

Risk Factors Comparison 2025-02-11 to 2024-02-13 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

We are subject to various risks that make an investment in our securities risky. The events and consequences discussed in these risk factors could, in circumstances we may or may not be able to accurately predict, recognize, or control, have a material adverse effect on our business, liquidity, financial condition, and results of operations. In addition, these risks could cause results to differ materially from those we express in forward- looking statements contained in this report or in other Company communications. These risk factors do not identify all risks that we face, and our business could also be affected by factors, events, or uncertainties that are not presently known to us or that we currently do not consider to present significant risks to our operations.

Risks Relating to Our Industry Our industry is highly competitive, which may impact our ability to compete successfully for guests. We operate in markets that contain many competitors. Our hotel brands and other lodging offerings generally compete with ~~major hotel~~ **regional, national, and international chains that operate lodging properties or franchise their brands**, ~~regional hotel lodging properties that are not affiliated with a chains- chain~~, ~~independent hotels,~~ and ~~home sharing and online platforms that allow travelers to book short- term rental-rentals of homes services across national and apartments international venues~~. Our ability to remain competitive and attract and retain business, group and leisure travelers depends on our success in distinguishing and driving preference for our lodging products and services, including our Loyalty Program, direct ~~booking~~ channels, consumer- facing technology platforms and services, our co- branded credit cards, and other offerings. If we cannot compete successfully in these areas, our business, liquidity, financial condition, and results of operations could be materially adversely affected. Further, new lodging supply in individual markets could have a negative impact on the hotel industry and hamper our ability to maintain or increase room rates or occupancy in those markets. Economic and other global, national, and regional conditions and events have in the past impacted, and could in the future impact, our business, financial results and growth. Because we conduct our business on a global scale, we are affected by changes in global, national, or regional economies, governmental policies (including in areas such as trade, travel, immigration, labor, healthcare, and related issues), and geopolitical, public health, social and other conditions and events. Our business, financial results and growth are impacted by weak or volatile economic conditions; pandemics and other outbreaks of disease; natural and man- made disasters; changes in energy prices, interest rates and currency values; political instability, geopolitical **disputes or** conflict, actual or threatened war, terrorist activity, civil unrest and other acts of violence; heightened travel security measures, travel advisories, and disruptions in air and ground travel; and concerns over the foregoing. These conditions and events have in the past materially negatively impacted, and could in the future materially negatively impact, our business, operations, and financial results in many ways, including, but not limited to, as follows: • reducing revenues at ~~our managed and franchised hotels~~ **in our system**, ~~owned~~ **impacting our fees** and ~~leased~~ **the ability of** hotels, ~~and properties in which we have an investment, potentially impacting their ability~~ to meet expenses, including payment of amounts owed to us; • **reducing revenues we receive from other programs and offerings**; • adversely affecting the value of our owned and leased properties or investments; • affecting the ability or willingness of hotel owners ~~and franchisees~~ to service, repay or refinance existing indebtedness or similar obligations, including loans or guaranty advances we have made to or for them; • making it more difficult for hotel owners ~~and franchisees~~ to obtain financing on commercially acceptable terms, or at all; • causing hotel construction and opening delays; • decreasing the rate at which new projects enter our pipeline; • causing hotels to exit our system; • increasing operating costs; • requiring us to borrow or otherwise raise a significant amount of cash in order to preserve financial flexibility, repay maturing debt and manage debt maturities; • causing the terms of our borrowing to be more expensive or more restrictive; and • adversely affecting associate hiring and retention. The conditions and events discussed in this risk factor could also give rise to, aggravate, and impact our ability to allocate resources to mitigate the other risks that we identify below, which in turn could materially adversely affect our business, liquidity, financial condition, and results of operations.

Risks Relating to Our Business Operational Risks Premature termination of our ~~management or franchise agreements~~ **with hotel owners** could hurt our financial performance. Our ~~agreements with hotel owners management and franchise agreements~~ may be subject to premature termination in certain circumstances, such as the bankruptcy of a hotel owner ~~or franchisee~~, the failure of a hotel owner ~~or franchisee~~ to comply with its payment or other obligations under the agreement, a failure under some agreements to meet specified financial or performance criteria which we do not cure, or in certain limited cases, other negotiated contractual termination rights. ~~Property- Hotel~~ owners may assert the right to terminate ~~management our~~ agreements even where the agreements provide otherwise, and some courts have upheld such assertions about our ~~management~~ agreements and may do so in the future. When terminations occur for certain of these or other reasons, we may need to enforce our right to damages for breach of contract and related claims, which may cause us to incur significant legal fees and expenses. We may have difficulty collecting damages from the hotel owner ~~or franchisee~~, and any damages we ultimately collect could be less than the projected future value of the fees and other amounts we would have otherwise collected under the ~~management or franchise~~ agreement **with the hotel owner**. A significant loss of these agreements could hurt our financial performance or our ability to grow our business. Disagreements with ~~hotel owners and other counterparties~~ of hotels that we manage ~~or franchise~~ may result in arbitration or litigation or delay implementation of product or service initiatives. Consistent with our focus on management ~~and~~, franchising, **and licensing**, we own very few of our lodging properties. The nature of our **rights and** responsibilities under our ~~management~~ agreements **with to manage each hotel owners and enforce the other counterparties** standards required for our brands under both management and franchise agreements may be subject to interpretation. This has from time to time given rise to disagreements with ~~such parties hotel owners and franchisees~~, and may

