner returns at individual hotels, our preliminary financial analysis to date suggests that our asset-light franchise model and global footprint means that, on an aggregated basis, this risk is unlikely to have a material financial impact to IHG at the Group level.

We are proud to support our communities in times of need. With the increasing impacts of climate change being felt globally, we continue to work with humanitarian aid partners to assist with relief and recovery efforts. Our enterprise-wide approach to business resilience planning includes identifying risks, ensuring readiness, responding effectively and facilitating recovery from operational disruptions. We support hotels and surrounding communities in the aftermath of natural disasters through our humanitarian aid partners, the Disaster Colleague Assistance Fund and natural disaster guides. We also track in-year trading impacts from extreme weather events to inform planning and response.

+ For more information on our disaster response efforts, see page 69.

### Risk 4:
### Significant changes in long-term weather patterns
Potential long-term (16–30 years) impact under a 2°C and 4°C scenario, if unmitigated

**Chronic:** As global temperatures rise, chronic physical risks, such as persistent changes in weather patterns, are expected to intensify, particularly under higher temperature scenarios. These changes could lead to higher operating costs for hotel owners, shifts in customer travel patterns and disruptions in resource availability due to population migration and supply chain disruption.

In 2025 we updated our analysis to improve our understanding of the significance of this chronic risk. We have focused on the potential impact of long-term temperature change on energy usage in hotels through increased and/or cooling demands. Our analysis identified that IHG's hotel locations are more exposed to long-term persistent chronic climate risks than to short-term acute shocks. Significant risks include heat stress in Southeast Asia, the UAE, China and India, and water stress in regions such as the US, China, Australia, Mexico and Saudi Arabia. Extreme temperature, prolonged heatwaves and heavy rainfall are expected to increase under a 4°C scenario (RCP 8.5) to 2030 and 2050. While this could impact revenue and owner returns at individual hotels, our financial analysis to date suggests that our asset-light franchise model and global footprint means that, on an aggregated basis, this risk is unlikely to have a material financial impact to IHG at the Group level.

We support our hotel owners in implementing efficient building practices, including energy and water efficiency and the use of renewable energy sources, to reduce reliance on resources and strengthen hotel resilience. In water management, we guide owners on adhering to brand standards for efficiency, such as installing low-flow fixtures. In drought-affected areas, hotels are bound by local water restrictions, with examples of hotels implementing desalination and working with local conservation charities and communities.

We monitor and report on water withdrawal in water-stressed areas, and our regional teams incorporate their understanding of local water stress into hotel engagement, using these insights to tailor water-conservation guidance and help properties respond to associated water-management challenges.

+ See pages 73 for more details on our Journey to Tomorrow water commitments and 2025 ESG Databook for water data.

## Risk management
### Identifying and assessing IHG's climate-related risks and opportunities

We identify climate-related risks and opportunities through regular horizon scanning of regulatory trends, stakeholder engagement, benchmarking against peers and scenario analysis.

Risks are assessed for their potential to materially affect IHG's revenue, costs or reputation across short-, medium- and long-term horizons.

Climate risks are assessed using the same criteria as other enterprise risks, with definitions aligned to our enterprise risk management standards. A key part of this process is determining their relative significance compared to other principal risks, including consideration of existing and emerging regulatory requirements.

### Management of climate-related risks and opportunities

We manage climate-related risks through mitigation (e.g., decarbonisation initiatives, operational efficiency improvements), transfer (e.g., insurance), acceptance (where risks are immaterial or unavoidable), and control (e.g., regulatory compliance).

Decisions on whether to mitigate, transfer, accept or control climate-related risks are informed by scenario analysis and financial materiality screening, considering potential impacts on revenue, costs and operations across short-, medium- and long-term horizons. Both transition risks (such as regulatory changes and carbon pricing) and physical risks (such as extreme weather and chronic climate shifts) are assessed using consistent criteria within our risk management framework. Prioritisation considers likelihood, potential financial impact and strategic relevance, with oversight by the ESG Risk & Reporting Committee.

We continually review these risks and update our assessment as circumstances evolve to ensure effective management.

### Integration into overall risk management

Climate change is one of IHG's 10 principal risks, and our processes for identifying, assessing and managing these risks are fully integrated into our principal risk management framework. This ensures climate risks are considered alongside other principal risks in strategic planning, capital allocation and operational decisions.

Oversight of this process rests with the Executive Committee and the Board. Risk reviews are conducted by the Executive Committee and management teams, supported by our Risk and Assurance team, which holds regular meetings with leaders responsible for assessing and managing risks. These discussions consider uncertainties such as the effect of climate change on hospitality and steps being taken to reduce exposure. We also regularly review and update our risk management processes to reflect emerging best practices, regulatory developments and stakeholder expectations.

