



Our key



The **Hotels** and **Services** businesses are growing rapidly and extending their global reach. In Hotels, the trend is towards the provision of hotel services, while in Services there is a shift from paper-based to electronic solutions. Expansion and changes in the businesses represent two key challenges. Accor is responding forcefully in its human resources practices by hiring the best people and supporting their growth and in its sustainable development policies through initiatives that demonstrate concern and respect for future generations and host communities.

challenges

The human resources challenge – pp. 28 to 37

The sustainable development challenge – pp. 38 to 53

Corporate sponsorship – pp. 54 to 55



Vietnam_Hanoi

Supporting development

Accor is growing and so is the workforce. With 1,000 hotels to open by 2010 and double-digit annual growth in Services, people are the key to successfully meeting the challenge posed by growth and expansion.

ATTRACTING TALENTED INDIVIDUALS

In 2007, Accor hired more than 30,000 people. To ensure the opening of 1,000 hotels by 2010, Accor will step up its recruitment initiatives, hiring a total of 1,000 hotel general managers, 5,000 service managers and nearly 50,000 hotel employees. These are ambitious objectives, both in Europe, where the population is aging, and in emerging countries, where skilled labor is lacking. International deployment and the shift to electronic media mean that Accor Services must also hire new employees – between 500 and 1,000 over the same period – in particular people with new skills and capabilities in such fields as computer engineering.

TO MEET THIS HUMAN RESOURCES CHALLENGE, ACCOR IS:

- Diversifying its hiring base.
- Increasing opportunities for mobility.
- Stepping up training programs.
- Supporting the development of hotel schools.

CREATING GATEWAYS

In 2007, Accor reached out to the educational community to promote its wide array of employment opportunities and encourage recent graduates to join the enterprise. In France, two awareness-building actions were launched in late 2007. In the first, developed jointly with the National Information Office for Jobs and Careers (Onisep), video testimonials of hotel professionals discussing their passion for their jobs were produced and posted online. The second – a seminar for cooking school teachers organized in cooperation with the Ministry of Education and École Lenôtre – focused on changes in kitchen jobs.

Accor's many contacts with educational institutions extend to other countries as well:

- **In India**, exchanges with hotel and business schools are held regularly to promote job opportunities, identify talent and prepare for openings, like that of the Novotel Hyderabad and the Hyderabad International Convention Centre.

- **In Morocco**, a broad-based literacy training program was introduced for employees in Accor-managed hotels, in cooperation with Sahil, a social development association. The goal is to create a future skills pool.

- **In the Netherlands**, hotel internships are made available to young people to help them decide on a career path, through a partnership with Campus Nieuw West.



IDENTIFYING THE MANAGERS OF TOMORROW

Anticipating a major wave of retirements in the coming years, human resources managers are already preparing the next generation through a process designed to identify and support the development of high-potential employees around the world. For each skills set, region and age bracket, a list of high-potential individuals and continuing education programs are prepared, continent by continent, to discover and train the managers of the future. The process also provides an opportunity to ensure diversity within the organization.

ENABLING EMPLOYEES TO SHARE IN ACCOR'S SUCCESS

Offered to all employees, performance-based incentives are a key component of Accor's compensation policy. In France, for instance, legally mandated profit-shares and the corporate savings plans are just two examples. Compensation for all managers includes a variable portion that ranges from 5% to 30% of the base salary depending on their level of responsibility.

HIRING NEEDS FOR 2010

1,000
hotel general managers

5,000
hotel service managers

50,000
hotel employees

500 to 1,000
new employees
for Accor Services

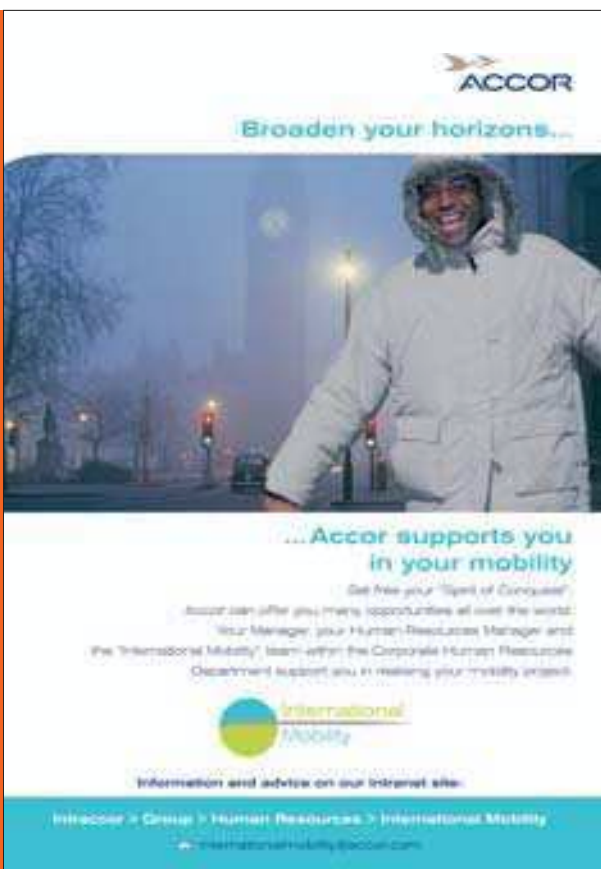
PROMOTING INTERNATIONAL MOBILITY

To actively encourage employees to pursue job opportunities in other countries, Accor's expatriation and international mobility team launched a "Broaden Your Horizons" campaign in late 2007. In addition to meeting the Group's development needs, mobility is also a way for managers to advance their careers and achieve greater fulfillment. That's why an assertive policy is today implemented by a dedicated organization with the necessary resources to promote mobility. For each country, a goal has been set of identifying 5% of managers for expatriate assignments each year.

REWARDING INITIATIVE



Innovation is a core value that employees apply every day through a participatory program called Innovaccor. In 2007, teams from around the world voted for and selected the year's best ideas from among several video presentations on the Group intranet. More than 50,000 videos were downloaded.



OPINION SURVEYS

Accor regularly solicits employee opinions through surveys conducted in its various units. In 2006-2007, more than 48,000 team members were polled about their work life, sources of satisfaction and motivation, and expectations. The goal is to gradually extend the survey process to include all employees worldwide.



Colombia_Sofitel Ibague Altamira

ENSURING MAXIMUM EMPLOYEE PROTECTION

Accor provides social security coverage that exceeds legal requirements, as well as health and safety protection that is measured by regular audits and in-house studies and applied worldwide. It also supports constructive dialogue with employees through a global agreement signed in 1995 with the International Union of Food Workers. As a result, the Group's 150,000 employees benefit from all the advantages of working for a large organization that is particularly sensitive to their well-being.

EMPLOYEE SHAREHOLDING

Available to employees in all subsidiaries in the 26 countries where permitted by law, the "Accor en Actions" employee shareholding program was launched in spring 2007 as part of the corporate stock savings plan. The program used a highly motivating leverage effect, whereby for each Accor share subscribed, the partner bank financed nine additional shares for the employee. In addition, the employee's initial contribution is insured.





Supporting changes in the business

Accor is helping employees adjust to the changes that are reshaping the business. These include faster international deployment, a shift towards electronic media and acquisitions in Services, as well as brand launches and repositionings, and the implementation of a new business model in Hotels.

MEETING HUMAN RESOURCES CHALLENGES IN THE SERVICES BUSINESS

With acquisitions, start-ups in ten countries by 2010, new technologies, and innovative product launches, the expansion of the Services business is having a direct, day-to-day impact on its 5,000 team members. Success will depend on the ability to integrate acquired companies, hire employees and upgrade the skills base. To support growth and attract talented individuals, Accor Services strengthened the human resources function in its host countries and stepped up training initiatives, especially in the area of strategic analysis.

LEARNING TO WORK UNDER HOTEL MANAGEMENT CONTRACTS

The growing use of hotel management contracts is having a day-to-day impact on employees, who rigorously apply Accor's methods and capabilities to serve the interests of the investor who owns the hotel, in which they provide high value-added services. Accor designs and delivers special training programs to help employees manage this new kind of relationship.

A SPECIFIC PROGRAM FOR EACH BRAND

With programs like Novotel Attitude and Ibis' Extraordinary Garden, each brand applies its human resources policies in line with its positioning, promise and service portfolio. In 2007, this process concerned mainly the All Seasons, Pullman and Sofitel brands.

All Seasons prepared a Commitments Charter to ensure that employees understand and respect the brand's fundamentals. Three training modules – “Heading for All Seasons,” “Welcome to All Seasons” and “Hosting at All Seasons” – were offered to employees from other brands and to franchisers, who will comprise most of the network.



France, Pullman Paris Roissy – Charles-de-Gaulle Airport

Pullman, the new upscale brand, has defined its specific human resources needs to ensure that its values and positioning are effectively deployed on the frontline. The goal is to build a new attitude based on close relationships, establish the Pullman “creative leadership” management style, and support the creation of five new positions found only in Pullman hotels – the Welcomer, the Event Manager, the IT Solutions Manager, the Operations Director, and the Quality and Attitude Manager.

Sofitel has reinvented the concept of French-style elegance in luxury hotels and been given autonomous status within the Group. The goal is to drive change and ensure the success of the brand's repositioning in the luxury segment. Because of the important role played by interpersonal relations in this process, Sofitel has revamped its system of human resources values, with a new approach to hiring and a brand-specific training program to ensure the strategy's successful deployment.

PARTNERING WITH FRANCHISEES

The Partnership Charter introduced in 2007 confirms Accor's desire and pledge to build strong, balanced relationships between franchiser and each franchisee. Encompassing customer satisfaction, corporate culture, brand development, team performance, diversity and environmental stewardship, the Partnership Charter represents a joint declaration that commits all stakeholders to respecting the fundamentals of the business. It also provides a means of creating more empowering, professional day-to-day relationships.

334,000 training days overall in 2007

INTENSIFIED TRAINING INITIATIVES

Backed by a portfolio of 150 training programs and an international network of 14 centers around the world, Accor Academy focuses its efforts on skills acquisition, career development and the sharing of corporate values. To support changes within the enterprise, the Academy launched three major projects in 2007:

- **A skills certification process** for hotel employees, to be introduced worldwide by 2010.
- **The GM Pass personalized career development program** to train future hotel general managers.
- **An international training program for high-potential managers** to train the senior executives of tomorrow, with a special module for each continent.

SUPPORTING GEOGRAPHIC EXPANSION

Human resources are at the center of the international development process for both the Services and Hotels businesses. To successfully deploy its operations, Accor adapts its human resources policies to each market's specific features:

- **In China**, skilled labor is in short supply and jobs in large cities are strictly regulated. Ibis, for example, which is expanding rapidly in the country, has set up an ad hoc team of 20 recruiters, 20 trainers and four regional human resources managers, overseen by a national human resources director based in Shanghai.
- **In India**, Accor has set up a highly structured human resources platform that reflects its objectives in the country. In addition to the many initiatives Accor Academy has undertaken

with schools, meetings are held regularly with governmental organizations to inform them about the Group and its businesses.

- **In Morocco**, Accor has responded energetically to meet its hiring needs. In 2007, for example, an engineering study was launched to classify training needs and a convention was signed with the national jobs and skills promotion agency, with the goal of improving the employability and facilitating the hiring of future employees.

PRESENTING THE NEW STRATEGY TO EMPLOYEE REPRESENTATIVES

On October 9, 2007 the new hotel strategy was presented to the European Works Council in Geneva as part of the Group's social dialogue process. The projects for the All Seasons, Pullman and Sofitel brands were presented in detail to explain Accor's new vision and ambition.





Setting an example, with passion

As a services company, where employees are the key factor driving customer satisfaction, Accor focuses on creating internal dynamics and supporting the well-being of all team members.

SUCCESSFULLY INTEGRATING NEW EMPLOYEES

Because first impressions are often the most important, the Group deploys a comprehensive program for new employees called "Welcome to Accor." A wide array of initiatives are used to make new arrivals feel at home. These include a personal letter, an orientation program that was updated in 2007, the Carte Bienvenue "welcome" card issued after their first year on the job that entitles them to special deals on Accor products, and a stay in one of the hotels to enable them to "live" the brand experience.



INTEGRATING THE GROUP'S VALUES INTO THE HORIZON 2010 PROJECT

Broadened in 2006, Accor's corporate values of innovation, spirit of conquest, performance, respect and trust were shared widely across the organization in 2007. Managers received a "Discovering Accor's Values" information package. Containing a film and a facilitator's

guide, the package enables them to embrace and express the values that have underscored Accor's success and reputation for more than 40 years.

FIRMLY ESTABLISHING DIVERSITY WITHIN THE GROUP

While diversity may be an obligation, it is also an opportunity to take advantage of cultural differences and satisfy an increasingly cosmopolitan clientele. To formalize this commitment, Accor signed an agreement with employee representatives in January 2007, pledging to hire the disabled as well as people of different origins and educational backgrounds. In 2007, an in-house survey was conducted to provide initial feedback on frontline initiatives. In North America, for example, Accor has been involved in a wide range of actions designed in particular to help minority women become hotel general managers. In France, more than 130 nationalities are represented in the workforce. To celebrate this diversity, Novotel organized a Cultures Forum in November 2007. Held at the Novotel Tour Eiffel in Paris, the event showcased the cultures of 11 countries chosen from among the 37 nationalities that make up the hotel team.



THE IBIS ORIENTATION PATH

To welcome new hires, Ibis has developed a comprehensive orientation program. Deployed in several phases, the program includes a sponsor for each new employee, an integration review conducted after the first few weeks on the job to ensure that each phase has been completed and assimilated, and a training program organized around five modules so that employees can understand the business and brand essentials.

Supporting gender equality throughout the organization

With women accounting for 50% of the workforce and 44% of managerial positions, Accor serves as an example of gender parity in the workplace. This commitment was pursued in 2007, notably through two actions:

- **In France**, the hotelF1 and Etap Hotel brands launched a project to provide career development opportunities for women. Thanks to this initiative, the percentage of women in managerial positions increased from 47% in 2004 to 55 % in 2007, 11 women have become hotel general managers (compared with three before) and, in 6 of the 12 rounds of promotions, 37 women were among the assistants named as managers.

- **In Italy**, Accor is an active participant in the government's Bollino Rosa project to reduce gender inequities in the job market. Along with around 30 other companies, Accor is working to create a quality certification label based in particular on equal opportunity in terms of jobs, salaries, career development and training.



Facilitating workplace integration for the disabled

For 15 years, Accor has supported measures to help the handicapped find employment. This commitment was reaffirmed in 2006 with the signing of an agreement to deploy hire-the-handicapped initiatives in France. For the period 2006-2008, the Group pledged to hire 120 disabled persons, undertake actions to keep them on the job, build awareness of disability-related workplace issues and forge deeper relations with sheltered workshops, notably for the procurement of services. A certificate-granting training program has also been developed for disabled young people. In March 2007, the program won a workplace integration award in a contest organized by the Association for Disabled Adults and Young People (APAJH). Another innovative initiative is the Handicap Accor program, which launched a hiring project that uses a video CV database to raise recruiter awareness of disabilities and help dispel prejudices.



5TH HOTEL JOB SKILLS CHALLENGE HELD

A signatory of the Ministry of Employment's Apprenticeship Charter, Accor once again hosted the Job Skills Challenge in 2007. The purpose of the event is to promote skilled professions and reward young professionals. Organized since 2003 by the Europe/Middle East/Africa Human Resources Department, the Challenge involved 40 employees from an initial selection of nearly 800 young people. Participants represented 19 countries in 2007, compared with nine in 2006.



Fully committed to our planet's future

Reconciling rapid development and respect for the planet is a challenge to which Accor responds every day. As an integral part of our strategy, sustainable development today involves all our businesses, host countries and employees. The cornerstone of this ambition is the Earth Guest program, which federates all initiatives around eight top priorities.