give rise to such disagreements in the future, including over ~~the need for or payment for~~ new product, service, or systems initiatives **and their associated costs**, the timing and amount of capital investments, and reimbursement for operating costs, system costs, or other amounts. We have seen, and may in the future see, an increase in such disagreements ~~with hotel owners and franchisees~~ during periods when hotel returns are weaker. We seek to resolve any disagreements and to develop and maintain positive relations with ~~our current and potential~~ hotel owners, franchisees, and **other counterparties** ~~real estate investment partners~~, but we cannot always do so. Failure to resolve such disagreements has resulted in arbitration or litigation, and could do so in the future. We could suffer significant losses, reduced profits, or constraints on our operations as the result of adverse dispute resolution outcomes. An increase in the use of ~~third-party~~ Internet services **travel intermediaries** to book ~~online~~ hotel reservations could adversely impact our business. Some of our hotel rooms are booked through Internet travel intermediaries such as Expedia. com, Priceline. com, Booking. com, Travelocity. com, Orbitz. com, and ~~Ctrip-Trip . com~~ **and**. **In addition to other** ~~their~~ online travel service providers. These intermediaries ~~initially focused~~ **focus** on leisure travel, ~~but now these intermediaries~~ also provide offerings for corporate travel and group meetings. **Internet search engines may also divert business away from our channels to intermediaries**. Although our Best Rate Guarantee and Member Rate programs have helped limit guest preference shift to intermediaries and greatly reduced the ability of intermediaries to undercut the published rates at ~~our~~ hotels **in our system**, intermediaries continue to use a variety of aggressive online marketing methods to attract guests, including the purchase by certain companies of trademarked online keywords such as “Marriott” from Internet search engines such as Google, Bing, Yahoo, and Baidu to steer guests toward their websites. Our business and profitability could be harmed to the extent that ~~online~~ **guest booking preference shifts from our direct digital channels to Internet travel intermediaries** ~~succeed in significantly shifting loyalties from our lodging brands to their travel services~~, diverting bookings away from our direct ~~online digital~~ channels **and** ~~or through their fees~~, increasing the overall cost of ~~Internet~~ bookings for ~~our~~ hotels **in our system**. At the same time, if we are not able to negotiate new agreements on satisfactory terms when our existing contracts with intermediaries (which generally have two- to three- year terms) come up for renewal, our business and prospects could be negatively impacted in a number of ways, including by reducing bookings or making our brands less attractive to hotel owners. Our growth strategy depends upon attracting ~~hotel third-party owners and franchisees~~ to our platform, and future arrangements with these third parties may be less favorable to us, depending on the terms offered by our competitors. Adding properties to our system entails entering into and maintaining various arrangements with ~~property hotel~~ owners. Our ability to attract and retain **hotel** owners and franchisees and the terms of our ~~management and franchise~~ agreements **with hotel owners** are influenced by the needs and preferences of ~~hotel owners and franchisees~~ and the offerings otherwise available to **hotel** owners and franchisees in the market, among other things. We cannot assure you that any of our current arrangements will continue or that we will be able to renew agreements or enter into new agreements in the future on terms that are as favorable to us as those that exist today. The effects of, or our failure to comply with, applicable laws, regulations, **and** government policies may disrupt our business, lower our revenues, increase our costs, reduce our profits, limit our growth, or damage our reputation. We, the hotels **in that we franchise or our manage system, our other lodging offerings**, and the programs that we offer ~~are~~ subject to or affected by a variety of laws, regulations, **and** government policies around the globe, including, among others, those related to employment practices; marketing and advertising ~~efforts~~; **consumer protection**; trade and economic sanctions; anti- bribery, anti- corruption, and anti- money laundering; intellectual property; cybersecurity, data privacy, data localization, data transfers, and the handling of personally identifiable information; competition; climate and the environment; health **and**, safety, **and accessibility**; liquor sales; the offer and sale of franchises; and credit card products. These laws, regulations, and government policies may be complex and change frequently and could have a range of adverse effects on our business. The compliance programs, internal controls, and policies we maintain and enforce ~~may~~ need to be updated regularly to keep pace with changing laws, regulations, **and** government policies, **may not cover all applicable risk areas, and, as we have seen in the past, may not prevent us, our associates, contractors service providers, or agents from materially violating applicable laws, regulations, and government policies.** The requirements of applicable laws, regulations, and government policies, our failure to meet such requirements (including investigations and publicity resulting from actual or alleged failures), or actions we take to comply with such requirements or investigations could have significant adverse effects on our results of operations, reputation, or ability to grow our business. ~~Exchange rate fluctuations~~ **Third- party claims that we infringe the intellectual property rights of others or our failure to defend our own intellectual property rights could materially adversely affect our business. Third parties sometimes make claims against us for infringing their intellectual property rights (including as a result of the actions of our hotel owners, service providers, and other parties with whom we do business). We have been and are currently party to a number of such claims and may be subject to additional claims in the future. Such claims have in the past, and could in the future: • be expensive and time consuming to defend; • require or result in significant foreign currency gains monetary payments to claimants; • require or result in the limitation or cessation of our use of the intellectual property at issue; • force us to redesign or rebrand our products or services; or • result in other adverse effects on our business or reputation. We may also be required to indemnify hotel owners, service providers, and other parties with whom we do business for losses they incur as a result of any infringement claims against them related to our intellectual property or as a result of our use of the intellectual property of third parties. In addition, if third parties copy or use our intellectual property without authorization, the value of our brands, our competitive advantages, or our goodwill could be harmed. The steps we take to secure, protect, and affect defend our intellectual property rights may not succeed or be adequate to prevent others from infringing, copying, or using our intellectual property without proper authorization. Such steps, including enforcing our intellectual property rights, are costly and could force us to divert our resources, lead to counterclaims or other claims against us, or otherwise result in harm to our business results. If our brands, goodwill, We earn revenues and incur expenses in foreign currencies in connection with our or operations outside of the other intangible assets become impaired U. S. Accordingly, we fluctuations in currency exchange rates may be**