Pages 79 and 80 outline our current management response to the four potentially material climate risks and opportunities. See page 193 for critical accounting policies and the use of judgements, estimates and assumptions regarding climate change. See the forward-looking statements on page 293.

## Metrics and targets

To help us manage our climate-related risks and opportunities, we have developed metrics and targets in line with TCFD recommended disclosures. Where determination of supplemental metrics and targets are still in progress, or we do not consider the category to be relevant to IHG, we have provided details.

### GHG emissions and progress against SBT

IHG has a Science Based Targets initiative (SBTi)-approved carbon reduction target, with GHG emissions performance reported as a key KPI within this Annual Report (see page 43). We use our carbon footprint – calculated as absolute GHG emissions using the GHG Protocol Corporate Accounting and Reporting Standard – to track progress against this target and our decarbonisation strategy (see pages 70 to 71 for details of the target and progress). Our Transition Plan on pages 75 and 76 outlines the actions, challenges and dependencies involved in meeting this target.

+ A breakdown of our GHG emissions, intensity metrics and methodology can be found on pages 82 and 83 in our Streamlined Energy and Carbon Reporting (SECR).

### Remuneration

To support our broader growth strategy, as well as our decarbonisation strategy and transition opportunities, we have embedded carbon-related metrics that focus on supporting owners to reduce energy costs and drive better hotel performance into executive remuneration under the Directors' Remuneration Policy. Our Executive Directors and other senior leaders LTIP include targets relating to the integration of ECMs into brand standards across new-build and existing hotels. We track these measures during the cycle, and we report on achievement in our Directors' Remuneration Report at the end of each cycle.

+ Remuneration Policy see **ihgplc.com/investors/corporate-governance/directors-remuneration-policy**

+ See pages 138 to 161 for more on our Directors' Remuneration Report.

### Capital deployment

Given the asset-light nature of our business model, we do not consider IHG capital deployment to be a material lever for managing our climate-related risks and opportunities, or for implementing our Transition Plan. For our owned & leased hotels, costs for energy efficiency and carbon reduction are factored into our five-year capital plan.

### Internal carbon pricing

Given that a large portion of our emissions stem from our franchised hotels, where our control is limited, we have determined that a conventional internal carbon price would not be the most impactful decarbonisation mechanism. Consequently, our efforts are directed toward more suitable mechanisms, as outlined in our Transition Plan on pages 75 to 76.

### External carbon price

Our revenue-based fee structure largely insulates us from exposure to carbon pricing legislation. However, we recognise that hotel owners may bear a substantial proportion of any potential carbon costs. To help maintain the long-term appeal of their hotels as investments, we actively support them in decarbonisation efforts.

### Transition risk and opportunities

We track the year-on-year performance of our GHG emissions as our key metric and manage these risks using our carbon reduction target and associated decarbonisation strategy as outlined on pages 75 and 76 of our Transition Plan.

We also use bespoke hotel-level energy reduction metrics and targets, as well as our remuneration targets, to drive the uptake of ECMs across our hotels.

Other environmental indicators help us to assess our performance against peers, including energy, renewables and water and waste data.

As our risk profile evolves, we will review and adapt our metrics to ensure they remain relevant and effective in monitoring and managing climate-related risks and opportunities. Any new metrics will be disclosed when appropriate.

+ See our environmental performance data in our 2025 ESG Databook on the IHG plc website.

### Physical risks

We have conducted detailed analysis of acute and chronic physical climate risks across IHG's hotel portfolio, including hotel-level modelling of future extreme weather events and long-term climate shifts. We track operational impacts from severe weather, and our financial analysis indicates these risks are not currently material at Group level, but we continue to refine our metrics and monitoring processes.

+ See risk table on page 80 for details of the physical risks IHG is most exposed to.

# Streamlined Energy and Carbon Reporting (SECR)

The following table shows our annual GHG performance and accounts for both our GHG emissions and energy use in the UK and globally, in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements.

Every IHG hotel is required to report their monthly energy consumption, and each one is assigned an annual energy reduction target, which is integrated into hotel-level metrics and key performance indicators.

This year, we celebrated one year of our Low Carbon Pioneers programme, an industry-first initiative that brings together energy-efficient hotels that do not combust fossil fuels on site and are backed by renewable energy. We continued to embed energy efficiency measures into our brand standards in areas such as kitchens, heating and cooling, and swimming pools.