GROWING IN WAYS THAT ARE BENEFICIAL TO EVERYONE



“As guests of the Earth, we welcome the world.” More than just a slogan, this sentence expresses Accor's philosophy. That's because growth is only meaningful if it is sustainable over the long term and if the benefits are shared as widely as possible, not only with employees but with customers and host communities as well. Growth must never represent a threat to the planet and its inhabitants. That's an imperative our teams put into practice every day.

EARTH GUEST: ONE PROGRAM, EIGHT PRIORITIES

The Earth Guest framework program is designed to share urgent sustainable development issues by orienting employees' commitment and increasing the number of initiatives deployed around the world. The program identifies priority projects to channel their energy, sets quantifiable objectives and regularly measures results. Backed by a network of 100 correspondents, Earth Guest is both the cornerstone of a long-term commitment and the key to constant improvement.

The eight priorities of the Earth Guest program:

- **Local development:** support host communities through long-term partnerships and promote fair trade.
- **Health:** deploy preventive measures and combat major epidemics, in particular AIDS and malaria.
- **Nutrition:** encourage customers to improve their eating habits, with a special focus on obesity.
- **Elimination of sexual tourism involving children:** train employees and inform customers.
- **Management of energy use:** promote renewable energy sources and equip hotels with efficient energy systems.
- **Conservation of water resources:** equip hotel faucets with flow regulators, monitor and recover wastewater, and raise customer awareness.
- **Effective waste management:** recycle more and better, and limit the amounts of waste produced.
- **Biodiversity:** create partnerships with specialized associations to build awareness and protect endangered species.

FIVE QUANTIFIABLE GOALS FOR 2010*

- Reduce consumption of water and energy in owned and leased hotels by 10%.
- Outfit 200 hotels with solar panels.
- Recycle waste in all owned and leased hotels in Europe.
- Extend throughout Europe the fight against sexual tourism involving children.
- Train employees in ways to eliminate the risk of AIDS and malaria.

*See the environmental management table on pages 106-109.

RECOGNITION FOR OUR COMMITMENT

In recognition of its sustainable development commitment and performance, Accor is now included in the four leading international socially responsible investment indexes: FTSE4Good, DJSI World, ASPI Eurozone⁽¹⁾ and Ethibel Sustainability Index⁽¹⁾.



⁽¹⁾Vigeo indexes.

Earth Guest challenges

NORTH AMERICA

103,307 rooms
(24,000 new rooms between 2006 and 2010)
16,628 employees

2007 HIGHLIGHTS

New energy efficiency program
and reduction in waste produced (p. 47)

FRANCE

126,087 rooms
(20,000 new rooms between 2006 and 2010)
14,650 employees

2007 HIGHLIGHTS

30% increase in the amount of fair trade
coffee, tea and chocolate (p. 52)
4 new hotels equipped with solar
panels (p. 44)
8.5% reduction in energy consumption (p. 48)

LATIN AMERICA AND CARIBBEAN

25,819 rooms
(16,000 new rooms between 2006 and 2010)
39,020 employees

2007 HIGHLIGHTS

Commitment in Mexico to the fight against
the sexual exploitation of children (p. 47)
Gustino program introduced in Argentina
and Uruguay (p. 53)

AFRICA

18,894 rooms
(12,000 new rooms between 2006 and 2010)
13,467 employees

2007 HIGHLIGHTS

17 countries commit to the fight against
the sexual exploitation of children (p. 47)
Support for two microfinance projects
in Morocco (p. 51)
10,000 trees program introduced
in Côte d'Ivoire (p. 49)



WITH REGARD TO ACCOR'S DEVELOPMENT

REST OF EUROPE

120,790 rooms
(62,000 new rooms between 2006 and 2010)
32,105 employees

2007 HIGHLIGHTS

Switzerland and Russia commit to the fight against the sexual exploitation of children (p. 47)
Gustino program introduced in Italy, Romania and Sweden (p.53)

ASIA

39,811 rooms
(44,000 new rooms between 2006 and 2010)
36,794 employees

2007 HIGHLIGHTS

Nearly 8,000 new employees trained to lead the fight against the sexual exploitation of children (p. 47)
First hotel equipped with solar panels, in Beijing (p. 45)

MIDDLE EAST

4,047 rooms
(14,000 new rooms between 2006 and 2010)
3,049 employees

2007 HIGHLIGHTS

New environmental protection program launched by employees (p.51)

PACIFIC

22,943 rooms
(8,000 new rooms between 2006 and 2010)
6,982 employees

2007 HIGHLIGHTS

Opening of the All Seasons Eco Resort Phillip Island (p. 45)
Aboriginal training program (p. 51)

This map shows the 2007 highlights of the Earth Guest program by region, interpreted in relation to hotel development objectives. It also clearly depicts energy use around the world—from brightly lit industrialized countries to more sparsely lit developing countries and vast stretches of darkness. Clearly, the map of social and environmental issues and the map of sustainable development challenges are one and the same.

HIGHLIGHTS OF THE EARTH GUEST PROGRAM

- 3,292 hotels (84% of the Accor network) apply the Hotel Environment Charter.
- Energy consumption reduced by 2.5%.
- Novotel undertook a project to obtain Green Globe certification.
- Code of Conduct to protect children from sexual exploitation signed in 36 countries.
- Launch of the ACT-HIV program to combat AIDS.
- 69 countries and 100,000 employees involved in Earth Guest Day 2007.



China_Litang

Taking steps before a hotel is built

At every stage in a hotel's life, Accor demonstrates its commitment to environmental stewardship, a concern that begins even before the first stone is laid.

ENVIRONMENTAL IMPACT STUDIES

Because each new hotel makes its mark on the local community and the environment, Accor has developed a special evaluation grid to assess that impact. The procedure involves two phases:

- Listing and evaluating all natural risks that might affect a hotel's life and pose a threat to employees and customers.
- Studying the possible negative environmental impact of a new building. The goal is to successfully integrate the future hotel without causing any harm to people or the natural surroundings.



Morocco_Sofitel Agadir

SUPPORTING RESPONSIBLE GROWTH

Access to water

An important issue and a source of increasing tension around the world, access to water is a question that is carefully considered before a hotel is built. Because a new building can disrupt a delicate eco-balance, Accor measures the risks by identifying areas where the demand for water exceeds the available amount — a phenomenon known as water stress — and takes preventive measures to remedy the situation. This is the case, for example, in southern Mauritius, where a Sofitel will be built. To avoid any disruption in the supply of drinking water during the dry season, a desalination plant will be built.

Electrical power

The depletion of energy sources is significantly increasing their cost and threatening certain regions faced with rapidly growing needs. This is the case in Brazil, where supply cannot keep pace with demand. As a result, Accor Hospitality is equipping all its hotels in the country with power plants to meet their needs and not accentuate the imbalance. Other actions are also deployed to achieve energy savings, such as the installation of solar panels.

LOCAL COMMUNITIES ON THE ALERT

Today, more and more local communities require environmental impact studies before authorizing hotel construction projects. This is true for hotels in all locations — not just resorts but also in city centers. One example is Brighton, England, which made the opening of an Ibis contingent on meeting a number of criteria, including the building's energy efficiency and worksite waste management.



France_Ibis Paris Porte Clichy Centre equipped with photovoltaic panels

Optimizing hotel design

During the construction phase, Accor's commitment is evident in the choice of materials, equipment and energy sources. This is what is known as eco-design.

GIVING PREFERENTIAL TREATMENT TO SOLAR ENERGY

Already 47 hotels around the world are equipped with solar panels that produce hot water. To extend this effort, Accor and France's Agency for Environment and Energy Management (ADEME) are committed to equipping 100 new hotels in France by 2010. The objective is to optimize the design of solar hot water panels in order to reduce their cost so that they pay for themselves in ten years. This powerful commitment also resonates with Accor's partners – franchised and managed hotels – which are increasingly receptive to this environmentally friendly solution. The initiative is accompanied by an overall improvement in hotel energy efficiency.

CONSERVING WATER RESOURCES

Clearly, the recovery and treatment of wastewater is a promising practice.

In Germany, for example, the Ibis in Koblenz was fitted with a gray water recovery system in 2007. The principle is as simple as it is efficient: shower water that has been filtered and purified is used in toilet flush tanks, thus reducing their consumption of fresh water by half. Another initiative involves the Sofitel San Francisco Bay in the U.S., which is taking part in a municipal program that recycles water from the hotel for use in watering lawns and gardens, and in toilets and laundries. More than 100 Accor hotels reuse their water.

PROTECTING THE NATURAL SURROUNDINGS

Integrating a hotel into its natural surroundings is an even more delicate undertaking in areas that are both rich and fragile because of their wide variety of native species. This is the case with the All Seasons Eco Resort Phillip Island, which opened in May 2007 on this Australian island, which is known for eco-tourism. Comprising 211 villas, the resort, with its bioclimatic design, special insulation and respect for wetlands, takes into account the specificities of the local environment.

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Equipping our hotels with solar panels has enabled us not only to reduce costs but also to lower greenhouse gas emissions while promoting the concept of environmental stewardship among our teams. This approach could easily be duplicated by other hotels.

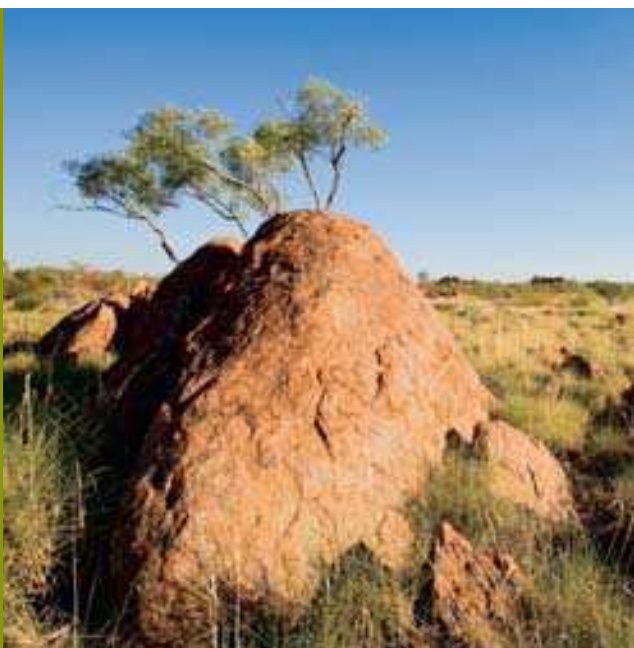
M. DENG YUANG MING, DIRECTOR AND MEMBER OF THE BOARD OF BEIJING CAPITAL TOURISM GROUP, WHICH OWNS THE NOVOTEL PEACE



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RENEWING THE PARTNERSHIP WITH ADEME

For the third year in a row, Accor has renewed its partnership with France's Agency for the Environment and Energy Management (Ademe). While the priority is to develop 100 solar-equipped hotels, the partnership encompasses six themes in all — renewable energy development, energy management, waste prevention and management, international cooperation, communication and eco-design.





Germany_Mercure & Residenz Frankfurt Messe

Mobilizing employees every day

Accor and its 150,000 employees demonstrate their social and environmental responsibility in many ways.

INVOLVEMENT IN SOCIAL RESPONSIBILITY PROJECTS



Leading the fight against AIDS

AIDS is one of the main causes of mortality worldwide and Accor is working to alleviate the disease through employee-awareness initiatives and results-oriented actions in a growing number of countries.

- **Training and prevention.** Accor informs and instructs those employees most at risk, especially in Africa, and targets customers through regular communication campaigns in those countries hardest-hit by the epidemic. A campaign was conducted in 2007 encouraging the brands in France to install condom dispensers in areas reserved for employees and in restrooms. As a result, dispensers can now be found in all Accor hotels throughout the country.

- **Broadening the effort.** In December 2007, a DVD was prepared to help hotel general managers conduct preventive programs for their team members. ACT-HIV is a six-step action plan designed to get hotel general managers involved in the fight against AIDS by helping them better understand the disease and ways to prevent its spread. Accor encourages voluntary screening and access to treatment, especially in countries where medical coverage is lacking.

Leading the fight against sexual tourism involving children

Combating sexual tourism that victimizes children is a priority. Accor's approach involves training programs for employees, to teach them ways to eliminate the risk, and communication campaigns for customers. In 2007, over 10,000 employees took part in these programs. Accor's partner in this initiative is ECPAT, a non-governmental organization with operations in 70 countries. ECPAT and the World Tourism Organization have drafted a Code of Conduct to protect children from sexual exploitation. Accor has signed the document in 36 countries, with 20 signatories in 2007: Mexico, Switzerland, Russia and 17 countries in sub-Saharan Africa.



Promoting personal development through training

Accor also helps employees create new career development opportunities by enabling them to expand their competencies beyond the scope of their current jobs. In Morocco, a broad-based literacy-training program was launched in April 2007. As a result, 170 employees in 13 hotels have learned how to read and write Arabic.



PRESERVING NATURAL RESOURCES

Managing waste

From hotel room design to product purchases, Accor is committed to limiting waste and to recycling more on a day-to-day basis. Recycling rates rose considerably in 2007 – 8% for paper and cardboard, 7% for glass, 5% for plastic, 7% for metal and 23% for batteries. By 2010, paper, cardboard and glass will be recycled in 60% of owned and leased hotels.

- **In France,** Ibis introduced a waste management program based on “the Waste” –10% initiative launched by Ademe in 100 French companies. Ibis France has set a goal of a 10% reduction in waste by year-end 2008. Following a 2007 audit and a waste production review, a 20-point nationwide action plan was prepared for the hotels. Among the actions are the elimination of paper placemats on breakfast trays and the use of reusable fabric covers instead of plastic covers to wrap hotel laundry.
- **In the United States,** Motel 6 has expanded its battery and light-bulb recycling program, which recycles some 60,000 light bulbs a year.

Reducing energy consumption

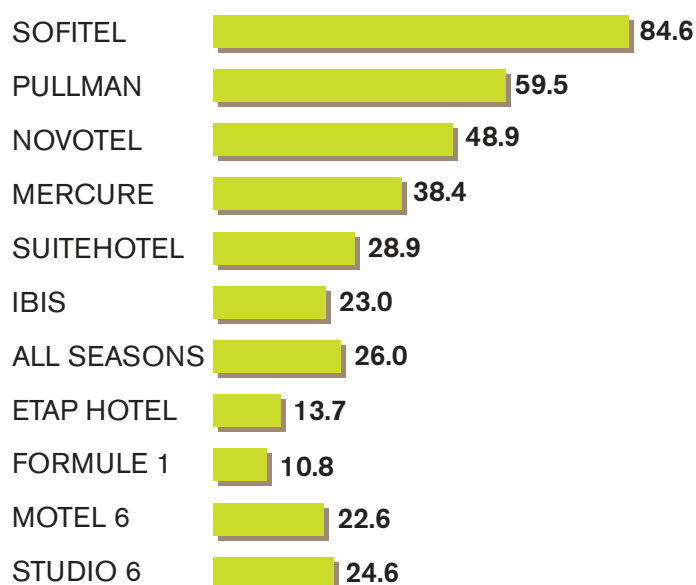
By 2010, energy consumption per room in owned and leased hotels will have been reduced by 10% and, with a decline of 2.64% in 2007, this pledge has already been met. In Europe, 35-watt and 50-watt halogen lamps are gradually being replaced by compact fluorescent lamps. By year-end 2007, more than 35,000 of these lamps had been installed, reducing electricity consumption by an estimated 24,000 megawatts. Overall, 72% of hotels worldwide now use compact fluorescent lamps. Accor North America is pursuing a program to reduce energy consumption in the Motel 6 and Studio 6 chains. The program has been recognized and approved by the US Environmental Protection Agency.

Conserving water

Accor has set a target of a 10% reduction in per-room water use by 2010. In 2007, consumption declined by 0.46% thanks in particular to the installation of flow regulators. As of year-end 2007, 190,000 showers and faucets in Europe had been fitted with these regulators, representing an estimated savings of €6 million. For the network as a whole, the percentage of toilets equipped with water-saving flush tanks increased from 35% to 44% during the year. Sofitel's per-room water consumption rate (see chart) is due to the chain's extensive facilities (kitchen, swimming pool, laundry, etc.) and to air-conditioning units in Asian hotels.