significantly increase the amount of U. S. dollars required to record for foreign currency expenses or significantly decrease the U. S. dollars we receive from foreign currency revenues. We are also exposed to currency translation risk because the results of our non- U cash charges to earnings. S-We hold a significant amount of goodwill and other intangible assets on our Balance Sheets. We review goodwill and indefinite-lived intangible assets for impairment annually or whenever events or circumstances indicate impairment may have occurred. Estimated fair values of our brands or reporting units could change if, for example, there are changes in the business are generally reported-climate, unanticipated changes in local currency-the competitive environment, adverse legal or regulatory claims, actions or developments, changes in guests' perception and the reputation of our brands, or changes in interest rates, operating cash flows, or market capitalization. Because of the significance of our goodwill and other intangible assets, any future impairment of these assets could require material non- cash charges to our results of operations, which we then translate to U. S. dollars for inclusion in our Financial Statements. As a result, exchange rate changes between foreign currencies and the U. S. dollar affect the amounts we record for our foreign assets, liabilities, revenues and expenses, and could have a material negative adverse effect on our reported financial condition and results of. To the extent that our international operations continue to grow, our exposure to foreign currency exchange rate fluctuations will grow. Even though we enter into foreign exchange hedging arrangements for some of the currencies in which we do business, exchange rate fluctuations could result in significant foreign currency gains and losses and affect our results. Our hedging arrangements may also create their own costs and risks, in the form of transaction costs, credit requirements, and counterparty risk. Our business depends on the quality and reputation of our Company and our brands, and any deterioration could adversely impact our market share, reputation, business, financial condition, or results of operations. Many factors can affect the reputation and value of our Company or one or more of our properties or brands, hotels in our system, or other offerings, including our ability to protect and use our brands and trademarks; our properties' adherence to service and other brand standards; our approach matters related to, or incidents involving, matters related to food quality and safety, guest and associate safety, health and cleanliness, sustainability and climate impact, supply chain management, inclusion and belonging, human rights, and support for local communities; and our compliance with applicable laws. Reputational value is also based on perceptions, and broad access to social media makes it easy for anyone to provide public feedback that can influence perceptions of us, our brands, and hotels in our system, our or properties-other offerings, and it may be difficult to control or effectively manage negative publicity, regardless of whether it is accurate. While reputations may take decades to build, negative incidents can quickly erode trust and confidence, particularly if they result in adverse mainstream and social media publicity, governmental investigations, proceedings or penalties, or litigation. Negative incidents could lead to tangible adverse effects on our business, including lost sales, boycotts, reduced enrollment and / or participation in our Loyalty Program, loss of development opportunities, adverse government attention, adverse reaction from hotel owners and franchisees, service providers, or other third parties, or associate retention and recruiting difficulties. Any material decline in the reputation or perceived quality of our brands or corporate image could affect our market share, reputation, business, financial condition, or results of operations. Actions by our hotel owners franchisees and licensees or others could adversely affect our image and reputation. We franchise and license many of our brand names and trademarks to third parties for lodging, timeshare, and residential properties, and with respect to our credit card programs and other offerings, and enter into marketing and other strategic collaborations with other companies. Under the terms of their agreements with us, these third parties interact directly with guests and others under or in connection with our brand and trade names. If these These third parties sometimes fail to maintain or act in accordance with applicable brand standards; experience operational problems, including a data or privacy incident incidents, or a circumstance circumstances involving guest or associate health or safety; or project a brand image inconsistent with ours, then each of which can cause our image and reputation could to suffer. Although our agreements with these parties generally provide us with recourse and remedies in the event of a breach, including termination of the agreements under certain circumstances, it could be expensive or time-consuming for us to pursue such remedies and even if we are successful in pursuing such remedies, that may not be sufficient to mitigate reputational harm to us. We also cannot assure you that in every instance a court would ultimately enforce our contractual termination rights or that we could collect any awarded damages from the defaulting party. Collective bargaining activity and strikes could materially disrupt our hotel operations, increase our labor costs, and interfere with the ability of our management to focus on executing our business strategies. A significant number of associates at our managed, leased, and owned hotels are covered by collective bargaining agreements. If relationships with our organized associates or the unions that represent them become adverse, then, as we have seen in the past, the properties we operate could experience labor disruptions such as strikes, lockouts, boycotts, and public demonstrations that cause a significant impact. Numerous collective bargaining agreements are typically subject to negotiation each year, and our ability in the past to resolve successful resolution of such negotiations in the past does not mean that we future negotiations will be able to resolve resolved future negotiations without significant strikes or disruptions, or on satisfactory terms that, For many of the hotels in our system, including our franchised and licensed properties, we consider reasonable do not have the ability to control the negotiations of collective bargaining agreements, and collective bargaining activity and labor disruptions at these properties could adversely impact our business. Labor disputes and disruptions sometimes result in adverse publicity or regulatory investigations and adversely affect operations and revenues at affected impacted hotels. In addition, labor disputes and disruptions or increased demands from labor unions can sometimes harm our relationship with our associates- associate relations, result in increased regulatory requirements or inquiries and enforcement by governmental authorities, harm our relationships with our guests and customers, divert management attention, and reduce customer demand for our services, all of which could have a significant adverse effect on our reputation, business, financial condition, or results of operations. In addition, labor regulation and the negotiation of new or existing collective bargaining agreements could, as we have seen in the past, lead to higher wage and benefit costs, changes in work rules that raise operating expenses and legal costs, and could impose limitations on our ability or

