

A new voyage begins

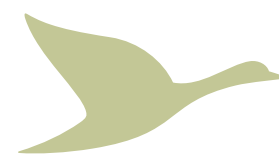
2013
REGISTRATION DOCUMENT
AND ANNUAL FINANCIAL REPORT



ACCOR

Open New Frontiers in Hospitality

Corporate RESPONSIBILITY



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"A pioneering company, Accor has built its history on a deep dedication to forging ties. As a leader, it has always cared about upholding a high level of commitment to our employees, our guests, our partners and to our host communities where we live and work in more than 90 countries. This is our duty as a good corporate citizen. It's not enough to create value, you also have to share it. Today, our corporate social responsibility process is being led by our PLANET 21 sustainable development program, which is unlike any other in the hospitality industry and which has set us firmly on the path to continuous improvement. It is being organically extended by the implementation of community outreach projects to support the disadvantaged. Inspired by these beliefs, Accor will continue to reinvent itself, retain its guests and employees and drive its sustainable growth for the benefit of all its stakeholders."

Sébastien Bazin, Chairman and Chief Executive Officer

2.1. BACKGROUND AND CHALLENGES

2.1.1. CHALLENGES FOR THE TOURISM INDUSTRY

According to the UN's World Tourism Organization, the number of international tourists worldwide has grown steadily from 25 million in 1950 to 278 million in 1980, 528 million in 1995 and 1,087 million in 2013, after exceeding one billion for the first time in 2012.

In addition to increasing in volume, tourism has also become more diversified. Today, it reaches every corner of the globe and accounts for around 9% ⁽¹⁾ of global GDP. Long recognized as a driver of economic development, tourism has also become a catalyst for global progress. Awareness of sustainability issues has now expanded beyond a purely environmental outlook to include much broader concerns, such as social equity, economic sustainability, local prosperity, quality of jobs and the preservation of cultural heritage. All of these issues relate directly to the corporate social responsibility (CSR) process, which aims to achieve a healthy balance between financial performance and social and environmental considerations.

Global issues

The hospitality and food services segment can play a key role in advancing the CSR process among tourism industry operators, by

taking full responsibility for its activities and addressing their impact. The "Ready to check in?" survey conducted by Accor and French polling institute IFOP in 2011 revealed a shared concern about sustainability among hotel guests worldwide. The concern focused on four main areas – water, energy, waste management and child protection, an issue more specific to the hotel industry when it concerns sexual tourism involving children. Awareness of this issue among the respondents shows that the initiatives undertaken by the industry over the past 20 years have had an impact.

Shared commitments

The survey illustrated the importance placed on raising awareness of the social and environmental issues associated with the industry and on promoting sustainable development in hospitality, a responsibility shared by governments, companies and citizens. In addition, the findings revealed a high level of expectation among customers for practical, visible sustainable development initiatives and a willingness to change their behavior. These shared commitments are the focus of our PLANET 21 program.

2.1.2. SUSTAINABLE DEVELOPMENT AND BUSINESS CHALLENGES FOR ACCOR

For businesses in general and multinationals in particular, the rules of the game have changed significantly over the past few years. Previously judged primarily on their financial performance, companies are now required to seamlessly integrate social, environmental and economic concerns into their operations in order to meet stakeholder expectations about sustainable development.

As the world's leading hotel operator, Accor has a duty to set an example in the way it does business, in every one of its 92 host countries. It does this by deploying a strategy that addresses both business and sustainable development challenges.

These challenges can be broken down into three categories, depending on whether they concern the Group worldwide, the hotel operator business (HotelServices) or the investor, developer and asset manager business (HotelInvest).

Group challenges primarily concern ethics and governance, human resources, and constructive stakeholder dialogue (see table on page 27). They also include managing regulatory risks and improving service quality to ensure the company's long-term growth.

(1) Direct, indirect and induced impact. Source: UNWTO Tourism Highlights, 2013 Edition, published by the World Tourism Organization



For HotelServices, the hotel operator business, the main business challenges relate to controlling operating expenses and increasing revenue – particularly *via* a premium positioning on sustainable development – and to ensuring the appeal of Accor brands and business models. These growth drivers go hand in hand with an exemplary approach to sustainable development challenges, particularly in the areas of environmental protection (reducing the use of natural resources, improving waste management, limiting the impact of operations on biodiversity, minimizing disamenities, etc.), social issues (combating sexual tourism involving children, ensuring local integration, promoting a balanced diet, supporting the

development of environmentally responsible products and services, etc.) and employee relations (working conditions, workplace health and safety, etc.).

HotelInvest, the investor, developer and asset manager business, is also faced with significant sustainable development challenges, such as improving energy performance across the portfolio, managing construction and renovation waste, integrating properties into the local urban environment and ensuring indoor air quality. Its business challenges include optimizing capital expenditure according to each asset's energy profile and integrating environmental criteria into the models used to value the Group's asset portfolio.

Differentiated deployment of the CSR process depending on each hotel's operating structure

Just like data reporting system, the method used for deploying Accor's CSR commitments, policies and programs across the asset portfolio depends on whether the hotels are owned, leased, managed or franchised.

- Accor's CSR commitments cover all of the hotels by default, regardless of their operating structure.
- Accor's Sustainable development policies (especially the PLANET 21 program) cover all of the owned, leased and managed hotels by default. For franchised hotels, if the program is included in the franchise agreement, the hotel is required to deploy it. If not, Accor recommends the deployment to the owner, who makes the final decision.
- As a listed company headquartered in France, Accor has a legal obligation to disclose employee, social and environmental information for all of the entities in its scope of consolidation, which corresponds to owned and leased hotels. The Group also endeavors to include as many Accor-brand hotels as possible in its CSR communications, by inviting the owners of franchised hotels to participate also in the reporting process.

2.2. STAKEHOLDER RELATIONS

Accor's corporate social responsibility process is supported by ongoing dialogue with all stakeholders, including customers, employees, business partners, local development stakeholders and public authorities. Stakeholder dialogue plays a critical role in business operations, whether by showcasing Accor's capacity for innovation, enhancing its appeal among customers, investors and employees, creating opportunities to open hotels in regions with high growth potential or protecting the Group's reputation. Dialogue takes place at every level of the organization, from the hotels themselves, which strive to foster close ties with local stakeholders, to country managers, who represent Accor in front of national authorities and investors, and corporate headquarters teams, which serve as the primary interface for various international organizations.

Accor firmly believes that, through these stakeholder relations, it is helping to create value shared by everyone.

2.2.1. A FRAMEWORK FOR STAKEHOLDER DIALOGUE

In 2013, a major project was undertaken to clarify the stakeholder dialogue process. The various departments in contact with internal and external stakeholders, both at headquarters and in the field, worked together to:

- map the stakeholders at different levels of the organization;
- identify the methods of engagements used with each of the stakeholders (information/communication, consultation/dialogue, partnership, etc.);
- prioritize corporate social responsibility issues in accordance with their relative importance to stakeholders and their criticality to operations.

These discussions led to the preparation of a document outlining the responsibilities and core components of the stakeholder dialogue process.

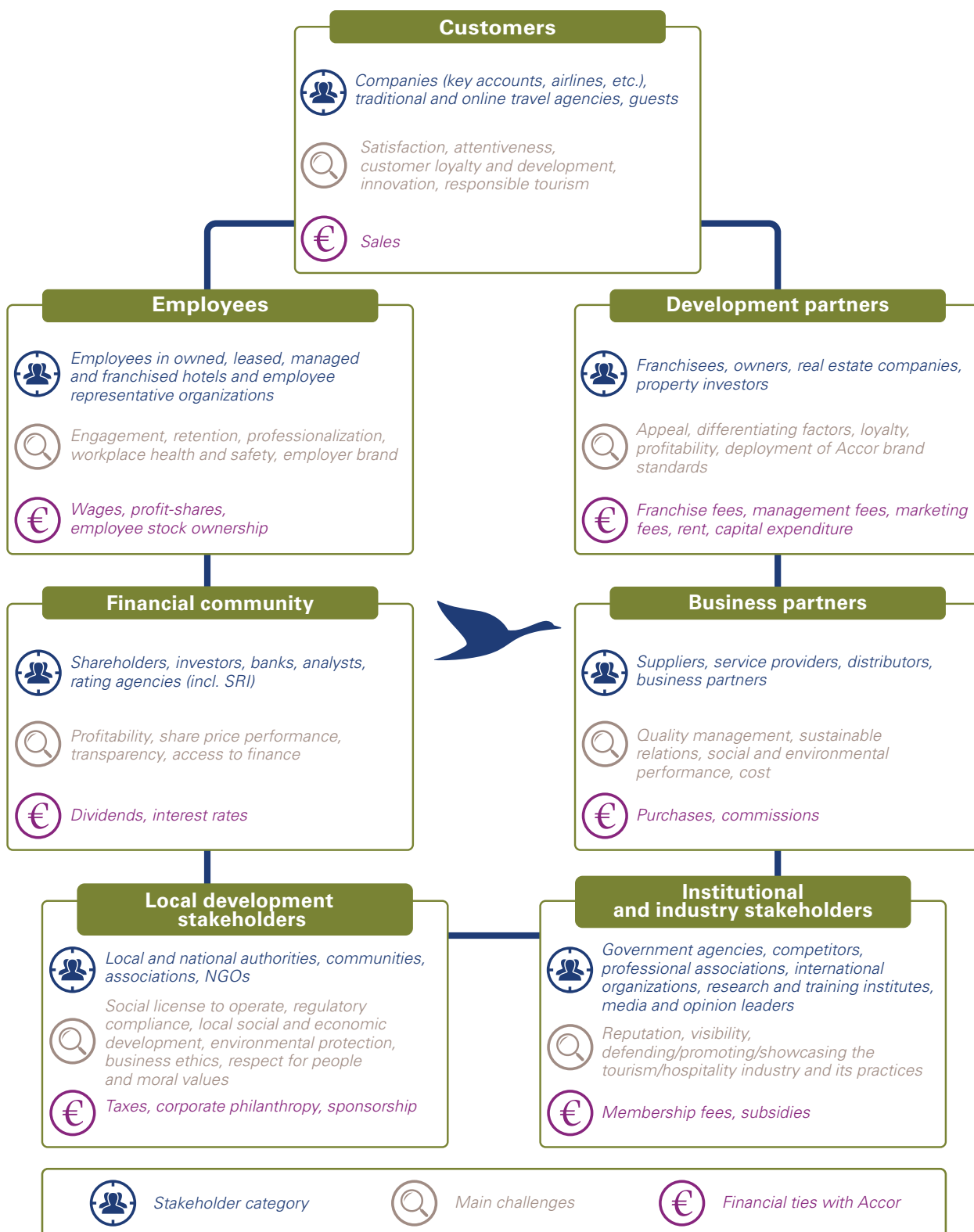
In addition, the Ethics and Corporate Social Responsibility Charter was updated in 2013 to include Accor's stakeholder dialogue commitments and to ensure that each of the stakeholder priorities identified during the project is addressed by a corporate social responsibility commitment.



2.2.2. OVERVIEW OF STAKEHOLDER DIALOGUE AND THE ASSOCIATED CHALLENGES

Map of Accor's stakeholders and the associated challenges

Accor is actively committed to nurturing constructive dialogue and open communication with all of its stakeholders, both within the Company and in the community. The diagram below provides an overview of the main stakeholders identified by the Group, the key challenges associated with each stakeholder and the economic ties that bind them to Accor.



Materiality of CSR issues

The diagram below shows stakeholders' main expectations in relation to Accor, in accordance with their criticality to the Group.

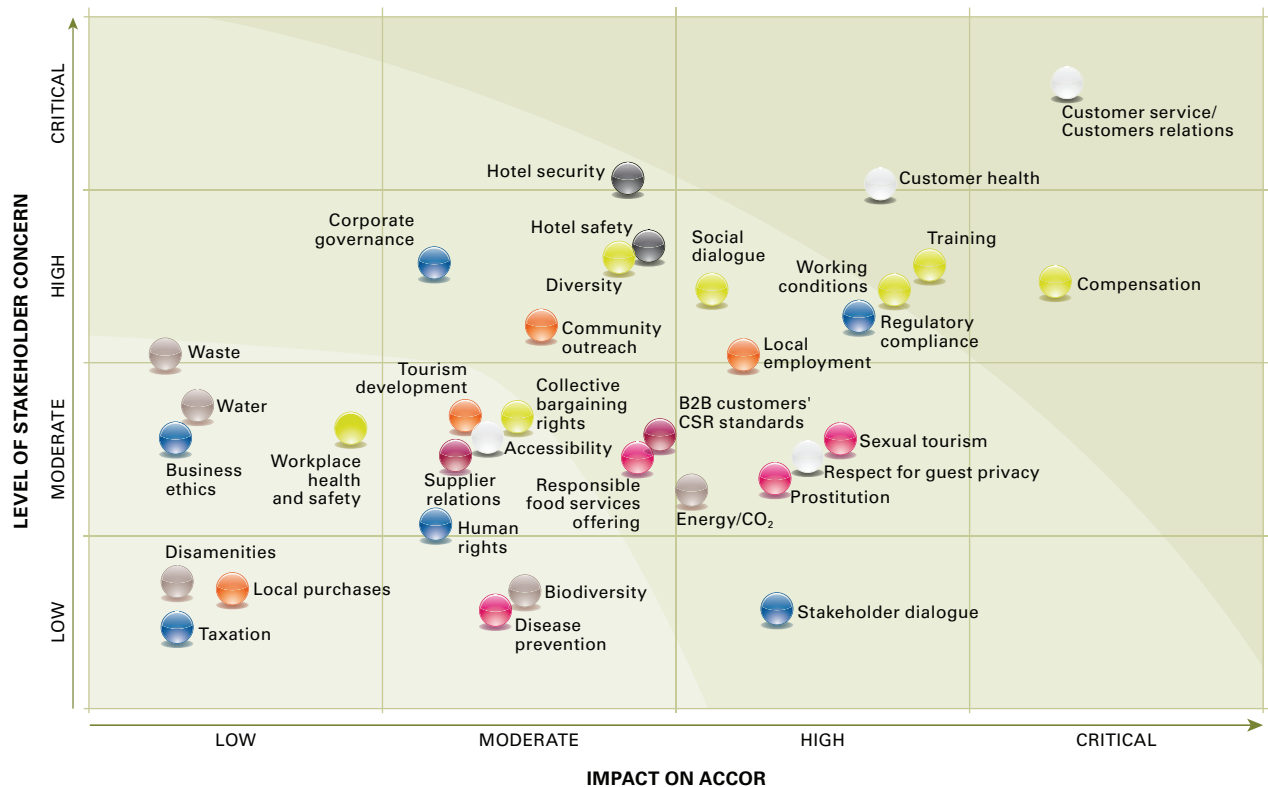
This materiality analysis was conducted with the help of a specialized consultancy, using a strictly defined methodology. First, the external consultants drew up the most exhaustive list of stakeholder expectations they could. They did this by interviewing close to 20 representatives from various departments – including operations, sales, marketing, hotel development, human resources, institutional relations, communications and sustainable development – and by reviewing the industry as a whole and competitors' practices in particular.

Then, at a meeting attended by around 15 employees from the main departments in contact with Accor's internal and external stakeholders, each expectation was carefully examined against a rating system provided by the consulting firm.

The system was based on three criteria:

- level of stakeholder concern (rated 1 to 4);
- Accor's performance compared to industry practice (rated 1 to 3);
- impact on Accor in terms of financial performance and/or reputation (rated 1 to 4).

The consulting firm was tasked with leading the workshop and ensuring that the rating system was used objectively, in particular by helping to put the various issues into perspective, in relation to each other and to industry practice. The raw results from this meeting then underwent a final harmonization process. At this point, the expectations considered least critical were also removed to make the results easier to read.



RESPECT FOR CUSTOMERS	LOCAL DEVELOPMENT
RESPONSIBLE EMPLOYMENT PRACTICES	HUMAN RIGHTS & TRANSPARENCY
RESPONSIBLE BEHAVIORS	HOTEL SAFETY & SECURITY
SUSTAINABLE VALUE CHAIN	ENVIRONMENTAL ISSUES

Respect for customers and responsible employment practices were the two highest-ranking issues, confirming the importance of people in the hospitality industry. This is reflected in Accor's constant focus on customer satisfaction, which is achieved through the commitment and professionalism of its teams.



2.2.3. EXAMPLES OF THE STAKEHOLDER DIALOGUE PROCESS

Relations with employees

Accor employees are on the frontline when it comes to ensuring the quality of service provided to customers. They are also the leading ambassadors for the Group's values, brands and corporate social responsibility commitments.

Accor experienced a number of major transformations in 2013, including:

- the finalization of voluntary separation plan at Accor SA headquarters;
- Sébastien Bazin's arrival as Chairman and Chief Executive Officer to drive a new strategy *via* a new organization based around two businesses – HotelServices and HotelInvest.
 - Significant for employees, these changes were accompanied by increased social dialogue and regular internal communications to keep everyone informed.
 - When the new strategy was announced, for example, a communication kit was provided to managers worldwide to give them greater insight into the changes and to help them share that insight with their team members.

Information resources

- Various channels for communicating information to employees, including the human resources network, intranets and web TV.
- E-learning modules.
- Regular in-house events to share information about Accor, such as the strategy presentation and the Chairman and CEO's address, or to promote topics that are important to Accor, such as special days dedicated to women, solidarity, diversity and PLANET 21.
- Académie Accor, which plays a key role in the Group's corporate culture through its 18 campuses worldwide.

Forums for dialogue

- Regular interaction between hotel managers and operating teams thanks to open-door policies and roundtable discussions.
- Meetings with employee representative organizations worldwide.
- In France, continuous dialogue with employee representative organizations *via*:
 - 80 hotel works councils;
 - 6 central works councils;
 - 1 group works council;
 - Health, Safety and Working Conditions Committees in all of the relevant entities.
- European Works Council.
- Feedback *via* three main channels:
 - CLIP, an internal tool for organizing dialogue between General Managers and their team members;
 - an opinion survey, which covered 80,837 employees in 2012/2013;
 - the Great Place to Work survey and awards.

Partnerships

- Agreements with employee representative organizations on compensation, discretionary profit-sharing, human resources planning and development, intergenerational employment, workplace health and hardship, employee savings, employee benefits, and hiring and retaining the disabled (see Social Commitments on page 44).

Relations with customers

For a hospitality and food services provider like Accor, customer satisfaction is a top priority. Every effort is made to identify, understand and meet customer expectations worldwide across all brands.

Highlights in 2013

- Le Club Accorhotels customer loyalty program reached 13 million members in 2013, a significant increase over 2012.
- Every guest receives a satisfaction questionnaire after staying at an Accor hotel. In 2013, a total of 2.1 million questionnaires were collected and analyzed worldwide.

Information resources

- Le Club Accorhotels customer loyalty program and dedicated communication channels, including direct mail, newsletters and promotional offers.
- Corporate and brand websites and mobile applications that regularly include content for customers, such as information campaigns and promotional offers.
- Accor's presence on social media networks, including Facebook, Twitter, YouTube and LinkedIn.
- TV, print and online advertising campaigns for the brands.
- The Accor Customer Contact Center, a global hotel booking service with 800 customer service/sales representatives speaking 18 languages.
- Resources to raise awareness of the PLANET 21 program among guests and encourage their participation.

Forums for dialogue

- Day-to-day interaction between hotel employees and guests.
- Guest satisfaction questionnaire, deployed worldwide across all brands.
- Customer behavior surveys, to better understand their needs.
- Regular contact with business customers and prospects *via* a dedicated 700-member sales force.



Partnerships

- Partnership with TripAdvisor under which customer comments appear directly on the accorhotels.com website without any changes being made by Accor.
- Listing agreements with the main global and local travel websites.

Relations with development partners

Developing a network of franchisees, owners and property investors is a core component of Accor's business model. Maintaining open, ongoing dialogue with these partners is critical in enabling Accor to expand its global hotel network while ensuring compliance with the brands' standards and the PLANET 21 program commitments.

Highlights in 2013

- Accor participated once again in all of the major hotel conferences worldwide, including IHIF in Berlin in March, CATHIC in Istanbul and AHIC in Dubai in May, NYU in New York in June, AHIF in Nairobi and Equipotel in Sao Paulo in September, RHIC in Sochi in October; and
- Accor's annual conference for French franchisees was held in Porto in November 2013 with a focus on "The Digital Hospitality Tour". Held every year, the conference brings together Accor's franchise partners in France to inform them about new developments in such areas as brand design and distribution tools. Workshops are also held during the conference to foster discussion between franchiser and franchisee and to identify ways of improving the franchise relationship.



Information resources

- Pages dedicated to franchisees and partners on the Accor corporate website.
- Website dedicated to Accor partners (accorandpartners.com).
- Accor's Development Brochures, which showcase the Group's strengths.
- The Accor Privileged Partners Card, which offers exclusive advantages to Accor's development partners.
- Brand and technical standards.
- Provision of Accor expertise in sustainable development, *via* tools, methods and e-learning modules and the PLANET 21 program and from the Technical and Purchasing Departments and Solidarity Accor, and in human resources management, *via* the Académie Accor.



Forums for dialogue

- Regional and local conventions for owners and franchisees.
- The Federation of Accor Franchisees (FFA) in France, which provides a structured forum for constant, constructive dialogue between Accor and its franchisees and owners.
- Regular meetings with the representative organizations for franchisees and owners.
- A network of facilitators for managed and franchised hotels within the operating departments, who visit each hotel at least once a year to discuss any difficulties encountered and to ensure compliance with Accor's requirements in such areas as service quality, brand standards and operating license.
- For managed hotels, regular contact between the owner and the hotel manager, including during Executive Committee meetings.
- Regional and international conferences and trade fairs for property investors and hotel operators.
- A dedicated hotel development team that maintains close ties with existing and potential partners.



Partnerships

- Contracts with franchisees and owners.

Relations with business partners

Accor's purchases represent a significant percentage of revenue and play a key role in the quality of service provided to customers. Particular attention is therefore paid to developing sustainable relations with suppliers and to extending corporate social responsibility commitments to the entire supply chain.

In France, for example, two thirds of approved suppliers have had contracts with Accor for at least five years.

Highlights in 2013

- In 2013, cooperation with a supplier led to the development of new solutions for providing eco-labeled cleaning products to all hotels in the network.
- Accor signed a global framework contract with Schneider Electric, commissioning the energy management specialist to carry out its BOOST energy reduction program at hotels in certain geographies, including Morocco, Southeast Asia, China and the United States (see page 70). Under the contract, Schneider Electric teams visit hotels to share their expertise, carry out measurements and analyses and prepare action plans, which the hotel is then responsible for implementing.



Information resources

- Purchasing website (Accorshop).
- Procurement Charter 21, signed by suppliers.
- Technical specifications that include sustainable development criteria for certain families of products and services.
- Sustainable development questionnaires and audits for suppliers (see page 63).



Forums for dialogue

- Continuous monitoring of suppliers through annual reviews and alert procedures, particularly for suppliers that are strategically important to Accor in terms of service quality, reputation or purchasing volume.
- Meetings and discussions with suppliers to improve their product and service offering and consider their proposals.
- Trade fairs on specific topics, such as technical and food services.
- Sustainable and other purchasing networks.

Partnerships

- Contracts.
- Steps are being taken to enhance supplier partnerships, with the aim of fostering co-innovation.

Relations with local development stakeholders

The hotel industry faces a variety of challenges when it comes to integrating hotels into the local community, including: maintaining social, urban, cultural and environmental stability; promoting responsible tourism; developing a local business and employment catchment area; and conducting community outreach.

Accor participates actively in community life and takes a responsible attitude to community investment, particularly through employee participation, its sustainable development program and the Solidarity Accor endowment fund (see page 64).

Highlights in 2013

- Accor Foundation changed its legal status in 2013 and became Solidarity Accor to enhance its capacity to carry out fundraising initiatives.
- In Brazil, to combat child sex tourism, Accor worked with the Tourism Ministry and NGO ECPAT to set up a crisis line in anticipation of the 2014 World Cup and the 2016 Olympic Games.
- In Poland, thanks to the partnership between Solidarity Accor and NGO Nobody's Children, Accor was one of the first companies to participate in a program to help disadvantaged young people enter the workforce by inviting them to discover various professions, particularly in the hospitality industry. Another 20 young people benefited from the program in 2013.
- Accor hotels in Mexico work in partnership with two national associations in particular – TECHO, which helps build housing for disadvantaged families, and AMANC, which provides accommodation for parents of children with cancer. More than 140 initiatives were conducted as part of these partnerships in 2013, with the support of around 450 Accor employees.

Information resources

- The PLANET 21 and Solidarity Accor websites, which have generic e-mail addresses so that users can question Accor about sustainable development issues (planet21@accor.com) or Solidarity topics (solidarity@accor.com).
- Sustainable development information in the Annual Report and Registration Document.
- Technical documents submitted to local authorities, including building permit applications, safety documents and the results of analyses relating to legionella bacteria and other health risks.

Forums for dialogue

- Regular contact with local authorities in host countries, including the police force, administrative agencies and emergency services, in relation to both hotel development projects and day-to-day operations, such as obtaining operating licenses.
- Discussions with embassies to leverage their local knowledge and experience.
- Employee participation in local community outreach projects and ongoing dialogue with local NGOs and associations in this regard.

Partnerships

- Partnerships with public authorities to support local initiatives, via Solidarity Accor or the hotels.
- Partnerships with NGOs in accordance with their expertise in the topic being addressed:
 - via a partnership agreement for projects championed by employees and supported by Solidarity Accor;
 - with local NGOs and associations at operating level;
 - with internationally recognized specialist organizations, such as ECPAT and Pur Projet, at Group level.

Relations with institutional and industry stakeholders

As the hospitality industry leader in Europe, the Asia-Pacific region, Africa & the Middle East and Latin America, Accor can play a leading role in representing the interests of the tourism industry in general and the hospitality segment in particular.

Highlights in 2013

Accor participates in international consortia and trade organizations, like WTTC, ITP, and HOTREC, and in national and regional trade organizations, like UMIH and GNC, in order to share information with other operators and work with them on topics that are strategic for the industry.

- At the International Labour Organisation's request, Accor is a member of the steering committee for the ILO Global Business and Disability Network. As such, the Group participated in defining the network's objectives for 2014 (see page 36).
- Every year, Accor organizes a student contest called "Take Off". In 2013, the topic was "Novotel in 2020: How should the brand be repositioned to maintain its innovative, avant-garde edge?"
- Surveys are regularly conducted to learn more about stakeholder expectations. In 2013, Pullman and partner IPSOS carried out a survey on the issue of work-life balance and the trends occurring in this area and the findings were released to the public.
- Accor has 1.3 million Facebook fans.

Information resources

- Corporate website (accor.com).
- Annual Report.
- International recruitment website (accorjobs.com).
- Market research and competition watch.
- Press releases.

Forums for dialogue

- Participation in working group meetings and conference discussions with the sharing of expertise, such as Accor's methodology for managing water and energy consumption or the environmental signage project in France.
- Member of the World Travel and Tourism Council (WTTC).
- Ongoing relations with public authorities and hotel and tourism industry organizations.
- Press conferences, press trips and meetings with journalists *via* a dedicated press relations team.



Partnerships

- Signature of national and international agreements, particularly on social issues.
- Joint ventures, particularly with the Pierre & Vacances Center Parcs Group for Adagio.
- Partnership agreement with certain hotel and business schools and universities to enhance Accor's appeal among students looking for an internship or a job.

Relations with the financial community

As a listed company, Accor communicates regularly with the business and financial community in a standardized, transparent way, to improve the Group's image and rating and to secure financing for its development.

Highlights in 2013

At an Investor Day held on November 27, 2013, newly appointed Chairman and Chief Executive Officer Sébastien Bazin presented Accor's new strategy to the financial community. The Group's business model now revolves around two businesses: hotel operator and brand franchiser HotelServices and hotel owner and investor HotelInvest. For the sake of transparency and information equality, the same information was provided to all of the Group's stakeholders – investors, financial analysts, employees, unions, journalists, partners and customers.

Information resources

- Publication of interim and annual financial results.
- Publication of quarterly revenue figures.
- Registration Document.
- Press releases.
- Letter to Shareholders.



Forums for dialogue

- Results presentations, which bring together close to 200 people each year.
- Investor roadshows, with more than 500 meetings per year.
- Annual Shareholders' Meeting.
- Regular exchanges with sell-side financial analysts, outside quiet periods.
- Provision of answers to SRI rating agencies *via* questionnaires.



2.3. CORPORATE SOCIAL RESPONSIBILITY PROCESS AND COMMITMENTS

2.3.1. ETHICAL GUIDELINES AND FUNDAMENTAL PRINCIPLES

Drawing on its long-demonstrated values and fully aware of its position as a major player in the global economy, Accor is particularly attentive to its responsibilities and knows that it must set the highest standards to maintain the unwavering trust of its employees, its guests and all its partners and stakeholders.

To ensure compliance with the most demanding ethical principles and reaffirm our commitment to sustainable development, a working group of representatives from the main corporate and operating departments was formed in 2013. It was tasked with building on the Management Ethics Guide, initially published in 2009, to prepare the new Ethics and Corporate Social Responsibility Charter.