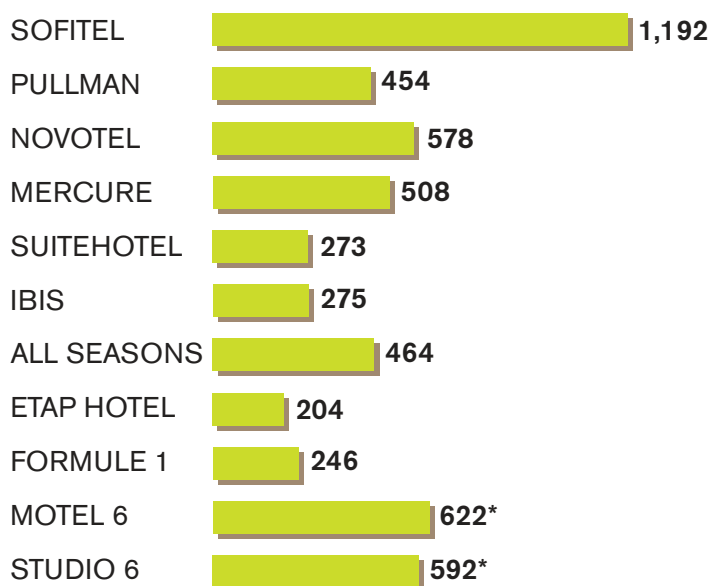
ENERGY CONSUMPTION

by brand, in kWh per day per available room in 2007



WATER CONSUMPTION

by brand, in liters per day per occupied room in 2007



* Economy hotels with a laundry and swimming pool.

For both charts, the values correspond to 84% of owned or leased hotels and 44% of managed hotels. They cannot be compared to the 2006 charts, which did not take Asia into account.

THE HOTEL ENVIRONMENT CHARTER

Launched in 1998 and updated in 2006, the Hotel Environment Charter now lists 65 actions. An environmental management tool, it enables each hotel to monitor its performance and orient environmental initiatives accordingly. In 2007, 84% of the Accor Hospitality network applied the charter, leading to improvements in most environmental indicators during the year. The Charter's reporting system was also audited for the first time.



ADVANCES IN THE ENVIRONMENTAL CERTIFICATION PROCESS

The number of establishments awarded environmental certification rose by 15% in 2007.

- Since 2004, the Ibis network has been involved in an ambitious, highly focused ISO 14001 accreditation process. At year-end 2007, a total of 205 hotels had been certified to ISO 14001 standards, of which 151 in France and 37 in Brazil. In 2010, 75% of the network will be certified. Other Accor brands are also involved in the process. Two examples are Accor Thalassa, whose facilities in nine hotels in France have been certified, and Compagnie des Wagons-Lits.
- In July 2007, 28 Novotel in 12 countries undertook a project to earn Green Globe environmental certification. To measure progress, eight performance criteria are audited. By year-end 2007, 14 Novotel had been awarded the Green Globe Benchmarked label. In 2008, around 100 hotels will pursue this approach, with the goal of obtaining certification for the entire Novotel network in 2010.



EARTH GUEST DAY: TAKING STEPS FOR A MORE BEAUTIFUL PLANET – TOGETHER, ON THE SAME DAY

A way to motivate employees, showcase corporate initiatives and maintain a competitive edge, Earth Guest day, which was held on April 22, 2007, symbolizes Accor's sustainable development commitment. The high point of Accor's involvement, this first Earth Guest day brought together nearly 100,000 employees in 69 countries around the world who took part in team projects: 20,000 trees were planted in the United States; an ecological arc was created to combat desertification in Côte d'Ivoire; various initiatives to protect animal species were taken in Austria, France and the Netherlands; a children's defense march was held in Thailand; employees volunteered their time to work on local development projects in 35 Latin American cities; care centers for children suffering from AIDS were refurbished in South Africa and India; a sale of chocolate to finance a literacy training project was organized in Compagnie des Wagons-Lits bar cars in France, Spain and Portugal; and natural site clean-ups were organized in Saudi Arabia, Hungary, Egypt and Reunion. These were only some of the many actions that demonstrate the commitment of team members across the organization.



France_Formule 1 Nantes Est Porte de Sainte-Luce

Involving partners and customers

Hotel openings and operations, especially in emerging countries, often involve aid and support to local communities in the form of training, microfinance and fair trade programs.

HELPING LOCAL PARTNERS GET A START

Supporting local development

- In Morocco, Accor has been involved in two projects with PlaNet Finance, a non-governmental organization, since January 2007. The first is a microfinance program intended to boost argan oil production in the Essaouira region through support for five cooperatives that employ 500 women in all. The second aims to find jobs for 100 school-dropouts from disadvantaged neighborhoods in Tangiers and Casablanca.

- In Senegal, Accor is participating in a development program launched by the World Trade Organization and the United Nations. Activities have been identified that would provide useful services to Dakar hotels and create jobs. These include greenhouses to provide fruit throughout the year and job opportunities for unemployed locals as guides or in other tourism-related occupations.

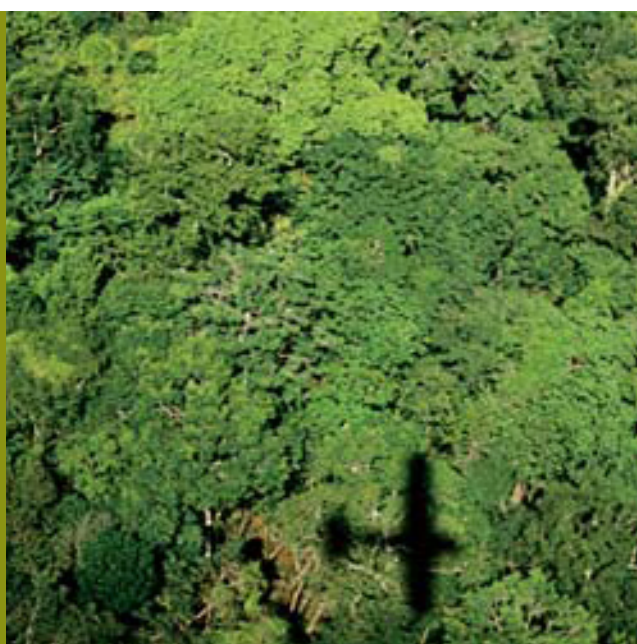
- In Cambodia, Accor and Agrisud have worked together since 2004 to support family-run truck farms in the Siem Reap region, with 10% of the fruit and vegetable produced for tourists purchased by the Sofitel Royal Angkor. A specifications document is being considered as a way of increasing and diversifying the amount of produce sold.

- In Australia, Accor strengthened its hotel skills training program for aboriginals during the year. Six program participants were offered jobs in hotels in the region.



Protecting biodiversity

Accor in Indonesia signed a partnership agreement with the company that manages Perum Perhutani National Forest, and Karya Lestari, a group of forest communities, for a forest management project that involves planting 70,000 trees covering 43.2 hectares on the island of Java. The objective is threefold – to increase the local community's involvement in the management of national forests, while providing farmers with access to land and boosting income for the local population. The project is being carried out with support from international experts.



INVOLVING OUR MAJOR SUPPLIERS

Purchasing “sustainably”

A Sustainable Procurement Charter was drafted to encourage suppliers and service providers to pursue environmental protection measures and engage in socially responsible practices. Attached to new international contracts, the Charter, which is already applied in France and two other countries, was introduced during the year in Australia, Austria, Côte d'Ivoire, Egypt, Portugal, Switzerland, Senegal and Tunisia.

Promoting fair trade

In 2007, Accor strengthened its assistance to small fair trade producers in 17 countries. In France, fair trade initiatives are supported by more than 1,000 hotels.



INVOLVING CUSTOMERS

Because of our worldwide presence and the millions of customers who stay in our hotels every year, a broad range of actions has been introduced to build awareness of planetary challenges. These include:

- **Combating epidemics.** In 2006, Accor signed the Global Business Coalition's pledge to lead the fight against AIDS, tuberculosis and malaria. As part of its commitment, Accor launched a campaign for travelers, producing two films with Air France to inform them of the risks of contracting AIDS and malaria.
- **Biodiversity.** In France, Etap Hotel, through its partnership with France's Bird Protection League (LPO), has introduced a number of actions to raise customer awareness of biodiversity issues.



France_Etap Hotel Nantes Ouest Saint-Herblain Couëron



- **Nutrition.** In response to the widespread surge in obesity, Accor Services introduced its Gustino program, which promotes healthy workplace eating habits for users of Ticket Restaurant® meal vouchers. The program is based on a simple principle: affiliated restaurants display the Gustino mascot on menus to draw diners' attention to nutritionally balanced dishes. Already deployed in ten countries, the program was extended to five others during the year. Another 2007 initiative involving Ticket Restaurant® was the publication of a booklet containing 80 healthy, inexpensive recipes, prepared in partnership with the French Red Cross.

- **Incentive travel.** As part of its revamped incentive portfolio, Accor Hospitality offers personalized trips for corporate customers designed to raise their employees' awareness of diversity, local economies, cultural heritage and biodiversity. This new program is an innovative way to reconcile rewards, incentive and the public interest.

- **Reforestation.** Late in the year, Accor decided to launch the pilot phase of a major project involving all hotel brands in April 2008. Under the slogan “Here, YOUR towels plant trees,” customers are encouraged to reuse their bath towels as an environmentally friendly gesture. In exchange, Accor has pledged to contribute part of the savings on laundry bills to reforestation projects. This original initiative will be introduced in partnership with the United Nations Environment Program, as part of its “billion trees” campaign.



Brazil_Sofitel Jequitimar Guarujá

Managing the Sustainable Development Process

Stakeholders	Objectives	Accor performance indicators
SHAREHOLDERS	Ensure compliance with the corporate governance principles for listed companies, as described in the Afep/Medef reports on corporate governance.	Assessment of directors' independence / Specialized committees within the Board of Directors / Operating procedures determined by the Company bylaws, internal rules and Directors charter / Fixed compensation for directors and variable portion (50% of fees) based on attendance at meetings.
	Ensure the transparency of financial and strategic information about the company provided to financial markets.	Regular information tailored to each category of shareholder/specifier: number of people met. A working group on individual shareholder relations comprised of 15 Shareholders Club members.
CUSTOMERS	Satisfy customers' needs and requests.	Number of establishments visited by mystery guests. Number of establishments in which satisfaction surveys have been conducted.
	Guarantee superior service.	Number of hotels with ISO 9001 certification.
	Ensure customer safety and security.	Number of hotel general managers who have taken part in security training programs.
		Number of hotel general managers who have taken part in safety/crisis management training programs.
		A crisis management system aligned at corporate level.
	Promote good health through wholesome, balanced diets.	Number of restaurants participating in a healthy, balanced nutrition program.
	Build customer awareness of AIDS and malaria-prevention.	An AIDS-prevention program.
EMPLOYEES	Promote diversity in employee profiles and career paths and ensure equal opportunity.	Gender parity in the workforce. Average salaries of men and women with the same responsibilities. Percentage of disabled employees.
	Provide compensation in line with local practices.	Salary policy prepared by county, taking into account changes in the local market and inflation. Group-wide policy to set variable and fixed portion of bonuses by level of responsibility.
	Improve employee training programs.	Number of days of training. Training budget as a % of total payroll.
	Promote job mobility.	Number of employees who have had an annual appraisal.
		Number of employees who changed their business and/or region.
	Promote social dialogue.	Monitoring by employee representatives. Monitoring of employee-related issues.
	Ensure employee health and safety.	Work-related accident frequency rate.
		AIDS prevention training program.
Employee social coverage in line with local practice.		
Improve employee recognition and satisfaction.	Number of employees who took part in internal opinion surveys.	

2007 results and highlights	Commitments* for 2010
Assessment of the Board of Directors' operating procedures and implementation of improvement actions. The Board met nine times, with a 75% attendance rate. The four specialized committees met a total of 16 times, also with a 75% attendance rate. Creation of a fifth committee—Corporate Governance—in first-quarter 2008.	Commitment made for 2010 in 2006 and already met: Assess the Board of Directors' operating procedures. New objective for 2010: Continue deploying actions to improve operating procedures.
Meetings with 742 representatives of 215 financial institutions, organization of 23 roadshows in Europe, the United States and Canada (some including hotel tours) and participation in five international conferences in France and the US. Organization of an Investor Day, attended by 70 French and international analysts and investors. Contact with over 2,300 individual shareholders through meetings, tours and trade shows. Launch of a communication working group within the Shareholders Club.	Deepen relationships with individual and institutional shareholders through more instructive content and greater responsiveness.
100% of Formule1, Etap Hotel, Ibis and Mercure (Europe and Africa). 90% of Novotel in Europe and Africa. 55% of Sofitel (Europe, Africa and Asia) – the percentage declined because of hotels that were re-branded.	Pursue the mystery guest program to ensure service quality in all chains.
100% of the Etap Hotel network in Europe. 100% of Ibis hotels certified ISO 9001 (Europe, Latin America and Morocco). 95% of Novotel in Europe. 75% of Mercure in Europe.	Deploy satisfaction surveys in all hotels worldwide.
657 Ibis hotels certified ISO 9001.	100% certification for the Ibis network in Europe, Morocco and Brazil and deployment in new countries.
120 hotel general managers trained in France.	
	Integration of a safety/crisis management module in the Accor Academy's Accor Manager training program.
Deployment of a Group-wide crisis management system.	To manage sensitive situations and crises, organize training programs and regular drills for teams with decision-making responsibility at all levels.
1,400 restaurants in France (of which 90 Ibis) involved in the Gustino program, which has been deployed in ten countries (including Argentina, Italy, Uruguay and Spain in 2007). All Novotel hotels have signed the Forme & Equilibre commitment charter.	In the long run, all countries in which Accor Services operates will support this balanced diet offering.
In cooperation with the Global Business Coalition, two films on preventing AIDS and malaria produced with Air France for departing travellers.	Introduce AIDS and malaria prevention programs in all hotels.
2007: 50% women, of whom 44% managers. 2007: 3.53% / 2006: 3.52% – The 2007 employment rate was unchanged from 2006.	Renew and extend the compensation studies. Pursue deployment of the Group's triennial agreement.
Salary policy in line with market practices. Surveys are conducted regularly for each subsidiary, business or region. Surveys carried out in 2007: Sales teams for Accor Services France, Ibis in Morocco and managers in France, among others.	Systematically conduct compensation surveys and develop an overall compensation policy.
2007: 333,529 days / 2006: 327,800 days. 2007 training rate: 2.4%	One training session per person per year.
2006-2007: 69% / 2005-2006: 70%	One personal assessment per person per year.
2006 and 2005: roughly 20,000 employees.	Speed the development of international mobility opportunities.
June 2006 - July 2007: 50 collective agreements / June 2005-2006: 46 (excl. French overseas departments). Employee relations observatory.	Maintain constructive discussions with all employee representatives. Implement corrective actions as necessary.
2007: 19.3 / 2006: 21.1.	Pursue actions to reduce work-related accidents and occupational diseases.
Preparation of the ACT-HIV program to prevent and combat AIDS.	Distribute an ACT-HIV DVD in all hotels to help combat AIDS.
In Egypt, all employees were covered by a disability and death benefits plan. In Africa, operations in more than 15 countries offer their employees medical coverage.	Deepen our knowledge of local employee social coverage and pursue deployment.
In 2006-2007, nearly 50,000 employees took part in an internal opinion survey organized in their unit and coordinated at corporate level. 2006-2007: 87% of the people surveyed said they were proud to work for Accor / 2005-2006: 86%	All employees are surveyed in their unit at least once every two years.

*For these commitments, Accor applies the 10 principles of the United Nations Global Compact.