More details of our global actions to reduce carbon and energy can be found in our Transition Plan on pages 75 to 76 alongside our carbon performance.

| Global energy use (MWh)[a] | | 2025 | 2024 | 2019 |
|---|---|---|---|---|
| Managed and owned & leased hotels and corporate offices | Fuel from boilers, furnaces and generators | **1,910,881** | 1,967,349 | 1,845,772 |
| | Electricity, heat steam and cooling (from non-renewable sources) | **4,578,687** | 4,499,587 | 3,703,294 |
| | Validated renewable electricity[b] | **127,372** | 38,580 | 5,114 |
| Franchised hotels | Fuel from boilers, furnaces and generators | **3,398,480** | 3,381,307 | 3,521,279 |
| | Electricity, heat steam and cooling (from non-renewable sources) | **5,626,020** | 5,443,206 | 5,292,981 |
| | Validated renewable electricity[b] | **12,944** | 8,324 | 2,367 |
| Global | Total energy use | **15,654,384** | 15,338,353 | 14,370,807 |
| UK energy consumption | | **616,052** | 609,292 | 684,588 |

a. Figures are restated annually (see page 83 for our restatement methodology). 2025 updates include incorporation of historic data from all conversion properties opened after 2019, some of which had previously been excluded, a correction to the available-room denominator used in intensity metrics, and updates to fuel to energy conversions. Performance trends should be assessed using only the restated figures in this report, rather than figures from previous reports. Our underlying methodology remains unchanged.

b. Renewable energy purchased or generated by hotels or corporate offices which have provided evidence of a Renewable Energy Certificate. Note: renewable energy use from hotels that do not provide evidence will not be accounted for as renewable.

| Global GHG emissions ($tCO_2e$)[a] | | | 2025 | 2024 | 2019 (baseline) |
|---|---|---|---|---|---|
| Managed and owned & leased hotels and corporate offices | Scope 1 (fuel from boilers, furnaces and generators) | | **412,325** | 430,458 | 408,063 |
| | Scope 2 (electricity, heat, steam and cooling) | market-based | **2,207,061** | 2,125,689 | 1,885,864 |
| | Scope 2 (electricity, heat, steam and cooling) | location-based | **2,199,728** | 2,111,563 | 1,879,253 |
| | Scope 3 FERA (fuel and energy-related activities) | | **598,128** | 581,817 | 503,267 |
| Franchised hotels | Scope 3 Franchise | | **2,913,383** | 2,855,817 | 2,846,396 |
| | Scope 3 Franchise FERA | | **592,662** | 577,542 | 601,482 |
| Global | Total market-based GHG emissions | | **6,723,559** | 6,571,323 | 6,245,072 |
| UK share of Scope 1 & 2 emissions | | | **10,839** | 7,745 | 17,619 |

a. Figures are restated annually (see page 83 for our restatement methodology). 2025 updates include incorporation of historic data from all conversion properties opened after 2019, some of which had previously been excluded, a correction to the available-room denominator used in intensity metrics, and updates to fuel to energy conversions. Performance trends should be assessed using only the restated figures in this report, rather than figures from previous reports. Our underlying methodology remains unchanged.

| Global GHG intensity metrics ($tCO_2e$)[a] | | 2025 | 2024 | 2019 |
|---|---|---|---|---|
| **Managed and owned & leased hotels and corporate offices** | Total gross revenue ($bn)[b] | **13.0** | 12.2 | 12.0 |
| | Scope 1 + 2 (market-based) emissions per $1,000 of total gross revenue[b] | **0.2015** | 0.2095 | 0.1912 |
| | Scope 1 + 2 (market-based) emissions per available room night | **0.0258** | 0.0262 | 0.0297 |
| **Franchised hotels**[c] | Scope 3 Franchise emissions per available room night | **0.0112** | 0.0112 | 0.0128 |
| **Global**[d] | Total GHG emissions per available room night | **0.0186** | 0.0187 | 0.0209 |

a. Figures are restated annually (see page 83 for our restatement methodology). 2025 updates include incorporation of historic data from all conversion properties opened after 2019, some of which had previously been excluded, a correction to the available-room denominator used in intensity metrics, and updates to fuel to energy conversions. Performance trends should be assessed using only the restated figures in this report, rather than figures from previous reports. Our underlying methodology remains unchanged.

b. Denominator is total gross revenue (TGR) associated with our managed hotels and owned & leased hotels only (figure also provided on page 91).

c. Excludes FERA emissions.

d. Global emissions include all GHG emissions aligned to SBT (incl. Managed FERA and Franchised FERA emissions).

## Statement of data methodology

### Reporting period

The data reported covers 1 January 2025 to 31 December 2025 and is aligned with IHG's financial reporting cycle.