The Charter embodies our core values – spirit of conquest, imagination, trust, respect and performance – and translates them into behavioral principles, such as setting an example in their day-to-day actions, that we want to promote among all our managers, impelled by the new senior management.

The Charter also outlines the commitments and responsibilities that Accor upholds and promotes in its hotels worldwide:

- first, we establish a frame of reference and reaffirm our commitment to complying systematically with applicable laws and regulations and fundamental international principles, such as human rights, the ILO conventions and the UN Global Compact;
- we also affirm that operations are conducted in line with ethical principles, including fairness and respect for people, business ethics and the protection of goods and information;
- lastly, specific commitments are made in relation to each of the main stakeholder categories – employees, customers, business partners, suppliers and host communities – as well as in relation to the environment. All of the main stakeholder concerns are covered, including diversity, work-life balance, hotel security, transparency, child protection and the preservation of natural resources.

The Ethics and Corporate Social Responsibility Charter is currently being finalized and will soon be signed by Chairman and Chief Executive Officer Sébastien Bazin. During the first half of 2014, it will be sent to Accor managers and posted on the intranet sites before being released to the public on the accor.com website.

Commitments in the area of business ethics and bribery

The Ethics and Corporate Social Responsibility Charter has a section dedicated to our commitments and responsibilities in relation to business practices, which cover three main categories:

- respect for people: the rejection of discrimination and the promotion of cultural diversity; vigilance in and rejection of forced labor, child labor and illicit activities; and vigilance in the area of prostitution, especially in relation to protecting children;
- business ethics: compliance with competition law; the fight against bribery, corruption, money laundering and complicity in money laundering; and lobbying ethics;
- the protection of goods and information: prevention of insider trading; conflicts of interest; fraud; and the protection of personal data.

Particular attention is paid to bribery, an issue that is addressed *via* two additional measures:

- **bribery of a public official:** Illegal in many of our host countries, this practice consists of promising or giving a civil servant or elected official an inducement to act or fail to act in violation of his or her official duties. Accor pledges that no commission will be paid directly or indirectly to any elected or appointed public official with regard to the company's contracts or its relations with government agencies;
- **bribery in the private sector:** Considered a criminal offense in many of our host countries, this practice consists of promising or giving a private individual an inducement to act or fail to act in violation of his or her professional obligations ("active bribery") or soliciting or accepting an inducement to act or fail to act in violation of one's own professional obligations ("passive bribery"). Since 2005, acts of bribery committed in any country by Accor or one of its subsidiaries may be prosecuted under French law. Accor pledges to take all reasonable measures to avoid the use of bribes with regard to both its purchasing and sales procedures.

To help employees put these fundamental principles into practice, the Ethics and Corporate Social Responsibility Charter gives real-world examples of situations they could encounter and describes the right way to handle them.

Given the large number of countries in which we operate, constant attention is paid to the risk of bribery. In addition to being addressed in the Charter, it has also been included in the risk map prepared by the Risk Management Department (see page 138) and is targeted by a detailed tracking process.

Every hotel manager and senior executive promotes the values and commitments expressed in the Ethics and Corporate Social Responsibility Charter and ensures that they are put into practice by employees.

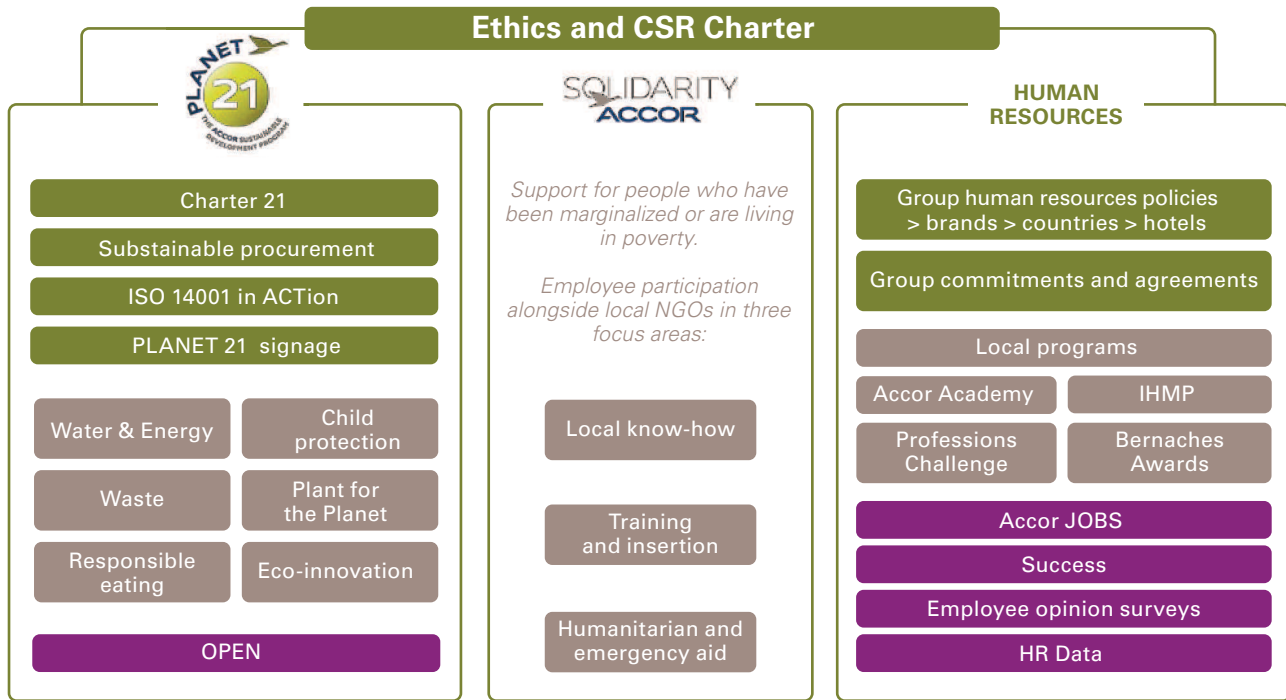
If employees have a question about a specific situation, they can speak to their manager or contact the Human Resources or Legal Affairs Department in their country.

No incidents of bribery were reported to the authorities by Accor in 2013.



2.3.2. CORPORATE SOCIAL RESPONSIBILITY POLICIES

The Ethics and Corporate Social Responsibility Charter provides a framework for Accor’s CSR process, which covers three key areas – the PLANET 21 sustainable development program, the Group’s human resources policies and the Solidary Accor endowment fund.



■ Cross-cutting programs ■ Topic-specific programs ■ Tools

PLANET 21

Launched in April 2012, the PLANET 21 sustainable development program unites all of the nearly 170,000 employees working under Accor brands worldwide in a concerted effort with hotel guests.

A commitment devised through stakeholder input

Following the Earth Guest program, which led in particular to a 12% reduction in water use and 5.5% reduction in energy use between 2006 and 2010, Accor reaffirmed its commitment to sustainable development with the launch of PLANET 21. In addition to mobilizing employees and partners, the PLANET 21 program also encourages the participation of hotel guests, whose sustainable development expectations and concerns were clarified via the “Ready to check in?” survey in 2011. The survey findings were used, alongside the environmental impact study finalized in December 2011, to develop the PLANET 21 program.

PLANET 21 organizes Accor’s sustainable development process, with 21 measurable objectives for 2015 (see page 39) in seven key areas:

Solidarity Accor

Solidarity Accor is a community endowment fund set up in September 2013 to replace the Accor Foundation. The new legal form provides greater flexibility in raising funds for community initiatives. It also reaffirms our objective in this area, which is to forge ties between cultures while supporting the development of communities and their integration into the environment. Solidarity Accor is focused entirely on employees, who champion the Group projects designed to empower communities through local know-how, training and insertion, and humanitarian and emergency aid (see page 64).

Human resources policies

As a services company fully focused on guest satisfaction, Accor’s success depends first and foremost on the commitment of the people who conduct its day-to-day operations. Employees drive our operational excellence and contribute to the value of our brands. That’s why our human resources policies are based on win-win relationships, with a particular emphasis on employee skills development, worklife quality, and talent management and retention.

This approach to human resources is also reflected in Accor’s five core values – spirit of conquest, imagination, trust, respect and performance.

2.3.3. COMMITMENTS AND PARTNERSHIPS WITH EXTERNAL ORGANIZATIONS

Accor has a responsibility to its employees, the environment and the local communities in its 92 host countries. To fulfill this responsibility, commitments have been to various international bodies and programs and partnerships have been forged with leading organizations.

- **United Nations Global Compact:** in 2003, Accor pledged to support the Global Compact and respect its ten principles, which cover issues dealing with human rights, labor standards, the fight against corruption and the environment.
- **International Labour Organization conventions (ILO):** in 1995, Accor signed a worldwide agreement 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. Accor is also a member of the ILO Global Business and Disability Network, which offers an opportunity to organize a certain number of events around the world and to benefit from the best practices developed by the initiative's partner companies.
- **CDP (formerly Carbon Disclosure Project):** since 2006, Accor has participated in a survey conducted by the Carbon Disclosure Project on behalf of 475 institutional investors managing more than €55 trillion in assets. This international organization asks leading

corporations to report on their climate change strategies, their approach to carbon cost imposition and their greenhouse gas emissions performance. Accor's scores have steadily improved since 2010, both in the Carbon Leadership Disclosure Index and in the Carbon Performance Leadership Index, with a final overall score of 85B in 2013, *versus* 81B in 2012.

- **ECPAT (End Child Prostitution, Pornography and Trafficking of Children for Sexual Purposes):** since 2001, Accor has been engaged in the fight against child sex exploitation in partnership with ECPAT International, an NGO comprising 77 organizations in more than 70 countries. Between 2008 and 2013, Accor was a member of the Executive Committee of the "Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism", developed by ECPAT and the World Tourism Organization. As of year-end 2013, the Code had been signed by 35 of our country organizations (see page 56).
- **Pur Projet:** This organization is dedicated to combatting climate change through reforestation and forest conservation projects carried out by local communities. Accor forged a partnership with Pur Projet to support the development of its Plant for the Planet program (see page 78).



2.3.4. A PIONEERING COMMITMENT TO SUSTAINABLE DEVELOPMENT

Accor’s sustainable development commitment dates back to 1994, when the Group Environment Department was created. This commitment was reaffirmed in 2012 with the launch of PLANET 21, our new sustainable development strategy. The initiatives carried out in the areas of human resources and community engagement also attest to our determination to set the example in the way we do business.

	■ Human Resources events	■ Sustainable development events	■ Solidarity Accor events
1985	■		
1990	■		
1992	■		
1994		■	
1997	■		
1998		■	
	■		
2001	■		
2002		■	
	■		
2003		■	
	■		
2004		■	
2005		■	
2006		■	
2007		■	
		■	
2008			■
	■		
		■	
2009	■		
	■		
2010	■		
		■	
	■		
2011			■
		■	
		■	
2012	■		
	■		
		■	
2013			■

2.3.5. RECOGNITION

Accor is included in several internationally recognized indices and standards and its actions in the areas of sustainable development and human resources have been honored by numerous awards.

In recognition of its commitment to sustainable development, Accor is included in four major SRI indices and standards:

- **Euronext Vigeo 120** (formerly ASPI Eurozone): developed by European rating agency Vigeo, the Euronext Vigeo 120 index comprises the world's top 120 listed companies evaluated in terms of their performance in corporate responsibility;
- **FTSE4Good**: developed by the UK company that created the FTSE index, the FTSE4Good series measures the performance of companies that meet globally recognized corporate social responsibility standards. It uses rating profiles established by the London-based agency EIRIS, one of the main providers of environmental, social, governance (ESG) research for responsible investors in Europe;
- **Ethibel Sustainability Index (ESI)**: these indices provide an overview of the financial performance of the world's leading companies in terms of corporate social responsibility. Their criteria were defined by Belgium-based consultancy Ethibel in partnership with the financial rating agency Standard & Poor's;
- **UN Global Compact 100**: this index brings together 100 companies selected in accordance with their commitment to the Global Compact's ten principles and their financial performance.

In 2013, Accor was removed from the Dow Jones Sustainability Indices (DJSI) in which it had been included for nearly 10 years. An action plan has been deployed to ensure that Accor is included again in 2014.

Accor also received numerous world-class awards in 2013.

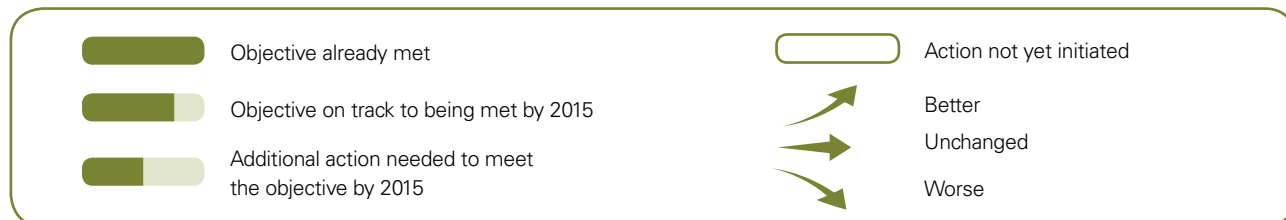
- Sustainable development/PLANET 21:
 - **United Kingdom**: Eco Group of the Year at the AA Hospitality Awards;
 - **Brazil**: gold medal in the Sustainability/Hotel Management category for the PLANET 21 program and silver medal for the Planet for the Planet program at the Premio Caio awards;
 - **Asia-Pacific**: Gold Award for Corporate Environmental Program at the Pacific Asia Travel Association (PATA) Gold Awards.
- Human resources:
 - **Global recognition of Accor's commitment to employees**: the Great Place to Work Institute placed Accor among the top 25 employers (17th) in Argentina, Austria, Brazil, Chile, Ecuador, India, Mexico, Peru, Portugal and the United Kingdom;
 - **Recognition for local initiatives**: in Italy, Accor's policy of diversity and inclusion was recognized in 2013 by A.I.L.eS, a local association that promotes the social and professional integration of disadvantaged individuals. Also, the Management Development Programme deployed in the United Kingdom and Ireland was nominated for the second year in a row at the Worldwide Hospitality Awards, in the People & Talent Management Program category. Of the 175 future managers who have completed the program over the past 16 years, more than 70% now work in key positions and 76 of them have reached or exceeded the level of hotel general manager.



2.3.6. PLANET 21 OBJECTIVES AND RESULTS






















Summary table

Launched in 2012, the PLANET 21 program is a set of commitments made to our host communities.











Pillar	Commitment	2015 objective	2013 result	Change vs. 2012	2015 trend	Comment
 Health	1. Ensure healthy interiors	85% of hotels use eco-labeled products	95%			Close cooperation with the main cleaning product supplier led to the rapid deployment of new eco-labeled products worldwide.
	2. Promote responsible eating	80% of hotels promote balanced dishes	96%			A guide to responsible eating, developed by nutritionists, is now used in almost all Accor restaurants.
	3. Prevent diseases	95% of hotels organize disease prevention training for employees	65%			After a steep decline in 2012, efforts were stepped up in 2013 and will continue in 2014.
 Nature	4. Reduce our water use	15% reduction in water use between 2011 and 2015 (owned, leased and managed hotels)*	5.2%*			Measures taken to reduce water use continue to produce results. They will be stepped up between now and 2015, particularly in water-stressed regions.
	5. Expand waste recycling	85% of hotels recycle their waste	86%			This objective relates to waste deemed characteristic of hotels – toner cartridges, batteries, light bulbs and tubes, paper and cardboard.
	6. Protect biodiversity	60% of hotels participate in the Plant for the Planet reforestation project	41%			In 2013, emphasis was placed on setting up plantation projects in the main host countries. From 2014, the focus will be on encouraging hotel participation.

* % change between 2011 and 2013 at comparable scope of reporting.

Pillar	Commitment	2015 objective	2013 result	Change vs. 2012	2015 trend	Comment
 Carbon	7. Reduce our energy use	10% reduction in energy use between 2011 and 2015 (owned, leased and managed hotels)*	0.3%*			Adjusted for weather variations and occupancy rates, energy use has fallen by 2.9%, which is a good sign, but specific action plans will be developed in 2014, particularly in low-performing regions.
	8. Reduce our CO₂ emissions	10% reduction in CO ₂ emissions between 2011 and 2015 (owned, leased and managed hotels)*	0.6%*			With limited leeway to adjust the energy mix, this objective is closely related to energy performance.
	9. Increase the use of renewable energies	10% of hotels use renewable energies	7%			The use of renewable energies has increased continuously since the first pilot projects in France in 2007.
 Innovation	10. Encourage eco-design	40% of hotels have at least three eco-designed room components	35%			This objective requires at least three eco-designed components in floor coverings, paint, bedding, furniture, paper, complimentary items and linen.
	11. Promote sustainable building	21 new or renovated hotels are certified as sustainable buildings	6			5 hotels were certified in 2013 (2 BREEAM, 2 DGNB and 1 Green Mark) and several certified hotels are under construction.
	12. Introduce responsible hotel offers and technologies	20% of owned and leased hotels offer green meeting solutions	/			The definition of green meeting solutions was begun in 2013 and should be validated in 2014 to support similar initiatives already deployed in certain countries.
 Local	13. Protect children from abuse	70% of hotels have pledged to protect children	44%			Aware of the progress required to achieve this objective by 2015, Accor has increased its operational support in partnership with ECPAT.
	14. Support responsible purchasing practices	70% of hotels purchase and promote locally sourced products	81%			A vast majority of the hotels have begun to purchase and promote locally sourced products.
	15. Protect ecosystems	100% of hotels ban endangered seafood from restaurant menus	89%			The ban on endangered species is being deployed gradually to raise awareness among customers whose choices often reflect the local culture.

* % change between 2011 and 2013 at comparable scope of reporting.



Pillar	Commitment	2015 objective	2013 result	Change vs. 2012	2015 trend	Comment
 Employment	16. Support employee growth and skills	75% of hotel managers are promoted from within (owned, leased and managed hotels)	80%	→		After a significant increase in 2012, the percentage of hotel managers promoted from within remained stable in 2013.
	17. Make diversity an asset	35% of hotel managers are women (owned, leased and managed hotels)	28%	↗		The progress begun in 2013 will be supported by the Group gender diversity policy, which aims to standardize the local practices deployed since 2011.
	18. Improve quality of worklife	100% of country organizations conduct an employee opinion survey every two years	59 countries	↘		The major changes and reorganization that took place in 2013 made it difficult for countries to organize opinion surveys.
 Dialogue	19. Conduct our business openly and transparently	Accor is included in 6 internationally-recognized socially responsible investment indices or standards	4 indices	→		In 2013, Accor was included in the new Global Compact 100 index but lost its place in the DJSI. An action plan is underway to ensure that it is included again as soon as possible.
	20. Engage our franchised and managed hotels	40% of all non-budget hotels, across all operating structures, are ISO 14001-certified	36%	↗		The increase in ISO 14001-certified hotels continues, particularly thanks to the efforts of ibis and Novotel since 2004 and 2008 respectively.
	21. Share our approach with suppliers	100% of purchasing contracts are in compliance with our Procurement Charter 21	68%	↗		Country and corporate procurement officers will work together to reach 80% by end-2014. However, given that certain suppliers have refused to sign the Procurement Charter 21 because of their own CSR policies, the 100% objective will probably never be achieved.

* % change between 2011 and 2013 at comparable scope of reporting.

Charter 21

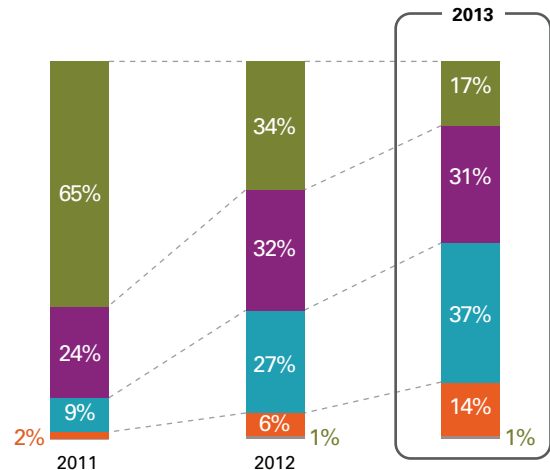
Progress towards meeting the PLANET 21 program’s sustainable development objectives is being driven by **Charter 21**, which was introduced in 2005 as the Accor Hotel Environment Charter. It recommends 65 actions that hotels can deploy to reduce their environmental footprint. It was updated in 2011 to include social responsibility issues like the organization of staff training on health and well-being or the purchase of fair trade products. Common to all hotels, Charter 21 is above all a management tool for the hotel operator, the country organization, the brand and the Group as a whole. It is divided into five sections:

- **management**, with 12 actions including “Train employees in environmentally friendly practices” and “Be active in protecting children from abuse”;
- **energy**, with 18 actions including “Have a central light switch in guest rooms” and “Use energy-efficient boilers”;
- **water**, with 12 actions including “Install flow regulators in showers and faucets” and “Use a water-efficient laundry service”;
- **waste**, with 13 actions including “Recycle hotel batteries” and “Recycle electrical and electronic equipment”;
- **products**, with 10 actions including “Offer balanced dishes in the hotel restaurant” and “Use eco-designed materials in guest rooms”.

Charter 21 gives hotels a framework for their sustainable development initiatives and helps them improve and track their performance over time. To encourage hotels to use it, Accor has developed a rating system with four levels – Bronze, Silver, Gold and Platinum. This helps to guide the hotels in deploying the recommended actions, starting with the more basic ones and then progressing gradually to the most complex. The hotel must be validated at each level before it can move on to the next.

With 83% of hotels already performing at Bronze or better level, it is clear that this **continuous improvement process** is helping to promote best practices across the organization. The actual implementation of the ten Charter 21 actions required to earn the Bronze level has been included in the quality audits performed by outside auditors since 2013.

A steady ramp-up in Charter 21 implementation



- Hotels reaching the Platinum level
- Hotels reaching at least the Gold level
- Hotels reaching at least the Silver level
- Hotels reaching at least the Bronze level
- Hotels not yet reaching the Bronze level

	2011	2012	2013
Number of applicable hotels	4,013	3,331	3,401
Response rate	94%	92%	93%



2.4. CSR AND GOVERNANCE

2.4.1. CSR IN CORPORATE GOVERNANCE

Accor is governed by the Board of Directors and the Executive Committee, as described in the corporate governance section (see page 145).

	Executive Committee	Board of Directors
Number of members	9	10
Independence	N/A	60%
Percentage of women	11% (1 woman)	40% (4 women)
Compensation transparency	Accor publicly discloses its compensation criteria for corporate officers (see page 139).	

2.4.2. CSR GOVERNANCE

The corporate social responsibility process is primarily led by Sustainable Development Department, the Human Resources Department and the Solidarity Accor endowment fund.

The **Sustainable Development Department** is in constant contact with both the countries and the brands. Interactions with the country organizations are carried out *via* a network of 80 country correspondents and dedicated committees in certain countries.

Communication with the brands takes place *via* a network of dedicated correspondents and, for certain brands, dedicated committees, as well as during ISO 14001 management reviews for ibis and Novotel. In addition, the Sustainable Development Department works closely with the purchasing, human resources, technical affairs and research and marketing teams.

The Sustainable Development Department interacts with the brands, countries and support functions in three main areas:

- management and communication relating to the PLANET 21 program:
 - deployment among the brands and within the various functions, including purchasing, technical affairs and HR; definition of action priorities and indicators,
 - coordination of the in-house network of correspondents; operational support for the deployment of markers and the preparation of guidelines and standards,
 - management of the tools and reporting process for sustainable development data,
 - development of the program's visibility through publications, external communications and media relations; distribution of communication and training resources *via* the intranet,
 - management and development of ties with strategic external partners; communication with rating agencies; monitoring of industry initiatives and competition watch,
 - corporate compliance monitoring and operational oversight;
- operational support for the management of PLANET 21 projects; coordination and social and environmental expertise;
- innovation and planning *via* the launch of new projects and the analysis of emerging issues.

The **Corporate Human Resources Department** has numerous contacts in the regions, countries and hotels.

Country Human Resources Directors report to their region's Operating Department. Local Human Resources Departments are tasked with applying Group policies to the local context, meeting the HR challenges associated with their activity and developing dedicated tools. They are supported by the resources developed at Group level, which ensure consistency among practices and provide greater impact.

The **Corporate Human Resources Department** interacts with its regional and country correspondents in the following areas:

- HR development: development of Accor's appeal and employee loyalty; the training policy and its strategic objectives; coordination of the Accor Academies; and HR development policies for the brands;
- talent management and international mobility: international mobility process; coordination and technical advice (market compensation practices, international healthcare coverage and benefits and legislation monitoring); career development and support for employees working abroad;
- employee relations: interaction with international employee representative networks; promotion of the Group's employee relations and diversity policies; monitoring of industry and competitor initiatives *via* professional networks; and reporting and analysis of social performance;
- compensation and benefits: Group policy on compensation packages; analysis of compensation competitiveness and fairness; performance management; development of deferred compensation plans; management of employee benefits internationally and top-hat pension plans for executives in France.

In most of Accor's hotels, one person is in charge of managing human resources and putting Group policies into practice locally.

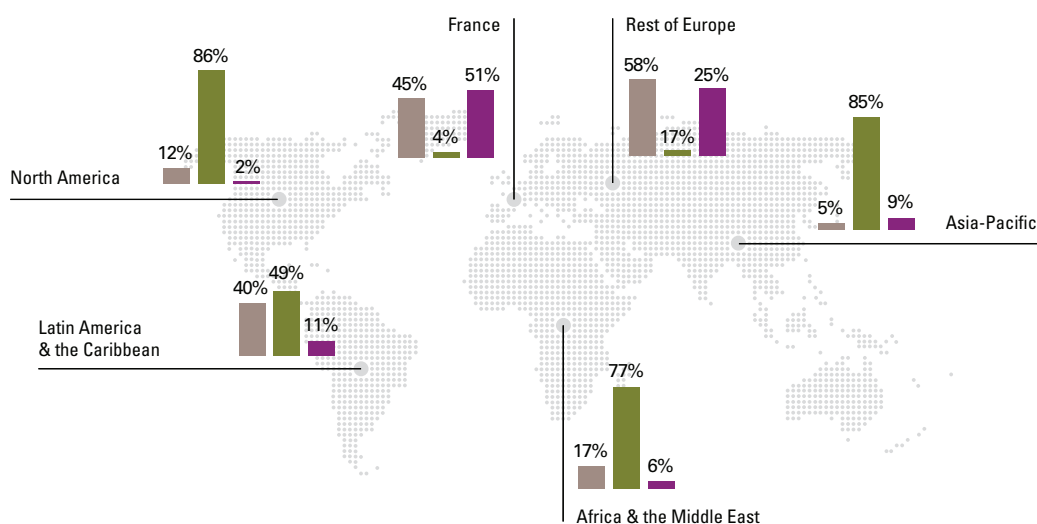
The Corporate Human Resources Department works particularly closely with the operating departments and the legal affairs, communications, IT and sustainable development teams.

Governance of the Group's community endowment fund, **Solidarity Accor**, is based on various bodies, as described on page 64.

2.5. COMMITMENTS TO EMPLOYEES

Accor's corporate signature – "Open New Frontiers in Hospitality" – reflects its determination to deliver the best possible customer service in all its brands around the world. To achieve this goal and invent a whole new hospitality experience, employee engagement and satisfaction are essential.

The number of employees working for Accor brands worldwide is estimated at around 170,000. This global workforce is spread across 92 countries and three operating structures, with owned and leased hotels accounting for 48,761 employees or 28% of the total, managed hotels representing 88,031 employees or 51% and franchised hotels accounting for an estimated 36,050 employees or 21%.



All activities in 2013	France	Rest of Europe	Asia-Pacific	Latin America & the Caribbean	Africa & the Middle East	North America	TOTAL
Owned & leased	15,961	20,375	3,679	5,470	2,981	295	48,761
Managed	1,526	5,959	58,344	6,696	13,398	2,107	88,030
Franchised (estimated)	18,000	9,000	6,500	1,500	1,000	50	36,050
TOTAL	35,487	35,334	68,523	13,666	17,379	2,452	172,841

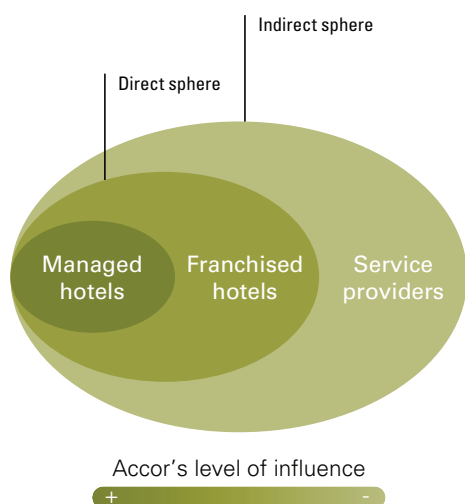
Customer satisfaction is critical for a company like Accor, which understands that its customers include not only the guests that stay at any Accor-brand hotel but also the owners of managed and franchised hotels and the people who work in Accor-brand hotels worldwide. Our duty is to create the best possible conditions to protect the interests of everyone involved in this very specific employment model.