Managing the Sustainable Development Process


Stakeholders	Objectives	Accor performance indicators
SUPPLIERS	Take into account supplier-related social and environmental risks.	All certified suppliers comply with the three components of the Sustainable Development Purchasing Charter. ⁽¹⁾
ENVIRONMENT	Deploy the Environmental Charter.	Number of hotels that apply the Environmental Charter.
	Pursue environmental certification initiatives.	Number of certified hotels.
	Manage water use.	Percentage reduction in water consumption.
		Percentage of owned and leased hotels equipped with flow regulators.
	Manage energy use.	Percentage reduction in energy consumption.
		Percentage of owned and leased hotels equipped with energy-efficient lamps.
	Promote the use of renewable energy sources.	Number of hotels equipped with solar captors.
	Manage waste.	Percentage of hotels that recycle waste.
	Develop green purchasing.	Number of hotels serving organic products.
Number of hotels purchasing eco-labeled products.		
Protect biodiversity.	Percentage of hotels involved in local environmental initiatives and tree-planting programs.	
LOCAL COMMUNITIES	Support local economic and social development.	Number of local economic and social projects supported by the Group.
		Number of countries serving fair trade products.
	Lead the fight against sexual tourism involving children.	Number of countries that have signed the ECPAT Code of Conduct.
	Identify risks of local corruption.	System for informing and training employees in ethical business practices.
Develop and structure sponsorship initiatives.	Number of projects pursued with recognized local NGOs and degree of employee involvement in aiding the disadvantaged.	

(1)France.

2007 results and highlights	Commitments* for 2010
Inclusion of the Charter in all international contracts and in nationwide contracts in 11 countries, including eight new countries in 2007: Australia, Austria, Côte d'Ivoire, Egypt, Portugal, Senegal, Switzerland and Tunisia.	Determine operational priorities for applying the Sustainable Development Purchasing Charter.
3,292 hotels apply the Charter (versus 3,228 in 2006) including 95% of owned and leased hotels. External audit of a sample of hotels to verify Charter data.	Apply the Charter in all owned and leased hotels. Launch an independent data control process.
223 facilities ISO 14001-certified. 16 other certifications: Canada and Egypt.	Obtain environmental certification for 20% of the hotel base.
Consumption reduced by 0.46% per occupied room in owned and leased hotels at comparable scope of reporting.	Reduce consumption by 10% per occupied room in owned and leased hotels.
84% of owned and leased hotels.	Equip all owned and leased hotels.
Consumption reduced by 2.64% per occupied room in owned and leased hotels at comparable scope of reporting.	Reduce consumption by 10% per room in owned and leased hotels.
75% of owned and leased hotels.	Equip all owned and leased hotels.
47 hotels equipped (compared with 41 in 2006).	Increase the number of hotels equipped by a factor of five, to 200.
45% of owned and leased hotels recycle paper, cardboard and glass. ⁽¹⁾ 82% of owned and leased hotels process batteries and compact fluorescent tubes and light bulbs. ⁽¹⁾	60% of owned and leased hotels recycle paper, cardboard and glass. 95% of owned and leased hotels process batteries and compact fluorescent tubes and light bulbs.
More than 600 hotels serve organic products.	Increase the number of hotels serving organic products.
More than 2,000 hotels serve eco-labeled products.	Increase the number of hotels serving eco-labeled products.
79% of hotels are involved in local environmental initiatives and tree-planting programs.	All hotels to take part in environmental-protection or tree-planting initiatives.
Support for two micro-finance projects with PlaNet Finance in Morocco and for a farming project led by Agrisud in Cambodia.	Support local development actions in new countries.
2007: 17 countries serve fair trade products, the same as in 2006.	Extend support for fair trade to new countries.
20 new countries signed the Code of Conduct drafted by ECPAT and the World Tourism Organization (17 countries in sub-Saharan Africa, as well as Mexico, Switzerland and Russia).	Formalize our commitment in Africa by signing the Code of Conduct in all host countries. Extend the process of signing the Code across Europe. Strengthen in-house training through Accor Academy's Accor Manager program.
Preparation of an in-house guide on preventing corrupt practices.	Deploy ethical business practice information and training programs by function, business or region.
Increases in the number of community support initiatives (fund raising, equipment donations, etc.) and in the number of employees involved in this type of project. Solidarity Day 2007 organized in 39 Accor head offices. Hotel employees raised funds for NGOs involved in near-by projects.	Deepen the commitment to helping the disadvantaged, in particular through the Accor corporate foundation, to be created in 2008.

*For these commitments, Accor applies the 10 principles of the United Nations Global Compact.


Indicators corresponding to action points in the Hotel Environment Charter are marked with a  and concern hotels owned, leased, managed or franchised by the Group. In 2007, the scope of reporting for the Hotel Environment Charter increased by 6% to 3,292 hotels. Results are expressed as a percentage comparing the number of hotels implementing a given action to the total number of hotels applying the Charter. Some action points apply only to hotels equipped with special facilities. In this case, the percentage of hotels having implemented these actions is calculated solely on the total number of hotels concerned.


Indicators for water, energy and greenhouse gas emissions are marked with a  and, unless otherwise specified, concern:


- Hotels in France, the rest of Europe, North America, Latin America and the Caribbean, Asia/Pacific and Africa/Middle East.
- Six seawater spas in France.
- Compagnie des Wagons-Lits operations in Austria, France, Italy, Portugal and Spain.
- The Lenôtre production facility in Plaisir, France.

In 2006, South Africa, Morocco, Mauritius, Tunisia, Saudi Arabia, the United Arab Emirates, Qatar and Bahrain were added to the scope of reporting. A total of 2,581 hotels reported water, energy and greenhouse gas indicators, an increase of 78. This represents a 3% increase in coverage.


Group environmental indicators

WATER AND ENERGY 	France		Rest of Europe		North America		Latin America and Caribbean		Asia		Pacific		Africa Middle East		Total 2007	Total 2006	Total 2005
	owned	managed	owned	managed	owned	managed	owned	managed	owned	managed	owned	managed	owned	managed			
Number of establishments	617	30	521	15	687	11	27	12	3	77	42	28	29	64	2,163	2,581	2,503
Water used (thousands of cu. m)	4,407	497	5,457	254	12,035	738	361	180	69	7,316	1,351	966	377	3,326	37,334	42,601	38,635
Energy used (MWh)	549,781	50,832	793,945	45,650	666,563	115,553	37,959	14,504	5,605	574,463	80,218	93,171	36,744	329,541	3,394,528	3,710,496	3,441,571
Solar power generated (MWh)	1,042						334						0	0	1,796	1,332	1,146


GREENHOUSE GAS EMISSIONS 	France		Rest of Europe		North America		Latin America and Caribbean		Asia		Pacific		Africa Middle East		Total 2007	Total 2006	Total 2005
	owned	managed	owned	managed	owned	managed	owned	managed	owned	managed	owned	managed	owned	managed			
Number of establishments	617	30	521	15	687	11	27	12	3	77	42	28	29	64	2,163	2,581	2,503
Direct emissions (tonnes CO ₂ equiv.)	29,516	2,868	60,946	4,328	61,444	9,637	2,527	629	418	52,351	4,692	3,432	829	27,360	260,977	253,542	166,429
Indirect emissions (tonnes CO ₂ equiv.)	35,881	3,184	211,245	10,053	205,369	36,801	3,402	3,361	2,144	230,528	44,363	58,931	17,886	134,717	997,865	1,135,354	1,216,896

MANAGING WATER AND ENERGY USE 	France	Rest of Europe	North America	Latin America and Caribbean	Asia	Pacific	Africa Middle East	Total 2007	Total 2006	Total 2005
	Number of establishments	1,204	843	715	132	135	144	119	3,292	3,228
Set objectives for reducing water use ⁽¹⁾	60%	57%	99%	73%	61%	38%	71%	68%	72%	-
Monitor and analyze monthly water use	83%	91%	100%	94%	76%	70%	88%	88%	88%	92%
Set objectives for reducing energy use ⁽¹⁾	67%	66%	99%	83%	83%	38%	82%	74%	77%	-
Monitor and analyze monthly energy use	83%	92%	100%	97%	89%	80%	97%	90%	89%	93%


(1)Environment Charter action point added in 2006.

BIODIVERSITY 	France	Rest of Europe	North America	Latin America and Caribbean	Asia	Pacific	Africa Middle East	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	135	144	119	3,292	3,228	2,238
Reduce the use of herbicides ⁽¹⁾	29%	52%	1%	46%	54%	53%	29%	29%	24%	-
Choose plants suitable to the local environment ⁽¹⁾	39%	62%	2%	81%	72%	60%	68%	40%	35%	-
Plant at least one tree a year	54%	57%	100%	80%	75%	67%	77%	68%	40%	62%
Support a local environmental initiative	30%	35%	9%	52%	69%	47%	51%	31%	25%	37%


(1)Environment Charter action point added in 2006.

RESOURCE RECOVERY 	France	Rest of Europe	North America	Latin America and Caribbean	Asia	Pacific	Africa Middle East	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	135	144	119	3,292	3,228	2,238
Recycle paper/cardboard packaging	70%	89%	5%	95%	86%	74%	49%	62%	54%	82%
Recycle paper, newspapers and magazines	59%	87%	5%	93%	89%	65%	41%	57%	49%	75%
Recycle glass packaging	66%	91%	5%	88%	76%	63%	34%	59%	52%	81%
Recycle plastic packaging ⁽¹⁾	35%	67%	4%	77%	73%	49%	32%	40%	35%	-
Recycle metal packaging ⁽¹⁾	29%	63%	4%	90%	72%	31%	28%	36%	29%	-
Recycle organic waste from restaurants ⁽¹⁾	10%	51%	24%	14%	57%	16%	27%	31%	31%	-
Organize waste sorting in hotel rooms ⁽¹⁾	16%	14%	1%	52%	48%	15%	26%	15%	12%	-
Dispose of hotel batteries safely ⁽¹⁾	90%	90%	99%	72%	52%	25%	50%	85%	61%	-
Dispose of customer batteries safely ⁽¹⁾	53%	33%	23%	21%	30%	3%	14%	35%	28%	-
Recycle toner cartridges	93%	94%	2%	94%	69%	73%	62%	71%	62%	94%
Dispose of compact fluorescent tubes and light bulbs safely ⁽¹⁾	72%	82%	99%	41%	50%	33%	17%	75%	50%	-
Limit the use of disposable packaging for hotel supplies ⁽¹⁾	72%	47%	4%	33%	62%	28%	26%	30%	25%	-
Limit individual packaging for hygiene products ⁽¹⁾	93%	35%	97%	46%	44%	10%	15%	41%	45%	-


(1)Environment Charter action point added in 2006.

RAISING EMPLOYEE AND CUSTOMER AWARENESS 	France	Rest of Europe	North America	Latin America and Caribbean	Asia	Pacific	Africa Middle East	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	135	144	119	3,292	3,228	2,238
Raise environmental awareness among employees	83%	84%	100%	92%	76%	68%	74%	86%	86%	68%
Integrate environmental protection into all job categories ⁽¹⁾	70%	80%	100%	67%	76%	70%	72%	79%	78%	-
Raise environmental awareness among customers	59%	60%	99%	64%	78%	70%	71%	70%	70%	77%
Provide customers with environmentally friendly transportation alternatives ⁽¹⁾	49%	74%	1%	3%	70%	58%	31%	44%	34%	-

(1)Environment Charter action point added in 2006.

ENVIRONMENTAL MANAGEMENT 	France	Rest of Europe	North America	Latin America and Caribbean	Asia	Pacific	Africa Middle East	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	135	144	119	3,292	3,228	2,238
Average number of initiatives underway ⁽¹⁾	30.8	37.9	33.2	33.8	38.6	29.3	30.3	33	31	11.97

(1)Environment Charter action point added in 2006.

ENVIRONMENTAL CERTIFICATION 	France	Rest of Europe	North America	Latin America and Caribbean	Asia	Pacific	Africa Middle East	Total 2007	Total 2006	Total 2005
ISO 14001 Certification	160	35	-	40	-	2	-	237	215	138
Other certification	1	7	11	-	4	1	6	30	16	14



HUMAN RESOURCES

Key Figures

Accor employed 172,695 people around the world as of December 31, 2007, compared with 170,417 the previous year and 168,623 at December 31, 2005.

Workforce indicators are based on the average number of employees for the year.

Figures are based on full-scope data, which covers full and part-time employees with permanent contracts, fixed-term contracts exceeding three months, or apprenticeship contracts; total headcount of subsidiaries and units managed by Accor under contract. Full-scope data do not reflect units in which Accor holds a stake but is not responsible for managing the teams.

Workforce by business and region at December 31, 2007

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	2007	2006	2005
Hotels	19,549	28,140	16,589	10,751	59,823	134,852	131,010	121,448
Upscale and Midscale	13,979	22,154	4,024	8,906	56,222	105,285	98,203	89,648
Economy	5,570	5,986	-	1,845	3,601	17,002	16,019	15,042
Economy US	-	-	12,565	-	-	12,565	16,788	16,758
Services	865	1,583	39	2,399	469	5,355	4,593	4,316
Other Businesses	4,236	2,382	-	25,870	-	32,488	34,814	42,859
Travel agencies	-	-	-	-	-	-	-	8,529
Restaurants	1,314	76	-	25,802	-	27,192	29,166	25,522
Onboard train services	2,104	2,275	-	-	-	4,379	4,194	4,319
Other	818	31	-	68	-	917	1,454	4,489
TOTAL	24,650	32,105	16,628	39,020	60,292	172,695	170,417	168,623

Total number of employees rose during the year, despite the divestment of foodservice operations in Italy, Red Roof Inn in the United States and GO Voyages in France. In addition, the Hotels

business is experiencing very fast growth in the Asia Pacific region and Latin America.



Human resources data at December 31, 2007

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	2007	2006
Number of employees	24,650	32,105	16,628	39,020	60,292	172,695	170,417
% women	54%	54%	70%	56%	38%	50%	51 %
% men	46%	46%	30%	44%	62%	50%	49 %
% under permanent contracts	92%	84%	100%	97%	86%	90%	90 %
% of women under permanent contracts ⁽¹⁾	53%	53%	70%	56%	38%	51%	N/A
% of men under permanent contracts ⁽¹⁾	47%	47%	30%	44%	62%	49%	N/A
Management							
% of total workforce ⁽²⁾	24%	13%	12%	9%	15%	14%	13 %
% women	44%	47%	60%	60%	34%	44%	44 %
% men	56%	53%	40%	40%	66%	56%	56 %
Training							
Training expenditure as a % of total payroll	1.7%	2.8%	1.6%	4.2%	2.4%	2.4%	2.2%
Number of days of training	36,290	51,747	40,044	86,126	119,322	333,529	327,800
Number of employees having attended at least one training course	13,668	15,307	21,294	39,207	64,445	153,921	169,700
Number of managers having attended at least one training course	5,051	3,413	1,829	3,202	11,305	24,800	26,716
Number of non-managers having attended at least one training course	8,617	11,894	19,465	36,005	53,140	129,121	142,984
Occupational accidents							
Lost-time incident frequency rate (LTIF) ⁽³⁾	-	-	-	-	-	19.3	21.1
Number of fatal accidents on the job	0	0	0	0	2	2	1
Number of fatal accidents commuting	0	0	0	1	4	5	7

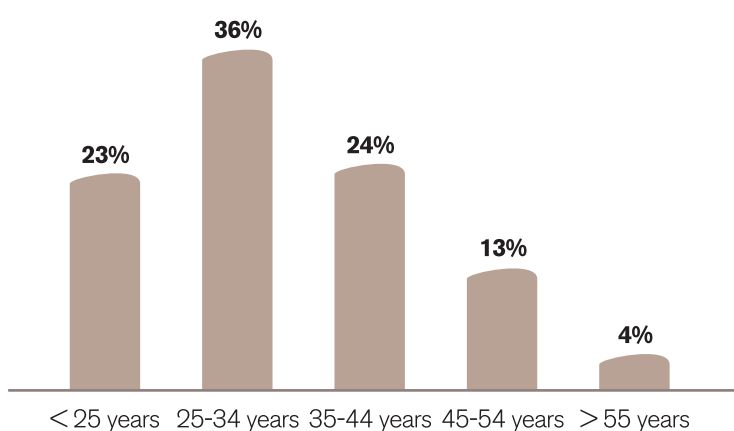
(1) New indicator

(2) A manager is defined as an employee who manages others and/or has a high level of expertise.

