

# 2

## Corporate RESPONSIBILITY

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Leading the way, in 2015 AccorHotels pursued its commitment and reaffirmed its 2020 objectives.

*Imagine a city with 500,000 inhabitants. Imagine thousands of lives crossing paths on a daily basis. Imagine hundreds of thousands of people with access to food, heating, lighting, washing facilities and supplies... That city is AccorHotels, the world's leading hotel operator with 3,900 hotels in 92 countries. Just like a modern metropolis, our hotels welcome over 120 million guests and serve 200 million meals each year.*

*We are fully aware of the challenges this represents and of our responsibility as a company and economic player, so we have always been fully committed to limiting the negative impacts of our activity and creating tangible benefits for our employees, guests, suppliers, partners and host communities. With our 190,000 employees demonstrating, on a daily basis, their commitment to providing a warm welcome and excellent hospitality for all our guests, we see our corporate social responsibility process feeding into every aspect of the AccorHotels business. We focus this energy on concrete initiatives which reach beyond the company in order to prevent child sex tourism, sustain agroforestry and support the least fortunate in society.*

*In 2015, our PLANET 21 program ended on a very positive note which is testimony to the hard work and commitment of all the teams. In 2016, it will be the turn of our ambitious 2020 plan to make its mark and drive the change towards positive hospitality wherever we are.*

*Sébastien Bazin, Chairman and Chief Executive Officer*

## 2.1 VISION AND COMMITMENTS

### 2.1.1 THE ACCORHOTELS CSR APPROACH: COMBINING BUSINESS WITH SUSTAINABLE DEVELOPMENT

AccorHotels has a simple mission: to welcome guests and provide them with lodging and meals around the world. In order to do this, we must make strategic decisions which address two imperatives. The first, inherent to any company, is to make a profit. The second is an expression of awareness of global challenges which demands that economic players, in particular major groups like AccorHotels, the sector leader, assume new responsibilities such as sharing the value they create, nurturing fair and equitable stakeholder relations, integrating social responsibility and environmental considerations into their business practices and the opportunities and constraints inherent in the ever-increasing digitization of the economy.

In 2015, AccorHotels stepped up the changes it made to its business and corporate culture. With its "Leading Digital Hospitality" plan "Food & Beverage" plan and new values, the Group focused on innovation and also renovation of its fundamentals. Indeed, AccorHotels embraced change by reworking its values. Its "Passionate about guests" value embedded the process and highlighted the importance it places on customer relations, a key part of the Group's guest care policy; the "Performance" value became "Sustainable Performance" to mark the Group's quest to create long-term positive value for the greatest number.

By placing sustainability at the core of its values, AccorHotels is committing to making CSR an integral part of its operating model. Another major move in this direction: the environmental and social performance criteria defined in 2015 will be used to calculate the variable portion of the salary of all qualifying employees. From 2016 onward, 24,000 employees from the management team down to the hotel supervisor will qualify for variable payments. In total, up to 20% of the variable portion may be based on individual and collective environmental and social performance.

In this way, the AccorHotels CSR process is helping to change the Group. 2015 was devoted to making maximum progress in order to bring the PLANET 21 2011-2015 program to the best possible conclusion and devise the future program for 2020. The latter was designed to support each of the Group's assets which play a major part in value creation: its human capital, its brand portfolio and digital expertise, its buildings and its relations with its business partners, society in general and local communities.

**THE SUSTAINABLE DEVELOPMENT CRITERIA ARE DEFINED BY THE GROUP'S BUSINESS MODEL AND THE EXPECTATIONS OF STAKEHOLDERS**

**The AccorHotels Group: a global city**

Hotels at AccorHotels are like a city where half a million people live every day. As such, they form living communities deeply anchored in their cultural, historical or natural heritage, interacting both with people in the local economy to procure goods and services and with the host population and local authorities.

Their operations are seamlessly interwoven with our stakeholders' activities and expectations, especially at the local level. AccorHotels is the sum of its 3,900 hotels, each of which is primarily focused on the economic actors and communities living nearby. As a result, managing stakeholder relationships is an intrinsic part of our business, and a strategic driver for a hospitality company.