2.5.1. ACCOR'S EMPLOYMENT MODEL

Our business creates and maintains many jobs in 92 countries. However, a significant percentage of these employees do not directly work for Accor but for our business partners – the owners of managed and franchised hotels and a variety of service providers.

Because we are constantly opening new hotels around the world, this indirect workforce is steadily increasing, particularly in fast-growing economies.



Employees in the direct sphere of influence are classified as Accor-brand employees. They deal directly with guests and are ambassadors for the hotel brand and its values.

Throughout, however, we are committed to sharing our human resources management values and standards in every host country, while naturally respecting local practices and legislation.

This commitment is supported by the Ethics and Corporate Social Responsibility Charter, which is being instilled across our direct and indirect sphere of employment.

We also have a duty to take an interest in the quality of the working conditions of indirect employees, as part of our commitment to upholding and promoting human rights.

At end-2013, 45% of Accor-brand employees – including an estimated 3% from franchised hotels – were located in countries that scored below 50 on Transparency International's Corruption Perceptions Index 2013. The index uses 13 surveys to calculate a score from 0 to 100, where 100 means no perceived corruption. The high percentage of Accor-brand employees in low-scoring geographies reflects our presence in such countries as Brazil, China and Thailand, which account for a significant portion of the workforce.

We share our corporate culture with our business partners, whose employees are in our direct sphere of influence, by forging and maintaining trust-based relations and more particularly by:

- **enhancing** Académie Accor's ability to attract talented employees so as to instill our expertise and values;
- **facilitating** mobility between hotels, which is a key component in our human resources planning and development strategy;
- **organizing** events that promote Accor values.

The outside workforce – which is in the indirect sphere of influence – includes temporary and contingent workers who support in-house teams during peak periods, as well as sub-contractor employees in such areas as laundry services, housekeeping, landscaping and call centers.

Many laws exist to protect people in contact with the company, including guests, employees, suppliers and others who have only indirect contact. Accor makes every effort to ensure that these laws are respected, in particular by closely monitoring suppliers and service providers, whose practices might not comply with its commitments to respecting people.

To extend its corporate social responsibility standards across the supply chain, Accor developed Procurement Charter 21 and asked its approved suppliers to pledge compliance with the Charter's principles. The areas covered include environmental protection, respect for people, anti-discrimination, health and safety, and working hours and conditions (see page 60 for more information on sustainable procurement).

2.5.2. TAILORED HUMAN RESOURCES POLICIES

Effective management of human resources is one of the cornerstones of Accor's performance. To optimize that performance, tailored human resources policies are being applied, supported by tools and programs deployed across the organization.

These policies are guided by two key objectives:

1. **Set the benchmark as an employer and hotel operator and share our values and commitments**, by fostering social dialogue, promoting diversity, respecting employees and enhancing workplace well-being.

The human resources management process is impacted by our employment model. To attenuate the risks to our social license to operate in the event of non-compliance with our commitments to international institutions, HR policies and tools are aligned with the three operating structures – owned and leased hotels, managed hotels and franchised hotels.

For employees of managed hotels, Group recommendations and policies can be applied by the hotel manager, as long as the owner is willing to accept the associated impact on costs and operations.

Because we have little influence over HR practices in franchised hotels, we strive to share our values and commitments in the communications and day-to-day interactions with franchisees. This is done through three main channels:

- Franchise Committees, which meet three or four times a year, depending on the brand, to review and make note of developments in such areas as brand identity, marketing and Group processes;
- Directors of Franchise Operations, who are in close and constant contact with the franchise operators in their specific regions and brands;
- access to dedicated content on the corporate intranet and to the training courses provided by the Académie Accor.

Employment and employee-relations issues are managed directly by the owners of franchised and managed hotels. It is important to note that, even though Accor is responsible for managing the day-to-day operations and human resources of managed hotels, it cannot negotiate collective agreements on behalf of franchise owners or directly influence the preparation of employment contracts and compensation packages.

- 2. Motivate employees** to achieve the highest standard of service and leverage each individual's capabilities to improve overall performance.

Employee engagement is a direct result of managerial relations, on the one hand, and what the employer offers in terms of working conditions, training and career prospects, on the other.

Our guide to management ethics and principles has been distributed worldwide since 2009 and key career development resources have also been provided and distributed. However, Local Human Resources Departments are responsible for ensuring favorable working conditions, in line with the local context and legislation.

Accor's contribution to its franchise and management partnerships includes tools designed to improve hotel operating performance. In the area of human resources, we share our expertise in particular through the training courses offered by the Académie Accor and *via* the training programs deployed by the brands.

Providing HR support tools ensures consistency in the Accor employer brand and enables employees to enjoy the benefits of belonging to a major multinational with global reach. Examples include the AccorJobs website, which lists all of the jobs available at Accor-brand hotels, and the Welcome Card, which gives employees reductions at Accor hotels worldwide.

HR topic	Sphere of influence	Page
Setting the benchmark as an employer		
Social dialogue	Owned and leased hotels only	47
Diversity and equal opportunity policies	Owned, leased and managed hotels Provided to franchised hotels for their information	48
■ Women at Accor Generation women's network	Owned, leased, managed and franchised hotels	48
Motivating employees		
Assessing employee engagement and well-being	Employee surveys: owned, leased and managed hotels CLIP: available to owned, leased, managed and franchised hotels	49
Working conditions	Owned, leased and managed hotels	50
■ Promoting health and well-being among local communities	Owned, leased, managed and franchised hotels	51
Compensation and benefits	Owned, leased and managed hotels	52
Career development	Owned, leased and managed hotels Training resources available to franchised hotels	53



2.5.3. SETTING THE BENCHMARK AS AN EMPLOYER

Accor's exemplary employment practices stem from the values promoted by its founders. Social dialogue and respect for diversity provide an operational response to the need to bring communities together to secure the Company's growth, while respecting individual differences and expectations.

Social dialogue

Accor is committed to maintaining ongoing, constructive dialogue about employee rights and benefits with employee representative organizations. In 1995, it signed an agreement in this regard with the International Union of Food Workers (IUF), pledging to respect the International Labour Organization conventions relating to employees' freedom of association and right to unionize.

The consultation and dialogue process is particularly important at a time when we are expanding significantly and therefore dealing with an every-increasing number of stakeholders.

As part of the Group's growth strategy, certain owned or leased hotels are being sold to franchisees. There is no reason for this strategy to have an impact on jobs and Accor does everything it can to ensure that employees continue to enjoy the same working conditions and employee benefits. This commitment is illustrated by the collective agreements signed in 2013 in Germany, France and the Netherlands, which aim to harmonize practices and ensure that the transition to a new employer does not have a detrimental effect on employment or employees.

Given that our operations depend to a significant extent on the financial health of other businesses, the economic recession in Europe – which accounts for around 41% of all Accor-brand employees – may have an impact on jobs in the coming years. In 2013, we started reorganizing local head office teams in the region to create larger centers of expertise in selected countries. The impact on jobs, however, is expected to be low. The reorganization process reached corporate headquarters in France in early 2013, affecting 117 permanent Accor SA employees. A voluntary separation plan was implemented to enable them to pursue a personal or professional project elsewhere.

To help the Accor SA employees imagine their future, an office was set up to provide support and information and to accompany those interested in a transfer within the company or a project outside the company. Job-search skills workshops were also organized and a hotline was set up to give employees direct access to a psychologist.

In total, 8,299 employees left Accor in 2013 following an individual dismissal, including 3,449 employees from owned or leased hotels. Another 441 employees were laid off because of restructuring or for financial reasons, including 379 employees from owned or leased hotels.

The table below lists the **collective agreements** signed in 2013 at country level, covering owned and leased hotels.

It does not include agreements signed prior to 2013 and it cannot be considered exhaustive, since collective agreements can also be signed by legal entities such as hotel groupings or by individual hotels.

Country	Collective agreement	Number of employees concerned
Germany	Collective agreements relating to the conditions for the transfer of employment contracts when hotels are sold to franchisees	5,994
	Training and impact on working conditions relating to new software deployed by the Group	
	Rules governing the installation of surveillance cameras in hotel public areas	
France	Agreement on intergenerational issues at SMI (French headquarters)	960
	Agreement on intergenerational issues at Accor SA (corporate headquarters)	1,078
	Collective agreements relating to the conditions for the transfer of employment contracts when hotels are sold to franchisees	13,832
Hungary	New collective bargaining agreement negotiated in 2013 and applicable from January 1, 2014	887
Netherlands	Collective agreements relating to the conditions for the transfer of employment contracts when hotels are sold to franchisees	1,548

Forums for dialogue

The **European Works Council** is co-chaired by the Chairman and Chief Executive Officer and a representative of the International Union of Foodworkers (IUF). It meets at least once a year to examine the Group's organization, strategy and results, as well as cross-border issues. The full-session meetings are held at the International Labour Organization's head office in Geneva. The Council Bureau keeps information channels open and prepares the Council's annual meeting. It can also be convened to discuss any measures being considered by the Group.

The GroupWorks Council created by the October 12, 1984 framework agreement supports dialogue and the sharing of business information with employee representatives **in France**. The Council comprises 24 employee representatives chosen from among the 76 subsidiary works councils in France. It is chaired by the Chairman and Chief Executive Officer or his representative and meets twice a year.

Another collective body that promotes constructive social dialogue is the Social Council, which provides an informal forum for on-going relations with union representatives. The meetings address important topics and certain strategic issues.

Diversity and equal opportunity policies

For Accor, diversity is a key component in driving performance and innovation and ensuring non-discrimination and equal opportunity across the organization. A structured framework was created for our commitments in this area in 2008, which has driven a variety of programs to support and demonstrate them.

Diversity policy

Accor recognizes that every employee is different and that overall performance depends on the skills of each individual. Our commitment to diversity is structured around formalized undertakings and priorities for 2015 in the following areas:

- **diversity of origins;**
- **gender equality in the workplace;**
- **integration of people with disabilities;**
- **age diversity.**

The initiatives undertaken address four key challenges:

- **corporate social responsibility.** As a fair and sustainable employer, Accor has the duty to reflect the diversity of its host communities;
- **attractiveness as an employer.** Accor is a company that respects its employees and is well-perceived by the public;
- **business performance.** Making diversity a priority helps Accor deliver customized solutions to meet customer expectations;
- **operating performance.** Inclusiveness and social cohesion are important factors for well-being in the workplace, because a fulfilled employee is an efficient employee.

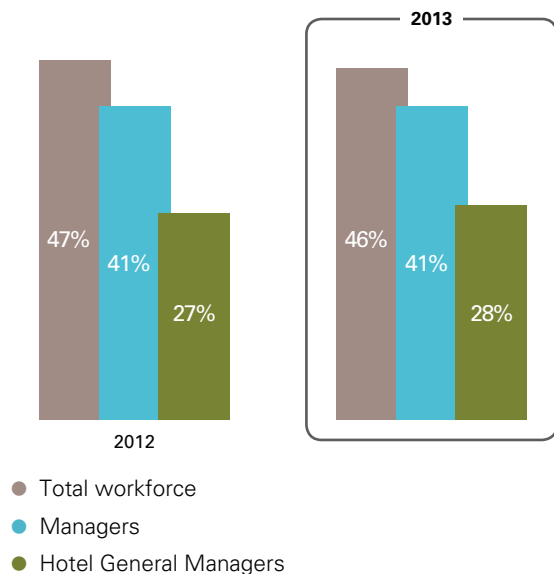
This commitment to supporting diversity and fighting discrimination is clearly defined in our International Diversity Charter, which has been translated into 15 languages. Deployed in 2011, it serves as the foundation of our diversity policy, based on seven key commitments:

- **give every employee the opportunity** to succeed by taking their capabilities into account at each stage in their careers;
- **fight against all forms of discrimination** on the basis of ethnic, social or cultural origin, gender, age, physical characteristics, disabilities, religion, language, marital status, union membership, sexual orientation or other characteristics;
- **conduct diversity surveys** in every host country;
- **offer every manager diversity training** or a sensitivity course, based on the local situation and available training resources;

- **explain the policy** to all employees and partners;
- **act as diversity ambassadors** to customers, suppliers, hotel owners, investors and other partners, with the goal of fostering a shared ethical commitment;
- **report to the Executive Committee once a year** on diversity programs underway across the Group, to obtain the Committee's guidance and recommendations for pathways to improvement.

The target of 35% women hotel General Managers has been set 2015, with a view to achieving gender parity in this key position in the longer term. The percentage of women General Managers increased by one point between 2012 and 2013.

Percentage of women by job category



The commitment to increasing the percentage of women across the organization is also reflected in the December 2012 launch of **Women at Accor Generation (WAAG)**, an international women's network open to both men and women employees of any Accor brand. Through its eight regional networks, WAAG is committed to fighting against stereotypes and the self-censorship of women, primarily by mentoring women employees, encouraging experience sharing and facilitating networking.

In 2013, 1,265 disabled people were employed in owned, leased or managed hotels worldwide, representing 1% of the total workforce. However, given the difficulty in obtaining accurate figures in some countries, the real number of disabled employees is probably higher.

In France, the Integrating the Disabled Project (MIPH) is an integral part of the diversity action plan. It is governed by a Group-wide agreement concerning the hiring and retention of disabled employees, which covers the three-year period from 2012 to 2014. In 2013, 25 employees were able to keep their jobs despite a disability and 31 disabled employees were hired, mainly on permanent contracts, representing 2% of all permanent new hires in France for the year (owned and leased hotels). As a result, disabled employees represented 4.97% of the workforce in France in 2013, compared with 4.15% in 2012.



Equal opportunity resources

Two main channels are used to guarantee equal opportunity and eradicate stereotyping – training modules and the sharing of best practices already being applied in the Group.

The “**Managing Diversity**” e-learning module initially developed in France was deployed across Europe in 2013, after being aligned with European legislation and translated into English.

The **diversity intranet site created in January 2011** describes best practices and provides links to international reference documents, like the Group’s International Diversity Charter, and to such resource documents as European directives on non-discrimination and diversity and a recruitment guide in six languages.

A **guide for recruiters and managers** has been available on the Diversity intranet since 2013 in English, French, German and Portuguese.

Anonymous résumés have been used on the AccorJobs website in France since 2010 to ensure equal opportunity during the recruitment process, by precluding even subconscious discrimination due to age, gender or origin.

Discrimination alert plans have also been defined locally so that anyone experiencing discrimination knows who to contact and how.

2.5.4. MOTIVATING EMPLOYEES

The key value creation drivers in the hospitality industry are service quality and customer satisfaction, which depend heavily on the enthusiasm and skills of employees. To secure employee commitment and engagement, Accor makes every effort to provide a motivating work environment and interesting career opportunities.

Assessing employee engagement and well-being

Managers have access to two tools for assessing employee engagement, well-being and morale – employee opinion surveys and the Local Climate and Personal Initiative (CLIP) survey. Both of these tools are central to our management process and the findings are used to develop appropriate action plans.

Employee opinion surveys

Opinion surveys are conducted every two years at all owned, leased and managed hotels to gauge employee satisfaction, identify employees’ needs, concerns and expectations and measure morale and level of engagement so that action can be taken to drive improvement. Carried out at the initiative of country HR Departments, the surveys are based on a core questionnaire developed by the Group, which is adapted to the local context. The findings are reported across the hotel chain of responsibility and to the head offices. In 2012-2013, 80,837 employees from owned, leased or managed hotels in 59 countries took part in employee opinion surveys, representing a response rate of 88%.

Positive response rates (“agree” and “fully agree”) to the Group’s primary satisfaction drivers from employees in head offices and owned, leased and managed hotels

	Positive response rate			
	Total		Of which «fully agree»	
	2011-2012	2012-2013	2011-2012	2012-2013
I am proud to work at Accor	89%	91%	42%	43%
My work enables me to develop my skills	88%	90%	37%	39%
My working environment is good	81%	84%	30%	32%

Local Climate and Personal Initiative (CLIP) survey

All managers, regardless of their hotel’s operating structure, can use the CLIP survey to gauge the quality of the local working environment and the commitment of their teams. Each team member fills in a confidential questionnaire that covers eight topics including job fulfillment, the circulation of information, individual initiative, and respect and recognition. CLIP is available in 11 languages, in paper and electronic format, via the Group intranet and is designed for use by managers across all operating structures.

The objective criteria usually used to measure employee engagement are the resignation and absenteeism rates. However, these indicators should be considered with caution, because they are affected by such factors as the **local culture**, the **social and employment protection measures** in place in certain countries or hotels, the **strenuous nature of certain jobs**, and potential difficulties in commuting to the workplace.

Working in the hospitality industry comes with numerous constraints, particularly in the area of work-life balance, where measures are being taken to reduce their impact (see section 2.6). Nonetheless, Accor has a high resignation rate, which can be attributed to various

factors, including the local economic environment. Turnover seems to depend in particular on the location and age of the hotel, with fast-growing economies reporting a higher resignation rate. With a total of 37,491 employees resigning in 2013, resignations accounted for 61% of all separations, *versus* 60% in 2012.

Absenteeism is also an indicator that must be handled with great caution, particularly because the criteria for inclusion were revised in 2013, making comparisons with the previous year very difficult. In 2013, medical leave stood at an average 6.5 days per employee per year and unauthorized leave, as defined in section 2.8, amounted to an average 1.1 days per employee per year.

Working conditions

As an employer, Accor is responsible for ensuring that working conditions are optimal for the health, safety and well-being of its employees and for the performance of its teams. The working environment must be aligned with the activities being carried out, the people involved and the Group's productivity objectives.

The measures taken to improve working conditions focus mainly on:

- preventing accidents, repetitive strain injuries and other workplace health and safety issues, by identifying risks and deploying dedicated training modules; and
- limiting the impact that business constraints and unusual hours can have on employees' personal lives, to enhance the Group's appeal and ensure employee engagement.

Working hours

Given the nature of the hospitality business and the long opening hours of hotels, employees often have to work unusual hours, including during the night and on weekends and public holidays. To address this issue, a variety of initiatives have been deployed to enhance work-life balance, so that the needs and cultural expectations of employees can be met in every host country.

These initiatives are underpinned by the commitments set out in the Ethics Charter (to be redeployed in 2014), where Accor has pledged to: **respect important events in employees' lives**; minimize uncertainty in the short-term work schedule **to reduce the impact of unusual working hours**; and provide practical solutions whenever possible for employees having **trouble commuting**.

These assessments can cover both **short and long-term risks**, including:

Short term

- Handling sharp objects (kitchen and technical services staff)
- Polishing glasses (restaurant staff)
- Falls (kitchen and technical services staff)
- Chemical risks (laundry staff)
- Soldering hazards (technical services staff)

- Stress and other psychosocial risks

- Musculo-skeletal disorders

Long term

Risks associated with buildings and equipment

At end-2013, 11.4% of employees in head offices and owned, leased and managed hotels were working part-time, compared with 12.4% a year earlier.

In the hotel business in France, the workweek has been set at 39 hours for non-managerial employees. In compliance with amendment 2 to the Hotels, Cafés and Restaurant industry agreement, time worked from the 36th to the 39th hour is paid 10% overtime. In owned and leased hotels, overtime from the 36th to the 39th hour is paid at the normal rate, with the 10% increase taken in the form of additional time off. Most managers, in head offices and hotels, are paid a fixed annual salary for 218 days worked per year.

Outside France, working hours are set in accordance with local legislation and the collective agreements in place in each country. Overtime can be paid at a higher rate or taken in the form of additional time off, depending on the legislation and agreements applicable in each hotel and on the conditions defined in each employee's contract.

Like most of the fundamental aspects of human resources management, measures relating to working conditions are handled at the local level, in line with the local culture, the applicable collective agreements and the country's labor legislation. The Life, Health & Wealth program in the United States, for example, offers employees useful tools and information to improve their health and quality of life, in conjunction with high-quality healthcare and insurance coverage.

Ensuring employee health and safety

The hotel industry is not particularly exposed to health and safety risks. Nonetheless, management pays close attention to the day-to-day risk of accidents and the long-term risk of musculoskeletal disorders caused by repetitive movements.

Health and Safety Committees in host countries ensure compliance with the local legislation by assessing the risks associated with each hotel, department or position.



The lost-time injury frequency rate across owned, leased and managed hotels remained stable in 2013 at 13.5, *versus* 13.5 in 2012 and 14.5 in 2011.

At end-2013, no figures were available regarding the number of days lost due to workplace accidents, which are included in the indicator on absences for medical reasons. The decision has been made to separate these figures in 2014 to enable the calculation of the incident severity rate. This will, however, require considerable effort on the part of local human resources teams, who must create a specific category in the local payroll system.

In 2013, eight employees died in workplace or commuting accidents: one suffered from a fatal heart attack in Indonesia; two died in the workplace in China following an illness or accident that was not work-related; and five were victims of commuting accidents, three in Egypt and two in Thailand.

Employees on temporary or long-term assignments in a given country or region may consult regularly updated security and health advisories on the Risk Management intranet site.

In addition, a guide has been prepared for employees in French and English containing safety recommendations and advice for business travel.

Preventing musculoskeletal disorders

Various training modules are offered by the Académie Accor campuses worldwide to teach employees the postures and practices necessary to prevent musculoskeletal disorders. Often provided as part of the induction process, the modules are adapted to suit the specific needs of kitchen, technical services and housekeeping staff.

Preventive measures are also implemented. In France, for example, the Levly® hydraulic bed-lifting system has been introduced to improve the working conditions of housekeeping staff. By raising the mattress to waist level, these ergonomic beds attenuate the risk of joint injuries. Since 2007, the Integrating the Disabled Project (MIPH) has subsidized the installation of 9,784 Levly® systems, including 844 in 2013. The initiative is also being deployed in other countries, such as the United Kingdom, Belgium, Bulgaria, Ghana, the Netherlands and Poland.

At end-2013, Accor did not have an indicator to measure the frequency of occupational illnesses, which is scheduled to be added to the reporting process in 2014. However, the definition of an occupational illness, as recognized under French legislation, is difficult to apply in countries whose labor legislation does not recognize the long-term effects that work can have on people's health. Significant effort will therefore be required to update the reporting system and train country correspondents to apply the definition. But the hardest task will be implementing a reliable tracking system in hotels and head offices when local physicians and public authorities do not recognize occupational illnesses.

Preventing psychosocial risks

Various channels are used to prevent psychosocial risks, including training modules, local crisis lines and collective agreements on the initiatives to be undertaken.

Stress management training is available and is completed by many employees. In France, for example, 314 employees in 2013 (and 669 employees in 2012) participated in training modules on "Preventing and Managing Workplace Stress"; "The Five Keys to Stress Management" and "Understanding Stress and Achieving Serenity".

Accor takes action to eliminate all forms of harassment from the workplace, including bullying and sexual harassment. Complaints against personnel must be reported to a senior manager or to the Human Resources Manager/Director, while a different procedure is followed for incidents involving guests. Hotlines have also been set up in some countries, including Brazil, France, India and New Zealand/Fiji.

Following the signature of an agreement on workplace psychosocial risks in 2010, a steering committee was set up at Accor SA headquarters in France to prepare action plans to reduce stress. In addition, the French hotels business signed a framework agreement on psychosocial risks with employee representatives in 2011, covering the prevention of these risks through awareness initiatives. In 2013, six conferences were organized to inform and educate Accor SA managers about psychosocial risks in the workplace.

Promoting health and well-being among local communities

Employee health and well-being can only be achieved by ensuring the safety of work-related equipment and infrastructure (see page 55) and by promoting good health in all aspects of life, both inside and outside the workplace.

The Life Quality Calendar campaign launched in Brazil in 2013 aims to inform employees about serious illnesses and what they can do to avoid them. The campaign was supported by the onsite presence of specialists during specific events, such as Workplace Accident Prevention Week.

Deploying PLANET 21 commitments

As part of the PLANET 21 program, the owned, leased, managed and franchised hotels are encouraged to offer employees awareness-building and training sessions, with a focus on the prevention of HIV/AIDS and of chronic diseases like diabetes, cancer and cardiovascular ailments, the importance of nutrition and a balanced diet, the prevention of psychosocial risks, and first aid. In each case, the approach is carefully aligned with the relevant health issues specific to each country or region. In 2013, 65% of hotels had organized health and well-being training for their employees.

Since 2002, Accor has been contributing to the fight against epidemics, particularly of HIV/AIDS and malaria, through protection programs for employees and awareness campaigns for guests. Employee-focused initiatives are structured by the ACT-HIV program introduced in 2007, which gives hotel General Managers a six-step action plan built on the three core principles of Accor's commitment – confidentiality, non-discrimination and equal access to treatment. By the end of 2013, more than 20,700 employees had attended awareness and training sessions and 753 hotels were equipped with condom vending machines.

Compensation and benefits

Accor has defined a global compensation strategy that can be adapted to local practices in each country.

The strategy is based on four principles:

- offer compensation that is competitive in each market and country;
- ensure that employee compensation is determined fairly;
- encourage employee savings and stock ownership;
- strengthen employee healthcare coverage and other benefits.

Accor ensures that all decisions concerning compensation are made without any discrimination with regard to age, gender, nationality or any other personal criteria. The Group is also committed to compensating every employee in line with **market practices**, which are identified, tracked and analyzed. To achieve this, jobs have been mapped worldwide by job track, using the Hay method. Job mapping by position is also carried out locally.

Managers receive a base salary and an incentive bonus reflecting their performance in meeting personal and team objectives and their contribution to the Group's success. All base **salaries are reviewed** each year, on an individual basis for managers and collectively for non-managers. Across-the-board raises are defined locally, in accordance with inflation, market practices and annual results. The average salary raise could not be calculated with the reporting and analysis tools available to the Group in 2013.

Payroll costs for the head offices and owned and leased hotels are presented in note 4 page 212.

Insurance coverage

Insurance and healthcare coverage helps Accor meet two key challenges: (i) provide **a higher level of protection** for employees in countries where public authorities cover little or none of the expense associated with healthcare and (ii) create an **element of differentiation** to attract and retain talent.

Plans have therefore been set up in certain host countries for employees in owned and leased hotels, providing insurance and/or health coverage for routine care, hospitalization, maternity benefits, eye care and other expenses. **In France**, a new agreement on insurance and health coverage came into effect on January 1, 2013. An initial review is scheduled for early 2014.

In some countries, Accor has been able to extend healthcare benefits to employees in its managed hotels, with the investor owner's agreement.

This is the case, for example, in **Sub-Saharan Africa**, where a healthcare plan has been set up at 19 hotels, including 10 under management contracts.

Where healthcare is not provided under local legislation, the employees at these hotels and their families benefit from private health insurance, which covers 80% of the expenses associated with medication, health care and hospitalization. In addition, almost all of the 19 hotels have an occupational physician and a nurse, either full-time or part-time, to raise awareness of medical issues, diagnose illnesses and provide nursing assistance to employees and their families.

Retirement benefits

Set up in 2007, the Group Retirement Benefits Committee continued its activities in 2013. 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.

Discretionary profit-sharing

In order to better reflect each unit's actual business performance, discretionary profit-sharing agreements based on overall performance and financial results are generally signed in each subsidiary or hotel.

In 2013, nearly €10.2 million in discretionary profit-shares earned in 2012 was paid to 13,865 employees, representing an average net amount of €740 per person.

On several occasions since 1999, employees around the world have been offered the opportunity to purchase new Accor shares on preferential terms and conditions, as part of employee share issues. As a result, 10,122 employees owned shares in the company at December 31, 2013, representing 0.62% of total capital (see page 323 for details).

Employee savings in France

Every year since 1985, Accor employees in France have been able to participate in a **Corporate Savings Plan** (PEEG) that allows employees to invest in various mutual funds with matching funds provided by Accor. In addition, a PERCO group **Retirement Savings Plan** has been set up to provide employees with additional income during retirement. A total of 7,229 employees invested in the plan in 2013. Employees in France also receive **profit-shares** under a corporate agreement covering 84 companies in respect to 2012. Non-discretionary profit-shares earned in 2012 and paid in 2013 amounted to an aggregate net €7.8 million for 21,147 employees, or an average net amount of €369 per person.

Information available to employees

Human Resources Managers and Directors are informed about the bonus policy and the principles for reviewing compensation, in line with the each country's economic environment.

The various components that make up the final compensation package – including the base salary and any other benefits associated with the position, such as a company car – are set out in the employment contract when the employee is hired or transferred. In addition, the individual and collective performance objectives to be applied to the coming year are defined during the annual performance review and given to the employee in writing.

Specific information is also provided throughout the year to employees covered by other benefits, such as stock option plans, supplementary pension plans and healthcare and insurance coverage.



Career development

Accor gives employees a genuine opportunity to climb the social ladder. Managers across the organization are united in the belief that service quality and customer satisfaction depend primarily on employee skills. As a result, Accor's human resources policies focus on training, skills development and promoting from within.

Since all employees serve as Accor's frontline ambassadors with customers, in addition to working effectively in a team and having the information they need to do their jobs, they must also be familiar with the Group, its values and its history. A total of 62,490 employees were hired in 2013, of which 58% in the Asia-Pacific and Latin America regions. To facilitate the onboarding process, the "Welcome to Accor" e-learning program is deployed alongside the modules specific to each brand to inform new hires about the Group and its values.