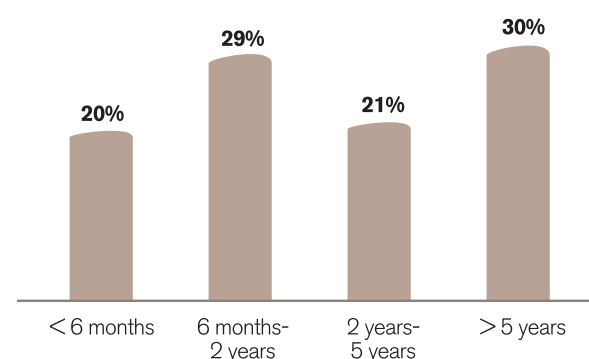
(3) Number of lost-time incidents (as defined by local legislation) per million hours worked.

Employees by age and seniority at December 31, 2007

Employees by age



Employees by seniority

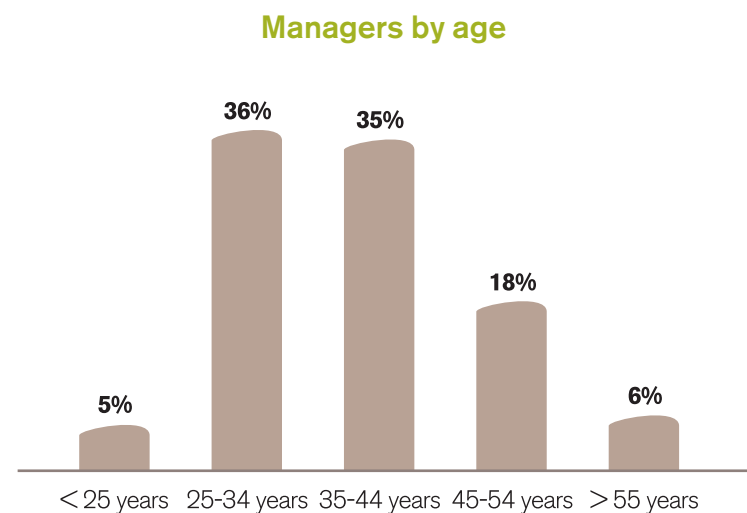




Accor continues to have a young workforce, with 59% of employees under 35 at year-end 2007. In France, 45% of new hires were less than 25 years old.

Managers by age at December 31, 2007

Accor managers are also young, with 41% under 35, two points more than in 2006. Accor has always favored promoting from within, offering career development opportunities to employees joining the Group and encouraging the best of them to climb the corporate ladder. As part of this process, managers pay close attention to each team member's personal growth and performance, in order to identify and support high potentials and provide them with the training they need. Indeed, training plays a critical role in the process, helping to prepare high potentials to take on greater responsibilities.



Human Resources Indicators

Worldwide indicators are calculated on the basis of the full-scope data defined above.

Data for France are taken mainly from the Consolidated Corporate Report – France, which consolidates data from the 2007 corporate reports prepared, in compliance with French law, by French subsidiaries that are at least 50% owned and have at least 300 employees.

Management philosophy and values

Accor's true wealth is derived from its employees, brands, host countries and cultures. Just as important, however are the values that describe our shared personality and, since the beginning, have expressed our management philosophy.

Today, these five values are: **Innovation, a Winning Spirit, Performance, Respect** and **Trust**. A presentation kit, comprising a film, a poster and folders, was distributed in 2007 to enable managers to embrace these values and instill them in their teams, so that all our employees can demonstrate them in their on-the-job practices and attitudes.

The hiring challenge

To attract and recruit the finest talent and to support our reputation as the benchmark employer in the global hotel industry, a variety of

initiatives were pursued in all our host countries to inform potential employees about our businesses, our job and career opportunities, and the advantages of working at Accor. In 2007, our global brands hired 32,600 people worldwide, of which 37% were under 25.

Human resources marketing

To promote our job skills and enhance our image as a good place to work, a wide range of human resources marketing media has been developed for our country organizations.

They include the "Why Choose Accor" folder that explains our management philosophy and employee benefits system, the "Human Resources Highlights" brochure that describes the various country projects and programs led by local human resources networks during the year, and inserts in the "Your Smile, Your Future" framework of the human resources campaign regularly published online and in print media.

To broaden our recruitment reach, new media are constantly being introduced, such as the podcasts available on accor.com with testimonials from employees around the world, talking about their successful careers in the Group. The website also has a questionnaire that applicants can use to discover which jobs are right for them. Lastly, a large proportion of our new hires are recruited each year through the AccorJobs website, which received 2.8 million visits in 2007.



Educational partnerships

Partnerships With National Education Ministries

In every host country, Accor maintains close relationships with Ministries responsible for education, training and employment, as well as with a large number of trade and business schools. We also actively participate in job fairs.

In France, a vocational and adult training agreement signed with the National Education Ministry is helping to **integrate changing hotel job skills into training and certification programs and giving them more European scope**, in particular through the creation of a hotel management degree recognized across the continent. The agreement also comprises hands-on programs to deepen cooperation with universities and to provide students with better information to help them choose careers in the hospitality and foodservices industry.

In France, more than 3,300 trainees were hired as part of vocational or technological work/study programs. Forty internships in Accor-brand hotels were also offered under the special training programs created for hotel school teachers.

A number of programs have been implemented to enable students and teachers to discover the hospitality industry. For example, 30 cooking teachers attended Ecole Lenôtre seminars on changes in today's kitchen jobs and new foodservice concepts. Middle-school teachers attended immersion courses in our hotels, while Accor representatives gave presentations on hotel jobs in a large number of middle schools. Other job orientation programs were deployed for teachers, counselors and students, concerning in all 2,800 middle-school students.

In addition, Accor hotel managers and department heads regularly join vocational school teachers to give students additional information about hospitality jobs and lead role-playing exercises.

As well, more than 150 training sessions are offered every year to vocational or technology teachers.

Accor Morocco has signed a partnership agreement with the Sahil association for social development and the Office of the Secretary for Literacy and Non-Formal Education to deploy a literacy programme for employees of local Accor-managed hotels. This new agreement will cover courses for 500 people in rural areas and towns in M'diq-Fnidaq province. The initiative will be renewed each year in a different region of the country.

Several Accor hotels in the Netherlands have partnered with the Campus Nieuw West organization, which offers young people the opportunity to acquire new skills and work experience by linking up with local businesses. The partnership involves short internships in the participating hotels to introduce young people to hospitality and foodservice jobs.

Accor Belgium has formed a cooperative partnership with the Flanders Regional Education Ministry, which will update curricula in all of the region's hotel schools, train teachers in new hospitality concepts (reflecting changing job skills and distribution processes) and offer students internships in Group hotels with the possibility of being hired.

Apprenticeships

Apprentice programs are a very important source of hiring, which are supported in all our host countries.

In France, Accor has signed the Labor Ministry's Apprenticeship Charter and the national framework agreement initiated by the Labor Minister to create a professional-skills contact to facilitate the school-to-work transition. We are committed to helping young people develop marketable skills that will enhance their employability in Accor hotels.

In 2007, **1,200 people were involved in work/study programs in France**, of which 75% under apprenticeship contracts.

For the past five years, Accor Hotels EMEA has organized the annual "Professions Challenge," which recognizes the achievements of hospitality and foodservice vocational students and celebrates young professionals working in Accor hotels in the region. In 2007, 40 contestants were chosen from among 800 candidates from 19 countries.

In addition, we organized orientation days for apprentices in Group hotels and a round table for work/study employees at the end of their program, so that they could discuss their work/study experience in the Group. As well, French business school interns in Group hotels were invited to attend a comprehensive presentation on Accor by the corporate human resources department.

The brands are also implementing their own initiatives. In France, for example, Mercure has created a certification program for participating hotels, with certificates awarded to hotels demonstrating compliance with all of the brand's criteria. In their commitment and action, the hotel, the apprentice and his or her dedicated mentor are all bound by a moral contract, with practical milestones to gauge their successful progress. The contract is designed to set up a clear relationship based on each person's rights and responsibilities. In this way, the apprenticeship program becomes a structured course of study, clearly marked by gradual stages of improvement that ensure effective supervision and support. By the end of 2007, 70 hotels had been certified, 140 mentors had been trained and recognized for their teaching abilities, and 170 apprentices were involved in making their apprenticeship a success.

In **Germany**, where apprentices account for 22% of the workforce, the "**Azubi Awards**" are organized every year to celebrate the best apprentices. In the eighth annual event, the 30 top apprentices took part in the reception, kitchen and serving staff finals. The winners in each category were invited to participate in a one-year internship in an Accor hotel in the country of their choice, with all visa, travel and language training expenses fully paid.

As part of the **European Union's Leonardo da Vinci program**, which aims to enhance skills and qualifications of first-year vocational students, three apprentices in Group hotels in **Austria** spent three weeks in Paris at the Ibis Berthier Porte de Clichy and the Pullman Paris Rive Gauche. In 2008, this program will be expanded to a number of 6 apprentices.

In **Morocco**, 12 new apprentices attended the new Apprentice Training Center opened in May 2007 at our **Accor Academy Morocco** facility. An orientation program was organized to familiarize them with the Group, the training center and its operating procedures, and the three Accor hotels in Agadir. Two new classes, totalling 24 people, were created in September 2007, in compliance with the



agreement signed with the Vocational Training Authority, which calls for the training of 156 apprentices over three years.

Regional Employment Delegations in France

For hiring needs in France, operating managers can contact one of seven Regional Employment Delegations located in the country's main employment catchment areas, which coordinate and locally implement the various agreements signed with French government ministries.

They are tasked with:

- ▶ defining and implementing initiatives to promote our businesses and skills-sets;
- ▶ implementing commitments under national partnerships, such as the National Education Ministry agreements, the Apprenticeship Charter, the National Employment Agency agreements and the Diversity Charter;
- ▶ supporting the brands' employment policies;
- ▶ short-listing applicants and creating pools of potential new candidates in each catchment area;
- ▶ implementing the Group agreement concerning the hiring and retention of disabled employees;
- ▶ supporting employees in their job mobility and career development.

In 2007, the Regional Employment Delegations processed **10,000 resumes**, conducted **4,000 individual and collective pre-selection interviews** and participated in more than **40 job fairs**.

The Delegations are also driving the wider use of role-playing techniques in the hiring process to assess the potential capabilities of people with few or unrelated professional skills. In 2007, 90 people were hired in France using this method.

Providing opportunities to the underprivileged

Accor is committed to supporting equal opportunity in education and hiring people from underprivileged backgrounds.

In December 2006, Accor signed France's **Corporate Charter of Commitments for Equal Educational Opportunities**, which is designed to improve understanding of the business world, so as to facilitate the orientation and workplace integration of students from disadvantaged or from underprivileged backgrounds. Our commitment is expressed in three ways: enabling middle-school teachers to discover jobs in the hospitality and foodservice industry, organizing the "School in the Hotel" program, during which students and teacher run a hotel for a day, and sponsoring a class taught by one of our site managers in a vocational high school.

Accor is a founding member of the **Second Chance School in Paris**, part of a network created in French cities in association with the European Social Fund to encourage the workplace integration of young adults, 18 to 26, without any qualifications or degrees and who have been out of education for at least two years. The schools offer their students a second chance to integrate the workforce and provide support until they find a job. As part of this social inclusion program, we tell the students about our jobs and

the required vocational degrees and certifications. We also provide support and advice in writing resumes, preparing for a job interview and other critical job-seeking skills. Accor is currently involved with Second Chance Schools in Tours, Toulouse, Mulhouse, Marseille, Lille and Paris, as well as in the Seine St. Denis department in the Paris suburbs.

During the "Job & Cité Stadium à Lyon" job fair held in the Lyon Gerland sports stadium, a **hiring campaign** was conducted with the participation of Novotel and the Regional Employment Delegation. The theme of the fair was diversity, and people from the city's disadvantaged neighborhoods were invited by local young-adult employment agencies.

Accor also sponsors "Sport dans la Ville," a Lyon-based social inclusion association that encourages children from underprivileged backgrounds, from troubled families or with problems at school to participate in sports, so that they can learn values critical to their self-fulfillment and success. The association supports the children and tracks their performance as they pursue their studies and look for a job. In 2007, three Ibis, Novotel and Mercure hotel managers sponsored one of the association's participants, helping with job counseling, providing information and talking about our jobs. One of the young people is already working as an apprentice with Novotel.

Diversity

Accor has always been deeply committed to the principle of diversity. The value of our Group is increasingly based on the diversity of both our teams and our team members, which enables us not only to be more innovative and more creative, but also to reflect our clientele.

2007 marked an important new stage in our commitment to diversity, which is one of our strategic priorities.

In Europe, several country organizations have introduced diversity programs, in a commitment to effectively addressing these issues in their local communities. Accor encourages this type of approach, which is intended to build a diversity process that respects local cultures and enables the Group to diversify its teams.

In France, an action plan has been defined to guarantee non-discrimination and promote diversity. It enhances employee sensitivity to discriminatory practices, whether direct or indirect, conscious or unconscious, related to gender, age or other criteria in the areas of hiring, promotions, training, compensation and career development. Citizens of more than 130 countries work in the French hotels business. To promote diversity, the Novotel Paris Tour Eiffel, for example, organized the Cultures Forum in November, bringing together people from 11 countries of the 37 nationalities represented among the hotel's workforce. The forum was part of the hotel's "All Together, Faster, Further" project.

Accor North America was honored with the 2007 Celebration of Diversity Award for "Workplace of the Year in the Dallas/Fort Worth," in recognition of Accor's diversity commitment and programs.

Accor North America was selected from among 84 nominees on the basis of the following criteria:

- ▶ a leadership role in improving the quality of life for diverse populations in the Dallas area;



- ▶ commitments to promoting diversity and inclusiveness through financial or in-kind contributions and volunteerism;
- ▶ contributions to charity programs that help people from diverse backgrounds;
- ▶ efforts to create an environment of inclusiveness;
- ▶ a sustained commitment to ensuring successful diversity.

In addition, at the July 2007 Summit of the National Association of Black Hotel Owners, Operators & Developers, Accor North America premiered a new diversity program titled the Accor Pinnacle Program, which offers knowledge, guidance, and tools through a wide-range of services and initiatives to help minority and women owners and investors succeed in the lodging industry. In addition, Accor North America won a 2007 Chain Leadership Award from *Lodging Hospitality* magazine in the franchising category for its “Accor Hospitality Diversity in Franchising Program.”

In addition to its Indigenous Employment Programme, Accor **Australia** has signed a national partnership agreement with Message Stick, an Aborigine-owned and managed company that provides high value-added telecommunications services.

At the request of the Italian Labor Ministry, Accor **Italy** is actively participating in the Bollino Rosa project, designed to attenuate gender inequality in the job market. Along with around 30 other companies, Accor Italy is supporting the project by working on the creation of a quality certification program, based on equal hiring, compensation, career development and training opportunities. Beginning in 2008, the Ministry will award the certificate, known as “Bollino Rosa: Equal Opportunity, New Opportunities,” to companies that meet its criteria.

Gender equality in the workplace

Women account for 54% of employees in France (57% in Hotels and 61% in Services), while in the rest of the world, they account for 49% in Hotels and 52% in Services.

In **France**, the Group Diversity Agreement also covers the equal treatment of men and women. Among the women’s affirmative action plans, the **Managers Plurielles** project undertaken by Etap Hotel and Formule 1 teams has introduced programs to improve the diversity of management and to support career development opportunities for women.

The project is designed to help improve job stability for women; encourage their move up to supervisory and management positions; develop their skills; and introduce work schedules that make it easier for women to serve in management positions.

Among other initiatives, working groups have rewritten recruitment documents to attract more female applicants, designed a gender diversity management training course and, in one hotel, recommended that certain employees be trained in childcare to provide them with additional job skills at Etap Hotel and Formule 1.