### Scope and boundary approach

IHG's environmental data reporting methodology follows the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard which guide how we define organisational and operational boundaries, calculate emissions and apply reporting principles. This supports consistent, transparent and accurate reporting across the Group, providing a reliable basis for performance tracking, verification and disclosure.

IHG applies the operational control approach to define the organisational boundary, covering all subsidiaries and facilities over which IHG has operational control.

Scope 1 and 2 emissions cover hotels and offices under IHG's operational control, specifically managed and owned & leased properties and corporate offices. Scope 3 includes indirect emissions from franchised hotels (Category 14: Franchises) and upstream energy-related activities (Category 3: Fuel and Energy-Related Activities).

This scope selection aligns with Science Based Targets initiative (SBTi) criteria by focusing on the most material emissions sources and ensuring at least 67% of total Scope 3 emissions are covered.

Exclusive partnerships (e.g. Iberostar) are excluded from all reporting scopes.

### Data collection and reporting

All IHG hotels, including managed, franchised and conversion properties, and corporate offices are required to enter monthly energy data into IHG Green Engage™, the Group's environmental data management system.

Where consumption data is unavailable or lacks reliable supporting evidence, data is estimated using (i) the hotel's own valid historical data, or (ii) representative averages from comparable hotels, based on factors such as brand and region/climate characteristics.

Renewable electricity is recognised only where verified contractual instruments are in place (such as Renewable Energy Certificates, Power Purchase Agreements or certified green energy contracts).

To calculate GHG emissions ($CO_2$, $N_2O$, $CH_4$, HFCs), the most recent emissions factors are used from recognised sources including IEA, USEPA, and DESNZ[a], with all emissions reported in metric tonnes of carbon dioxide equivalent ($tCO_2e$).

### Restatement methodology

Baseline and historical data are reviewed and restated annually to reflect improvements in data quality, updated emission factors, methodological enhancements and portfolio movements (including removing exited hotels and estimating data for relevant conversion properties).

Out-of-cycle restatements may be required where a material change is identified, defined as a deviation of 5% or more at Group level for key data points, or where multiple smaller changes collectively have an equivalent impact.

### Data assurance and verification

Energy and carbon data undergo independent limited assurance. The data is verified to ISO 14064-3. The verification statement, available on IHG's corporate website, confirms no material misstatements were identified for the 2025 reporting year at **ihgplc.com/responsible-business**.

a. IEA: International Energy Agency, USEPA: United States Environmental Protection Agency, DESNZ: Department for Energy Security and Net Zero (UK).

# Being a responsible business continued

## Section 172 statement

Details of how the Directors have had regard to the matters set forth in Section 172(1)(a) to (f) of the Companies Act 2006 are provided in the Section 172 statement on pages 124 to 125.

Further details can be found throughout the Strategic and Governance Reports, including in our key stakeholder engagement disclosures on pages 44 and 45.

## Non-financial and sustainability information statement

Non-financial and sustainability information, produced to comply with sections 414CA and 414CB of the Companies Act 2006, including a description of policies, due diligence processes, outcomes and risks and opportunities, can be found as set out below. Internal verification and disclosure controls apply to all information covered in these areas.

- Impact of the Company's activities on the environment on pages 70 to 83.
- Social matters on pages 66 to 69.
- Anti-corruption and anti-bribery matters on page 57.
- Employee matters on pages 62 to 67, 125, 139, 145 to 147 and 159.
- Respect for human rights on page 66 and 67.
- A description of the Group's business model on pages 24 to 29.
- The Group's principal risks on pages 48 to 53.
- The Group's KPIs on pages 40 to 43.

+ See our relevant policies at **ihgplc.com/responsible-business**

## Climate-related financial disclosures

In accordance with Section 414CB of the UK Companies Act 2006, the required climate-related financial information disclosures can be found integrated throughout the Strategic Report, primarily in the TCFD report on pages 77 to 81.

## Reporting requirements

| Reporting requirements | Page |
|---|---|
| a) Group's governance for assessing and managing climate-related risks and opportunities | 77 and 122 |
| b) How climate-related risks and opportunities are identified, assessed and managed | 80 and 81 |
| c) How processes for identifying, assessing and managing climate-related risks are integrated into the overall Group Risk Management | 46 to 48, 53, 80 and 81 |
| d) Description of climate-related risks and opportunities, and time periods over which they are assessed | 78 |
| e) Impact of the climate-related risks and opportunities on the Group's business model and strategy | 78 to 80 |
| f) Analysis of the resilience of the Group's business model and strategy (climate-related scenarios) | 77 and 78 |
| g) Targets used by the Group to manage climate-related risks and to realise climate-related opportunities | 75 |
| h) Key performance indicators (including basis of calculating) used to assess progress against targets identified under (g) | 43 and 83 |