Once the onboarding phase is over, employees are supported throughout their careers *via* **annual performance reviews**. It is recommended that employees have an annual review with their manager every year, to discuss their performance over the past year and set objectives for the next, which will be used to calculate their bonus. The review also gives employees an opportunity to express their career goals so that an appropriate development plan can be prepared.

Skills development initiatives focus on:

- the specific skills required in certain professions;
- partnerships with training institutes; and
- the opportunities offered to employees during international assignments.

Job tracks

Several job tracks have been defined to clarify the positions involved and professionalize certain skill-sets, as well as to enhance employees' capabilities and inform them about potential career paths. Job-specific training programs have also been developed to give all Accor-brand employees – estimated at close to 170,000 – the opportunity to acquire new skills or enhance their expertise at a time of significant change in the industry. This is particularly the case in:

- **sales**, where the Sales & Distribution Pass training module allows Sales Managers to take their capabilities to the next level and measure themselves against the fundamental principles of hospitality sales. The module is included in an ambitious program to improve the professionalism of our sales teams, from hiring to career development. Around 600 sales experts have benefited from the program over four years;
- **revenue management**. A dedicated revenue manager job track has been in place since 2007, supported by the RM Pass series of specialized training courses offered in association with the Académie Accor. They are designed to enhance the capabilities of revenue managers and other employees who help to optimize hotel revenue, such as hotel General Managers. Around 2,500 employees have completed the RM Dimension and RM PRO training courses;

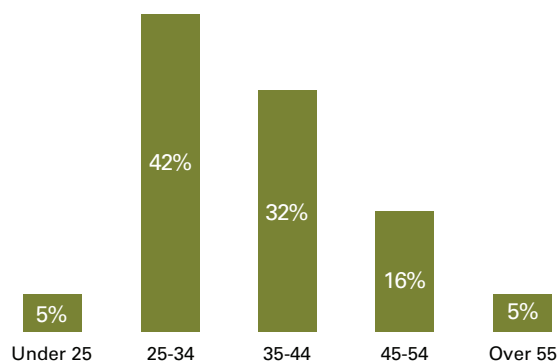
- **distribution**, with the new Distribution Excellence (DEX) program primarily designed for hotel General Managers and revenue managers. The program helps them understand the major issues and challenges raised by the various distribution channels and room booking methods. It also provides keys to building a strategy and developing everyday distribution tactics for their hotels. The program has been completed by 1,000 employees since the beginning of 2013.

Management development and mobility

Specific programs have been introduced to enable employees, either newly hired or with several years experience, to move into management positions over the medium to long term. Internal promotion is a reality at Accor, where employees are encouraged to rise rapidly through the ranks.

This is reflected in the age pyramid for managers at owned, leased and managed hotels:

Age pyramid for managers at Accor hotels in 2013



Since 1997, Accor's **International Hospitality Management Program (IHMP)** has been helping to create a pool of international managers ready to take on new operating responsibilities in both the short and medium term. IHMP is the result of a collaborative venture between the ESSEC business school's MBA in Hospitality Management program (IMHI), the corporate Human Resources Department and the Académie Accor. The classes are given in English, with a curriculum built around six main subjects: Business Strategy and Value Creation; Human Resources Management; Finance; Revenue Management; Marketing, Sales and Distribution; and Communication. IHMP certification gives participants 20% of the credits required for the ESSEC MBA in Hospitality Management.

The class of 2013 comprised 27 employees, including five women. They were aged 28 to 52 and represented 14 nationalities, 16 countries, six brands and eight job tracks.

This system is being supported by a **certification process** that validates skills learned on the job and enhances employability within the organization. Thanks to a partnership agreement signed with the Glion Institute of Higher Education on March 1, 2013, any Accor hotel manager without a college degree can validate his or her years of experience in the profession with an MBA in International

Hospitality and Service Industries Management. Since October 2011, the Institute's core courses have been given online in English in a virtual classroom. Earning the MBA can enable hotel department heads and General Managers to move up to higher positions within the organization. A total of 11 Accor managers participated in the Glion Online MBA program in 2013. Most were General Managers or Operations Directors and they came from various parts of the world, including Australia, Germany, Indonesia and Dubai. The first graduates will finish the program in June 2014.

Accor managers and executives can map out their own career opportunities using the **Success** international management application, which offers more than 5,000 employees a view of all of the management vacancies across the Group. Participants can inform their direct manager of a proposed career change by posting their résumé, job aspirations and annual performance reviews on the site. They can also submit applications for any vacancies. This information may be viewed by other managers, who can use it to foresee and plan their staffing needs.

Training and educational partnerships

Created in 1985, the **Académie Accor** was Europe's first corporate university in the services industry. Its dedicated training courses may be attended by any Accor-brand employee, regardless of job family, educational background, position or seniority. This means that all of the owned, leased, managed and franchised hotels have access to the courses, which may be tailored to the specific needs of each hotel's management structure. Supported by a network of 18 campuses around the world, the Académie Accor offers training in all hospitality-related professions and areas of expertise, while also serving as a forum for sharing best practices and disseminating Accor's corporate culture.

Académie Accor's primary mission is to train employees so that every guest enjoys impeccable quality of service. Its second mission is to support the Group's expansion by enhancing professionalism in every job family. This is particularly the case in certain countries without any hotel schools, where Académie Accor serves as an effective substitute.

The Académie Accor is guided by three fundamental teaching goals:

- **to reflect each brand's identity** by designing, producing and delivering dedicated course content;
- **to integrate the latest economic, technological and social developments**, to offer innovative learning tools;
- **to convey the culture**, management philosophy and hotel management methods specific to Accor.

With many onsite and online courses open to employees of franchised hotels, Académie Accor is the best tool available to franchisees for creating shared value. Some content is nonetheless reserved for Accor employees, in order to safeguard key expertise and maintain confidentiality.

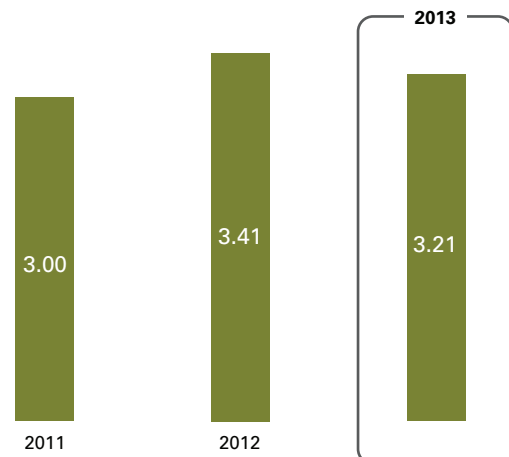
With more than 250 training modules offered in 20 languages and adapted to local requirements, the Académie Accor is positioned as the international benchmark in hospitality skills development. It also sets new standards in innovation by offering training programs that increasingly integrate new technologies, such as e-learning modules and virtual classrooms.

The technological revolution is underway both globally and locally, as illustrated by an initiative implemented by the Académie Accor Latin America. In Brazil, an e-learning platform was developed in 2012 and deployed in 2013 to give all hotel employees in the region rapid access to training content specific to each brand, despite the geographical distances involved. Click Accor also offers an online forum where employees can discuss the content provided, which can be open to everyone or reserved for the employees of a specific brand.

Accor's training offer extends beyond the Académie Accor to include mandatory health and safety training and brand-specific courses, which are compulsory for the employees concerned and have a direct impact on service quality and style.

From induction to certification-backed programs, the total number of training days provided to employees has remained stable for the past three years, with the increase in 2012 corresponding to the deployment of training by Novotel and Sofitel.

Average number of training days per employee



Partnerships with educational institutions

To promote the hospitality industry and its professions, Accor forges and maintains close ties and partnerships with many business schools, hotel management schools and universities in its host countries.

France's National Education Ministry

The vocational and adult training agreement signed in 1999 with France's National Education Ministry aims to guide young graduates' career choices by providing them with more information and raise awareness of hospitality and foodservices professions among secondary school teachers. To enhance revenue management education, Accor deploys its RM Partner School program at certain schools and has also been partnering the Revenue Management Masters degree offered by Institut Paul Bocuse and IAE Savoie Mont-Blanc in France since late 2011.



International mobility

With operations in 92 countries, Accor offers employees a wide range of international career opportunities. Employees who want to take postings outside their home country are supported by the International Mobility and Expatriation team, whose main role is to:

- **help managers** and human resources teams in each country to identify and recruit the right people for their needs and to define the contractual terms applicable to each employee;
- **support employees** at every stage of their project and the mobility process, by verifying their project's feasibility, for example, or providing cross-cultural sensitivity training;
- **ensure compliance with Accor's international mobility policies** relating to moving costs, temporary lodging on arrival and other issues.

A dedicated International Mobility intranet site provides employees with such useful information as travel and visa formalities, checklists and country guides. The site reflects the Group's ever-changing needs *via* testimonials and news on business development and regions looking to recruit.

Local managers

Accor wants local communities in host countries to be better represented in its management teams. This desire to see local hotel employees rise up through the ranks stems from a need to secure Accor's long-term presence, as well as a commitment to driving innovation.

As of December 31, 2013, 74% of the General Managers of owned, leased and managed hotels were local nationals, compared with 73% a year earlier.

2.6. COMMITMENTS TO SOCIETY

By protecting children from abuse, promoting health and nutrition, ensuring guest safety and security and making responsible purchases, Accor is committed to setting an example in its relationships with both guests and society as a whole. The Solidarity Accor community endowment fund is an organic extension of this commitment and a perfect fit with our core values.

2.6.1. SUPPORT FOR AND ENGAGEMENT IN LOCAL COMMUNITIES

Protecting children from abuse

Sexual tourism and violence against children crosses geographic, social and cultural borders. According to the United Nations, around 150 million girls and 73 million boys under 18 are victims of sexual violence worldwide. As the world's leading hotel operator, present in 92 countries, Accor has a moral obligation to protect children from abuse and to ensure that these practices do not take place in its hotels.

According to non-profit ECPAT ⁽¹⁾, "**child sex tourism (CST)** is the commercial sexual exploitation of children by individuals who travel from one place to another, where they engage in sexual acts with minors." Although women are also involved, the vast majority of these individuals are men, from a wide variety of backgrounds, who use their financial privilege to take advantage of children forced into prostitution.

In the United Nations' Convention on the Rights of the Child, the international community agreed to define a 'child' as any person below the age of 18, unless the laws of a particular country set the legal age for adulthood younger. Teenagers are therefore considered as children under the law and must benefit from child protection laws and regulations.

In 2001, Accor became the first hotel group to forge a partnership with international organization ECPAT to combat CST. The first employee training programs on CST were introduced in 2002, strengthening our child protection strategy.

(1) ECPAT is the leading international organization in the fight to end child prostitution, child pornography and trafficking of children for sexual purposes. The ECPAT network comprises 80 organizations working in 75 countries.

Accor's commitment to combating CST is structured by the **Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism**. Developed by ECPAT and the World Tourism Organization, which is the United Nations agency responsible for the promotion of responsible, sustainable and universally accessible tourism, the Code brings together 1,200 tourism industry operators in 46 countries. It is signed at the country organization level and then implemented in each country in line with six key objectives:

- establish a policy and procedures against the sexual exploitation of children;
- train employees;
- introduce clauses about the issue in contracts with suppliers;
- inform travelers;
- support and collaborate with local stakeholders in the prevention of child sexual exploitation;
- report annually on the implementation of Code-related activities.

In 2013, 35 Accor country organizations were members of the Code (versus 36 in 2012 when the Group was still present in Guinea) and four country organizations were on their way to becoming members, representing a total of nearly 2,400 hotels.

In addition to raising awareness of the issue, Accor also combats CST through local training initiatives designed to increase employees' vigilance in identifying cases of CST; help them decide when to contact the competent authorities; and ensure a long-term approach to child protection, via reintegration projects for example.

To strengthen its commitment to eradicating CST, Accor signed an agreement in 2012 with ECPAT France and two French Interior Ministry organizations – the International Cooperation Directorate (DCI) and the Central Office for the Repression of Violence Against Individuals (OCRVP) – to introduce **reporting procedures** in Accor hotels for suspected cases of child sexual exploitation involving French or foreign nationals.

The four partners worked together to develop a manual dedicated specifically to this topic, comprising four main sections:

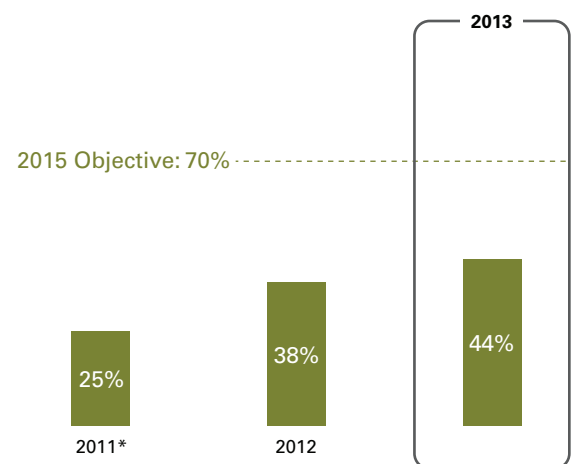
- **How to prepare** for the implementation of a CST reporting procedure.
- **Who to contact** to report a suspected case of CST and how.
- **How to implement** a CST reporting procedure in a hotel.
- **What attitude to adopt** when dealing with those involved.

In 2013, the manual was distributed in three pilot countries, Brazil, Thailand and Senegal, which are representative of the diverse environments in which CST occurs.

The April 2012 launch of PLANET 21 broadened Accor's commitment beyond CST to the protection of children from abuse in general, which is one of the program's 21 commitments. The objective for 2015 is to ensure that 70% of hotels have made a formal commitment to protecting children from abuse.

In addition to taking action to eradicate CST, the objective also requires hotels to support **reintegration programs for minors** in difficult situations and **relay national missing children alerts** in countries where such systems exist. Missing children alerts are broadcast at the request of a judge and relayed by the Security team to operating managers in the regions concerned. In addition, in the ibis France network for example, these messages also appear on the TV screens in hotel lobbies, which broadcast news around the clock.

Percentage of hotels committed to protecting children

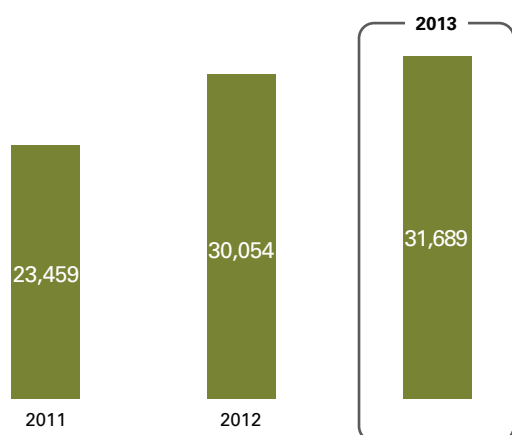


* Excluding Motel 6, which was sold in 2011.

	2011	2012	2013
Number of applicable hotels	4,013	3,331	3,401
Response rate	94%	92%	93%

The chart above shows the percentage of hotels that have committed to the three avenues for protecting children – combating CST, relaying missing children alerts and supporting the reintegration of minors.

Number of employees trained in child protection



	2011	2012	2013
Number of applicable hotels	4,013	3,331	3,401
Response rate	94%	92%	93%



Respecting and promoting local cultures and traditions

True to its values, Accor has made respecting and promoting local traditions and cultures a key component of its commitment to society.

As part of the ISO 14001 certification process and the deployment of the environmental management system across the Novotel brand (see pages 67), hotels must make commitments in several areas, including **local community engagement**. Examples of the initiatives undertaken in this area include partnerships with local organizations to offer internships to students at nearby schools and an analysis of a hotel's potential positive or negative impact on local communities, culture and heritage, through economic and cultural development or the provision of sport and leisure facilities.

This commitment also involves educating employees to respect local cultures and customs and giving priority to local products and services.

In 2013, Mercure launched a sustainable development process focused on the local community, which included such avenues as advocating local purchases, strengthening ties with local organizations, promoting local tourist attractions and **offering local foods**. The process included reviewing the Grands Vins Mercure concept to increase the presence of local wines.

As a result, in 2013-2014, the Mercure wine list in Germany will be comprised – for the first time ever – exclusively of wines from German winemaking regions. The flagship product will be the Mercure cuvée, developed for the third year with the help of winemaker Markus Schneider and the brand's in-house wine specialists. The German example will be followed in other countries.

2.6.2 RESPONSIBILITY TO CUSTOMERS

Nutrition and health

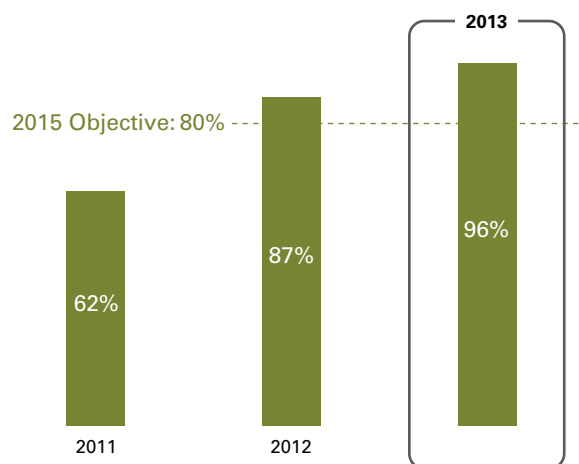
With public health campaigns now focusing on nutrition to reduce the risks of cancer, cardiovascular disease, diabetes, obesity and other health problems, Accor is firmly committed to offering healthy, nutritionally balanced meals that include organic ingredients. The air quality inside its hotels is also closely monitored to protect the health of hotel guests.

Aware of the importance of food and nutrition, Accor consulted expert chefs and nutritionists to develop recommendations for its hotel restaurants on how to create **nutritionally balanced dishes**. The recommendations focused on:

- opting for nutritious ingredients, such as fruits and vegetables, certain starchy foods, dairy products without added sugar, fish and low-fat meat, and avoiding less nutritious ingredients, such as dairy products high in fat or sugar, certain types of meat and cold cuts;
- using low-fat cooking methods, such as steaming, grilling, sautéing or baking en *papillote*, rather than frying, crumbing or any other cooking method that requires a large amount of fat, and preferring vegetable oils and light, milk or fruit-based sauces over sauces made with butter or cream;
- providing a healthy balance of proteins, vegetables and carbohydrates in the dishes on offer, such as 100% fruits and vegetables; 40% protein and 60% vegetables; 40% protein, 30% vegetables and 30% carbohydrates; or 50% carbohydrates and 50% vegetables.

The recommendations were set out in a practical guide for restaurant managers worldwide and distributed in 2013 to the 1,948 Accor-brand hotels with a restaurant.

Percentage of hotels offering a balanced dish



	2011	2012	2013
Number of applicable hotels*	1,814	1,937	1,948
Response rate	96%	97%	97%

* Hotels with a restaurant.

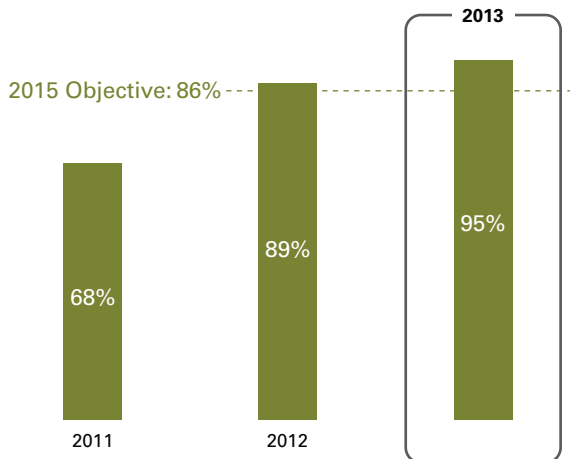
Promoting responsible eating is also part of the PLANET 21 program, which encourages hotels with restaurants to offer balanced dishes. In 2013, 96% of Accor hotels with a restaurant had at least one balanced dish on their menu, amply exceeding the 2015 target of 80%.

To enhance the program's visibility, pictograms have now been added to restaurant menus to help customers identify balanced dishes and those made with organic ingredients, which are better for both the environment and customers' health.

Indoor air quality is also a key concern for Accor. Items like furniture, paint, cleaning products and flooring can release chemicals that may cause various symptoms, such as allergies, asthma, respiratory irritation and headaches.

One of the best ways to avoid this problem is to tackle it at the source by choosing eco-labeled products, which replace these chemicals with more natural, less harmful ingredients. In 2013, 95% of hotels in the Accor network were using at least one eco-labeled product for flooring, painting or cleaning.

Percentage of hotels using eco-labeled products



	2011	2012	2013
Number of applicable hotels	4,013	3,331	3,401
Response rate	94%	92%	93%

The 2015 target of 85% was easily exceeded in 2013, mainly thanks to a partnership with a single cleaning product supplier that is working with Accor to develop more environmentally responsible cleaning solutions.

Safety and security

Safety and security are top priorities for Accor, which has a duty to ensure the physical protection of its guests, employees and equipment against both accidents, such as a fire or an outbreak of legionella bacteria, and deliberate acts of violence and crime in its hotels. A global strategy is deployed across all host countries to identify and respond appropriately to all of the safety and security risks to which the Group is exposed.

Supported by an international network of correspondents, the Safety, Security and Risk Management Department works with local authorities and industry experts to monitor the situation in each host country on a daily basis. The elements analyzed include geopolitical issues, health conditions, weather forecasts and social tensions.

The policies and procedures implemented by Accor are communicated to all hotels, regardless of their operating structure.

Safety

The emergence of new risks and Accor's international presence mean that guests are particularly concerned about how we fulfill our responsibility in the area of safety management.

Internal procedures are in place to address the main safety issues relevant to hotels – **fire prevention** and **food-related and other health risks**:

- the hotels must comply with local building and fire protection legislation requirements, such as technical installation and equipment inspections, employee training and evacuation drills. They are also subject to the additional criteria set out in our fire safety policy. These are based on the Management Building System (MBS) methodology developed by HOTREC, the umbrella association for hotels, restaurants and cafés in Europe, which is recognized throughout the region.
- a maintenance and inspection program has been in place for more than 10 years to prevent the development and spread of legionella bacteria, with samples taken annually from hotel installations and analyzed by outside laboratories. In addition, hotels track the risk of Legionnaire's disease *via* the SET regulatory monitoring application (see page 68). Host countries take action to ensure compliance with the law and the safety of consumers in accordance with local standards. In many countries, including throughout Sub-Saharan Africa, water, food and surface samples are taken for analysis every month;
- in addition, kitchen health inspections are performed by using the Hazard Analysis & Critical Control Points (HACCP) system and applying a similar process to the one used for legionella bacteria inspections.

Security

To prevent criminal acts and protect hotel guests from violence, various security measures are deployed in our hotels, depending on the local situation, the site's vulnerability and the international context. In high-risk areas, these include measures to prevent kidnappings, strengthen security in the event of a terrorist alert, and evacuate guests in an emergency situation.

A guide is being prepared on the use of surveillance cameras as a tool for preventing and understanding safety and security risks at Accor hotels. It includes a detailed description of how to install and use surveillance equipment and evaluate its performance, without infringing on anyone's right to privacy.

Accor conducts its operations, *via* its various departments and entities, in full compliance with national and international obligations aimed at preventing money laundering and bribery and combating the financing of terrorism. It does this, in particular, by maintaining intimate knowledge of its business partners and financial flows and providing its full support to any investigations by police or judicial authorities.

Accor is also extremely vigilant about prostitution and has implemented procedures for preventing, detecting and combating the use of its hotels for this purpose.



In 2013, Women at Accor Generation (WAAG), our international women's network, conducted a survey among female members of the Le Club Accorhotels customer loyalty program, which revealed that hotel security is a key concern for women travelling alone. To address this issue, WAAG prepare some golden rules for hotel reception teams that focus in particular on ensuring the safety of female guests. They include not giving women rooms with a connecting door, being discreet when communicating their room number and accompanying them through the hotel late at night. These guidelines will gradually be deployed across the hotel network.

Various resources are used to support and verify the effective implementation of these security policies:

- safety, security and risk management audits are regularly conducted by the Security and Risk Management Department and the country teams in charge of hotel security. They are designed to raise awareness of hotel security risks and provide technical recommendations both before and after construction. Onsite and online training and regular contact with the hotel managers about operational issues ensure that security measures are effectively integrated into day-to-day operations;
- security issues are also included in the Products & Services audits conducted once a year at all hotels. The aim is to determine the level of security in place and deploy the necessary action plans to ensure consistency across the network.

Responsible products, services and practices

Product and service quality

Each of our brands defines its own requirements, in such areas as marketing, quality and hygiene, and these are integrated into the set of standards that must be respected by all hotels in the brand's network.

To ensure compliance with these brand standards, three risk prevention and management tools are mandatory in every hotel:

Products & Services Audits are conducted by an independent consulting firm *via* anonymous annual visits to all hotels. The auditors stay at least one day and one night, visiting at least one room and inspecting all of the hotel's public areas. With 300 to 2,500 items on the checklist, depending on the brand, these audits cover a wide range of issues including: the cleanliness of the rooms, toilets and public areas; maintenance standards; product and service quality; and the application of safety and sustainable development guidelines. After receiving the audit report, the hotel must prepare and implement an action plan to improve its performance each year.

Hygiene Audits are managed by the country and conducted every year across all hotels by an independent consulting firm. Auditors verify the hygiene of food and drink preparation areas (and usually guest rooms as well) by ensuring compliance with the appropriate procedures, such as refrigeration temperatures, and taking samples for analysis.

Guest Satisfaction Surveys give guests the opportunity to fill in an online questionnaire about their stay. After check-out, every guest who has provided an e-mail address receives a message with a link to an online questionnaire that covers the entire customer experience, from the initial booking to the check-out procedure. Responses are posted directly into an online application accessible to the hotel's teams, who must read and analyze the customer's feedback and respond to any complaints within two days.

The data from these three tools are collated in the central Quality Hub database and can therefore be consulted by all operations managers, from the hotel General Manager to the country Operations Director, and by the various support functions, including marketing, quality and safety. Based on the data provided, each country is responsible for conducting a quality review to monitor hotel performance and for preparing a corrective action plan if needed. All General Managers are encouraged to use these tools to ensure that service quality and customer satisfaction remain a priority.

ISO 9001 quality certification at ibis: The ibis network has been involved in an ISO 9001 quality certification process since 1997. Awarded by an independent international organization, certification recognizes the professionalism of our teams and the reliability of our day-to-day organization. Of the 1,000 ibis hotels worldwide, 89% in 43 countries are now ISO 9001 certified, making ibis the first hotel brand to achieve global ISO 9001 certification.

Responsible marketing

Accor signed the UDA Charter on Responsible Communication, prepared by the French advertisers' association's sustainable development steering committee, in 2009.

The Charter works by targeting the processes in place within a company, upstream of its communication initiatives. It covers all types of communication – corporate and commercial, above and below the line – and all of the company's responsibilities – to employees, society and the environment.

The Charter set outs five responsible communication commitments:

- develop a responsible communication policy and apply it to all messages;
- encourage target audiences to behave responsibly;
- be respectful when using information about the private lives of employees and customers in marketing and communication initiatives;
- implement a process for validating messages prior to their release;
- include environmental criteria when selecting communication media.

Accor and the other 40-odd signatories update the UDA Charter every year, specifying the actions taken to meet the Charter's commitments and setting new objectives.

Accor has also introduced a Global Hotel Guest Privacy Policy, which is posted on its accorhotels.com, accor.com and brand websites. The policy explains the reasons for collecting personal information during the booking process and clarifies customers' rights to access their personal data at their request.

To ensure the responsible use of social media, guidelines were published in 2010 for all employees who might want to post a comment or answer a question on any topic directly or indirectly related to the Group on Facebook, Twitter, YouTube, LinkedIn or any other social media. The guidelines were updated in 2012.

A corporate social network is also being developed as part of the intrAccor 2.0 project, which will be operational in 2014. Employees who wish to participate must first agree to abide by the corporate social network policy, which sets out members' rights and obligations.

A partnership has been forged with TripAdvisor so that comments posted by Accor hotel guests after their stay appear on both TripAdvisor and Accor websites.

To ensure price transparency, room rates are clearly indicated at every stage of the online booking process and the terms and conditions of sale are available at all times, in 15 different languages.

2.6.3. SUSTAINABLE PROCUREMENT

With purchases representing around €3.5 billion⁽¹⁾ in 2012, including €1.9 billion in approved purchases, procurement plays a decisive role in Accor's sustainable development process. The sustainable procurement program aims to unite all of our suppliers, contractors and service providers in a shared commitment to offering products and services that respect personal well-being and support environmental protection.