A one-day session on the Managers Plurielles project was organized with the Etap Hotel and Formule 1 Executive Committee to share everyone’s achievements and explain the actions undertaken. These include the “I Commit To” charter, staff pooling, the safety process, training and reading skills classes, childcare programs and the

creation of daycare centers. Directors of operations, with the team members, then implemented an action plan to deploy the project across the network. The Managers Plurielles team received the 2007 Team Bernache ⁽⁴⁾ award.

Hiring and integrating the disabled

To comply with French legislation passed in 2005, a Group-wide agreement to make it easier to hire and retain the handicapped has been signed with all of the unions for the 2006-2008 period. Under its provisions, the Integrating the Disabled Project (MIPH) team carried out the following actions in 2007:

- ▶ 57 people were hired in Accor France operations, mostly under permanent contracts. Of the total, 18 were hired (under fixed-term or permanent contracts) thanks to three video recruitment sessions, during which 75 applicants posted their video resumes on the MIPH site;
- ▶ to help retain disabled employees, a DVD on the prevention of occupational risks was produced for housekeeping staff. It featured an ergonomist describing safe, effective work postures and movements for a variety of housekeeping tasks;
- ▶ 43 training and awareness-building sessions were conducted in establishments of Accor in the Greater Paris area, in particular thanks to partnerships with such schools as the medico-educational (IME) and medico-vocational (IMPRO) institutes in Bourg-la-Reine and the Faculté des Métiers in Evry. These sessions were the first step to integration for six participants, who were offered job contracts;
- ▶ a partnership was signed with the French National Association of Sheltered Workshops (UNEA) to develop our business with these organizations, which under French legislation are one way to meet the government quota of having disabled employees account of the workforce. In 2007, €532,000 in revenue was generated with sheltered workshops, representing the hiring equivalent of 32 disabled employees.

In all, Accor France employed 464 disabled persons at December 31, 2007, representing 3.53% of the workforce.

In 2007, MIPH conducted a survey “Handicaps and You” of nearly 2,000 headquarters employees in Paris and Evry by e-mail. 622 people replied, for a 32% response rate.

An Accor training program won the 2007 Workplace Integration Award in a contest organized by the Association for Disabled Adults and Young People (APAJH). The award honors outstanding efforts by public and private sector organizations to enable the handicapped to participate in society, culture and the workplace.

We also received an award for our commitment to hiring and retaining the disabled, as demonstrated by the programs set up for young adults in the IME and IMPRO institutes in Seine St Denis and Val d’Oise. Conducted in partnership with the special education division of the National Association for Adult Vocational Training (AFPA), the first three sessions enabled 18 participants to receive kitchen training and 15 to serve as interns in Group hotels.

In China, the Novotel Hyland Shanghai is supporting the Chinese Disabled Persons Federation’s Vocational Rehabilitation Center in the Pudong area by offering the disabled training in kitchen,

(4) This internal award honors a cross-functional, cross-division team that has carried out an especially outstanding project.



housekeeping and other hotel skills. So far, 28 people have been hired by Group hotels and restaurants and more than 100 have attended the training courses.

Skills development

Training

Training is one of our core human resources management processes. Employees are trained in each business' unique skill-sets, as well as in management, customer reception and sales. We believe that human resources development offers an opportunity to improve customer service by enhancing the professional pride, motivation and loyalty of our employees.

Accor is committed to ensuring that every employee receives some form of training every year. This objective is primarily being met through the network of 14 Accor Academies, which are dedicated to three main missions:

- ▶ helping to strengthen our competitive advantages;
- ▶ supporting the personal and professional growth of our employees by enabling them to acquire new skills;
- ▶ instilling our values and culture across the Group.

In close cooperation with our operations and support functions, the Academies offer courses tailored to the needs of the units in their region and constantly enhanced by the custom solutions designed for special situations.

They also support the creation and repositioning of hotel brands by developing appropriate new curricula. The launch of the All Seasons brand, for example, was accompanied by dedicated courses for franchisees, while to support the teams in the new venture, a special session was offered to employees of the first hotel to improve their understanding of the brand.

New cross-brand courses were introduced during the year. One example is the "Accor Manager" program for newly promoted managers, which teaches them i) to capitalize on their acquired experience and transform it into transferable skills; and ii) to enrich their vision of their role, thereby enhancing their leadership capabilities in the areas of strategy, marketing, management and communication.

On-site training is also being expanded using CD-ROMs and other e-learning technologies, which make it possible to reach a wider population. In addition to these courses, managers train their team members on a daily basis – an essential aspect of the services business and a particular priority for Accor.

In 2007, 333,529 days of **training** were conducted during the year, funded at **2.4% of payroll**, an increase of 0.2 percentage point on 2006.

International mobility

To support our expansion around the world, a highly fulfilling international mobility process has been implemented to encourage employees to take postings outside their home country. Our presence in more than 100 countries offers a broad range of career opportunities in all of our businesses.

Today, international mobility has become a strategic objective of our human resources policies – one that the Expatriation and International Mobility Group is striving to meet by encouraging employees to "Broaden Your Horizons."

Created in 2006, the Group is responding to Accor's development objectives for the Hotels and Services businesses by finding managers with the right backgrounds, meeting employee demand for international job opportunities and coordinating the Group's expatriation and international mobility expertise.

It is organized into two sections:

- ▶ the international mobility section is comprised of mobility managers whose job is to streamline the management of international postings and careers, while guaranteeing effective application of our expatriation policies. It is organized by region, so that the mobility managers remain in constant contact with their region's frontline managers and human resources network;
- ▶ the expatriation section consolidates all our cross-functional skills in managing expatriate assignments for all of our businesses and regions. These capabilities cover international compensation and benefits, health and repatriation insurance, and pension and other post-retirement benefits for expatriate employees.

There were 700 expatriate employees in 2007. A dedicated organization and assertive policies are now in place.

Compensation and benefits

Accor compensation and benefits policies are shaped by four principles:

- ▶ offer compensation that is competitive in each market and country;
- ▶ ensure that men and women receive the same compensation for the same work;
- ▶ encourage employee savings and stock ownership;
- ▶ strengthen employee healthcare coverage and other benefits.

Compensation

Accor is committed to compensating every employee in line with market practices, which are identified and tracked through regular surveys conducted by specialized firms.

Managers receive a base salary and an incentive bonus, ranging from 5 to 30% of salary, depending on the level of responsibility, and reflecting the achievement of qualitative and quantitative objectives.

To monitor implementation of this policy and its alignment with market practices, studies are conducted for each skills cluster, business or region. This was the case in 2007, for example, for Accor Services managers in Turkey and sales representatives in France. Similar studies were conducted by Accor Hospitality, including a compensation survey of Ibis hotels in Morocco and a review of key operating positions in the Orfea and Suitehotel brands in France, designed to ensure that their compensation was competitive compared with market practices. Every year key positions across the Group are classified by level of responsibility



and organizational impact, then compared with equivalent positions in the local market.

Accor ensures that decisions concerning any aspect of compensation are made without any discrimination with regard to age, gender, nationality or any other personal criteria.

Employee savings and stock ownership

Employees are regularly offered the opportunity to purchase Accor shares on preferential terms and conditions, as part of employee share issues. At the end of 2007, 26,928 employees owned shares in their company.

In **France**, employees can invest in the Corporate Savings Plan set up in 1985 and steadily broadened ever since. It comprises a conventional plan, under which Accor contributes matching funds each time an employee invests in one of the plan's mutual funds. In addition, to support employees with little capital available for savings, the Tesorus supplemental system offers a booklet of vouchers that employees can use whenever they want to pay into the plan during the year, with Accor again contributing matching funds.

Employees in France also receive non-discretionary profit-shares under a corporate agreement covering 138 companies in 2007, as well as discretionary profit-shares, based on their company's performance and financial results for the year. Discretionary profit-sharing agreements are generally signed for each hotel in order to better reflect the unit's actual business model.

Discretionary profit-shares earned in 2006 and paid in 2007 amounted to an aggregate €16 million for 22,737 employees, or an average amount of €695 for the year.

Non-discretionary profit-shares earned in 2006 and paid in 2007 amounted to an aggregate €9 million for 29,933 employees, or an average net amount of €303 for the year.

Insurance coverage

In 2007, at a time of constant change in **France's** national health insurance system, Accor reaffirmed its commitment to providing employees with healthcare and other insurance coverage. A study was undertaken during the year to modernize healthcare benefits and improve insurance coverage at no extra cost to employees.

These changes are now being discussed with employee representatives, with phase-in scheduled for 2008.

In other countries, healthcare and other coverage is being actively extended, depending on local needs and social context.

Examples of benefits include death benefits for employee families and a complete range of healthcare coverage, including routine care, hospitalization, maternity benefits and eye care.

In Brazil, for example, the 2006 results of the "Better Living" program have recently been compiled. More than 9,600 people were covered by the program, which was introduced by Accor Brazil's Employee Benefits and Healthcare department to offer employees medical coverage that exceeds the company's legal obligations.

A cross-disciplinary team provides medical, psychological and dietary assistance, as well as physiotherapy care. More than 3,000 employees used these services and more than 1,000 had 50% of their healthcare expenses paid by the company.

In Africa, operations in more than 15 countries, including Chad, Togo, Cameroon and Côte d'Ivoire, offer their employees medical coverage. In 2007, every employee in Egypt was covered by a disability and death benefits plan.

Retirement benefits

Following a 2006 audit of pension and post-retirement benefit systems in countries on five continents, a Group Retirement Benefits Committee was set up in 2007. Designed to encourage dialogue and consensual management, the committee is comprised of representatives from the corporate Human Resources, Consolidation, Treasury and Financing, and Administrative Services departments, as well as the Group's consulting actuary. The committee, which meets quarterly, has been tasked with defining governance guidelines and best practices to be shared across the Group in such areas as severance pay, length-of-service awards and seniority bonuses.

In 2007, the following issues were addressed:

- ▶ supplementary pension plans in France and the United States.
- ▶ changes in the Dutch pension plan;
- ▶ changes in Italian length-of-service awards (TFR), in compliance with new local legislation.

Employee working conditions

Organizing the workweek

Since April 1, 2007, working time in the French Hotels business has been governed by amendment 2 to the Hotels, Cafés and Restaurant industry agreement, which has set the workweek at 39 hours, with time worked from the 36th to the 39th hour paid 10% overtime.

Overtime may also be taken in the form of additional time off, equivalent to 110% of the overtime hours worked (or at a higher rate if the employee works more than 39 hours a week). Employees classified as managers are paid a fixed annual salary and are not eligible for overtime. All of these conditions have been implemented under an agreement with union representatives.

In the Services business, at Compagnie des Wagons-Lits and at head offices, the workweek for non-managerial staff is 35 hours, with managers expected to work a set 218 days a year.

At December 31, 2007, out of a total of 24,650 employees in France, 22,723, or 92%, have permanent contracts.

Outside France, 90% of employees have permanent contracts. Their working hours comply with local legislation and collective bargaining agreements.



Work-life balance

Employees increasingly express their desire to maintain a work-life balance. Employees in France can participate in the “Bien-Être à la Carte” corporate concierge program and its “Bien-Être Assistance” platform, operated as a joint venture between Accor Services and Europ Assistance. They enjoy free, confidential access to Vie Pratique® advisors, who provide them with solutions that make their day-to-day lives easier in such areas as housing, schools, personal finance and leisure activities.

Managing health and safety risks

Risk prevention

Reducing health and safety risks in the workplace is another priority, which is being met by dedicated initiatives in all of the operating units.

En 2007, Formule 1 and Etap Hotel managers attended a class in “Foreseeing and Managing Risks,” designed to build their risk awareness, help them to understand their responsibilities and familiarize them with Accor processes and systems.

Accor Canada introduced a health and safety training program for employees at every level of the organization. In recognition, the company was nominated for the Ontario Tourism Excellence Award in the Health and Safety category. After successfully completing a safety and hygiene class, 300 employees of the Novotel Mississauga, North York and Novotel Toronto Centre received a personalized safety guidelines booklet.

Health/safety prevention programs

The incident frequency rate improved by 1.8 point in 2007 to 19.3.

To help prevent work-related accidents, the Accor Academies offer training programs for kitchen staff, housekeepers and other employees who use or are in contact with sharp objects in their day-to-day duties.

In **France**, 4,977 employees received safety training during the year.

In Eastern France, Ibis set up a pilot “Preventing Workplace Abuse” program, which will be rolled out to all of Ibis’ French subsidiaries beginning in July 2008. It will help to detect and remedy abusive situations by offering employees confidential counseling and assistance services. Because workplace well-being enhances employee fulfillment and career development, the brand is committed to responding to any form of emotional or physical abuse and providing appropriate assistance and support.

The program is being deployed in five stages:

- ▶ training hotel managers to help them diagnose and treat abusive situations;

- ▶ informing employees about the new program;
- ▶ forming and training a Mediation Committee to track the diagnosis and treatment of reported abuse;
- ▶ setting up an anonymous hotline for employees to talk about abuse, with calls managed by an independent institute;
- ▶ running a six-month pilot in 15 hotels in the Alsace-Lorraine region.

Opened on April 3, 2007, the hotline is now available to all of Ibis France’s 3,930 employees.

At the second meeting of **Accor Morocco**’s human resources network, several healthcare professionals gave presentations on hygiene, health and prevention issues, in order to review occupational medicine obligations and practices, harmonize hotel industry-specific analyses and examinations and increase awareness of HIV/AIDS and hepatitis B and C prevention.

In Brazil, a “Health and Well-Being Month” was organized for Sofitel São Paulo employees in September. Programs included a nutritional review for every employee, workplace fitness sessions, hikes, and conferences on eating and physical activity and eating and cardiovascular disease.

Accor Services Venezuela conducted a one-day program in which more than 160 employees were vaccinated against measles and rubella, which are gradually being eradicated from the country.

AIDS prevention

With regard to AIDS, Accor focuses on employees who are most at risk and has developed programs in certain countries, particularly in **Africa**, to inform hotel staff of preventive measures and offer access to care. Other prevention campaigns are deployed for customers, if such programs are warranted by conditions and acceptable in the local culture.

Employee AIDS prevention programs vary from one country to another:

- ▶ in countries where healthcare coverage is adequate, Accor supports government policies by implementing job-related training programs (which always include a session on AIDS) and awareness and prevention campaigns, as well as by providing employees with access to medicine;
- ▶ in countries where coverage is inadequate or inexistent, Accor fills the void left by government policies. This is the case in most African countries, where AIDS prevention measures have been deployed by all our hotels across the continent.

In 2007, the ACT-HIV DVD was introduced to improve AIDS awareness and sensitivity among operating managers in the Hotels and Services businesses. In 2008, it will be distributed by human resources managers in all of our operations.



Absenteeism

In France, the absenteeism rate is calculated by dividing the number of days absent by the theoretical number of days worked.

Reasons for absenteeism during the year were as follows:

Absenteeism rate ⁽¹⁾ by cause

Sick leave	6.1%
Workplace accidents and accidents commuting to/from work	1.4%
Maternity, paternity or adoption leave	1.8%
Compensated absences (family events)	3.3%
Non-compensated absences (unpaid leave, parental leave)	0.5%
TOTAL	13.1%

(1) Number of days of employee absences divided by the theoretical number of days worked.

Illness remains the leading cause of absenteeism in France.

Redundancy plans

As part of the process of rationalizing the French hotel base, certain hotels have been sold, in particular to franchisees. Exceptionally, and because there was no possibility of keeping the hotel open after the sale, two redundancy plans were implemented for three hotels, the Mercure Paris Porte de Pantin, the Résidence Saint Dominique and the Mercure Nîmes. The plans, which were negotiated and signed with the unions, included offers of jobs elsewhere in the Group to avoid layoffs and the assistance of a consulting firm for employees seeking outplacement. They concerned 58 people.

At **Compagnie des Wagon-Lits**, a redundancy plan undertaken in response to the announced year-end 2007 closing of the night-train business, led to the following movements in 2007: 18 employees took early retirement, 35 were hired by SNCF, 23 left voluntarily, 32 left for other reasons and two were dismissed. By the time the business has ceased operations, every employee had found a placement solution.