the ability of our ~~hotel third-party property~~ owners to take cost saving measures during economic downturns. ~~We do not have the ability to control the negotiations of collective bargaining agreements covering unionized labor employed by the operators of our franchised properties.~~ Increased unionization of ~~our the~~ workforce ~~at hotels in our system~~, new labor legislation, or changes in regulations could disrupt ~~our~~ operations ~~at hotels in our system~~, reduce ~~our~~ profitability, or interfere with the ability of our management to focus on executing our business strategies. Our business could suffer if we ~~or the hotels in our system~~ cannot attract and retain associates or as the result of the loss of the services of our senior executives. We ~~and the hotels in our system~~ compete with other companies both within and outside of our industry for personnel. We ~~and the hotels in our system~~ have in the past experienced, and could in the future experience, challenges hiring for certain positions due to various factors, such as increasing wage expectations or competition for labor from other industries, and these circumstances could continue or worsen in the future to an extent and for durations that we are not able to predict. If we ~~or the hotels in our system~~ cannot recruit, train, develop, and retain sufficient numbers of associates, we could experience significant negative impacts on ~~our~~ operations, associate morale and turnover, guest satisfaction, or our internal control environment. Insufficient numbers of associates could also limit our ability to grow and expand our business. Labor shortages have in the past resulted, and could in the future result, in higher wages and initial hiring costs, increasing our labor costs and labor costs at ~~our~~ hotels ~~in our system~~, which could reduce our revenues and profits. In addition, the efforts and abilities of our senior executives are important elements of maintaining our competitive position and driving future growth, and the loss of the services of one or more of our senior executives could result in challenges executing our business strategies or other adverse effects on our business. Extreme weather, natural disasters, climate change, and sustainability- related concerns have impacted our business in the past and could in the future have a material adverse effect on our business and results of operations. We ~~, the hotels in our system, and our other lodging offerings~~ are subject to the risks associated with extreme weather, natural disasters, and climate change, including ~~the physical~~ impacts ~~of the physical effects of climate change~~, changes in laws and regulations ~~related to climate change and sustainability~~, and changing consumer preferences. We have seen a decline in travel and reduced demand for lodging as a result of natural disasters and extreme weather in some ~~markets and~~ locations where we manage, franchise, own or lease properties or in areas of the world from which we draw guests, and the prevalence and impact of these events may increase or worsen in the future. Natural disasters, extreme weather, and other ~~physical climate~~ impacts ~~and events of climate change~~ (including rising sea levels, extreme hot or cold weather, flooding, water shortages, fires, and droughts) have ~~impacted, in the past and could continue to impact, hotels in our system, including by causing physical damage that prevents or limits the future operations of the property or result resulting~~ in increases in related insurance, energy or other operating costs, and physical damage to our hotels that might not be covered by insurance and might prevent or limit the operations of the property. Significant costs could be involved in improving the efficiency and climate resiliency of ~~our~~ hotels ~~in our system~~ and otherwise preparing for, responding to, and mitigating ~~the physical effects of climate change or sustainability -related impacts, events, or~~ concerns. Compliance with climate- related legislation and regulation, and our efforts to achieve science- based emissions reduction targets or other sustainability initiatives, ~~could also have been and are expected to continue to~~ be complex and costly. Growing public recognition of the dangers of climate ~~Climate or~~ change and other sustainability- related concerns may affect customers' travel choices, including their frequency of travel. As a result of the foregoing, ~~as we have seen in the past to some extent,~~ we may experience reduced demand, ~~significant increased operating and compliance~~ costs, operating disruptions or limitations, ~~and physical damage to hotels in our system, and we could experience~~ constraints on our ~~room~~ growth, and ~~physical damage to our hotels~~, all of which could adversely affect our profits and growth, ~~as we have seen in the past to some extent~~. Insurance may not cover damage to, or losses involving, ~~hotels in~~ properties that we own, manage, or ~~our system~~ franchise, or other aspects of our business, and the cost of such insurance could increase. We require comprehensive property and liability insurance policies for ~~hotels in our system managed, leased, and owned properties~~ with coverage features and insured limits that we believe are customary. ~~We also require our franchisees to maintain similar levels of insurance.~~ Market forces beyond our control may nonetheless limit the scope of the insurance coverage we, ~~or~~ our hotel owners, ~~or our franchisees~~ can obtain, or our or their ability to obtain coverage at reasonable rates. Certain types of losses, generally of a catastrophic nature, such as earthquakes, ~~fires~~, hurricanes and floods, terrorist acts, pandemics, or liabilities that result from incidents involving the security of information systems, may result in high deductibles, low limits, or may be uninsurable, or the cost of obtaining insurance may be unacceptably high. As a result, we, ~~and~~ our hotel owners, ~~and our franchisees~~ may not be successful in obtaining insurance without increases in cost or decreases in coverage levels, or may not be successful in obtaining insurance at all. For example, over the past several years following the severe and widespread damage caused by natural disasters, coupled with continued large global losses, the property, liability, and other insurance markets have seen significant cost increases. Further, in the event of a substantial loss, the insurance coverage we, ~~or~~ our hotel owners, ~~or our franchisees~~ carry may not be sufficient to pay the full market value or replacement cost of any lost investment or in some cases could result in certain losses being totally uninsured. As a result, our revenues and profits could be adversely affected, and for properties we own or lease, we could lose some or all of the capital that we have invested in the property and we could remain obligated for guarantees, debt, or other financial obligations. ~~If our brands, goodwill, or other intangible assets become impaired, we may be required to record significant non-cash charges to earnings.~~ As of December 31, 2023, we had \$ 18.1 billion of goodwill and other intangible assets. We review goodwill and indefinite-lived intangible assets for impairment annually or whenever events or circumstances indicate impairment may have occurred. Estimated fair values of our brands or reporting units could change if, for example, there are changes in the business climate, unanticipated changes in the competitive environment, adverse legal or regulatory actions or developments, changes in guests' perception and the reputation of our brands, or changes in interest rates, operating cash flows, or market capitalization. Because of the significance of our goodwill and other intangible assets, any future impairment of these assets could require material non-cash charges to our results of operations, which could have a material adverse effect on our reported financial condition and results of operations. Our Loyalty Program plays a significant role in our