The Accor procurement process

Created in 1995 to handle food purchases, the Procurement Department has grown over the years and expanded its scope to include a wide variety of product families and all of Accor's main host countries. Based in France, the Corporate Procurement Department manages major international contracts and coordinates the network of 21 national Procurement Departments, which employ 147 people worldwide:

- **Corporate:** 21 employees, including the two who make up the Sustainable Procurement team;
- **Europe:** United Kingdom/Ireland, the Netherlands, Belgium/Luxembourg, France, Germany, Poland, Hungary, Austria, Switzerland, Spain and Portugal for a total of 94 employees;
- **Asia-Pacific:** China, Australia and New Zealand for a total of 13 employees;
- **Latin America:** Brazil, with 10 employees;
- **Africa & the Middle East:** Morocco, Egypt, United Arab Emirates/Saudi Arabia, for a total of seven employees;
- **North America:** United States and Canada, with two employees.

Contracts are established at international or national level, depending on the type of purchase. "Standardizable" products and services that meet several countries' needs are purchased via global contracts, while those specific to a particular country's needs are managed by the national Procurement Department.

Procurement teams make a real contribution to the financial results of Accor hotels – whether owned, leased, managed or franchised – by ensuring that every entity benefits from the Group's bargaining power.

- Purchases are classified as "approved" if they are sourced by the hotels from suppliers that have signed a contract with an Accor Procurement Department. These are overseen directly by Accor teams, who manage the contracts, optimize the products and services purchased and control the supply chain, taking care to offer solutions that best fit the needs expressed.
- Purchases are classified as "non-approved" if they are sourced directly by the hotels from suppliers that have not signed a contract with an Accor Procurement Department.

At around €3.5 billion in 2012, the total volume of purchases made by the hotels represents a significant percentage of consolidated revenue (€5.5 billion in 2013) and of the total business volume generated in Accor-brand hotels (€11.5 billion in 2013 ⁽²⁾).

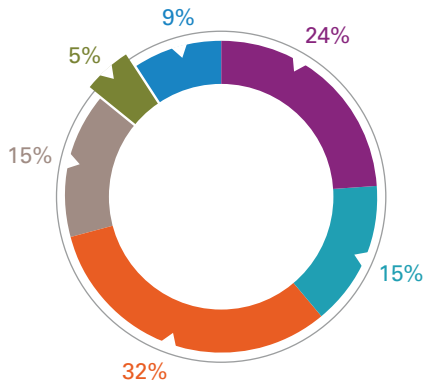
Procurement is therefore a key area in which Accor can take action, both in general and more particularly to implement its sustainable development policy.

(1) €3.5 billion is the estimated volume of total purchases made by all owned, leased, managed and franchised hotels, as extrapolated from the figures for approved purchases.

(2) Business volume generated in 2013 by HotelServices.

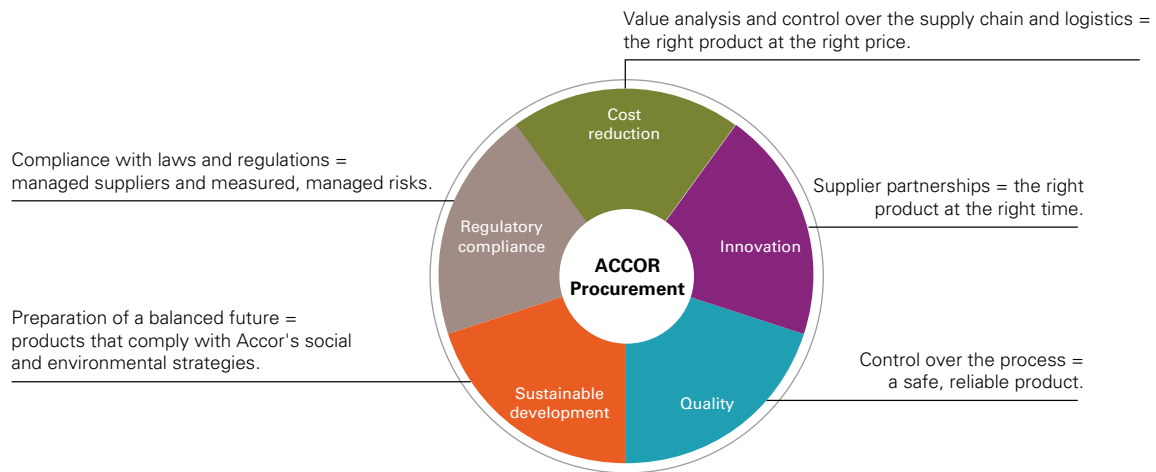


Approved purchases by product family



- Food and logistics (meat, coffee, fresh food transportation, etc.)
- Infrastructure and renovation (furniture, signage, carpentry, etc.)
- Equipment and services (laundry, bedding, tableware, etc.)
- Intellectual, IT and other services (archiving, marketing, software, etc.)
- Audiovisual and telecommunications
- Energy and fluids (water, electricity, etc.)

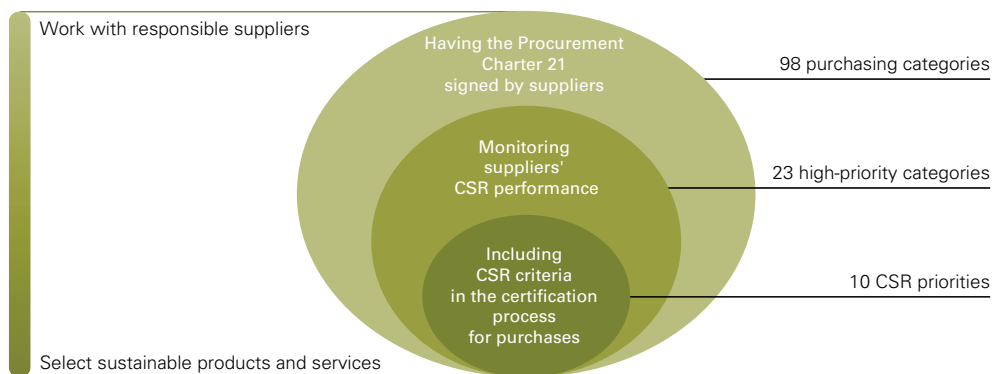
Procurement teams are responsible for achieving objectives in five main areas:



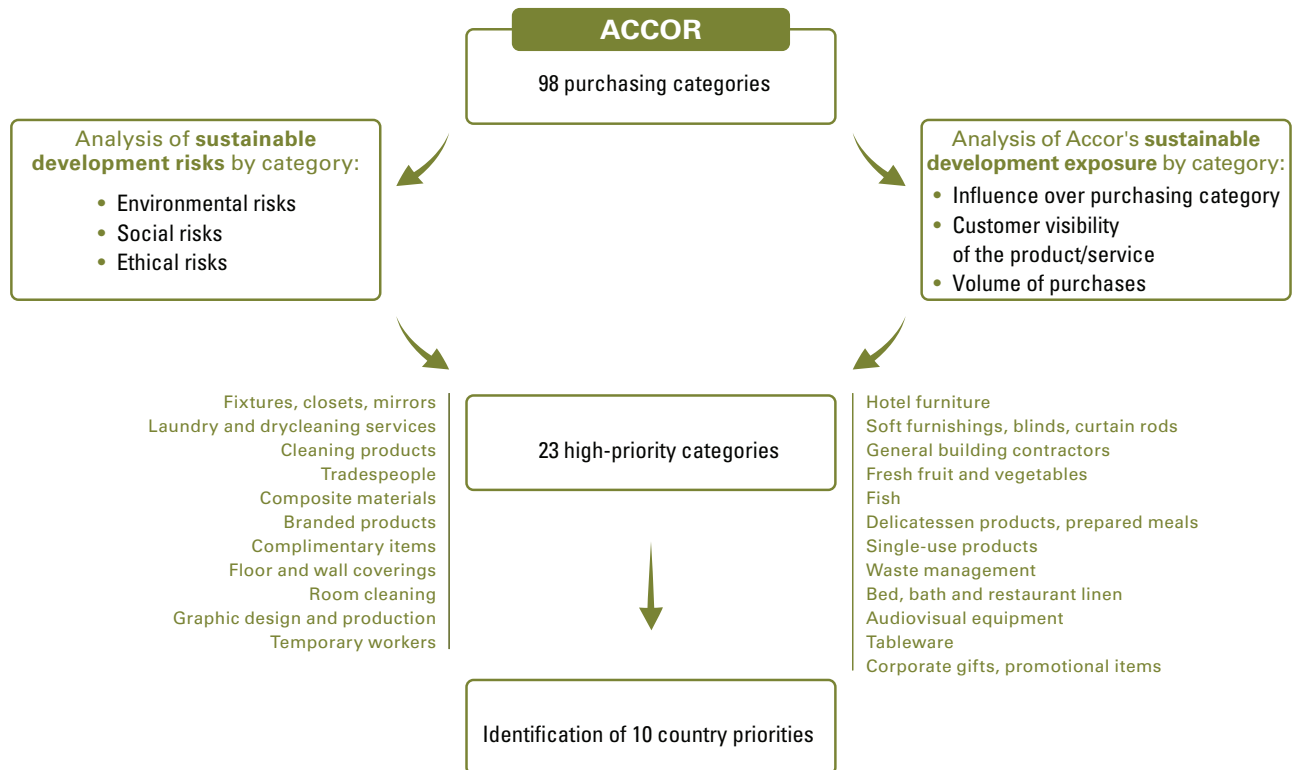
The Accor sustainable procurement policy

Procurement plays an important role in our sustainable development strategy. Accor buyers ensure that the solutions they approve – in close cooperation with the brands they work for – are in line with our social and environmental objectives.

The sustainable procurement process is carried out on three levels:



The sustainable development risks inherent in each of the 98 purchasing categories were analyzed in 2010, based on the Group's exposure (customer exposure, purchasing spend and type of supplier market). This methodology helped to identify 23 high-priority categories, which receive special attention in the form of assessments and audits:



From these 23 high-risk categories, Accor has selected 10 priority areas where buyers can contribute significantly by identifying and implementing more effective solutions for the Group.

The **Sustainable Procurement unit** comprises two employees at corporate level, who work with the country Procurement Departments. Its main responsibilities are:

- monitoring supplier CSR performance, by conducting assessments and deploying corrective action plans;
- managing reporting and training, including collecting and consolidating country data and training buyers, particularly by sending them a self-training toolkit on how to use the collaborative platform for assessing supplier CSR performance (nearly a third of all buyers have been trained to use the platform since 2011);
- monitoring the regulatory environment:
 - a growing number of laws and regulations aim to reduce the environmental impact of products at all stages of the life cycle. The Corporate Sustainable Procurement unit is responsible for monitoring the French and European Union regulatory environments, keeping buyers informed about any changes and asking suppliers to pledge compliance with the relevant laws and regulations. For categories concerned by chemical risks, for example, a REACH compliance declaration is attached to supplier contracts. To date, a signed declaration is included in 1,224 of the 1,945 contracts concerned,
 - an initiative was conducted in 2013 to inform all of the hotels in France about the introduction of an eco-tax on furniture.

Sustainable procurement initiatives

Accor's sustainable procurement program began in 2003 with the launch of the Accor Sustainable Procurement Charter. In 2009, the Sustainable Procurement unit was created to support the program and ensure greater consistency across the organization. In April 2012, the Sustainable Procurement Charter became **Procurement Charter 21**, strengthening Accor's commitment to sharing its corporate social responsibility objectives with all of its suppliers.

By including the Charter in its supplier certification contracts, Accor is asking its suppliers to:

- comply with all of the criteria set out in the Charter, which highlights the social and environmental commitments Accor wants them to share;
- ensure that their own suppliers and subcontractors meet the same criteria;
- participate in Accor's supplier assessments and implement the necessary action plans.
- authorize Accor and/or consultants commissioned by Accor to conduct sustainable development audits and implement the necessary action plans.

Any supplier that is unable to meet these requirements must inform Accor so that an agreement can be reached on the corrective and preventive measures to be taken and the timetable for implementing them. Failure to comply with any of the criteria may result in the termination of business dealings with the supplier in question.



In 2013, Procurement Charter 21 was included in 68% of contracts, based on data from the 16 reporting Procurement Departments, versus 60% in 2012 and 11 Procurement Departments. An action plan is underway to increase the percentage of contracts that include a signed Procurement Charter 21, with a target of 80% by end-2014. The 2015 target of 100% has been maintained but might not be achieved, due primarily to the fact that certain crucial suppliers refuse to sign the Charter because they already have their own sustainable development policies.

To **monitor suppliers' CSR performance**, supplier audits are conducted on a regular basis, with a focus on the 23 high-priority purchasing categories. As a result, the audits presented below are mainly carried out on suppliers in these categories.

- Online CSR assessments by EcoVadis: EcoVadis operates a collaborative platform that can be used to assess the CSR performance of suppliers worldwide via a custom-designed questionnaire. Suppliers are scored on their social, environmental and ethical performance and on how much control they have over the supply chain. A total of 248 approved Accor suppliers have been assessed since 2010, including 70 in 2013.

Accor issued 52 corrective action plan requests during the year to suppliers with an EcoVadis score below 30 and eleven of them have been implemented. The continuous improvement process takes time because the weaknesses identified during the assessment need to be discussed by the supplier and the procurement teams.

- Onsite audits conducted by Accor: Quality audits are carried out by country buyers, targeting approved local suppliers that are important to Accor because of the volume of purchases involved and the related employee and health risks. In 2013, 19 onsite audits were conducted in France, Germany and Spain among approved laundry service providers, which represent a particularly high level of risk in terms of sustainable development commitments and volume of purchases. More of these audits will be carried out in 2014, in accordance with an action plan being validated by the countries.
- Onsite audits conducted by consultants: Nine cleaning companies and nine security contractors were audited in France in 2012. In 2013, Accor commissioned Bureau Veritas to conduct onsite audits on certain high-risk suppliers based outside France, particularly in China. These audits will be carried out in 2014.

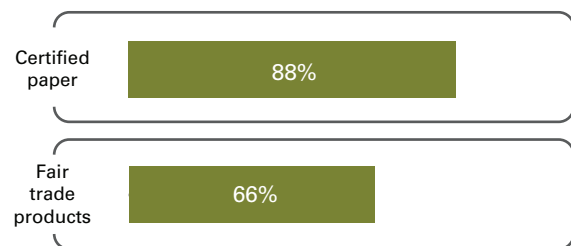
With regard to the **selection of responsible products and services**, Accor has identified 10 priority areas where buyers can promote more responsible practices by including them in tender specifications:

- local sourcing – regional suppliers ⁽¹⁾;
- ethical hot beverages – fair trade products (with the Fairtrade/Max Havelaar label) or products from farms certified as sustainable (with the Rainforest label);
- Well-being – healthy products, such as organic or balanced nutrition products, products low in additives, palm oil and GMOs, products complying with international labels;
- eco-labeled cleaning products (see page 57);
- eco-labeled cosmetics – complying with international certifications (EU Flower, Nordic Label or equivalent (see page 57);

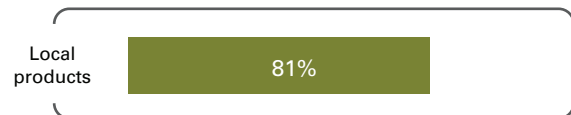
- wood – certified as coming from sustainably managed forests (Forest Stewardship Council – FSC, Programme for the Endorsement of Forest Certification – PEFC, etc.);
- waste – less packaging and detailed supplier reporting;
- linen and laundry – EU eco-labeled bath linens;
- fish/sustainable fishing – definition of criteria for selecting suppliers that use responsible fishing and aquaculture practices;
- outside cleaning and security contractors – Accor conducts social performance audits on companies whose employees ensure the day-to-day cleanliness and safety of its hotels.

Sustainable procurement priorities

Percentage of hotels that purchase:



	Number of applicable hotels*	Response rate
2013	3,401	93%



	Number of applicable hotels*	Response rate
2013	1,948	97%

* Hotels with a restaurant

Fair trade products

When the Procurement Department launched a Europe-wide invitation to tender in late 2013 to select suppliers for its breakfast coffee, the specifications clearly expressed Accor's determination to give priority to fair trade products. In fact, Accor has been a strong supporter of the Max Havelaar label for more than ten years and has made a concerted effort to increase the percentage of fair trade products in its network. Today, around 69% of the 530 tonnes of coffee, chocolate and tea consumed for breakfast at hotels in France are fair trade products.

(1) The definition of a region varies by geography and the local context.

Developing solutions

In the area of cleaning products, Accor has had a single approved supplier since 2009. This close cooperation has enabled the development of new, more sustainable solutions that are helping to shrink our environmental footprint. For example, hotels in 38 countries have access to a full range of eco-labeled cleaning solutions, so that 25% of all approved cleaning products consumed by hotels in 2012 were eco-labeled. Over the years, the two companies have also developed a strategy for optimizing product packaging, which has resulted in a 99.89% reduction, from 141 grams per liter to less than 0.15 grams per liter.

Supplier relations

Accor is also committed to forging sustainable, long-term relationships with its suppliers. A supplier relations survey conducted initially in France has revealed that 60% of all French contracts are signed with approved suppliers, two thirds of approved suppliers have had contracts with Accor for at least five years, and around 66% of approved suppliers are small businesses with less than 250 employees.

2.6.4. CORPORATE CITIZENSHIP: SOLIDARITY ACCOR

Led by the Accor Foundation since 2008, Accor's corporate citizenship commitment was transferred in September 2013 to a new endowment fund, Solidarity Accor, which is breathing new life into the programs underway for the past five years. In addition to their personal or technical involvement in helping disadvantaged and socially isolated people, our employees, franchise partners and the general public can now donate financially to the programs undertaken demonstrate our caring hospitality across national borders. This new fundraising ability means that we can support more projects and seek donations from a wider public, particularly in emergency situations.

A revitalized vision

Following on from the Accor Foundation, Solidarity Accor's mission is to "forge ties between cultures by supporting the development of individuals and their integration into the community." Employees play a central role in fulfilling this mission, with the fund providing technical and financial assistance for carrying out their projects in our host communities around the world.

Solidarity Accor delivers its support in three main focus areas:

- **local know-how:** supporting socio-economic initiatives that promote traditional industries and techniques;
- **training and insertion:** facilitating training and insertion for disadvantaged young people;
- **humanitarian and emergency aid:** helping populations in great difficulty and responding to humanitarian disasters

The shared objective is to empower people in difficulty by deploying project models that are economically viable and self-sustaining over the medium term.

All of the projects are led by non-governmental organizations (NGOs) or by local not-for-profit associations for the benefit of our hotels' host communities. The values of hospitality, caring and generosity that our hotel employees embody every day in their jobs flow naturally through to community outreach initiatives. The diversity of hotel industry jobs means that everyone's skills can be used in developing a project.

A dedicated organization

The Board of Directors, which is chaired by Sébastien Bazin, Chairman and Chief Executive Officer of Accor, meets two to three times a year. It defines Solidarity Accor's strategic vision, votes on projects whose budgets exceed €20,000, and oversees their implementation. The Board is supported by a standing team dedicated entirely to assisting employees in their community outreach projects. It works with a network of Regional Experts made up of Accor employees who come from the region concerned or have worked there for several years. The Board's governance procedures have been aligned with the amendments to the bylaws introduced in August 2013.

Employees add real value to Solidarity Accor's programs by contributing their professional skills in such areas as marketing, human resources and consulting. In particular, they regularly participate in training programs to present various hospitality industry jobs and share their professional skills with trainees. These programs can include on-site hotel tours, conferences on hospitality industry jobs, presentations of the Accor Group and internships at Accor hotels. In addition, thanks to the Solidarity Sabbatical proposed by Solidarity Accor, employees in France can take on two-week community outreach assignments in Africa, Asia or other developing regions. During these assignments, they share their capabilities with local people through organizations such as women's groups, village cooperatives and schools.

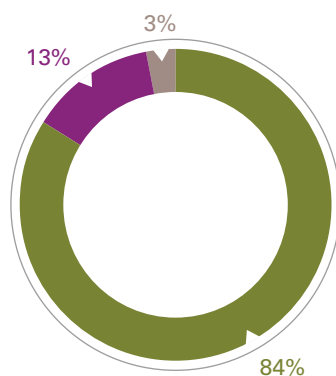


Projects supported in 2013

A total of 32 projects received support in 2013, covering all of Solidarity Accor's three focus areas.

Project	Europe	Asia	Americas	Oceania	Africa	Total
Training and insertion	13	3	6	2	3	27
Local know-how	1	1	1	0	1	4
Humanitarian and emergency aid	1	0	0	0	0	1
TOTAL	15	4	7	2	4	32

Projects supported by Solidary Accor in 2013, by focus area



- Training and insertion
- Local know-how
- Humanitarian and emergency aid

In 2013, highlights of the projects supported by Solidarity Accor included:

- empowering underprivileged women in Egypt with NGO Alashanek Ya Balady («For you my country» in Arabic). The project is helping underprivileged women re-enter the job market by providing them with training on how to make and sell traditional products (such as cushions and shawls) using recycled materials;
- working with the Chênelet not-for-profit association in France to facilitate the training and insertion of disadvantaged people by participating in programs to prepare for jobs in the construction, hospitality and foodservice industries;
- facilitating the training and insertion of young homeless people in Dakar by creating an electrician vocational workshop with the Village Pilote NGO in Senegal.

Solidarity Accor has become the linchpin of Accor's community outreach commitment, and the go-to resource for operations staff wishing to initiate a support project. Several outreach events were held in 2013, to mark International Women's Day for example, or to sell socially responsible products. They culminated in Solidarity Week from December 9 to 13, 2013, when employees working in some 100 head offices and hotels in 34 countries around the world took action to help disadvantaged people by supporting 107 not-for-profit associations.

Five-year track record:

- **179 projects** supported in 37 countries, involving more than 8,500 employees;
- a large number of **people supported**:
 - more than 58,000 people directly supported by the Accor Foundation ⁽¹⁾ as of year-end 2013,
 - more than 132,000 people indirectly supported ⁽²⁾ by the Accor Foundation* as of year-end 2013;
- the **"active re-entry rate"** ⁽³⁾ of participants in «Local know-how» and «Training and insertion» projects exceeds 50%;
- **self-sustainability**, one of Solidarity Accor's major objectives, has already been observed for projects in China, Poland, India and the Dominican Republic;
- a structure that showcases associations and local communities: in each country, **information** about Solidarity Accor projects is carefully aligned with reality in the field. The fund works with each project champion to prepare the most suitable and relevant communications strategy (press conferences, inaugurations, check award ceremonies, etc.).

(1) Solidarity Accor took over these projects in September 2013.

(2) This figure has been calculated based on the number of direct beneficiaries and corresponds to the project's impact on their family, friends and community. In the developing countries in Africa, Asia and Latin America, the number of direct beneficiaries has been multiplied by four, whereas in the developed nations of Europe, North America and the Pacific, it has been multiplied by two.

(3) The "active re-entry rate" is a French labor term defined as when a program participant either:

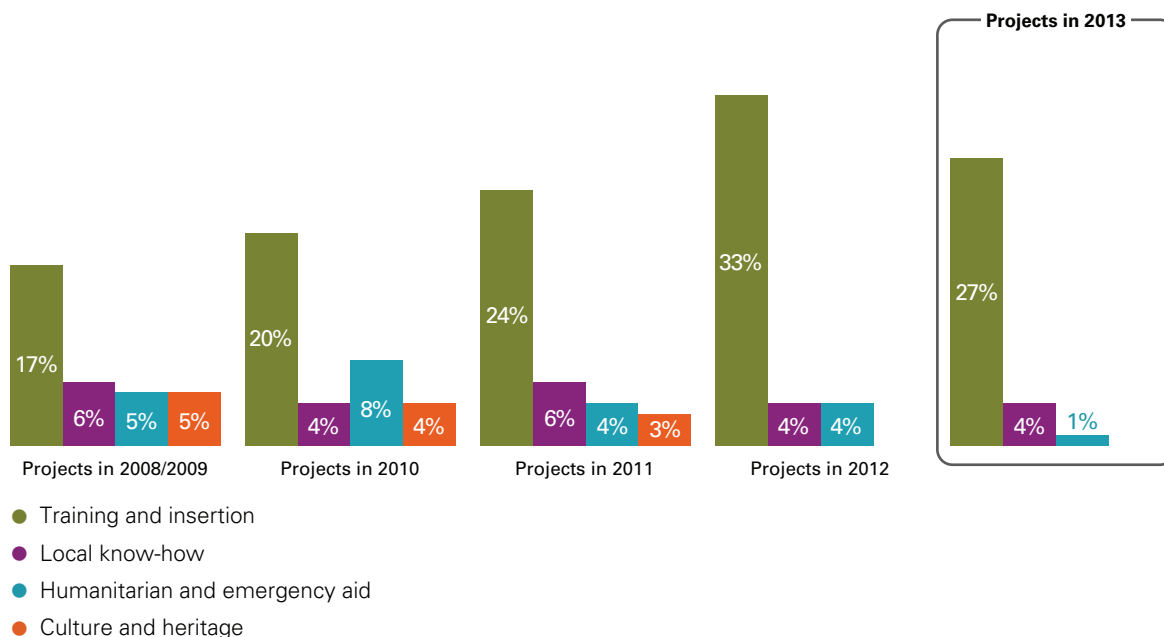
- re-enters the workforce by (i) finding a "sustainable job" under a permanent or fixed-term contract or a temporary assignment of at least six months, (ii) creating his or her own business; or (iii) finding a "transitional job" under a fixed-term contract, a temporary assignment of less than six months, or a government-subsidized contract at a private-sector company; or
- is accepted in a pre-certification or certifying skills acquisition program.

- in **Poland**, with the Nobody's Children Foundation for the «Accordion of Autonomy» project helping disadvantaged young people to enter the labor market, a press conference was organized with the NGO, the Accor employees involved, people helped by the project and a number of partner companies,
- in **Brazil**, with Unibes, Centro Social Menino Jesus, Vovo Vitorino and Humbiombi on training and insertion projects for young people from the favelas and underprivileged areas, an official ceremony was held for Accor's teams to present a check to the four NGOs,
- in **Madagascar**, with the not-for-profit association Graines de Bitume to create a job center to help street children take their future into their own hands, the center was inaugurated by our Madagascar teams, association employees and the children helped by the project,
- in **France**, with the not-for-profit association Promofemmes on a training and insertion project for immigrant women, Promofemmes, the regional job agency and Solidarity Accor's teams organized a press conference at the Mercure Bordeaux Centre Meriadec hotel, which was attended by representatives from regional businesses and some of the women helped by the project.

Projects supported since the creation of Accor Foundation ⁽¹⁾, by focus area

Project	Projects in 2008/2009	Projects in 2010	Projects in 2011	Projects in 2012	Projects in 2013	Total
Training and insertion	17	20	24	33	27	121
Local know-how	6	4	6	4	4	24
Humanitarian and emergency aid	5	8	4	4	1	22
Culture and heritage*	5	4	3	0	0	12
TOTAL	33	36	37	41	32	179

* Culture and heritage has no longer been a focus since June 2011.



(1) Solidarity Accor took over these projects in September 2013.



2.7. ENVIRONMENTAL COMMITMENTS

Accor's environmental strategy is supported by cross-functional programs, such as the environmental management processes used in the hotels and for our products and services, or the training and awareness building campaigns deployed for our guests and employees. It is designed to effectively address our main environmental challenges in four primary areas: water, energy, attenuation of local impacts and waste management.

2.7.1. ENVIRONMENTAL MANAGEMENT

Environmental management processes are deployed at two levels: in the hotels to reduce their environmental footprint, and in products and services, with a focus on eco-design and innovation.

Environmental management in the hotels

In line with its commitments, Accor is steadily attenuating the direct and indirect environmental impact of its hotels with the support of two primary improvement drivers, Charter 21 and the ISO 14001 environmental certification program.

Two improvement drivers

Charter 21

Charter 21 is helping the hotels to deploy the PLANET 21 program by providing an action framework for their sustainable development process and by enabling them to improve and track their performance over time (see page 42).

ISO 14001 environmental management certification

As part of the PLANET 21 program, Accor is committed to earning ISO 14001 certification for 40% of the hotel base by 2015, regardless of operating structure. Due to financial and staffing issues, this objective does not include hotels in the budget segment, operated under the hotelF1, Formule 1 and ibis *budget* brands. In particular, certification is a highly demanding process for hotel employees, which makes it difficult to implement in lightly staffed budget hotels.

To continue deploying certification, the ISO 14001 in ACTION environmental management system (EMS) was finalized in 2013. It enables hotels to diligently apply our environmental strategy and to guarantee that our objectives will be met, while complying with ISO 14001 standards. Deployment will also be facilitated by an e-learning module that provides step-by-step support for hotels in implementing the ISO 14001 EMS.

Accor has earned two ISO 14001 multi-site certificates:

- ibis, with 681 ISO 14001-certified hotels, which use an integrated management system that also ensures ISO 9001 quality compliance;
- Accor, with 219 ISO 14001-certified hotels under various brands, including 98 % of Novotel and Suite Novotel units. These hotels use the ISO 14001 in ACTION EMS.