Following discontinuation of the company's vending machine operations on November 1, 2007, a redundancy plan was set up for the 18 employees concerned. Seventeen were transferred to other positions in the company and one left voluntarily.

Social dialogue

All of Accor's human resources policies are shaped by a focus on social dialogue. We actively support constructive discussions with employee representatives, in a commitment to fostering an efficient, high-quality working environment.

Employee relations

In 2007, a total of 106,741 hours were used for employee delegate activities.

In 1995, a worldwide agreement was signed with the International Union of Food Workers (IUF) concerning application of ILO conventions 87, 98 and 135 on employees' freedom of association

and right to unionize. It ensures compliance with and full application of these conventions in all Accor establishments as well as employees' right to join the labor union of their choice. It also protects employees and their representatives against all forms of discrimination that might undermine the freedom to organize.

In France, union news and information have been communicated via a dedicated union intranet since 2002.

Collective agreements

Between June 1, 2006 and July 1, 2007, around 50 company-wide agreements were signed with the unions, while salary agreements were signed with employee representatives for all Hotels, Services and head office employees in France.

A Diversity Agreement applicable Group-wide (i.e. including the French subsidiaries) was signed on January 10, 2007 with all of the employee representatives.

Employee representative organizations

Group Works Council

The Group Works Council supports dialogue and the sharing of business information with employee representatives in France. Created by the October 12, 1984 framework agreement, the Council comprises 35 employee representatives chosen from among the elected members of the 104 subsidiary works councils in all of our businesses in France. Chaired by the Chief Executive Officer, it meets twice a year and has access to all of the Group's business data.

Social Council

Another collective body that promotes constructive social dialogue is the Social Council, which meets on a regular basis and provides an informal forum for ongoing relations with union representatives. The meetings address important topics that concern the Group as a whole, as well as certain strategic issues.

European Works Council

The European Works Council is co-chaired by Accor's Chief Executive Officer and an IUF representative. It meets at least once a year in plenary assembly, to examine the Group's organization, strategy and results, as well as transnational issues. The Council met once in 2007, in Geneva at International Labour Office.

Outsourcing

The biggest challenge in the area of outsourcing concerns companies that provide hotel cleaning services, which account for most of our outsourcing costs.

In response, partner compliance with our workplace practices has been strengthened by the introduction, in 2003, of a protocol agreement on the objectives and conditions for using subcontractors. Union representatives and Accor management met to define the process of outsourcing room cleaning to subcontractors. It requires strict compliance with labor laws and regulations and defines such aspects as working hours, the calculation of paid hours, and training.



Enforcement is regularly monitored in collaboration with employee representatives.

Of the 836 hotels that are owned and managed in France, approximately 71 used cleaning companies as of December 31, 2007.

Every year, the Human Resources Department verifies outsourcing contracts for compliance with our employee relations standards.

In 2002, a Sustainable Development Purchasing Charter was introduced to share our standards with suppliers. Based on reciprocal commitments, the sharing of best practices and transparent

relationships, the Charter has been sent to all certified suppliers and subcontractors. It requires them to comply with carefully defined criteria in the areas of employee working conditions and environmental protection, in line with the International Labour Organization's fundamental conventions. Signing the Charter is one of the primary criteria for recertification.

The same process is followed for the certification of temporary employment agencies.



Summary Tables of Employee Data - France

Consolidated Corporate Report - France

In compliance with French legislation, this Report consolidates data from the 2007 corporate reports prepared by French subsidiaries that are at least 50%-owned and that have at least 300 employees.

In all, the Consolidated Corporate Report now covers 81% of Accor employees in France.

This same scope has been used for most of the indicators shown in the first table.

The Report concerns 20,041 employees in service at December 31, 2007, irrespective of the type of employment contract.

	2007	2006
Number of employees		
Total number of employees ⁽¹⁾	20,041	20,136
Percentage of women	54.0%	53%
Percentage of men	46.0%	47%
Average monthly number of employees ⁽²⁾	19,949	N/A
Employees by age		
Under 25	16.7%	16.7%
25 to 34	31.8%	31.5%
35 to 44	27.6%	27.9%
45 to 54	17.5%	17.8%
Over 55	6.4%	6.1%
Employees by seniority		
Under 6 months	14.6%	11.3%
6 months to 2 years	15.5%	16.2%
2 to 5 years	18.9%	21.2%
5 to 10 years	22.0%	21.1%
More than 10 years	29.0%	30.2%
Number of full-time employees under permanent contracts	14,226	14,258
Number of part-time employees under permanent contracts	4,067	4,031
Number of employees under fixed-term contracts	1,748	1,847
Number of non-French employees ⁽³⁾	2,500	2,505
As a % of total employees	12.5%	12.4%
Hiring		
Number of persons hired under permanent contracts	4,815	3,988
Percentage of women ⁽²⁾	50%	N/A
Percentage of men ⁽²⁾	50%	N/A
Number of persons hired under fixed-term contracts	5,704	5,688
Number of people under 25 years old hired	5,268	5,174
Compensation		
2006 discretionary profit-shares paid in 2007		
Number of beneficiaries ⁽⁴⁾	22,737	16,903
Average gross amount per beneficiary (in €)	695	638
2006 non-discretionary profit-shares paid in 2007		
Special Employee Profit Sharing Reserve, net (in € millions)	9	7
Number of beneficiaries ⁽⁴⁾	29,933	30,137
Average net amount per beneficiary (in €)	303	229

(1) All employees on the payroll at December 31, regardless of the type of employment contract.

(2) New indicator.

(3) Non-French employees who worked in France.

(4) Among employees who worked at least three months in the year.



	2007	2006
Health and Safety Conditions		
Number of meetings of Health, Safety and Working Conditions Committees	512	619
Number of employees receiving onsite safety training	4,977	6,762
Employee Relations		
Collective agreements signed, June 2006 to July 2007	50	46
Total hours used for employee delegate activities	106,741	113,929
Number of meetings with employee representatives	1,645	2,051
Employee Benefits		
Solidarity fund		In 1994, a solidarity fund was set up in France to provide administrative or financial assistance to employees faced with major financial or family-related difficulties that they cannot overcome alone. Employees may also seek assistance from the Group's social welfare officers.
Works Council benefits budget (in € millions)	2	2

Full-Scope Data in France

Full-scope data cover:

- ▶ full and part-time employees with permanent contracts, fixed-term contracts exceeding three months, or apprenticeship contracts;
- ▶ total headcount of subsidiaries and units managed by Accor under contract. Full-scope data do not reflect units in which Accor holds a stake but is not responsible for managing the teams.

	2007	2006
Employees		
Total number of employees	24,650	25,183
Compensation		
Total gross payroll (in € millions)	732	648
Employer payroll taxes (in € millions)	275	264
Training		
Training expenditure as a percentage of total payroll	1.7%	1.8 %
Average training days per employee ⁽¹⁾	1.5	1.6

(1) Total training days divided by total number of employees.

In 2007, the sale of several Group hotels to independent owners led to a decline both in the number of employees (without any job losses) and in training expenditure.



ENVIRONMENTAL REPORT

Introduction

In 2007, Accor broadened the scope of reporting on Hotel Environment Charter action points and commissioned the first outside audit of the Group's performance. The reliability of water

and energy use data was further enhanced by the deployment of the OPEN environmental management application in all of our major operating regions.

Scope of Reporting

✱ Indicators corresponding to Hotel Environment Charter action points are marked with a ✱ and concern Group hotels.

In 2007, data on Hotel Environment Charter actions were reported by 3,292 hotels. While the scope of reporting narrowed with the disposal of Red Roof Inn, the portion of Group hotels applying the Charter still increased by 6% thanks to its introduction in a number of franchised units.

Results are expressed as a percentage comparing the number of hotels implementing a given action to the total number of hotels applying the Charter. Some action points apply only to hotels equipped with special facilities. In this case, the percentage of hotels having implemented these actions is calculated based solely on the total number of hotels concerned.

Percentage of Group hotels applying the Environment Charter

Owned/leased	95%
Managed	84%
Franchised	63%
TOTAL	84%

Regions covered

Europe, North America, Latin America and Caribbean, Asia-Pacific, Africa and Middle East.

✦ Indicators for water, energy and greenhouse gas emissions are marked with a ✦ and, unless otherwise specified, concern:

- ▶ hotels in France, the rest of Europe, North America, Latin America and the Caribbean, and the rest of the world (24 countries in Africa and the Middle East, 11 in Asia and three in the Pacific);
- ▶ six seawater spas in France;
- ▶ operations of Compagnie des Wagons-Lits in Austria, France, Italy, Portugal and Spain;
- ▶ operations of the Lenôtre production facility in Plaisir, France.

A total of 2,163 hotels reported water, energy and greenhouse gas indicators. The disposal of Red Roof Inn in the United States resulted in a decline in the number of hotels reporting water and energy data compared to 2006.

Percentage of Group hotels reporting other indicators (water, energy, greenhouse gases) *

Owned/leased	84%
Managed	44%
TOTAL	55%

* Franchised hotels are not included.

Regions covered

Europe, North America, Latin America and Caribbean, Asia-Pacific, Africa and Middle East.



Energy

Energy use

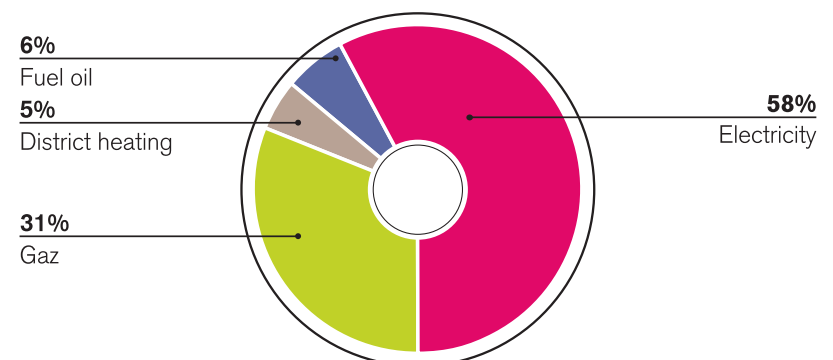
The table below shows total volume of water used worldwide and by region. The decreases in 2007 were primarily attributable to the narrower scope of reporting, reflecting the disposal of Red Roof Inn.

✦ Energy use

	France		Rest of Europe		North America		Latin America and Caribbean		Rest of the world		Total 2007	Total 2006	Total 2005
	Owned or leased	Managed	Owned or leased	Managed	Owned or leased	Managed	Owned or leased	Managed	Owned or leased	Managed			
Number of establishments	617	30	521	15	687	11	27	12	74	169	2,163	2,581	2,503
Energy used (MWh)	549,781	50,832	793,945	45,650	666,563	115,553	37,959	14,504	122,567	997,175	3,394,528	3,710,496	3,441,571

Accor tracks the kWh/per available room ratio, which showed that in 2007, energy use declined by 2.64% at owned and leased hotels in the 2006 scope of reporting (1,796 hotels). Energy use ratios are presented in more detail in the 2007 Annual Report.

✦ Energy used by type in 2007





Improving energy efficiency

- ▶ The energy efficiency indicators introduced in 2006 enable us to accurately track hotel introduction of programs or technological solutions that address the environmental challenge of global warming.
- ▶ There was little change in our energy efficiency performance in 2007. The slight decrease in the “set objectives” indicator resulted from an increase in the number of reporting franchised hotels undertaking the environmental process but not yet using all of the OPEN environmental management application.

- ▶ The portion of hotels using energy-efficient lamps rose sharply to 75% in 2007, reflecting our commitment to having 100% of owned or leased hotels equipped with these lamps by 2010.
- ▶ Efforts to raise employee awareness in 2007 through training and the Environment Charter Kit will be stepped up in 2008, with a focus on improving the intranet-based OPEN environmental management application.

Lastly, our technical teams made a substantial contribution to improving hotel energy performance by performing energy analyses and defining preventive maintenance plans at 84% of the reporting hotels.

★ Energy-efficiency improvement indicators

Managing energy use	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	398	3,292	3,228	2,238
Set objectives for reducing use	67%	66%	99%	83%	67%	74%	77%	- ⁽¹⁾
Monitor and analyze use every month	83%	92%	100%	97%	88%	90%	89%	93%
List potential technical improvements	37%	58%	99%	48%	60%	59%	61%	- ⁽¹⁾
Organize preventive maintenance	74%	84%	100%	86%	87%	84%	83%	- ⁽¹⁾
Use low-energy lamps for permanent lighting	55%	77%	100%	72%	63%	72%	71%	- ⁽¹⁾
Use low-energy lamps in rooms	44%	54%	100%	53%	58%	61%	44%	- ⁽¹⁾
Insulate pipes carrying hot/cold fluids	67%	83%	3%	70%	61%	56%	47%	- ⁽¹⁾
Use energy-efficient boilers	34%	52%	1%	47%	40%	33%	27%	- ⁽¹⁾
Use energy-efficient air-conditioning systems	24%	34%	98%	53%	36%	50%	55%	- ⁽¹⁾

(1) Environment Charter action point added in 2006.

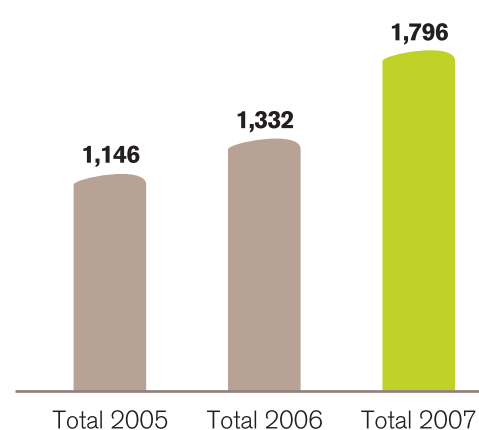
Encouraging the use of renewable energies

In line with our commitment to encouraging the use of renewable energies, our hotels are continuing to install solar panels to produce domestic hot water. At December 31, 2007, solar panels had been installed in 47 hotels worldwide, representing a total surface area of 4,240 square meters.

Furthermore, in 2007 we reaffirmed our commitment to equipping 100 hotels in France with solar panels by 2010, as part of a partnership with the country's Agency for Environment and Energy Management (ADEME).

The Ibis Clichy, built in 2003, is fitted with photovoltaic solar panels whose electricity output is sold to France's EDF power utility.

★ Solar power used to produce domestic hot water (MWh)





Water

Water use

The table below shows total volume of water used worldwide and by region. The decreases in 2007 were primarily attributable to the narrower scope of reporting, reflecting the disposal of Red Roof Inn.

✦ Water use

	France		Rest of Europe		North America		Latin America and Caribbean		Rest of the world		Total 2007	Total 2006	Total 2005
	Owned or leased	Managed	Owned or leased	Managed	Owned or leased	Managed	Owned or leased	Managed	Owned or leased	Managed			
Number of establishments	617	30	521	15	687	11	27	12	74	169	2,163	2,581	2,503
Water used (thousands of cubic meters)	4,407	497	5,457	254	12,035	738	361	180	1,797	11,609	37,334	42,601	38,635

Accor tracks cubic meters used per occupied room. In 2007, water use decreased by 0.46% at owned and leased hotels in the 2006 scope of reporting (1,796 hotels). Water use ratios are presented in more detail in the 2007 Annual Report.

Reducing water use

The water use indicators introduced in 2006 enable us to accurately track hotel introduction of programs or technological solutions that address the environmental challenge of the growing depletion of drinking water supplies.

There was little change in our water use performance in 2007. As was the case with energy use, the slight decrease in the “set

objectives” indicator resulted from an increase in the number of reporting franchised hotels undertaking the environmental process but not yet using all of the OPEN environmental management application.

Water-saving equipment, such as flow regulators for showers and faucets, is being gradually installed across the Group, reflecting our commitment to equipping 100% of owned and leased hotels by 2010. In 2007, 84% of owned and leased hotels used flow-regulating faucets (with 82% using flow-regulating showerheads). In addition, the vast majority of hotels use water-efficient toilets (up 9% over 2006).