business, and unfavorable developments affecting the program could adversely affect our business and results of operations. Our Loyalty Program is an important aspect of our business. Our Loyalty Program faces significant competition from the loyalty programs offered by other hospitality companies, as well as from loyalty programs offered by online travel platforms, bank travel programs, airlines, and others. There is significant competition among loyalty programs in terms of the value and utility of program currency, rewards ranges and values, and other program terms and conditions, and other program features, including co-branded credit card affiliations and offerings. If we are not able to maintain a competitive and attractive loyalty program, whether because of or if we make changes we make to the our Loyalty program Program or changes that, including as a result from external factors (of legal or regulatory requirements or considerations, we could experience significant adverse effects on our reputation, business, financial condition, or results of operations, including changes in law or regulation), our ability to acquire, engage, and retain members in our Loyalty Program and our ability to operate other programs (including our co-branded credit card program). Exchange rate fluctuations could result in significant foreign currency gains and losses and affect our business results. We earn revenues and incur expenses in foreign currencies in connection with our operations outside of the U. S. Accordingly, fluctuations in currency exchange rates may be adversely impacted significantly increase the amount of U. S. dollars required for foreign currency expenses or significantly decrease the U. S. dollars we receive from foreign currency revenues. We are also exposed to currency translation risk because the results of our non- U. S. business are generally reported in local currency, which could adversely we then translate to U. S. dollars for inclusion in our Financial Statements. As a result, exchange rate changes between foreign currencies and the U. S. dollar affect the amounts we record for our operating foreign assets, liabilities, revenues, and expenses, and could have a material negative effect on our financial results. To the extent that our international operations continue to grow, our exposure to foreign currency exchange rate fluctuations will grow. Even though we enter into foreign exchange hedging arrangements for some of the currencies in which we do business, exchange rate fluctuations will result in foreign currency gains and financial condition losses and could materially affect our results. Our hedging arrangements may also create their own costs and risks, including in the form of cash flow impacts, credit requirements, and counterparty risk.

Development and Financing Risks Our hotel owners and franchisees depend on capital to buy, develop, and improve hotels, and they may be unable to access capital when necessary. Current and potential hotel owners and franchisees must periodically spend money to fund new hotel investments, as well as to refurbish and improve existing hotels. The availability of funds for new investments, and improvement of existing hotels by our current and potential hotel owners and franchisees depends in large measure on their ability to access the capital markets, over which we have little control. Obtaining financing on attractive terms has been, and may in the future be further, constrained by the capital markets for hotel and real estate investments. Our ability to grow our management and franchise systems system is subject to the range of risks associated with real estate investments. Our ability to sustain continued growth through management or, franchise, or license agreements with for new hotels hotel owners and the conversion of existing facilities to managed or franchised Marriott brands is affected, and may potentially be limited, by a variety of factors influencing real estate development generally. These include site availability, financing availability, planning, zoning and other local approvals, and other limitations that may be imposed by market and submarket factors, such as projected room occupancy and rate, changes in growth in demand compared to projected supply, territorial restrictions in our management and franchise agreements with hotel owners, costs of construction, demand for and availability of construction resources, and other disruptive conditions in global, regional, or local markets. Our owned properties and other real estate investments subject us to numerous risks. We have a number of owned and leased properties and investments in joint ventures that own properties, which are each subject to the risks that generally relate to investments in real property. We may seek to sell some of these properties over time; however, equity real estate investments can be difficult to sell, and we may not be able to complete assets asset sales at prices we find acceptable or at all. Moreover, the investment returns available from equity investments in real estate depend in large part on the amount of income earned and capital appreciation generated, if any, by the particular properties, and the expenses incurred. A variety of other factors also affect income from properties and real estate values, including local market conditions and new supply of hotels and other lodging products, availability and costs of staffing, governmental regulations, insurance, zoning, tax and eminent domain laws, interest rate levels, and the availability of financing. Our real estate investments have been, and could in the future be, impacted by any of these factors, resulting in a material adverse impact on our results of operations or financial condition. If our properties do not generate revenue sufficient to meet operating expenses and make needed capital expenditures, our income could be adversely affected, and we could be required to record additional significant non-cash impairment charges to our results of operations. Risks associated with development and sale of residential properties associated with our lodging properties or brands may reduce our profits. We participate, through licensing license agreements, many of our brands for use in connection with the development and sale of residential properties associated with many of our luxury and premium brands. Such projects pose further risks beyond those generally associated with our lodging business, which may reduce our profits or compromise our brand equity, including risks that: (1) changes in residential real estate demand generally may reduce our profits and could make it more difficult to convince future project developers of the value added by our brands; and (2) increases in interest rates, reductions in mortgage availability or the tax benefits of mortgage financing or residential ownership generally, or increases in the costs of residential ownership could prevent potential customers from buying residential products or reduce the prices they are willing to pay. More hotel projects in our development pipeline may be cancelled or delayed in opening, which could adversely affect our growth prospects. We report a significant number of hotels in our development pipeline, including hotels under construction, hotels subject to signed contracts, and hotels approved for development but not yet under contract. The eventual opening of such pipeline hotels and, in particular, the approved hotels that are not yet under contract, is subject to numerous risks, including the other risks described in this section. We have seen construction timelines for pipeline hotels lengthen due to various factors, including challenges related to financing, and these circumstances could continue or worsen in