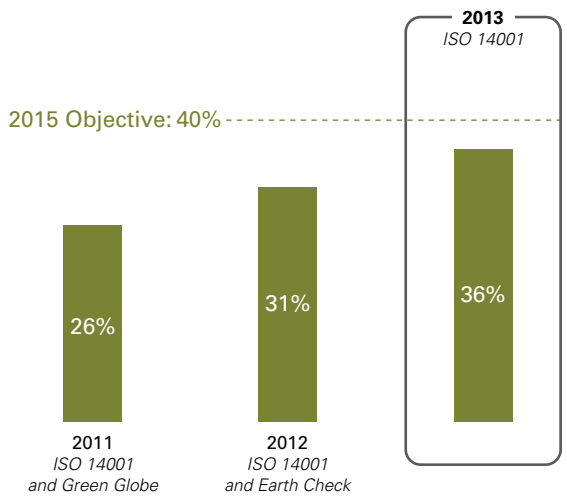
ISO 14001 certification for the hotels means that they are applying a structured environmental management process, backed by strict procedures and effective resources.

Other facilities have also undertaken individual ISO 14001 certification commitments and by end-2013, seven of them – six Thalassa Sea & Spa hotels and one Académie Accor France site – had earned certification.

Accor has been involved in the ISO 14001 certification program for ten years, steadily optimizing the related procedures and resources to guarantee its effectiveness. Its sustainability is secured by the training and buy-in of every employee, in compliance with ISO 14001 standards, and by the ISO 14001 continuous improvement process.

Lastly, outside audits are regularly performed by a certified, independent organization.

The main areas covered by the ISO 14001 process are as follows: training, compliance, water/energy use, waste, chemicals and cleaning products, cooling fluids, waste water and rain water, maintenance and renovation, air and noise, biodiversity, complaints and requests for information, and environmental emergencies.

Percentage of hotels with environmental management certification

	2011	2012	2013
Number of applicable hotels*	2,230	2,671	2,653

* Excluding Formule1, hotelF1 and ibis budget hotels

Management tools

■ Accessible since 2005 on the corporate intranet, **OPEN** is an online sustainability management application that enables hoteliers to report, track and manage a variety of parameters:

- sustainable development performance via the 65 environmental and social responsibility actions specified in Charter 21;
- water and energy use thanks to monthly reporting and tracking;
- laundry use for hotels taking part in the Plant for the Planet program (see page 78);
- management of hotel waste produced, segmented by type of recovery or disposal (landfilled, incinerated, recycled, etc.) and the related costs.

Continuously upgraded over the years, OPEN is now available in French, English, German, Italian, Portuguese/Brazilian and Spanish.

■ In 2009, the proprietary Safety and Environment Tool (SET) was developed as a compliance management application covering safety, environmental and technical issues. It identifies regulations applicable to hotels organized by topics that are easily recognizable by hotel General Managers and technical teams. SET enables managers to:

- Stay informed of the latest regulations;
- Identify any compliance shortfalls against current legislation and Accor standards;
- Manage action plans to remedy non-compliance.

SET is currently deployed in France (excluding ibis *budget* and hotelF1 units), Morocco, Portugal, Belgium, Luxembourg, Egypt and the Middle East, as well as in ibis hotels in Germany. It is now being rolled out in Italy, Spain and the United Kingdom.

In other countries, compliance is ensured by dedicated, locally managed systems.

Environmental management in our products and services

To reduce its environmental footprint, Accor is also committed to the end-to-end life-cycle management of its products and services, with a focus on two major improvement drivers:

- selecting products whose sustainability performance has been certified by independent organizations with ecolabels, fair trade certification, etc. (see page 63);
- designing sustainability concerns into new products and services via an eco-design process.

Among other objectives, this **eco-design process** is structured to pursue two parallel goals:

■ design green meeting solutions:

A dedicated working group is currently defining a Group-wide standard that would promote the value of the brands' expertise in sustainable MICE (Meetings, Incentives, Conferencing, Exhibitions) services;

■ deploy more environmentally gentle rooms, through the application of two processes:

- the creative process, led in partnership with the Lausanne Hotel School (EHL), to think about a model for the hotel room of the future, in which sustainability is designed into every possible aspect. The results of this process have led to innovative solutions that are workable in the real world, such as recycling closed-loop showers, temperature-regulating room paints and eco-designed furniture,
- the quantification process, which takes a more rational approach to scientifically measure a hotel room's environmental performance with a life-cycle analysis performed by an outside consultancy. This identifies effective ways of optimizing the current room's sustainability and measures the environmental value added by the recommended upgrades.

The pilot is being pursued in 2014 to complete our learning curve.



2.7.2. TRAINING, AWARENESS-BUILDING AND BUY-IN

Employees

The driving forces behind our sustainable development strategy are nearly 170,000 Accor employees around the world. They act as our sustainability ambassadors, both by demonstrating environmental sensitivity in their job practices and by embracing our approach, so as to explain it to guests and encourage buy-in for the PLANET 21 actions.

Because employee awareness-building and training play a critical role in this process, an ambitious **e-learning program** has been developed and launched, with two modules:

- building sustainability awareness:
 - understanding sustainability challenges and issues,
 - understanding the hotel in its environment,
 - understanding PLANET 21;
- demonstrating sustainability on the job:
 - explaining PLANET 21 and hotel programs to guests,
 - understanding the importance of little things,
 - demonstrating sustainability in our daily job practices and behavior.

Developed for all the brands, the intuitive learning modules are now available in eight languages, with two new translations in the pipeline. Their integrated case studies and role-playing exercises enable employees to onboard best practices at their own pace, in line with their goals and work schedules. The two modules were used more than 14,500 times in 2013, compared with more than 3,700 times in 2012.

Sustainability training resources also include the “Sustainable Development in My Job” fact sheets prepared for each department (corporate, hospitality/housekeeping, etc.) and jobs, such as head station waiters, cooks, housekeeping floor supervisors, Sales Directors and General Managers. While covering all of the hospitality industry’s skill-sets, they can be adapted to each hotel’s local situation and priorities. They are divided into two parts, “In the Hotel” and “In my Job,” each with key takeaways and actionable practices. They also come with a sustainable development glossary.

PLANET 21 Day is a global event designed to encourage Accor employees to demonstrate their commitment to sustainability and social responsibility. During the week of April 21, everyone working under an Accor brand worldwide organizes actions to support the 21 commitments in the PLANET 21 sustainable development program. Examples include healthcare training, local and responsible taste workshops, waste recycling and the creation of biodiversity hotels. Held in 55 countries, the 2013 event showcased the creativity of the 300 participating teams. As every year, it was organized in the hotels, in collaboration with nearby Accor hotels, guests, local communities and employee families.

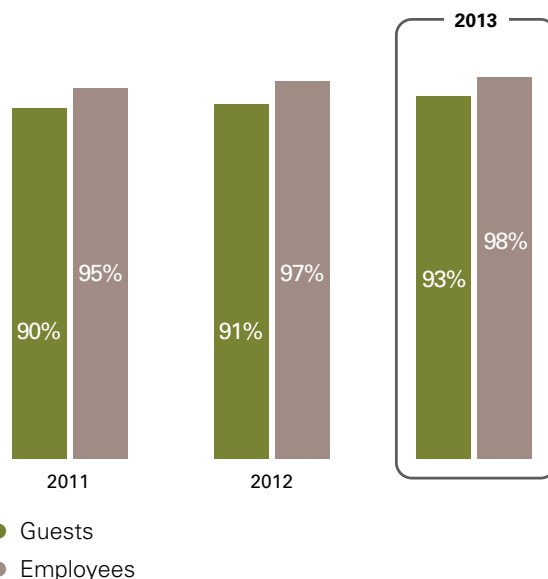
Guests

The PLANET 21 sustainable development strategy also includes a guest awareness program designed to build buy-in and encourage support for the hotel’s sustainability commitment. It uses instructive signage posted along the entire guest journey, on the booking site, in the hotel entrance, lobby and reception desk, on room doors, in the rooms, restaurants and conference rooms, and around the hotel grounds.

The signage suggests little things that guests can do to make a real contribution to sustainability, for example by participating in the Plant for the Planet project (see page 78), whose success intrinsically depends on a guest’s willingness to reuse room towels.

In all, more than 90% of Accor hotels are leading practical actions to build guest and employee awareness and buy-in to support their commitment to sustainability.

Percentage of hotels building guest and employee awareness and buy-in



	2011	2012	2013
Number of applicable hotels	4,013	3,331	3,401
Response rate	94%	92%	93%

2.7.3. ENERGY AND CLIMATE CHANGE

Energy and carbon challenges

Energy

In addition to representing a major source of rising costs for Accor, hotel energy use ranks among our leading environmental impacts, where there are many pathways to improvement. The Group is working hard to extensively and systematically deploy energy efficiency programs and install renewable energy facilities. According to the 2011 environmental impact study, on a life-cycle basis, 75% ⁽¹⁾ of our total energy consumption comes from the hotels, where notable progress has been made in shrinking their footprint. However, further action is necessary in this area to plan for forthcoming legislation, the levying of new taxes and the increasing burden of higher costs in the hotel business.

From 2011 to 2015, Accor is committed to reducing the energy used and carbon emitted by our owned, leased and managed hotels by 10% each. In the case of franchised hotels, where the Group has no control over operations, franchisees are offered resources and recommendations to support actions to address these challenges.

Carbon

Climate change represents an important challenge for the entire tourism and travel industry:

- tourist regions may be seriously impacted by global warming;
- climate policies are going to deeply reshape our future business and growth environment, in particular by shifting the growth model's energy paradigm, with far-reaching implications for the transportation industry and building construction.

In response, from 2007 to 2009, an internal working group partnered with France's Institute for Sustainable Development and International Relations (IDDRI) to study the «Challenges and Impacts of Climate Change for the Accor Group». It helped to identify more clearly the impact of global warming on our business and to prepare an initial series of priority action plans.

These plans, which are now being implemented to address energy and greenhouse gas issues, reflect all of the working group's recommendations in five major areas: hotel construction and refurbishment, travel, employee and guest health, hotel development and new businesses and services.

Energy performance in hotel operations

Managing energy performance in hotel operations

Following on from the 5.5% reduction in energy use during the last five-year plan (2006-2010), the current objective is to continue improving energy efficiency by strengthening the performance management process, targeting capital expenditure and instilling best practices in both maintenance procedures and employee and guest behavior.

The development of more effective performance management capabilities is being driven by:

- a clear understanding of 1) the hotel operations, thanks to cross-analyses by brand, number of rooms, number of retail, food and beverage outlets, utility installations, etc., and 2) their energy use, which has been tracked since 2005 in the OPEN management application;
- an in-depth analysis of the ratios measuring the impact of weather and occupancy rates, so as to ensure comparability among years;
- benchmarking by brand, hotel family and region;
- targeted actions that are both easy to implement and sustainable.

To identify the least efficient systems and equipment so that capital expenditure can be optimally allocated, a process is in place based on two proprietary applications:

- OPEN, to manage water and energy use (see page 68);
- MACH, to manage hotel assets. By maintaining a constantly updated list of equipment, with year of installation and current condition, MACH allows us to assess renovation needs, prioritize and budget them and then track the related capital projects.

These applications are used in conjunction with:

- A network of Technical Departments around the world that help to locally manage and support in-hotel deployment of our methods and applications.
- The BOOST method for optimizing the management of utility installations.
- A self-assessment program that enables each hotel to identify the best practices aligned with their particular situation.
- Charter 21, part of whose 65 actions directly address water and energy issues in the hotels.

(1) The remaining energy use was primarily attributable to laundry machines (7%) and upstream farming operations (6%).

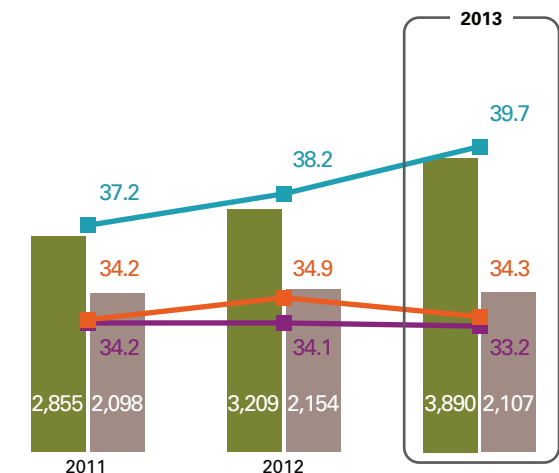


Hotel energy performance in 2013

To track the hotels' intrinsic energy performance, the indicator used is kWh per available room, which is in standard use across the industry, thereby enabling us to compare and assess our performance.

All of the owned, leased and managed hotels track their monthly energy use via the OPEN application. At year-end, after stripping out hotels acquired or sold over the year and hotels that failed to report data for all twelve months, the data are reviewed and validated internally. In 2013, this process resulted in the consolidation and analysis of 87% of hotel data, a response rate that has risen steadily year after year (72% in 2011).

Total energy use



In GWh

- Total energy use
- Energy use at comparable scope of reporting

In kWh / available room

- Average energy ratio
- Average energy ratio at comparable scope of reporting
- Energy ratio adjusted for the impact of weather conditions and occupancy rates

	2011	2012	2013
Number of applicable hotels	1,847	1,855	1,912
Response rate	72%	79%	87%
Number of audited hotels	1,330	1,465	1,663
Number of hotels at comparable scope of reporting	1,061	1,061	1,061

Initial analyses show that energy use in the consolidated scope of reporting, as expressed in kWh per available room, steadily increased over the 2011-2013 period, by a total 6.7%.

Nevertheless, the increase does not intrinsically reflect our energy performance due to the significant variations in the scope of reporting over the period, which accounted for 90% of the rise. These variations are of two types:

- first, the scope of reporting was impacted by hotel disposals and acquisitions, which totaled more than 700 units over the three-year period. A large percentage of new openings were in regions or brand segments where energy use is inherently less efficient (due to larger or more luxurious rooms, better equipped facilities, more systematic presence of spas, etc.). This factor automatically increases the average energy ratio. For example, half of all hotel openings in 2013 were in Asia and more than half of the recently opened hotels were in the Midscale and Upscale segments;
- second, the quality of reported data has improved over the years. For example, in the case of 30% of hotels, data were validated by the internal control process in 2013 that were not validated in 2011.

As a result, only the energy ratios at comparable scope of reporting in 2011, 2012 and 2013 offer a meaningful vision of Accor's actual energy management performance over the period. This information has been added to the chart above, where energy use data are presented for the same base of 1,061 hotels over the three years.

At this comparable scope, energy used (in kWh per available room) edged up by just 0.3% between 2011 and 2013, reflecting a 2.4% increase in 2012 and an 18% decline in 2013.

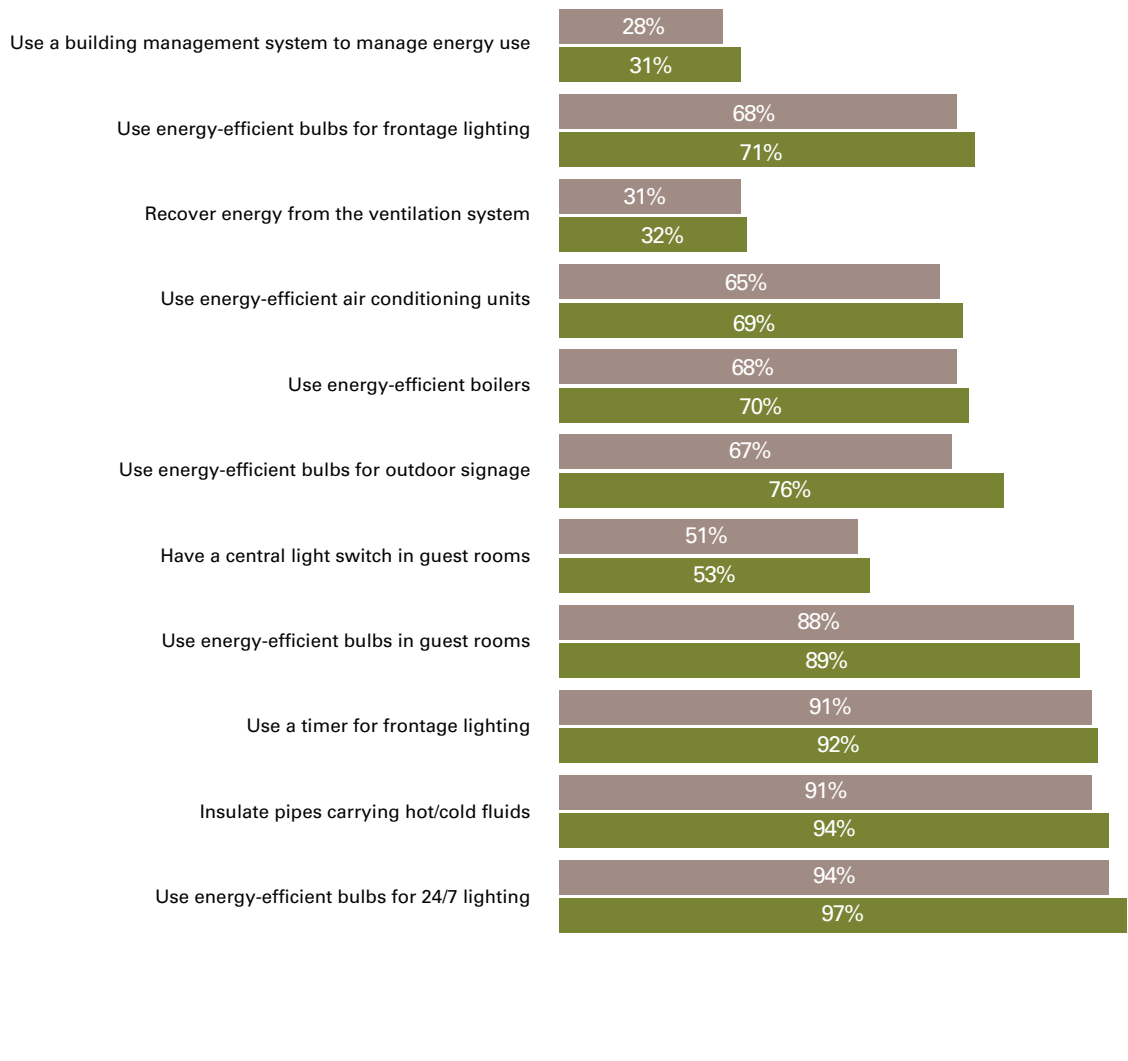
If the ratio is also adjusted for such parameters as weather conditions and occupancy rates, which have a significant, demonstrated influence on energy performance, the adjusted ratio of kWh per available room declined by around 2.9% over the three-years⁽¹⁾. This is most accurate figure for expressing Accor's intrinsic performance in managing its energy use.

While, in the end, Accor's energy use is intrinsically trending downwards, it is still not on track to meet the 10% reduction targeted for 2015. We are therefore going to continue deploying dedicated programs to improve and optimize energy management in the hotels, such as the BOOST method for optimizing the management of utility installations.

Actions to manage energy performance in hotel operations

Charter 21, which supports the operational deployment of the corporate sustainable development strategy in the hotels, also recommends a wide range of actions to improve the energy performance of everyday hotel operations (e.g. using energy-efficient bulbs for round-the-clock or room lighting, installing energy-efficient boilers, etc.).

(1) Based on data from 900 of the 1,061 hotels in the comparable scope of reporting, weather conditions and occupancy rates increased the energy ratio year-on-year by 1.4% in 2012 and 1.8% in 2013.



	2012	2013
Number of applicable hotels	3,331	3,401
Response rate	92%	92%

Energy performance in hotel construction

Managing energy performance in hotel construction

Because a building's architecture, design and construction play a vital role in reducing its environmental footprint, more and more countries are defining construction standards that improve a building's energy performance and minimize its impact on surrounding ecosystems. As a professional hotel builder, Accor has acquired extensive environmental engineering expertise. It regularly tightens its standards and conducts pilot projects to design hotels that are ever more efficient in using energy, water and potentially harmful chemicals and materials.

Following on from the guidelines released in 2008, an internal standard listing all of Accor's international guidelines for **hotel construction and refurbishment** was published in 2013. It covers a wide variety of issues that must be addressed when building or refurbishing a hotel:

- *general principles for integration into the local environment and architecture:* compliance with applicable legislation and standards; producer and supplier compliance with applicable Charter 21 rules and recommendations; recommendations for the deployment of a certification process;
- *energy:* architecture adapted to the local climate (appropriate orientation of buildings, location and sizing of windows or other glazed areas, sun screens, natural lighting, etc.) and optimized passive energy systems (high-performance thermal insulation, reduction of thermal bridges, lobbies to external doors);



- **water:** meters and sub-meters to measure use; water flow regulators; infrared or push-type tap controls; two-button flushing tanks, etc.;
- **biodiversity:** location and design catering to existing plantings to be preserved or re-located; priority use of local species; development of green roofs and vegetated walls;
- **pollution:** on-site environmental and pollution survey performed; any contaminated or harmful materials and products treated or removed, etc.;
- **disamenities:** hotel designed to minimize disturbance to neighboring properties; impact on adjacent buildings' natural light and ventilation assessed by a specialist; utility rooms and air intake and extraction vents designed to limit odors, unsightliness and noise, etc.

Increasing the percentage of buildings certified as sustainable is one of the sustainable development strategy's objectives for 2015. By that time, Accor is committed to earning **LEED, BREEAM, HQE® or other benchmark certification** for 21 buildings, with six already certified by year-end 2013:

- the Suite Novotel in Issy-les-Moulineaux, France has earned HQE® certification;
- the ibis and Novotel Blackfriars London have achieved the BREEAM standard of Excellent;
- the ibis *budget* and ibis Berlin Kurfuerstendamm have been certified to DGNB standards;
- the Novotel Singapore Clarke Quay has been awarded Green Mark Gold PLUS certification 2013.

In addition, in France, properties like the ibis Styles in Troyes and Novotel Paris Montparnasse have been built in compliance with HQE® standards.

Among other things, earning certification helps to improve a building's energy efficiency, while encouraging the development of innovative energy conservation technologies and ensuring that the buildings are integrated into their natural environment. Buildings designed for sustainability that earn certification provide a laboratory for studying the feasibility of innovative technologies and their business models ahead of wider deployment.

Lastly, as part of the Charter 21 process, the hotels are dimming their outside lighting to attenuate light pollution. In 2013, for example, 92% of the hotels were equipped with a timer for frontage lighting, 76% used energy-efficient bulbs for outdoor signage and 71% for frontage lighting.

Renewable energies

Increasing the use of renewable energy is one of the 21 commitments of the PLANET 21 sustainable development strategy, with the goal of having 10% of the hotel base equipped with renewable energy facilities by 2015.

A recent review of all the **renewable energies** used by the hotels showed that in 2013, 232 hotels, representing 7% of the network, were using these sources, of which:

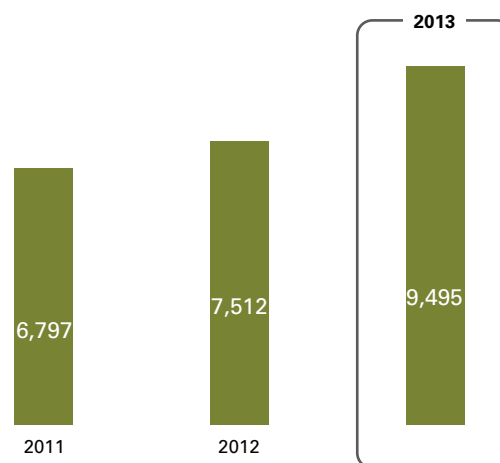
- 162 hotels equipped with solar hot water panels to heat domestic hot water;

- 40 hotels equipped with heat pumps to produce heat and cooling;
- 22 hotels equipped with solar power panels to generate electricity;
- 10 hotels equipped with biogas units;
- 91 hotels using other renewable energy technologies, such as water power, geothermal generation, etc.

Moreover, in 2013, **solar hot water panels** had been installed in 161 hotels, representing a total surface area of 10,000 square meters and annual output of 9.5 GWh.

Hotels equipped with solar panels rarely report precise generation data, which are hard to measure. For the majority of these hotels, output has therefore been estimated based on the reported panel surface area. The steady increase since 2007 in the amount of solar-generated domestic hot water demonstrates Accor's commitment to deploying alternative energies in its hotels.

Solar-generated domestic hot water



	2011	2012	2013
Number of applicable hotels	4,013	3,331	3,401
Response rate	94%	92%	93%

Transportation

Accor encourages guests to use more environmentally-gentle transportation solutions. For example, some hotels offer free bicycle rentals or shuttle buses when they are near the airport. In addition, nearly 80 hotels worldwide are equipped with recharging stations for guest EVs and eleven of the 19 Suite Novotels in France offer guests the free use of an EV during their stay.

Our Guidelines for Hotel Construction and Refurbishment recommend that any construction or renovation project design in:

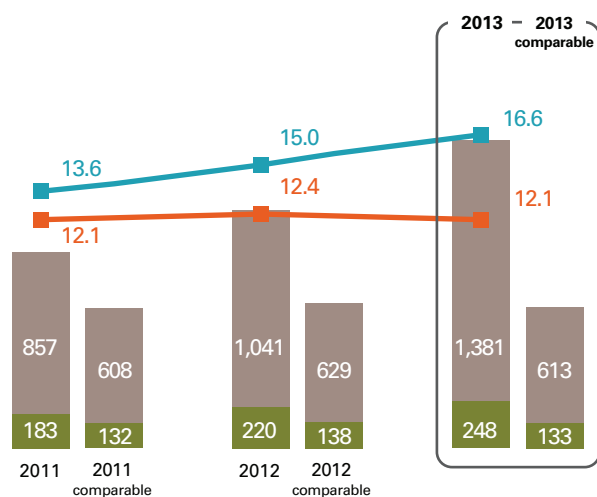
- pedestrian paths and cycle ways to public transportation locations;
- a dedicated bicycle parking area in the hotel car park.

Greenhouse gas emissions

CO₂ emissions

Energy use has a direct impact on Accor's carbon footprint, in particular through hotel boilers, electric appliances and employee travel. The environmental footprint study determined that the Group as a whole emits close to 3.7 million tonnes of life-cycle CO₂ equivalent per year, nearly two-thirds of which comes from hotel energy use (mainly electricity). It also revealed that upstream farming operations account for nearly 15% of our greenhouse gas emissions. Meat and dairy products alone are responsible for nearly half of the greenhouse gas emissions associated with food services (27% and 20% respectively), even though they account for less than 15% of sourced food volumes.

Tracking carbon emissions



In thousands of tonnes of CO₂

- Total direct CO₂ emissions
- Total indirect CO₂ emissions

In kg of CO₂ per available room

- Average CO₂ emissions ratio
- Average CO₂ emissions ratio at comparable scope of reporting

	2011	2012	2013
Number of applicable hotels	1,847	1,855	1,912
Response rate	72%	79%	87%
Number of audited hotels	1,330	1,465	1,663
Number of hotels at comparable scope of reporting	1,061	1,061	1,061

The change in CO₂ emissions over the three-year period may be explained using the same reasoning as for the energy use ratios:

- for the total consolidated scope of reporting, CO₂ emissions per available room rose by 22.7% between 2011 and 2013;
- at comparable scope of reporting, they rose by just 0.6% over the period;
- once adjusted for weather conditions and occupancy rates, the carbon ratio declined by at least 1% between 2011 and 2013, primarily due to the 15% increase in hotel heating needs over the period, which also drove the 0.3% increase in energy use.

Hotel carbon emissions are calculated from previously reported energy use data, as follows:

- Direct emissions correspond to the gas and fuel oil burned in hotel boilers.
- Indirect emissions correspond to the electricity used by the hotels, as well as the heat and air conditioning supplied by urban heating and cooling networks.

Greenhouse gas emissions for both power generation and fuel use are calculated on the basis of Greenhouse Gas Protocol initiative coefficients (www.ghgprotocol.org).

Ozone-depleting cooling fluids

Cooling liquids in hotel air conditioning and cooling systems may leak and release gases with a particularly high global warming potential (GWP). Moreover, there may be a risk of coolant evaporation during maintenance operations or as a result of an accident. The 2011 environmental footprint study showed that such leaks and evaporation account for a minor 2% or so of our carbon footprint.

In 2013, 69% of Accor hotels were using energy-efficient air conditioning units or heat pumps and 94% annually ensure that pipes carrying hot/cold fluids are leak-proof.



2.7.4. WATER

Because water is very unevenly distributed across the planet, the ability to access it varies widely from one region to another, making it a source of political and social tension, and therefore a major challenge for humanity. Accor uses a great deal of water in its hotels, which are sometimes located in water-stressed regions. We are therefore assertively managing our water consumption around the world. Close attention is also being paid to effluent discharge, so as to preserve downstream aquatic systems and maintain water quality for future use.

Water use

Water use management program

The 2011 environmental footprint study showed that each hotel uses an average 15,000 cubic meters of water a year, for guest use, housekeeping, foodservices, laundry, swimming pools, grounds watering etc. In all, this represents 11% of Accor's water footprint. The study also revealed that the bulk of this footprint comes from upstream farming operations, which account for 86%.

In response to this major concern, Accor is committed as part of the PLANET 21 program to reducing water use per guest in the owned, leased and managed hotels by 15% over the 2011-2015 period.

In addition, Accor is supported by a variety of programs to help conserve water in upstream farming operations, either by issuing procurement guidelines or, more particularly, through the Plant for the Planet program (see page 78).