✦ Managing water use

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	398	3,292	3,228	2,238
Set objectives for reducing use	60%	57%	99%	73%	56%	68%	72%	- ⁽¹⁾
Monitor and analyze use every month	83%	91%	100%	94%	77%	88%	88%	92%
Use flow regulators on faucets	63%	76%	100%	60%	49%	72%	71%	- ⁽¹⁾
Use flow regulators on showers	57%	77%	100%	61%	53%	71%	70%	- ⁽¹⁾
Use water-efficient toilets	51%	65%	2%	31%	61%	44%	35%	- ⁽¹⁾
Suggest to customers that they reuse towels	56%	85%	99%	56%	76%	75%	74%	- ⁽¹⁾
Suggest to customers that they reuse sheets	52%	65%	98%	38%	57%	65%	66%	- ⁽¹⁾

(1) Environment Charter action point added in 2006.



Other Raw Materials

Accor does not have any manufacturing operations and is not a direct user of raw materials other than water and energy.

Atmospheric Emissions

Greenhouse gas emissions

Greenhouse gas emissions are calculated from the energy use data above:

- direct emissions correspond to gas and fuel oil burned in hotel boilers;

- indirect emissions concern electricity used by the hotels.

The increase in direct emissions and decrease in indirect emissions reflect changes in the type of energy used, with natural gas and fuel oil accounting for a larger share of the total in France and the Asia-Pacific region.

✦ Greenhouse gas emissions

	France		Rest of Europe		North America		Latin America and Caribbean		Rest of the world		Total 2007	Total 2006	Total 2005
	Owned or leased	Managed	Owned or leased	Managed	Owned or leased	Managed	Owned or leased	Managed	Owned or leased	Managed			
Number of establishments	617	30	521	15	687	11	27	12	74	169	2,163	2,581	2,503
Direct greenhouse gas emissions (tonnes of CO ₂ equivalent)	29,516	2,868	60,946	4,328	61,444	9,637	2,527	629	5,939	83,143	260,977	253,542	166,429
Indirect greenhouse gas emissions (tonnes of CO ₂ equivalent)	35,881	3,184	211,245	10,053	205,369	36,801	3,402	3,361	64,393	424,176	997,865	1,135,354	1,216,896

Emission coefficients for the generation of electricity are based on the Greenhouse Gas Protocol Initiative (www.ghgprotocol.org).

Ozone-depleting cooling liquids

Cooling fluids present only a small risk of coolant emissions in normal use. However, there is a risk of coolant evaporation during

maintenance operations or as a result of an accident. To limit this risk, cooling systems are regularly maintained by qualified companies. In 2006, two coolant use indicators were included in the environmental reporting process.

✦ Protecting the ozone layer

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	398	3,292	3,228	2,238
Eliminate installations containing CFCs	39%	53%	99%	40%	40%	56%	58%	- ⁽¹⁾
Verify that equipment containing CFCs, HCFCs and HFCs is leak-proof	46%	76%	99%	95%	69%	70%	70%	- ⁽¹⁾

(1) Environment Charter action point added in 2006.



Wastewater

Accor's activities generate wastewater whose content is similar to household wastewater. The hotels, most of which are in urban locations, are generally connected to municipal sewage systems.

Most of a hotel's wastewater pollution comes from foodservice operations. Given that 48% of our establishments that apply the

Hotel Environment Charter have restaurants, it is important to manage the effluent they release into the local sewage system to avoid overloading the wastewater treatment plants. In 2007, implementation of the two main wastewater management initiatives was stepped up by extending the practice of collecting cooking oils and fats.

✧ Wastewater

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	398	3,292	3,228	2,238
Collect cooking oil	95%	94%	95%	74%	74%	88%	86%	- ⁽¹⁾
Collect fats	92%	86%	100%	57%	86%	86%	83%	- ⁽¹⁾

(1) Environment Charter action point added in 2006.

Waste

Types of waste

In 2007, Accor improved its waste management procedures by continuing to perform hotel waste classification audits and extending the "Reduce Waste by 10%" campaign to 144 Ibis hotels in France in partnership with the country's Agency for Environment and Energy Management (ADEME). As part of this process, a Groupwide campaign was launched to track waste production in hotels, which

will be able to track their own production starting in 2008 using the web-based OPEN environmental management application. Analyses conducted in 2007 examined the quantities of waste produced in 2006 in Ibis hotels. They found that almost all of the 5,997 tonnes of waste produced every year by the 144 Ibis hotels under study could be classified as non-hazardous industrial, with hazardous industrial waste representing less than 1% of the total.

✧ Types of waste (Ibis France) *

Non-hazardous industrial waste (99.3% of total hotel waste)	Percentage of total waste	Percentage recycled ⁽¹⁾	Percentage not recycled ⁽²⁾
Unsorted, non-hazardous industrial waste	62.7%	70%	30%
Paper + cardboard	15.1%	100%	-
Glass	9.1%	100%	-
Recyclable packaging other than glass and cardboard	0.5%	100%	-
Fat separator residue	7.9%	-	100%
Cooking oil and fats	1.6%	100%	-
Pallets	0.1%	100%	-
Crates	0.1%	100%	-
Bulky refuse	2.2%	25%	75%
TOTAL	-	70%	30%

(1) Burned as fuel or recycled.

(2) Landfilled or specially treated.

* Source: 2007 Ibis France "Reduce Waste by 10%" project.



Hazardous industrial waste produced by hotels is mainly comprised of empty contaminated packaging, disposable and rechargeable

batteries, electrical and electronic equipment, light bulbs and compact fluorescent tubes, toner cartridges and aerosols.

✧ Types of hazardous industrial waste (Ibis France) *

Hazardous industrial waste (0.7% of overall hotel waste)

Empty contaminated packaging ⁽¹⁾	31.0%
Disposable and rechargeable batteries	28.6%
Fluorescent tubes and light bulbs	21.5%
Toner cartridges	11.9%
Aerosols	3.6%
Electrical and electronic equipment	3.3%

(1) Packaging that remains polluted by the toxic or hazardous products it contained.

* Source: 2007 Ibis France "Reduce Waste by 10%" project

Recycling non-hazardous waste

Recycling, reusing and recovering resources from non-hazardous waste is one of the pillars of Accor's environmental stewardship. By improving sorting processes and reducing the amount of each hotel's unsorted waste, we can limit the risk of sending waste to landfills and treatment plants without recycling and resource recovery capabilities.

Since 2006, the Hotel Environment Charter indicators have enabled us to track the effectiveness of hotel recycling and resource recovery programs. They show a sharp improvement in packaging, glass and plastic sorting in 2007. In the same way, more innovative actions, such as in-room waste sorting, are also gradually being introduced.

✧ Waste resource recovery

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	398	3,292	3,228	2,238
Recycle paper/cardboard packaging	70%	89%	5%	95%	71%	62%	54%	82%
Recycle paper, newspapers and magazines	59%	87%	5%	93%	66%	57%	49%	75%
Recycle glass packaging	66%	91%	5%	88%	59%	59%	52%	81%
Recycle plastic packaging	35%	67%	4%	77%	52%	40%	35%	- ⁽¹⁾
Recycle metal packaging	29%	63%	4%	90%	44%	36%	29%	- ⁽¹⁾
Recycle organic waste from restaurants	10%	51%	24%	14%	35%	31%	31%	- ⁽¹⁾
Recycle green waste from lawns and gardens	57%	58%	1%	12%	34%	36%	30%	- ⁽¹⁾
Organize waste sorting in hotel rooms	16%	14%	1%	52%	29%	15%	12%	- ⁽¹⁾

(1) Environment Charter action point added in 2006.

Eliminating Hazardous Waste

Even though hazardous waste represents a very small percentage of hotel waste (see the Ibis France audit), hotels have introduced dedicated collection systems to manage the most toxic forms of waste after verifying their traceability and compliance with treatment processes.



✳ **Management of hazardous industrial waste**

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	398	3,292	3,228	2,238
Dispose of hotel batteries safely	90%	90%	99%	72%	41%	85%	61%	- ⁽¹⁾
Dispose of customer batteries safely	53%	33%	23%	21%	16%	35%	28%	- ⁽¹⁾
Recycle electrical and electronic appliances	49%	73%	1%	23%	26%	41%	34%	- ⁽¹⁾
Recycle toner cartridges	93%	94%	2%	94%	68%	71%	62%	94%
Dispose of compact fluorescent tubes and light bulbs safely	72%	82%	99%	41%	34%	75%	50%	- ⁽¹⁾

(1) Environment Charter action point added in 2006.

Reducing waste volumes at the source

Accor makes a special effort to reduce waste volumes at the source. This requires the long-term cooperation of suppliers to identify ways to limit packaging when goods are being prepared for delivery.

✳ **Reducing waste upstream**

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	398	3,292	3,228	2,238
Limit the use of disposable packaging for hotel supplies	72%	47%	4%	33%	39%	30%	25%	- ⁽¹⁾
Limit individual packaging for hygiene products	93%	35%	97%	46%	23%	41%	45%	- ⁽¹⁾

(1) Environment Charter action point added in 2006.

Soil Contamination

Accor's activities do not contaminate the soil.

Noise Pollution and Odors

As Accor's activities generate very little noise pollution or odors, no related measures have been taken.



Local Impact and Biodiversity

The vast majority of Accor hotels are located in downtown and suburban areas, where they have little impact on the local environment. Whenever a hotel may have a direct impact on an environmentally sensitive area, impact studies are carried out before it is built or renovated.

Accor also works in partnership with several organizations that support biodiversity, such as the International Union for Conservation

of Nature (IUCN), the Bird Protection League (LPO) and the Kehati Biodiversity Foundation. Several Environment Charter action points are designed to track hotel commitments to protect biodiversity. For example, our hotels in Côte d'Ivoire have undertaken a reforestation program to help impede desertification with an ecological barrier of 10,000 trees.

✧ Biodiversity

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	398	3,292	3,228	2,238
Reduce the use of insecticides	34%	58%	1%	54%	47%	33%	28%	- ⁽¹⁾
Reduce the use of herbicides	29%	52%	1%	46%	46%	29%	24%	- ⁽¹⁾
Reduce the use of fungicides	23%	50%	1%	47%	42%	26%	21%	- ⁽¹⁾
Use organic fertilizers	48%	60%	1%	52%	47%	37%	33%	- ⁽¹⁾
Choose plants suitable to the local environment	39%	62%	2%	81%	66%	40%	35%	- ⁽¹⁾
Plant at least one tree a year	54%	57%	100%	80%	73%	68%	40%	62%
Support a local environmental initiative	30%	35%	9%	52%	56%	31%	25%	37%

(1) Environment Charter action point added in 2006.

Assessment and Certification

Environmental management

Accor's environmental management systems are based on the Hotel Environment Charter. In 2007, 84% of our hotels participated in the environmental assessment process.

✧ Environmental management

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	398	3,292	3,228	2,238
Number of initiatives underway	30.8	37.9	33.2	33.8	32.8	33	31	11.97

A full presentation of the new Charter can be found on www.accor.com.



Assessment

To assess their environmental performance, hotels can use the web-based OPEN environmental management application, which enables them to:

- ▶ monitor implementation of the Hotel Environment Charter in every host country, regardless of the hotel operating structure. Each hotel completes an online questionnaire, specifying the action points implemented in accordance with the Charter. The application can also be used to create a datasheet to inform customers and employees of the hotel's environmental initiatives;
- ▶ track and control water and energy use. A growing number of hotels are managing their use on OPEN. Data are available to both operational and support staff, enabling them to compare actual use or ratios (such as liters of water per room night or kWh per room built) from one year to the next and among different hotels and brands.

Certifications

As of the end of 2007, the following facilities had been ISO 14001-certified:

- ▶ Ibis: 204 hotels, of which 151 in France, four in Hungary, five in Portugal, one in Slovakia, two in Spain, one in Switzerland, 37 in Brazil, two in Argentina and one in Uruguay;
- ▶ nine Accor Thalassa spas;
- ▶ Sofitel Athens Airport (Greece);
- ▶ Novotel London West (United Kingdom);
- ▶ Novotel and Ibis Homebush Bay (Australia);
- ▶ Compagnie des Wagons-Lits headquarters in France and sites in Austria, Italy and Spain;
- ▶ Accor Services' headquarters in France.

In addition, 30 establishments received environmental certification from other organizations:

- ▶ Hotel Association of Canada: 11 hotels;
- ▶ Green Globe certified: four hotels in Egypt;
- ▶ Green Globe benchmarked: 15 hotels in Egypt, Australia, Côte d'Ivoire, France, Switzerland, China, Indonesia and the United Kingdom.

Compliance

Hotels in France are informed of environmental compliance requirements via the environment intranet. Compiled by a consultancy and updated every quarter, the list identifies the statutes that may be applicable to hotels and specifies compliance criteria for each one. This enables hotels to determine their compliance with each

criterion and correct any shortcomings. In other regions, each country organization is responsible for keeping up with changing legislation. In the Asia-Pacific region, the United Kingdom, Brazil and Switzerland, for example, Accor hotels have developed applications to track the latest environmental legislation.

Environmental Expenditure

The Sustainable Development Department's environmental budget, excluding operating costs, amounted to €157,750 in 2007. It was primarily committed to setting up Earth Guest Day – the first employee day devoted to sustainable development – deploying the

Hotel Environment Charter and supporting partnerships. The budget did not include any costs incurred by the hotel brands or support functions, which are not consolidated.

Environmental Policy Organization

Environmental policies are defined by the Sustainable Development Department, which reports to the Executive Vice President in charge of Human Resources and Sustainable Development, member of the Executive Committee. The Department defines environmental policies and coordinates cross-functional initiatives with the units concerned,

such as human resources, purchasing, marketing, legal affairs and technical services. Promotion of these sustainable development policies and the exchange of best practices are managed by 95 sustainable development liaison officers.



Introduced in 2006, the Earth Guest program is pursuing eight priorities, four of which – water, energy, waste and biodiversity – relate to the environment. For each one, objectives for 2010 have

been set, with performance and progress tracked by the Sustainable Development Department.

Raising Environmental Awareness Among Employees

* Raising employee awareness

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	398	3,292	3,228	2,238
Raise environmental awareness among employees	83%	84%	100%	92%	72%	86%	86%	68%
Integrate environmental protection into all our jobs	70%	80%	100%	67%	73%	79%	78%	- ⁽¹⁾

(1) Environment Charter action point added in 2006.

Created in 2006, Sustainable Development Committees bring together support teams and operating divisions to encourage cross-functional discussions of action points and practices that should be implemented across the Group.

On April 22, 2007, Accor held its first Earth Guest Day to build employee awareness of sustainable development issues. Sixty-nine

country organizations celebrated the event, with nearly 100,000 employees participating in local activities.

In addition, environmental sensitivity programs were organized throughout the year.

Raising Environmental Awareness Among Customers

* Educating customers

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2007	Total 2006	Total 2005
Number of establishments	1,204	843	715	132	398	3,292	3,228	2,238
Raise environmental awareness among customers	59%	60%	99%	64%	73%	70%	70%	77%
Provide customers with environmentally friendly transportation alternatives	49%	74%	1%	3%	54%	44%	34%	- ⁽¹⁾

(1) Environment Charter action point added in 2006.

To enhance customer awareness of environmental issues, we often work with partners like France's Agency for Environment and Energy Management (ADEME) and the Bird Protection League (LPO). In

addition, in response to customer expectations, we have considerably increased, by 10%, access to environmentally friendly means of transportation.



Organization created to respond to accidental pollution whose consequences extend beyond Group establishments

Accidental pollution risks are very low in light of the Group's operations, which involve very little toxic or hazardous products. In seawater spas, however, procedures have been introduced to

alert public authorities in the event of non-compliant wastewater analyses.

Provisions and guarantees for environmental risks

No material provisions have been set aside for environmental risks.

Penalties paid following a court ruling on environmental claims

Accor has not been the subject of a court ruling in connection with any environmental claims.

Objectives assigned to foreign subsidiaries

The environmental policy applies to all establishments outside France that are directly operated by Accor and its subsidiaries.