the future. Accordingly, we cannot assure you that all of our development pipeline will result in new **additional** hotels entering our system, or that those hotels will open when we anticipate. Losses on loans or ~~loan~~ guarantees that we have made to third parties impact our profits. ~~At From times--~~ **time to time**, we make loans for ~~to~~ hotel **owners as described in Note 12** development, acquisition, or renovation expenditures when we enter into or amend ~~--~~ **and** management or franchise agreements. ~~From time to time we also provide third-party~~ **guarantees to hotel owners or** lenders **as described in Note 7** with financial guarantees for the timely repayment of all or a portion of debt related to hotels that we manage or franchise, generally subject to an obligation that the owner reimburse us for any fundings. We have suffered losses, and could suffer losses in the future, when hotel owners or franchisees default on loans that we provide or ~~fail~~ **when we are required to fund under** reimburse us for loan guarantees that we have funded **and do not receive reimbursement from the hotel owner**. If hotel owners of hotels that we manage or franchise cannot repay or refinance mortgage loans secured by their properties, our revenues and profits could decrease and our business could be harmed. ~~The Many hotel owners of many of our managed or franchised properties have pledged their hotels as collateral for mortgage loans that they entered into when those properties were purchased or refinanced. If those hotel owners cannot meet required debt service payments or repay or refinance maturing indebtedness on favorable terms or at all, the lenders could declare a default, accelerate the related debt, and foreclose on the property, or the hotel owners could declare bankruptcy, as we have seen in the past and could see in the future. In some cases, such foreclosures or bankruptcies have in the past resulted, and could in the future result, in the termination of our management or, franchise, or license agreements, eliminating our anticipated income and cash flows, which could have a significant negative effect on our results of operations. Technology, Information Protection, and Privacy Risks Any disruption~~ **Disruption** in the functioning of our reservation, Loyalty Program, or other core operational systems, **or our use of certain new technologies**, could adversely affect our **business performance and results**. In the operation of our business, we manage or use sophisticated technology and systems, including those used for our reservation, customer relationship management, analytics, revenue management, property management, human resources and payroll systems, our Loyalty Program, and technologies we make available to our guests and for our associates. The cost, speed, accuracy, and efficiency of these technologies and systems are critical aspects of our business and are important considerations for hotel owners when choosing our brands. Our business may suffer if we or our ~~third-party~~ **hotel owners, service providers, or other third parties** fail to maintain, upgrade, or prevent disruption to these systems. Disruptions in or changes to these systems, including during upgrades or replacements, could result in a disruption to our business and the loss of important data. **We are incorporating artificial intelligence ("AI") technologies into certain of our processes, offerings, and services, and these technologies may become increasingly important in our operations over time. The introduction of these technologies, particularly generative AI, into our processes, offerings, and services may also result in new or expanded risks and liabilities, including due to increased governmental or regulatory scrutiny, legal claims and assertions, compliance and ethical considerations, data security and privacy risks, and other factors that could adversely affect our business, reputation, financial condition, or results of operations. In addition, it is possible that AI could be improperly utilized by associates while carrying out their responsibilities or lead to unintended consequences, including generating content that is factually inaccurate, misleading or otherwise flawed, or biased, or that results in other unintended harmful impacts, which could harm our reputation and business and expose us to risks related to inaccuracies or errors in the output of such technologies.** A failure to keep pace with developments in technology could impair our operations or competitive position. The lodging industry continues to demand the use of sophisticated technology and systems, including those used for our reservation, customer relationship management, analytics, revenue management, property management, human resources and payroll systems, our Loyalty Program, and technologies we make available to our guests and for our associates, ~~and these and other~~. ~~We have underway a multi-year initiative to upgrade certain of our core technologies and systems, as these and other technologies and systems described in this risk factor must be refined, updated, and / or replaced with more advanced systems on a regular basis. Our business could suffer if we cannot refine, update, and / or replace technologies and systems as quickly or effectively as our competitors, sufficiently in advance of obsolescence or performance failure or degradation, or within budgeted costs and time frames. We also may not achieve the benefits that we anticipate from any new or upgraded technology or system, and a failure to do so could result in higher than anticipated costs or lower guest satisfaction or could impair our operating results.~~ **We are undertaking a multi-year transformation of our reservations, property management, and loyalty systems. The development and deployment of our new systems could involve delays, system interruptions, compromises of data security, or other operational impacts, including impacts on our internal control environment.