Management of water-stressed regions

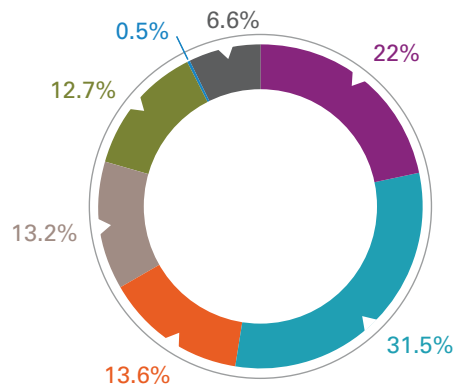
UN-Habitat defines water stress as the inadequate supply of water of satisfactory quality to meet the needs of people and the environment. More precisely, it is expressed as the ratio of annual water withdrawals to total available annual renewable supply. A lower ratio means that there is less pressure on water resources, while a higher ratio means that there is more pressure. Although water-stressed regions are already home to many people, the percentage of the global population living in one is expected to rise by 35% by 2025, to around 2.8 billion people.

Accor is aware of that the challenge of managing water use and addressing the lack of supply is even more critical in these regions. It has conducted a study to assess the risks related to water and availability of supply in its host regions.

The following charts are based on data from all of our hotels, after inputting their exact location into the World Resources Institute's Aqueduct risk mapping tool, which is one of the world's two most widely recognized applications for mapping water-related risks (the other is the World Wildlife Fund's Water Risk Filter).

This exercise measured and ranked the ability of Accor hotels to access adequate quantities of good-quality water.

Percentage of hotels located in water-stressed regions



- Low water stress (<10%)
- Low to medium water stress (10-20%)
- Medium to high water stress (20-40%)
- High water stress (40-80%)
- Extremely high water stress (>80%)
- Drylands
- No data

The results show that only 0.5% of our hotels are located in drylands. On the other hand, 26% are located in high or extremely high water-stressed regions, of which 13% in the extremely high category. Most of these regions are found in China (around 70 hotels), Indonesia (around 30) and Morocco (around 30). More surprisingly, they are also located in the South of France, due to the high population density and limited water supply, and in Australia, due to wide disparity in water resources and their limited availability.

When this geographic water risk analysis is compared with hotel water use data, it appears that the most critical regions are located in Europe and Asia-Pacific.

- while hotels in **Europe** are generally water-efficient, the region is home to nearly 500 hotels deemed to be in a high or extremely high water-stressed situation. As such, it deserves special attention;
- in **Asia-Pacific**, there are fewer hotels in critical regions (around 270, of which nearly 70 in China), but more attention is being paid to improving water use ratios, which still offer potential for optimization;
- the study also revealed that in coming years, hotels in **Australia** will be particularly confronted with rising water stress levels, which is something else that deserves special attention.

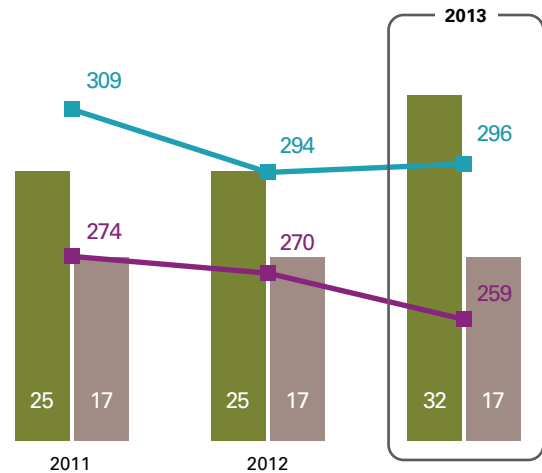
In all, projected near-term trends in water-stressed regions indicate that **4% of Accor hotels** will face a drastic shift in their available water supplies by 2025.

This new vision, supported by current and projected data, will now enable Accor to focus its water use reduction action plans on the regions at risk. Particular attention will be paid to water use trends at the hotels concerned.

Water use performance in 2013

To track the hotels' intrinsic performance, the water use indicator is liters used per guest, *i.e.* per room night.

Tracking water use



In millions of cubic meters

- Total water use
- Total water use at comparable scope of reporting

In liters per guest

- Average water ratio (liters per guest)
- Average water ratio at comparable scope of reporting

	2011	2012	2013
Number of applicable hotels	1,847	1,855	1,912
Response rate	72%	79%	87%
Number of audited hotels	1,330	1,465	1,663
Number of hotels at comparable scope of reporting	1,061	1,061	1,061

The above-illustrated changes may also be analyzed on two levels, as was the case for the energy and carbon ratios:

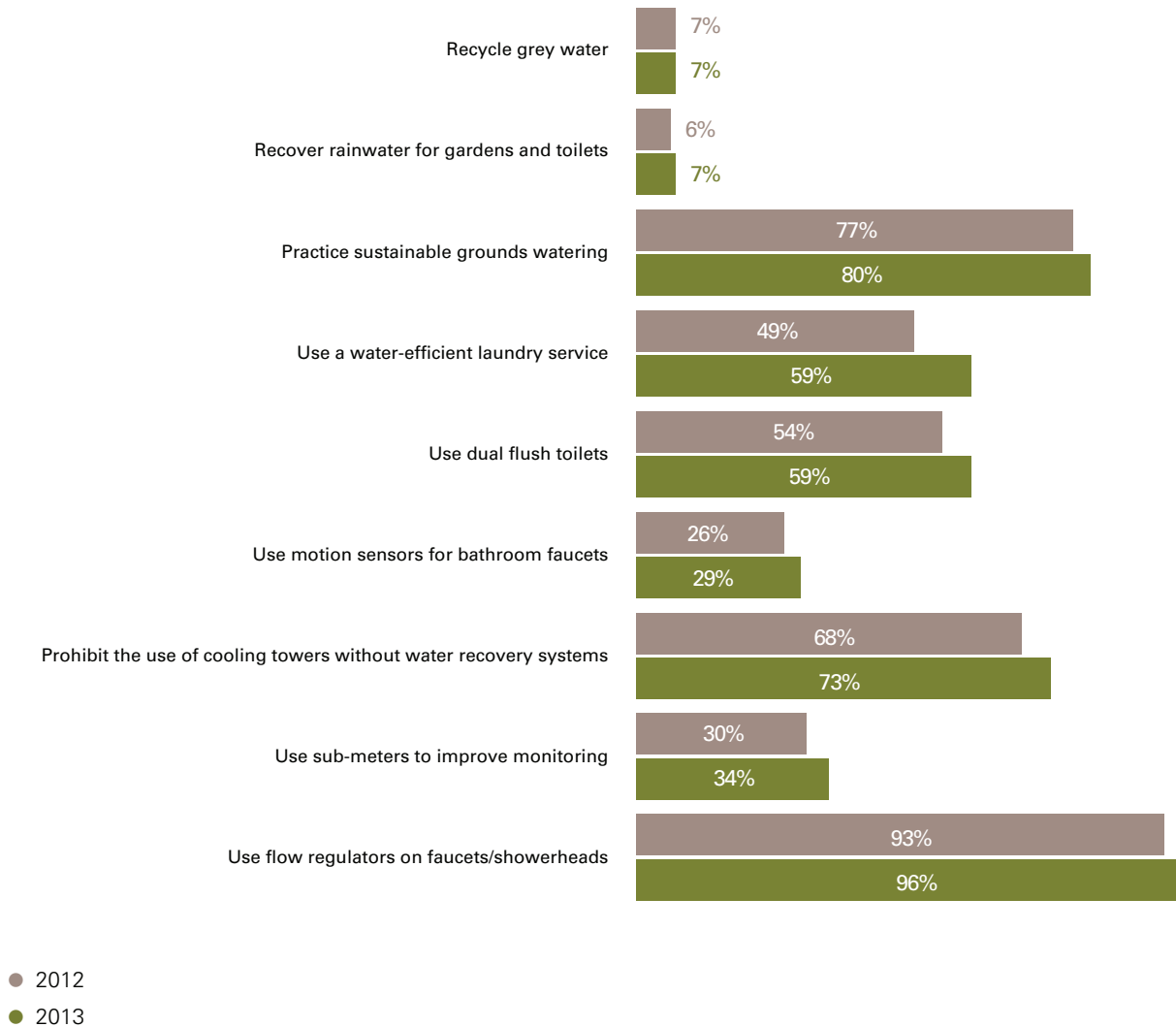
- for the total consolidated scope of reporting, the water use ratio declined by 4% between 2011 and 2013 ⁽¹⁾;
- at comparable scope, it declined by an even steeper 5.2%, with year-on-year reductions of 1.4% in 2012 and of 3.8% in 2013 ⁽¹⁾.

These trends confirm the validity of the various actions undertaken to reduce hotel water use. Some of these were led by Charter 21, which recommends a panoply of measures to reduce the amount of water used in hotel operations, such as recovering rain water, using sub-meters to improve monitoring and equipping showerheads and faucets with flow regulators.

(1) Excluding Motel 6.



The following chart presents the percentage of hotels implementing these measures in 2012 and 2013.



	2012	2013
Number of applicable hotels	3,331	3,401
Response rate	92%	92%

Discharges and treatment

Treating hotel effluent

The environmental footprint study looked at the impact that Accor hotels may have on groundwater eutrophication (the deterioration of an aquatic system due to over-enrichment by nutrients like phosphorous or nitrogen). It estimated that Accor-generated eutrophication stands at around 3,180 tonnes of phosphates per year. The two main sources of this type of impact are runoff from the fertilizers and pesticides used by the farmers who grow Accor foodstuffs, which accounts for 94% of the total, and the organic, chemical and other matter released in hotel wastewater.

Accor is able to act directly on the second source, based on the principle that all hotel wastewater effluent should be systematically treated in an appropriate treatment plant, either on-site or in the local community. According to data reported *via* the MACH hotel asset management application:

- 86 hotels have an on-site treatment plant and 65 use the treated water for grounds watering;
- 42 hotels have rainwater cisterns for grounds watering;
- 111 hotels use water from dedicated networks for grounds watering.

More environmentally sensitive products

The extensive Group-wide use of eco-labeled cleaning products sourced from a single certified supplier (see page 64) has significantly reduced our impact on the environment.

The Mercure, Novotel, ibis Styles and ibis brands, for example, now offer complimentary items certified with the EU Ecolabel, Ecocert or Nordic Ecolabel. By replacing products that are particularly harmful to ecosystems and complying with stricter biodegradability standards, these eco-labels are helping to reduce our environmental footprint.

2.7.5. LOCAL ENVIRONMENTAL IMPACTS

Biodiversity

Accor has been involved in protecting biodiversity since 2008, when it published the *Biodiversity: My Hotel in Action* handbook in association with the International Union for Conservation of Nature (IUCN), the leading organization in the field of biodiversity preservation. In addition, we are extending this biodiversity commitment by promoting responsible eating in our hotel restaurants, in particular with the goal of having all of the hotels ban endangered seafood species from their menus by 2015.

Plant for the Planet

Our commitment to biodiversity is especially demonstrated by the Plant for the Planet program, which encourages guests to reuse their towels when they stay more than one night in the hotel by promising that Accor will use the savings to finance tree farms. Unique to Accor, the initiative goes beyond the usual towel reuse programs deployed by other hospitality groups by requiring participating hotels to donate money to agroforestry projects.

In addition, the program also enables us to address another key environmental concern raised by the use of towels and the resulting laundry operations, namely water use and the treatment of detergent wastewater. In this regard, trees play a widely acknowledged role, both in fixing groundwater reserves and absorbing part of the pollution.

Because the 2011 environmental footprint study revealed that upstream farming operations were one of the major sources of our indirect water use, it was natural to focus the reforestation program on agroforestry projects.

The projects supported by Plant for the Planet offer many benefits in line with the three key aspects of our corporate social responsibility vision:

- *environmental benefits*: the projects selected with the support of our partner Pur Projet enable us to address a number of challenges at once, including i) biodiversity, by preserving ecosystems and endangered endemic species; ii) water, by preserving resources, regulating precipitation and avoiding droughts; iii) soil, by restoring unproductive land and fighting against erosion; and iv) carbon, by capturing and storing carbon in the trees and reducing the global warming impact;
- *social benefits*: by increasing the number of projects carried out close by the hotels, Plant for the Planet enables us to support local host communities by increasing and diversifying sources of income for the people involved in the projects and creating a new sense of community and shared destiny;

- *employee benefits*: lastly, the active participation of our employees is not only critical to the program's success, it is also driving the emergence of new hospitality practices. This is particularly the case for floor supervisors and housekeepers, who are now trained to recognize and respect the guest's desire to participate in this joint commitment, while continuing to deliver impeccable quality service.

2013 was a year of consolidation for Plant for the Planet, which is now supported by **more than 1,400 participating hotels** and has helped to finance the planting of **more than three million trees** around the world since the program was introduced in 2009.

During the year, we broadened and deepened our collaboration with Pur Projet, with a total of **21 international and local projects** supported in 2013, compared with seven in 2011. Following the launch of various projects in Asia in 2012, new projects were initiated in 2013 in host countries like France, the United Kingdom and Spain, which are home to large numbers of Accor hotels. By 2015, we are committed to supporting a reforestation project in the majority of our host countries. In addition, the hotels can finance local projects in association with small farmers looking for agroforestry opportunities.

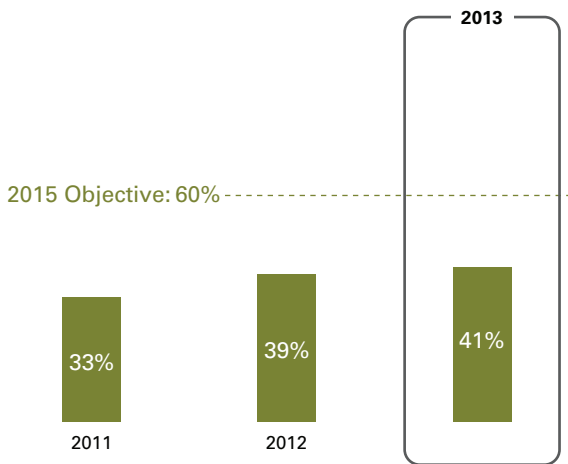
The year also saw Plant for the Planet move up a notch with a pilot feedback loop project, whereby **foodstuffs are sourced locally** from one of the projects supported by the hotels. In Morocco, for example, participating hotels financed the planting of olive trees in the Rif region. This helped to create additional jobs for the nearly 300 women working for the cooperative involved in the projects, as well as a new market when the hotels agreed to purchase the cooperative's olive oil for their restaurants.

Lastly, to supplement the hotels' contribution of part of the laundry savings from guest towel reuse, **new sources of financing** were tested in 2013, including:

- the opportunity for guests to finance the planting of one tree for every night booked on accorhotels.com in a hotel participating in the program and certified to ISO 14001 environmental management standards;
- greater involvement by the brands with one-time promotions, such as the one organized in April 2013 by the ibis France hotels to directly support a tree farm in Western France;
- other one-off activities organized during PLANET 21 Day, our employee sustainable development event, as well as the annual sale of new year's cards at corporate headquarters.



Percentage of hotels participating in the Plant for the Planet program



Number of applicable hotels	4,013	3,331	3,401
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1,404 hotels, or 41% of the consolidated total, participated in the Plant for the Planet program through 21 reforestation and agroforestry projects in 2013, when the process was consolidated and the partnership with Pur Project was strengthened. In 2014, the emphasis will shift sharply to deploying the program more widely across the hotel base, with the objective of having 60% of the hotels participating by 2015.

Land use

The vast majority of Accor hotels are located in downtown and suburban areas, where their environmental impact is reduced because of local treatment services, especially for water and waste.

For **building and refurbishment projects** in environmentally sensitive areas, detailed environmental studies are conducted to anticipate and minimize any adverse impact on their surroundings. Introduced across the Group in 2008 and updated in 2013 (see pages 72), sustainable construction guidelines cover in particular a hotel's integration into the natural environment, which requires a siting and pollution study by a qualified engineering firm prior to construction.

Lastly, among the Charter 21 indicators, two actions concern more sustainable grounds management. This reflects the fact that, with 64% of our hotels having parks and gardens, the use of pesticides represents a fairly significant challenge in protecting and promoting biodiversity. In 2013, 72% of our hotels with a park or garden used green garden products.

2.7.6. WASTE

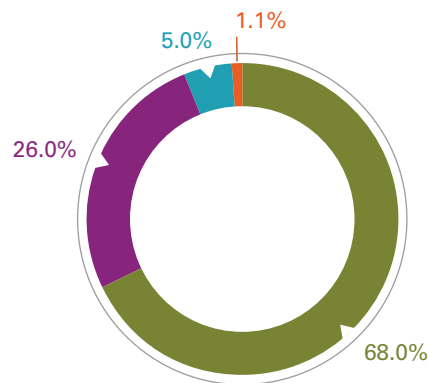
Hotel waste comes from three main sources:

- **inputs, such as packaging, consumables (light bulbs, etc.) and complimentary products (shower gels, brochures, etc.), where the priority is to reduce volumes at source by getting purchasing departments involved and to limit scrap during in-hotel handling;**
- **refurbishing and construction waste, where recycling is increasingly used;**
- **guest waste, where the focus is on increasing the percentage of sorted and recycled waste.**

Analysis of Accor waste

The 2011 environmental footprint study showed that, on a life-cycle basis, Accor produces around 2.3 million tonnes of waste a year.

Contribution to waste by hotel business operation



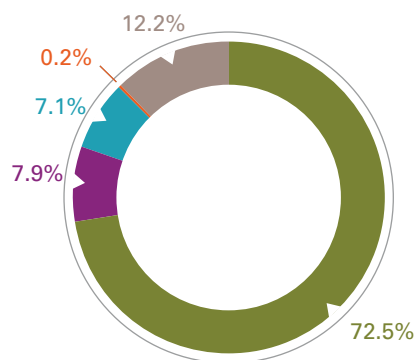
- Construction/refurbishment
- On-site energy use
- Operating waste
- Other

Among the various hotel business operations:

- more than two thirds of the waste is concrete, wood, furniture, non-hazardous waste and other scrap from hotel **construction and refurbishment projects**;
- nearly a quarter concerns **energy-related waste**, stemming from fuel extraction and preparation;
- compared to the other aspects of our business, **hotel operating waste**, comprising guest waste, packaging, food waste, etc., still represents only a limited proportion, at 5% of the total. Nevertheless, it is being carefully tracked, both for reasons of cost and for its environmental impact, since some of it – such as remote control and magnetic card reader batteries, compact fluorescent tubes or electrical and electronic waste – is potentially environmentally hazardous. In this case, special attention is paid to identifying local service providers capable of recycling hazardous waste.

Following the annual review of suppliers based in five countries (Switzerland, Australia, Austria, the United Kingdom and Germany) and serving 366 hotels, the main types of operating wastes were mapped to provide a glimpse of the wastes produced by a hotel.

Waste produced by main category



- Unsorted, nonhazardous waste
- Food waste
- Paper and cardboard
- Glass
- Plastic

NB: certain hazardous wastes like batteries and light bulbs, which are recovered by service providers, have been classified in unsorted, non-hazardous waste even though they are sorted and managed separately. This is because the data reported by the service providers are still not consistent enough to be recorded in a separate category.

While waste is produced everywhere in a hotel – restaurants, guest rooms, meeting rooms, bars, offices, reception desks, car parks, etc. – guest rooms and food services account for 70% of the total. Indeed, by itself a restaurant can generate up to 60% of a hotel's waste.

Waste management

Charter 21 recommends **sorting and recycling** 12 types of waste. In general, waste and compliance issues are tracked via the SET application and the ISO 14001 certification process.

In addition, discussions are underway concerning the management of **construction and refurbishment** waste. An initial attempt involved the launch of the innovative reBorn program designed to recover and resell furniture scrapped during refurbishments, particularly on online consignment and auction sites. This pilot program yielded many lessons but also revealed certain limitations that have to be remediated before wider deployment.

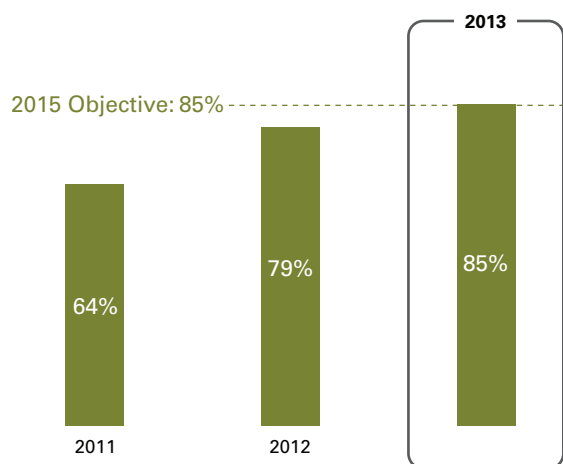
Today, French polluter pays legislation applicable to the furniture industry is enabling the development of new channels and facilitating the management of this waste.

In 2011, the OPEN sustainable development management application (see page 68) was expanded with a **waste management** module that makes it possible to track, based on data reported by the hotels, the amount of waste produced, its related costs and its recycling, with aggregate views at the hotel, country, brand and Group levels.

Performance

By 2015, Accor is committed to having 85% of the hotels recovering and recycling the most problematic waste, *i.e.* at the least paper, cardboard, toner cartridges, batteries and compact fluorescent light bulbs and tubes. In 2013, 86% of hotels had such waste recovery programs in place.

Percentage of hotels recycling their toner cartridges, batteries, compact fluorescent light bulbs and tubes and paper & cardboard



	2011	2012	2013
Number of applicable hotels	3,757	3,080	3,401
Response rate	94%	92%	93%

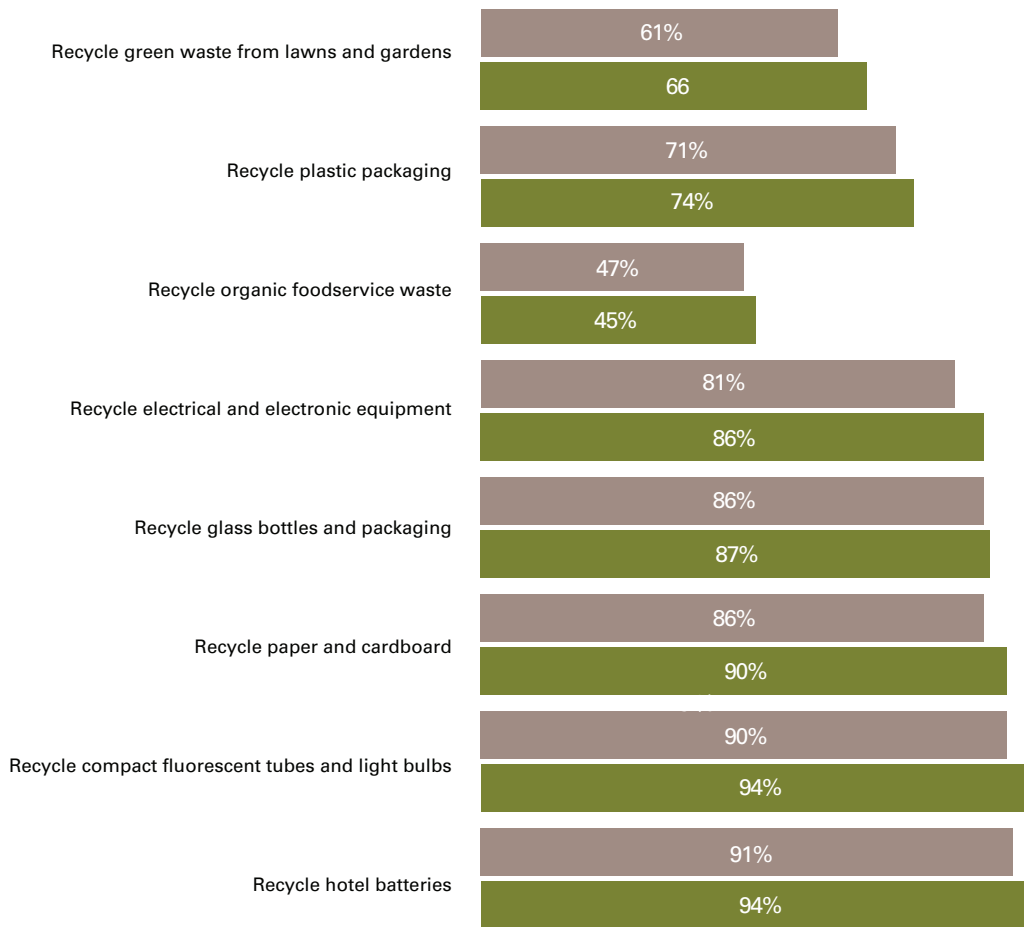


The reliability and exactitude of data concerning the amount of waste produced and recycled per hotel is currently being improved. It has proven difficult to collect consistent, complete data from the hotels and directly from suppliers, due to the disparity in reporting, management and waste categorization methodologies among countries and suppliers.

A project will be undertaken in 2014 to drive further improvement, in particular with the support of the country procurement teams.

Results of other hotel waste management initiatives

Today, hotel performance is primarily assessed on the basis of the percentage of waste recycled, according to the various categories. Charter 21, which supports the operational deployment of our sustainable development strategy in the hotels, also recommends a variety of initiatives to improve the management of hotel waste and limit its impact on the environment. In general, the various percentages of hotels sorting and recycling the different types of waste have been trending upwards for many years:



- 2012
- 2013

	2012	2013
Number of applicable hotels	3,331	3,401
Response rate	92%	92%

2.8. MEASURING AND ASSESSING OUR PERFORMANCE

This section explains the methodology applied in our corporate social responsibility reporting process.

Performance is measured through five types of indicators:

- employee-relations indicators;
- Charter 21 indicators, which cover the environmental and social responsibility actions deployed in the hotels;

- indicators used to manage water use, energy use and greenhouse gas emissions;
- supplier waste indicators (other than Charter 21 indicators);
- additional employee-relations indicators and sustainable procurement indicators.

The reporting period is January 1 to December 31, 2013.

2.8.1. METHODOLOGICAL REVIEW

Human Resources

Human resources indicators reported Group-wide are organized around five issues: workforce structure, employee movements, compensation, training, and working conditions and diversity.

Reporting scope and frequency

Employee data are reported for:

- people who work in head offices, owned hotels and leased hotels who are direct employees of the Accor Group;
- people who work in the managed hotels, who are managed by Accor but are not direct employees of the Accor Group. The only exception concerns a certain number of hotels where direct Accor employees are on assignment.

Employee data do not include:

- employees of owned, leased and managed hotels closed as of December 31, 2013;
- contingent workers, interns and temporary workers;
- employees of franchised hotels or units in which Accor owns an equity interest but does not exercise any management responsibility (commission-based management contracts and Adagio Aparthotels).

In 2013, indicator data could not be reported from six managed hotels in Germany and 19 managed hotels in France.

Reporting application

Employee data are reported and the related indicators managed via the proprietary **HR DATA application** that was revamped in 2009 and redeployed in 2010. The application has been steadily upgraded with new features to enhance user-friendliness and improve the reliability of the reported data.

Reporting and control process

The corporate reporting process is defined in the **human resources reporting protocol**, which applies to everyone involved in the reporting chain, from headquarters to hotels. It provides a detailed, comprehensive description of Group procedures and definitions, the methods used to measure data and indicators, and the areas at risk that require particular attention. It also describes country-specific features, which are frequently updated.

The protocol in French and English has been sent by the corporate Human Resources Department to everyone responsible for the reporting process and is available for translation into other host country languages.

Reporting officers have been designated at three levels to collect, enter, verify and validate employee data, in compliance with the human resources reporting protocol:

- hotels
 - collect and validate hotel data;
 - confirm the completeness of the data.
- country organization
 - confirm the completeness of the data;
 - verify and validate the data reported from all of the hotels in its scope of operations.
- corporate
 - coordinate the consolidation of data from across the Group;
 - confirm the completeness of the data;
 - ensure the consistency of reported data and correct any errors after verification with the regional manager.

Indicators

Number of employees

Workforce indicators are measured and disclosed on the basis of the **monthly average number of employees**.

Apprentices are included in the reported data as employees on non-permanent contracts.

In many host countries, the definition of a **permanent or non-permanent employee** is not the same as under French law, which means that certain special cases can impact the consolidated figures. In China for example, a "permanent" contract is awarded after ten years of service in the same legal entity. To make it easier to understand, this indicator is presented by region.

To estimate the number of **employees in franchised hotels**, the number of rooms in the franchised hotel base has been multiplied by the average number of actual employees per room in our owned, leased and managed hotels. These estimated figures have been adjusted to reflect the characteristics of each brand and of the country or region where the owned, leased, managed and franchised hotels are located. For example, an ibis hotel requires many fewer employees than a Sofitel.



In 2012, we felt that this method under-estimated the number of franchised hotel employees in France and Germany. It was therefore adjusted to align it more closely with local conditions, although probably with a slight over-estimation. As a result, the estimated number of employees in our franchised hotels rose sharply over the year. When combined with the increase in the number of employees in managed hotels, this means that there were around 170,000 employees working under Accor brands worldwide in 2014.

Diversity data concerning the gender and nationality of hotel General Managers are stated at the end of each half-year (*i.e.* at June 30 or December 31).

An employee is deemed to be a **manager** when he or she manages a team or a process like hiring or annual performance reviews, and/or if he or she has a high level of expertise. This definition does not correspond to the legal status of a manager (*cadre*) in France. Each country's Human Resources Department sets its own definition based on local labor legislation, the characteristics of each job and the hotel brand.

Employee movements

Every employee movement during the period is reported, regardless of the type of job contract. A departure is not recorded as a movement in the following cases:

- when an employee changes from a non-permanent to a permanent contract;
- when a non-permanent contract is renewed without interruption.
- when an employee transfers to another position in the Group.

Separations due to job abandonment are recorded as dismissals, in as much as such abandonment is at the employee's initiative whereas termination is at the employer's initiative.

Health and working conditions

A part-time employee is one who works fewer than a country's legal working hours, without including any overtime.

Absenteeism:

- medical leave includes any leaves granted for illness, occupational illness or work-related accident. It does not include maternity and paternity leave;
- unauthorized leaves do not give rise to any direct costs for the Group because they include unauthorized absences without pay, depending on local labor laws. This means that their number may be underestimated, because unpaid leaves are not always tracked by local Human Resources Departments. A campaign to enhance awareness of this indicator should be deployed in 2014.

Days absent are reported in number of business days, as defined by local labor legislation.

The **lost-time injury rate** corresponds the number of lost-time incidents (as defined by local legislation) per million hours worked, with lost-time considered to be at least one day.

Fatal workplace accidents are counted in the number of lost-time incidents. An accident is considered fatal if the employee dies within 365 days following the incident.

Training

The **number of reported training days** includes courses conducted by Académie Accor and contract service providers for hotels and head offices, as well as the brand program training led by managers for their teams.

Accor considers that these data reflect the majority of the training offered to employees. However, part of the training conducted in the hotels may not be reported to Group level. Examples include induction courses for new hires or non-brand program courses led by managers with the help of specialized materials provided by the Académie Accor.

Training in a country's hotels and head offices is reported in number of days rather than hours. When courses, such as e-learning modules, last only a few hours, they are converted into days on the basis of eight hours per day.

For the number of **employees having attended at least one training course**, each trainee is counted once, even if he or she attended several courses during the reporting period. However, because people are often counted every time they attend a course, this tends to over-estimate the total number.

In 2013, days of training and the number of employees having attended at least one training course in managed Novotel units in Russia were excluded after it was discovered that serious errors had not be corrected during the consolidation process.

Charter 21

Reporting scope and frequency

The Charter 21 indicators cover all of the owned, leased, managed and franchised hotels except for:

- hotels that joined the Accor network after September 15 of the reporting year;
- hotels that were no longer part of the Accor network as of December 31 of the reporting year;
- Thalassa sea and spa facilities, whose data are often reported with their host hotel's;

- hotels that were closed for renovation or other reasons during the reporting period or that suffered an exceptional event, such as a flood or an earthquake, that disrupted their operations during the reporting period;
- the Adagio Aparthotels, which do not apply the Accor Charter 21 and are consolidated by Pierre et Vacances SA.

Charter 21 indicators are reported annually.

Indicators

Charter 21 corresponds to a list of 65 actions designed to effectively improve a hotel's social responsibility performance. The Charter 21 Handbook describes the conditions for validating each action, along with each one's implementation method and environmental and social responsibility benefits.

Results are expressed as a percentage comparing the number of hotels implementing a given action to the total number of hotels applying Charter 21. Some actions apply only to hotels equipped with special facilities, such as a restaurant or laundry. In this case, the percentage of hotels is calculated based solely on the total number of hotels concerned.

Note that Charter 21 data are reported by the hotels concerned.

Data collection and control

Data are initially controlled by the hotel, where before entering them online, the reporting officer is expected to verify that the actions have been effectively implemented, with the support, if needed, of the Charter 21 Handbook.

Data are then checked a second time by the country Charter 21 reporting officer and then again by the corporate Charter 21 reporting manager.

Lastly, they are verified a fourth time during quality audits performed every year in the hotels, which cover the ten actions corresponding to the Charter's Bronze level.

Water and energy

Scope of reporting

The scope of reporting covers all of the owned, leased or managed Accor-brand hotels open at December 31 of the reporting year, except for:

- hotels that are being gradually integrated into the Accor network or are incapable of measuring use:
 - Hotels that joined the network after September 15 of the reporting year;
 - New acquisitions during the reporting year that are not under an Accor banner;
 - Hotels closed for renovation during the reporting period;

- Thalassa sea and spa facilities, whose data are often reported with their host hotel's;
- independently operated units or structures and franchised hotels:
 - ibis *budget*, hotelF1 and Formule1 hotels operated under commission-based management contracts;
 - Mercure Appartement in Brazil;
 - Ancillary in-hotel activities, such as retail outlets and residential units, that are not managed by Accor (assuming their data can be clearly segregated).

Indicators

- Energy use:
 - reported energy is the total amount of final energy used over the year by the hotels, regardless of source (electricity, gas, etc.) or purpose (lodging, foodservices, etc.);
 - total energy use is expressed in MWh;
 - fuel energy is calculated on the basis of each one's heating value (HV);
 - use data reported by the hotels are expressed by type of energy.
- Water use:
 - reported water use is the total amount of water used over the year by the hotels, regardless of purpose (foodservices, grounds watering, etc.);
 - water from hotel pumping facilities is also measured, if they are metered;
 - recycled rain or wastewater is measured, if the facilities are metered;
 - total water use is expressed in cubic meters.
- Greenhouse gas emissions:
 - reported emissions are both direct (from fuels like natural gas and heating oil) and indirect (from the generation of electricity or urban heating);
 - energy use is converted using the latest emission factors of the GHG Protocol (available online);
 - total greenhouse gas emissions are expressed in tonnes of CO₂ equivalent (teq CO₂).

Data collection and control

Each hotel enters its monthly water and energy consumption data and validates them in the OPEN reporting application. The data are then checked by the country or regional organization and again at Group level over the first 11 months of the reporting year. They are re-checked over the entire twelve months at each level (country/region and Group).

Waste

Scope of reporting

The scope of reporting covers all of the hotels for which a supplier can report data for the entire year. In 2013, this concerned hotels in Switzerland, Australia, Austria, the United Kingdom and Germany.



Indicators

Breakdown by type of waste:

- the amount of waste recorded is the amount collected by the service providers;
- the total amount of waste produced by a hotel over the year is reported, regardless of the source (lodging, food services, etc.) or disposal method (landfilled, recycled, incinerated, etc.);
- returnable waste is not reported since by definition it is recovered;
- data are reported for five main types of waste: unsorted non-hazardous waste, food waste, paper/cardboard, glass (bottles, packaging) and plastic packaging;
- the proportion of each type corresponds to its percentage of the total quantity of the five types produced.

Data control

Data are reported by the suppliers. If there are several suppliers in a country but only some of them have reported the requested data, it is possible that the country's data will be incomplete.

Purchasing

Scope of reporting

The indicator tracking the Group's consolidated volume of purchases (€3.5 billion in 2012) covers all of the hotel operating structures and includes purchases from certified suppliers, as well as estimated purchases from non-certified suppliers by the 21 country Procurement Departments.

The other indicators cover purchases from certified suppliers.

Data are reported from the corporate Procurement Department and from the 16 country Procurement Departments representing the largest purchasing volumes.

The 16 procurement departments that reported data were: Australia, New Zealand, Poland, Portugal, Belgium & Luxemburg, the Netherlands, Hungary, Italy, Brazil, Morocco, Spain, France, Germany, the United Kingdom and Switzerland.

The contracts reported in 2013 ran for various times depending on each country organization's local purchasing procedures. Reporting standards are now being harmonized to deliver consolidated data for contracts in effect over a full-year period.

Indicators

- REACH: percentage and number of REACH-related contracts with a signed REACH statement.
- Procurement Charter 21: percentage and number of contracts for which the current or 2010 Procurement Charter 21 has been signed.

- Assessing supplier corporate social responsibility performance:
 - number of audits performed with EcoVadis or other third-party during the year;
 - number of remedial action plans requested from suppliers during the year;
 - number of remedial action plans implemented by suppliers during the year.

Data collection and control

Depending on the indicator, data may be reported by suppliers, buyers (via online reporting applications) and/or third parties.

They are initially checked by the country Procurement Manager, who ensures that they are accurate and consistent with the rest of the information.

They are then re-checked by the corporate sustainable procurement reporting manager.

Purchasing audits review compliance with the three sustainable procurement issues described in the Indicators chapter.

Plant for the Planet

Reporting scope and frequency

Plant for the Planet indicators cover all of the owned, leased, managed and franchised hotels participating in the program. Data are collected based on the payment campaigns conducted in June and December of each year.

Indicators

- Number of participating hotels.
 - This figure is based on the number of payments received by Pur Projet and its partners during the year.
- Number of trees financed.
 - This figure is calculated by dividing the sum of donations received by Pur Projet and our traditional NGO partners in the Plant for the Planet program by the unit cost of the trees, as reported by these same partners.

Data collection application

The data are inputted into the Plant for the Planet model in our OPEN social responsibility management application.

Data control

Since 2003, the indicators have been controlled directly by Pur Projet, our partner in charge of supervising and managing the Plant for the Planet program.

2.8.2. INDICATOR TABLES

Employee-relations indicators

Employee-relations indicators are presented by region when their change is highly dependent on local conditions. The other indicators are presented by operating structure.

	France		Europe		Asia-Pacific		Latin America and the Caribbean		Other countries		Total	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
NUMBER OF PAYROLL AND NON-PAYROLL EMPLOYEES												
Owned and leased hotels – payroll employees	15,264	14,883	21,242	20,375	4,665	3,679	4,768	5,470	2,958	3,276	48,897	47,683
Upscale and Midscale Hotels	9,672	9,403	15,562	14,688	3,019	2,450	2,536	3,244	2,319	2,434	33,108	32,219
Economy Hotels	5,592	5,480	5,680	5,687	1,646	1,229	2,232	2,226	639	842	15,789	15,464
Managed hotels – non-payroll employees	1,325	1,526	5,207	5,959	55,635	58,344	5,943	6,696	15,794	15,506	83,905	88,031
Upscale and Midscale Hotels	1,279	1,481	4,232	4,963	51,654	54,295	4,873	5,881	14,184	13,810	76,222	80,430
Economy Hotels	46	45	975	996	3,981	4,049	1,070	815	1,610	1,696	7,683	7,601
Holding company – payroll employees	1,084	1,078	-	-	-	-	-	-	-	-	1,084	1,078
TOTAL EMPLOYEES	17,673	17,487	26,449	26,334	60,301	62,023	10,711	12,167	18,752	18,781	133,886	136,792
% under permanent contracts	86%	86%	82%	82%	62%	60%	95%	96%	72%	73%	73%	73%
% women	56%	55%	55%	56%	44%	44%	53%	53%	31%	29%	47%	47%
% men	44%	45%	45%	44%	56%	56%	47%	47%	69%	71%	53%	53%
TRAINING												
Total days of training	26,005	26,542	43,818	49,961	248,174	259,272	49,938	48,815	88,831	51,818	456,766	436,408
Average days of training per employee	1.5	1.5	1.7	2.0	4.1	4.2	4.7	4.0	4.7	2.8	3.4	3.2
Average days of training for managers	2.6	2.6	2.8	3.1	4.5	4.0	5.1	5.2	9.4	5.3	4.3	3.9
Average days of training for non-managers	1.1	1.1	1.4	1.7	4.0	4.2	4.6	3.8	4.1	2.4	3.2	3.0
Number of employees having attended at least one training course	8,685	8,676	22,151	21,292	85,222	80,844	11,111	12,546	16,835	16,924	144,004	140,282
of whom managers	3,059	3,049	4,238	3,452	22,051	21,980	1,225	1,549	2,691	2,554	33,264	32,584
of whom non-managers	5,626	5,627	17,913	17,840	63,171	58,864	9,886	10,997	14,144	14,370	110,740	107,698



Indicator	2012		2013		% change*	
	Owned and leased hotels	Owned, leased and managed hotels	Owned and leased hotels	Owned, leased and managed hotels	Owned and leased hotels	Owned, leased and managed hotels
EMPLOYEE-RELATIONS INDICATORS						
Number of payroll and non-payroll employees	49,981	133,886	48,761	136,792	(1,220)	2,905
% women	55%	47%	55%	46%	0%	(1)%
% men	45%	53%	45%	54%	0%	1%
By age						
Under 25	17%	20%	16%	19%	(1)%	(1)%
25 to 34	35%	39%	35%	38%	0%	(1)%
35 to 44	24%	23%	24%	24%	0%	1%
45 to 54	17%	13%	17%	14%	1%	1%
Over 55	7%	5%	7%	5%	1%	0%
By seniority						
Less than six months	11%	15%	11%	14%	0%	(1)%
Six months to two years	23%	31%	21%	30%	(2)%	(1)%
Two to five years	23%	22%	22%	23%	(1)%	1%
Five to ten years	20%	16%	21%	17%	2%	1%
More than ten years	24%	16%	25%	16%	1%	0%
% disabled	2%	1%	2%	1%	0%	0%
Management						
% of total workforce	21%	22%	20%	22%	(1)%	0%
% women	47%	41%	46%	41%	(1)%	0%
% men	53%	59%	54%	59%	1%	0%
By age						
Under 25	2%	5%	2%	5%	0%	0%
25 to 34	33%	41%	32%	40%	(2)%	0%
35 to 44	35%	33%	35%	33%	0%	0%
45 to 54	22%	16%	23%	17%	1%	1%
Over 55	8%	5%	8%	5%	0%	0%
Managers by age – hotels						
Under 25	3%	6%	2%	5%	0%	0%
25 to 34	35%	42%	34%	42%	(1)%	0%
35 to 44	34%	32%	34%	32%	0%	0%
45 to 54	21%	16%	22%	16%	1%	1%
Over 55	8%	5%	8%	5%	0%	0%
Hotel general managers						
	1,094	1,689	1,071	1,723	(23.00)	34.00
% women	32%	27%	32%	28%	0%	1%
% men	68%	73%	68%	72%	0%	(1)%
% host country nationals	83%	73%	83%	74%	0%	1%

* This is not at current scope of reporting.

Indicator	2012		2013		% change*	
	Owned and leased hotels	Owned, leased and managed hotels	Owned and leased hotels	Owned, leased and managed hotels	Owned and leased hotels	Owned, leased and managed hotels
Employee movements						
New hires	22,066	72,463	21,615	62,490	(451)	(9,973)
Separations	22,693	60,010	22,760	61,812	67	1,802
Resignations	7,401	35,918	7,590	37,491	189	1,573
Terminations	3,439	7,407	3,449	8,229	10	822
Redundancy	303	653	379	441	76	(212)
Working conditions						
% full-time employees	81%	88%	82%	89%	1%	1%
% part-time employees	19%	12%	18%	11%	(1)%	(1)%
Average number of days of medical leave per employee over the year	11.6	6.9	11.1	6.5	(0.50)	(0.34)
Average number of days of unauthorized leave per employee over the year	3.5	2.3	1.3	1.1	-	-
Lost-time injury rate	21.9	13.5	21.4	13.5	(0.54)	0
Number of fatal work-related accidents	0	1	0	8	0	7

* This is not at current scope of reporting.

Environmental and social responsibility indicators

















Scopes of reporting

Scope of reporting	2012		2013	
	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels
Total number of Accor hotels	2,039	3,331	2,027	3,401
Number of hotels applying Charter 21 → Response rate	2,039 → 100%	3,080 → 92%	2,027 → 100%	3,173 → 93%
Number of applicable hotels				
■ Restaurants	1,362	1,879	1,344	1,880
■ Grounds	1,335	2,008	1,333	2,049
■ Air conditioned	1,661	2,473	1,700	2,598
■ Outside signage	2,018	3,047	1,990	3,109
■ Minibars	1,012	1,313	1,028	1,377
Number of hotels reporting water and energy data → Response rate	1,457 → 79%	NA	1,667 → 87%	NA



Indicators




















Indicators	Scope of reporting	2012		2013		% change at comparable scope of reporting	
		Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, Leased and managed hotels	Owned, Leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels
SOCIAL RESPONSIBILITY COMMITMENTS							
Support for and engagement in local communities							
Hotels active in protecting children from abuse		48%	38%	54%	44%	+5%	+7%
■ Hotels active in preventing sexual tourism involving children		27%	21%	40%	30%	+11%	+9%
■ Hotels relaying national missing children alerts		10%	9%	14%	13%	+3%	+4%
■ Hotels participating in a program to help marginalized minors re-enter society		5%	4%	8%	6%	+3%	+2%
■ Number of employees trained in preventing child sex tourism		28,344 employees	30,054 employees	29,499 employees	31,689 employees	+3%	+10%
■ Hotels displaying customer awareness campaigns		23%	17%	24%	18%	0%	+1%
Guest responsibility							
Hotels offering balanced meals		90%	87%	97%	96%	+3%	+3%
Hotels using eco-friendly cleaning products		92%	88%	97%	95%	+3%	+8%
Hotels using eco-friendly gardening products		76%	71%	76%	72%	(1%)	+1%
Hotels using certified paper for printing		83%	82%	91%	88%	+6%	+8%
Hotels equipped with condom vending machines.		ND	934 hotels	510 hotels	753 hotels	NA	NA
Employees trained in HIV/AIDS prevention		182 employees	221 employees	280 employees	344 employees	+54%	+56%
Sustainable procurement							
% of purchasing contracts in compliance with Procurement Charter 21		ND	60%	ND	68%	NA	NA
Number of third-party supplier audits performed over the past three years		ND	177	ND	248	NA	+71 supplier audits performed
European contracts including REACH compliance for chemicals		ND	1200	ND	1224	NA	NA
Hotels purchasing and promoting local food products		70%	68%	84%	81%	+7%	+6%

Indicators	Scope of reporting	2012		2013		% change at comparable scope of reporting	
		Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels
Hotels serving fair trade products or products from sustainable farms		58%	62%	63%	66%	+4%	+5%
ENVIRONMENTAL COMMITMENTS							
Environmental management							
ISO 14001-certified hotels	 (1)	626	785	678	900	+52 hotels	+115 hotels
Hotels using eco-designed materials in guest rooms		30%	27%	40%	38%	+9%	+11%
■ Flooring		10%	9%	13%	12%	+3%	+3%
■ Wall paint		12%	11%	17%	15%	+4%	+5%
■ Bedding		11%	10%	15%	14%	+3%	+4%
■ Bed linens		13%	12%	17%	16%	+4%	+4%
■ Furniture		13%	12%	17%	16%	+3%	+4%
■ Paper		18%	16%	28%	26%	+9%	+9%
■ Complimentary products		22%	20%	34%	33%	+11%	+12%
■ Bathroom linens		13%	11%	17%	16%	+4%	+4%
■ Other		6%	5%	10%	8%	+4%	+3%
Hotels using dispensers or eco-responsible packaging for bathroom products.		56%	57%	60%	61%	+2%	+4%
Awareness-building and buy-in							
Hotels training employees in environmentally-friendly practices		97%	97%	99%	98%	(1)%	+3%
Hotels with a designated Sustainability Manager		73%	67%	85%	78%	+9%	+12%
Hotels raising guest awareness of sustainable development issues		94%	91%	96%	93%	0%	+3%

(1) Excluding the economy and budget segment.



Indicators	Scope of reporting	2012		2013		% change at comparable scope of reporting	
		Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels
		Energy and carbon footprint					
Total energy used		3,209 GWh	ND	3,209 GWh	ND	(1.8)%	ND
Total CO ₂ emissions		1,261 teq CO ₂	ND	1,822 teq CO ₂	ND	+22%	ND
■ Direct emissions		220 teq CO ₂	ND	249 teq CO ₂	ND	(3.6)%	ND
■ Indirect emissions		1,041 teq CO ₂		1,573 teq CO ₂		+22.7%	
Hotels tracking and analyzing monthly energy use		95%	93%	97%	96%	(1)%	+3%
Hotels using energy-efficient bulbs for 24/24/7 lighting		96%	94%	98%	97%	0%	+4%
Hotels ensuring optimal settings on energy equipment		95%	92%	97%	95%	(1)%	+3%
Hotels using energy-efficient boilers		71%	68%	73%	70%	(1)%	+2%
Hotels using energy-efficient air conditioning units		66%	65%	69%	69%	+2%	+4%
Hotels using renewable energies		6%	6%	7%	7%	+1%	+1%
Hotels using energy-efficient bulbs for frontage lighting		70%	68%	71%	71%	(1)%	+4%
Hotels using building management software to manage their energy use		33%	28%	36%	31%	+2%	+3%
Hotels recovering energy from the ventilation system		36%	31%	37%	32%	(1)%	+1%
Hotels insulating pipes carrying hot/cold fluids		94%	91%	96%	94%	(1)%	+3%
Hotels using a timer for frontage lighting		91%	91%	92%	92%	(2)%	+2%
Hotels using energy-efficient bulbs in guest rooms		88%	88%	89%	89%	(1)%	+2%
Hotels with a central light switch in guest rooms		54%	51%	55%	53%	(1)%	+2%
Hotels using energy-efficient bulbs for outdoor signage		67%	67%	75%	76%	+4%	+8%
Hotels with green or cool roofs		ND	ND	4%	4%	NA	NA

Indicators	Scope of reporting	2012		2013		% change at comparable scope of reporting	
		Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels
		Hotels equipped with a timer for common area air conditioning		46%	40%	48%	43%
Hotels using speed controllers for pumps and fans		36%	30%	39%	34%	+1%	+3%
Hotels using energy-saving minibars		77%	75%	75%	75%	(2)%	0%
New or renovated hotels certified as sustainable buildings		NA	2 hotels	NA	6 hotels	NA	+200%
Hotels using CFC and PCB-free equipment		62%	61%	66%	65%	+2%	+4%
Hotels checking that equipment containing HCFCs and HFCs is leak-proof		80%	76%	80%	77%	(2)%	+2%
Water							
Total water use		25.4 million cu.m	ND	32.2 million cu.m	ND	(3.8)%	NA
Hotels tracking and analyzing monthly water use		98%	95%	99%	98%	(2)%	+3%
Hotels equipped with flow regulators on faucets/ showerheads		95%	93%	97%	96%	0%	+4%
Hotels equipped with rainwater recovery installations		6%	6%	7%	7%	+1%	+1%
Ensure proper treatment of wastewater		89%	87%	92%	90%	+1%	+3%
Hotels ensuring optimal settings on water equipment		95%	91%	97%	94%	0%	+3%
Hotels using sub-meters to improve monitoring		37%	30%	42%	34%	+4%	+4%
Hotels prohibiting the use of cooling towers without water recovery systems		73%	68%	77%	73%	+2%	+5%
Hotels using motion sensors for bathroom faucets		30%	26%	33%	29%	+2%	+3%
Hotels using dual flush toilets		54%	54%	58%	59%	+1%	+4%
Hotels using a water-efficient laundry service		50%	49%	60%	59%	+9%	+11%
Hotels using selective grounds watering methods		76%	77%	78%	80%	+1%	+3%
Hotels recycling gray water		8%	7%	8%	7%	(1)%	0%



Indicators	Scope of reporting	2012		2013		% change at comparable scope of reporting	
		Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels	Owned, leased and managed hotels	Owned, leased, managed and franchised hotels
		Local environmental impacts					
Hotels participating in the Plant for the Planet program		1,141	1,290	1,229	1,404	NA	NA
Hotels using locally adapted plants		89%	87%	90%	89%	0%	+2%
Hotels banning endangered seafood from restaurant menus		85%	83%	89%	89%	0%	+2%
Waste							
Sort and recycle toner cartridges		97%	96%	99%	98%	0%	+3%
Hotels sorting and recycling batteries		90%	91%	93%	94%	+1%	+4%
Hotels sorting and recycling fluorescent tubes and light bulbs		90%	90%	94%	94%	+2%	+4%
Hotels sorting and recycling paper and cardboard		85%	86%	89%	90%	+2%	+4%
Hotels sorting and recycling glass bottles and packaging		87%	86%	86%	87%	(2)%	+1%
Hotels sorting and recycling electrical and electronic equipment		82%	81%	85%	86%	+1%	+5%
Hotels collecting and recycling cooking oil		92%	91%	92%	92%	(3)%	(1)%
Hotels collecting and recycling fats		85%	85%	84%	85%	(2)%	(1)%
Hotels sorting and recycling plastic packaging		70%	71%	73%	74%	+1%	+3%
Hotels sorting and recycling metal packaging		61%	60%	64%	63%	+2%	+3%
Hotels sorting and recycling organic waste from restaurants		47%	45%	48%	47%	(1)%	0%
Hotels sorting and recycling green waste from lawns and gardens		59%	61%	62%	66%	+2%	+4%
Hotels offering guests waste sorting opportunities		27%	24%	26%	24%	(1)%	0%

2.9. INDEPENDENT VERIFIER'S REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our quality as an independent verifier of which the admissibility of the application for accreditation has been accepted by the COFRAC, under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Accor, we present our report on the consolidated social, environmental and societal information established for the year ended on the 31 December 2013, presented in chapter 2 of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L.225-102-1 of the French Commercial Code (*Code de commerce*).

RESPONSIBILITY OF THE COMPANY

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105-1 of the French Commercial Code (*Code de commerce*), in accordance with the protocols used by the company, composed of social reporting protocols, sustainable procurement reporting explanation sheets, Guidelines for the Charter 21 actions and sustainable development reporting protocol in their updated versions of 2013 (hereafter referred to as the "Criteria"), and of which a summary is included in the paragraph "Methodological review" of the chapter 2.8 of the management report.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial Code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

RESPONSIBILITY OF THE INDEPENDENT VERIFIER

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial Code (*Code de commerce*) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria (Limited assurance on CSR Information).

Our verification work was undertaken by a team of seven people between October 2013 and March 2014 for an estimated duration of twelve weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000⁽¹⁾.

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical information



1. Attestation of presence of CSR Information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial Code (*Code de commerce*).

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial Code (*Code de commerce*).

We verified that the CSR information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial Code (*Code de commerce*) with the limitations specified in the "Methodological review" in chapter 2.8 of the management report, notably regarding the absence of publication of severity rate, absence justified by Accor in chapter 2.5.4 of the present management report.

Based on this work, and given the limitations mentioned above, we confirm the presence in the management report of the required CSR information.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook about twenty interviews with the people responsible for the preparation of the CSR Information in the different departments⁽²⁾ in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards.
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development.

For the CSR Information which we considered the most important⁽³⁾:

- At the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- At the level of the representative selection of entities that we selected⁽⁴⁾, based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 25% of the total workforce, between 12% and 27% of the quantitative environmental information and 23% of hotels for sustainable procurement.

(2) Sustainable Development department, Human Resources department, Group Procurement department, Design & Technical Services Corporate

(3) **Environmental and societal information:** approaches to environmental evaluation and certification, water consumption and water supply considering local constraints, raw material consumption and measures undertaken to enhance resource efficiency, energy consumption, measures undertaken to improve energy efficiency, greenhouse gas discharges, territorial impact, economic and social (employment, regional development, impact on regional and local populations), importance of subcontracting and the consideration of environmental and social issues in purchasing policies and relations with suppliers and subcontractors, measures undertaken in favour of consumers' health and safety.

Social information: employment (total headcount and breakdown per gender, age, geographical area, hiring and terminations, organisation of working time, absenteeism, work accidents, notably their frequency and their severity, as well as occupational diseases, training policies, number of days of training, measures undertaken for gender equality, anti-discrimination policies and actions.

(4) **Social:** the Netherlands, Australia, New-Zealand, Indonesia, Brazil, Argentina, Uruguay, Colombia, Guatemala, Peru

Environment: for water and energy consumptions: France, the Netherlands, Belgium, Luxembourg, Australia, Brazil; for other environmental indicators: the Netherlands, Belgium, Luxembourg, Australia, New-Zealand, Poland.

Societal: for sustainable sourcing: the Netherlands, Luxembourg, Australia, Brazil and United-Kingdom.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Qualification expressed

Indicators "Average number of days of medical leave per employee over the year" and "Average number of days of unauthorized leave per employee over the year" are underestimated outside Europe because of national regulations inducing different interpretations of the Criteria in these countries.

Conclusion

Based on our work, and under this qualification, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Observations

Without qualifying our conclusion above, we draw your attention to the following points:

- Information's consolidation perimeter goes beyond regulatory requirements. It is a more complete perimeter than the financial one because it covers all subsidiaries and managed hotels. It can sometimes integrate franchised hotels for some indicators as mentioned in chapter "methodological review" of the present report.
- Except for water and energy consumptions indicators, internal controls conducted at country/area level can turn out to be limited in some cases, notably for a part of the Charter 21 actions and for some HR indicators.
- Regarding sustainable procurement, a work to define indicators has been undertaken in 2013. Nevertheless, some of them are still misunderstood by contributors.
- The "number of employees having attended at least one training course" could present a risk of over-estimation because of disparity in monitoring tools between countries.

Paris-La Défense, the 18 March 2014

Independent Verifier
French original signed by:

ERNST & YOUNG et Associés

Éric Duvaud
Partner, Sustainable Development

Bruno Perrin
Partner