** Our business could also suffer if the use of technologies that provide alternatives to in-person meetings and events results in a decrease in demand for our lodging properties. We are exposed to risks and costs associated with protecting the integrity and security of ~~Company, associate, and guest~~ data. In the operation of our business, we collect, store, use, and transmit large volumes of personal data regarding associates, guests, customers, **hotel owners, licensees, service providers, franchisees, other third parties**, and our own business operations, including credit card numbers, reservation and loyalty data, and other personal data, in various information systems that we maintain and in systems maintained by third parties, including those of our **hotel owners, franchisees, licensees, service providers, and other third parties**. The integrity and protection of this personal data is critical to our business. Our guests and associates also have a high expectation that we, as well as our **hotel owners, franchisees, licensees, service providers, and other third parties**, will adequately protect and appropriately use their personal data. The information, security, and privacy requirements imposed by global laws and governmental regulation, our contractual obligations, and the requirements of the payment card industry continue to become increasingly stringent in many jurisdictions in which we operate. Our **information** systems and the **information** systems maintained or used by our **hotel owners, franchisees, licensees, service providers, and other third parties** may not be able to satisfy these changing legal and regulatory requirements and associate and guest expectations; we and / or these third parties may require significant additional investments or time to do so; and security controls that we and / or these

third parties may implement sometimes do not operate effectively or as intended. We have incurred and may in the future incur significant additional costs to meet these requirements, obligations, and expectations, and in the event of alleged or actual noncompliance, we may experience increased operating costs, increased exposure to payment obligations and litigation, and increased risk of damage to our reputation and brand. The Data Security Incident, and other information security incidents, could have numerous adverse effects on our business. As a result of the data security incident involving unauthorized access to the Starwood **Hotels & Resorts Worldwide, LLC, formerly known as Starwood Hotels & Resorts Worldwide, Inc. (“Starwood”)**, reservations database that we disclosed in November 2018 (the “Data Security Incident”), numerous lawsuits were filed against us, as described further in Note 7. ~~We, and we~~ may be named as a party in additional lawsuits ~~and or receive~~ other claims ~~may be asserted by or on behalf of guests, customers, hotel owners, stockholders, or others seeking monetary damages or other relief~~ related to the Data Security Incident. A number of federal, state, and foreign governmental authorities made inquiries, opened investigations, or requested information and / or documents related to the Data Security Incident, including under various data protection and privacy regulations. Responding to and resolving these lawsuits, claims, and / or investigations has resulted in payments and other expenses, such as the ~~£ 18.4 million~~ payment ~~to imposed by the AG Information Commissioner’s Office~~ **Offices** in the United Kingdom (~~as described below~~ the “ICO”) in connection with the ~~ICO’s final decision issued in October 2020~~, and could result in material additional payments or remedial or other expenses . **In the 2024 fourth quarter, we reached final resolutions with the U. S. Federal Trade Commission (“FTC”) and the Attorney General offices from 49 U. S. states and the District of Columbia (the “AG Offices”) in relation to the Data Security Incident. Among other terms, the resolution with the AG Offices included a \$ 52 million monetary payment. The resolutions with the FTC and the AG Offices include various ongoing requirements relating to our data privacy and information security programs. In the event of alleged or actual noncompliance with the resolutions with the FTC and AG Offices, we could face enforcement actions or contempt proceedings that could potentially result in fines, penalties, requirements to make additional changes to our data privacy and information security programs or business practices, or other adverse outcomes, which could have a material adverse effect on our financial condition and damage our reputation and brand** . Other governmental authorities investigating or seeking information about the Data Security Incident have imposed and may further impose undertakings, injunctive relief, consent decrees, or other ~~civil or criminal~~ penalties, which could, among other things, materially increase our costs or otherwise require us to alter how we operate our business **and could damage our reputation and brand** . Significant management time and Company resources have been, and will continue to be, devoted to matters related to the Data Security Incident . ~~Future publicity or developments related to the Data Security Incident, including as a result of subsequent reports or regulatory actions or developments, could have a range of other adverse effects on our business or prospects, including causing or contributing to loss of consumer confidence, reduced consumer demand, reduced enrollment and / or participation in our Loyalty Program, and associate retention and recruiting difficulties~~ . Insurance coverage designed to limit our exposure to losses such as those related to the Data Security Incident ~~is~~ **may be** costly and may not be sufficient or available to cover all of our expenses or other losses (including ~~the final payment~~ **payments** imposed by the ~~ICO~~ **AG Offices or other regulators** and ~~any~~ other payments, fines , or penalties) related to the Data Security Incident, and certain expenses by their nature (such as, for example, expenses related to enhancing our **data privacy and information cybersecurity** ---- **security program programs**) are not covered by our insurance program. Additional cybersecurity incidents could have adverse effects on our business. We have ~~implemented~~ enhanced **our** security measures to safeguard our **information** systems and data, and we intend to continue implementing additional measures in the future, but, as we have seen in the past, our measures may not be sufficient to maintain the confidentiality, security, or availability of the data we collect, store, and use to operate our business. Security measures implemented by our **hotel owners, service providers or our owners, and franchisees, licensees**, other third parties or their service providers also may not be sufficient, as we have seen in the past. Efforts to hack or circumvent security measures, efforts to gain unauthorized access to, exploit or disrupt the operation or integrity of our data or **information** systems, failures of **information** systems or software to operate as designed or intended, viruses, “ransomware” or other malware, “supply chain” attacks, “phishing” or other types of business communications compromises, operator error, or inadvertent releases of data have impacted, and may in the future impact, our information systems and records or those of our **hotel owners, franchisees, licensees, service providers, or other third parties**. Security measures, no matter how well designed or implemented, may only mitigate and not fully eliminate risks, and security events, when detected by security tools or third parties, may not always be immediately understood or acted upon. Our reliance on computer, Internet- based, and mobile systems and communications, and the frequency and sophistication of efforts by third parties to gain unauthorized access or prevent authorized access to such systems, have greatly increased in recent years. Our increased reliance on cloud- based services and on remote access to information systems **and our use of AI technologies** increases the Company’ s exposure to potential cybersecurity incidents. We **and our hotel owners, service providers, and other third parties** have experienced cyberattacks, attempts to disrupt access to ~~our~~ systems and data, and attempts to affect the operation or integrity of ~~our~~ data or systems, and the frequency and sophistication of such efforts could continue to increase. Any additional significant theft of, unauthorized access to, compromise or loss of, loss of access to, or fraudulent use of guest, associate, **hotel owner, franchisee service provider, licensee, or Company, or other** data **as a result of a cybersecurity incident** could adversely impact our reputation and could result in legal, regulatory , and other consequences, including remedial and other expenses, fines, or litigation. Depending on the nature and scope of the event, future compromises in the security of our information systems or those of our **hotel owners, franchisees, licensees, service providers, or other third parties, or other future disruptions or compromises of data or information** systems, could lead to future interruptions in, or other adverse effects on, the operation of our systems or those of our **hotel owners, franchisees, licensees, service providers, or other third parties**. This could result in operational interruptions and / or outages and a loss of profits, as well as negative publicity and other adverse effects on our business, including lost sales, loss of consumer confidence, boycotts, reduced enrollment and / or participation in our Loyalty

Program, litigation, **regulatory investigations or actions**, diminished associate satisfaction, and / or retention and recruiting difficulties, all of which could materially affect our market share, reputation, business, financial condition, or results of operations. Because we have experienced cybersecurity incidents in the past, additional **cybersecurity** incidents or the failure to detect and appropriately respond to additional **cybersecurity** incidents could magnify the severity of the adverse effects on our business. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage information systems change frequently **(including the integration of new technology such as AI)**, can be difficult to detect for long periods of time, and can involve difficult or prolonged assessment or remediation periods even once detected, which could also magnify the severity of these adverse effects. We cannot assure you that all potential causes of past significant **cybersecurity** incidents have been identified and remediated; additional measures may be needed to prevent significant incidents in the future. The steps we take may not be sufficient to prevent future significant **cybersecurity** incidents and as a result, such incidents may occur again. Although we carry cyber insurance that is designed to protect us against certain losses related to cyber risks, that insurance coverage may not be sufficient or available to cover all expenses or other losses (including payments **to regulatory authorities, fines, or penalties**) or all types of claims that may arise in connection with cyberattacks, security compromises, and other related incidents. Furthermore, in the future such insurance may not be available on commercially reasonable terms, or at all. Changes in privacy and data security laws could increase our operating costs and increase our exposure to payment obligations and litigation. We are subject to numerous, complex, and frequently changing laws, regulations, and contractual obligations designed to protect personal information. Various U. S. federal and state laws, data privacy, **and data security, and localization** laws outside of the U. S., payment card industry security standards, and other information privacy and security standards are all applicable to us. Significant legislative, judicial, or regulatory changes have been and could be issued in the future. Compliance with changes in applicable data security and privacy laws and regulations and contractual obligations **(including our resolutions with the FTC and AG Offices)**, including the need to respond to investigations into our compliance, has increased and **may is expected to** in the future increase our costs, and may restrict our business operations, increase our exposure to payment obligations and litigation in the event of alleged noncompliance, and adversely affect our reputation. Changes in laws could adversely affect our ability to market our products effectively. We rely on a variety of direct marketing techniques, including email marketing, online advertising (including through social media), and postal mailings. Any further legal restrictions under various U. S. federal, state, or international laws, or new international, federal, or state laws on marketing and solicitation or international privacy, e- privacy, and anti- spam laws that govern these activities could adversely affect the continuing effectiveness of email, online advertising (including through social media), and postal mailing techniques and could require changes in our marketing strategy. If this occurs, we may not be able to develop adequate alternative marketing strategies, which could impact the amount and timing of our sales of certain products. We also obtain access to potential guests and customers from travel service providers or other companies with whom we have substantial relationships, and we market to some individuals on these lists directly or by including our marketing message in the other companies' marketing materials. If access to these lists were to be prohibited or otherwise restricted, our ability to develop new guests and customers and introduce them to our products could be impaired. **Governance-General Risk Factors** Delaware law and our governing corporate documents contain, and our Board of Directors could implement, anti- takeover provisions that could deter takeover attempts. Under the Delaware business combination statute, a stockholder holding 15 percent or more of our outstanding voting stock could not acquire us without Board of Directors' consent for at least three years after the date the stockholder first held 15 percent or more of the voting stock. Our governing corporate documents also, among other things, require supermajority votes for mergers and similar transactions. In addition, our Board of Directors could, without stockholder approval, implement other anti- takeover defenses, such as a stockholder rights plan. **Changes in tax law, interpretations of existing tax law, or agreements or disputes with tax authorities could increase our tax costs. Determination of our worldwide provision for income taxes and other tax liabilities requires estimation and significant judgment, including because of the number of countries and territories in which we provide programs and services and the accounting complexity of certain of those programs and services. Applicable domestic and foreign tax authorities audit and review our determinations, and an adverse outcome resulting from any such audit or review could have a material negative effect on our operating results, cash flows, and financial condition. Our tax expenses and liabilities have in the past been and could in the future be affected by changes in tax laws or the interpretation of tax laws in any of the many jurisdictions in which we do business, as well as changes in our business operations.**