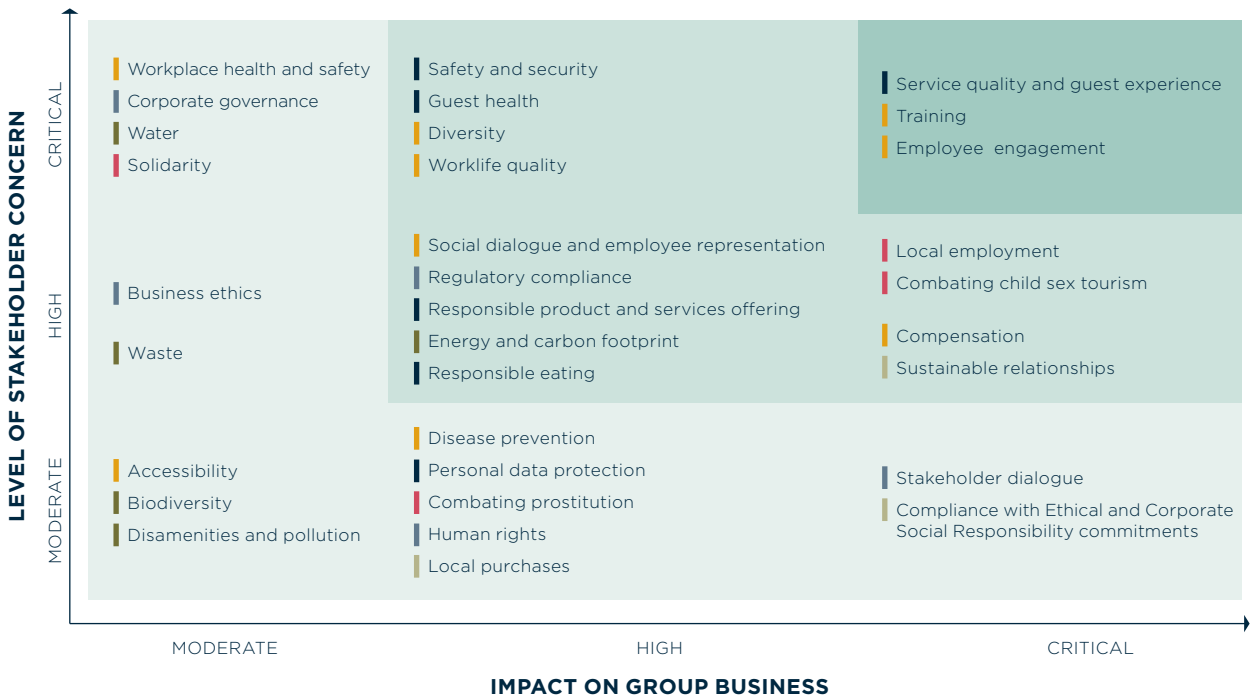
**Assessing the materiality of issues**

In 2015, AccorHotels updated its original 2013 assessment of the materiality of these issues. This assessment focuses on:

- identifying stakeholder concerns and expectations and determining their degree of importance;
- benchmarking the performance of AccorHotels against industry practices;
- measuring the impact of stakeholder expectations on AccorHotels business, either financially or in terms of reputation.

The Sustainable Development Department continuously tracks the Group's CSR issues and challenges. In 2014 and 2015 it conducted three major studies to allow it to quantify the issues with greater accuracy: update of the Group's environmental footprint (see page 28), the first global socioeconomic environmental footprint study carried out by a group in 186 countries and 25 business sectors (see page 28) and a study to gain an insight into how its guests perceive sustainable development (see page 28). In 2015, the Risks and Insurance Department also completely revised its risk mapping method to incorporate CSR considerations. Further details of the Group's risk mapping method can be found in Chapter 3 "Risk Factors".

The diagram below shows the results of the materiality assessment updated to include the lessons learned from the work described above. They show that the quality of service and the guest experience, training, and employee engagement were the three highest-ranking issues, confirming the importance of people in the hospitality industry. The analysis also demonstrated that AccorHotels must address many challenges in the three core aspects of CSR, with a greater emphasis placed on employment issues, followed by social and environmental concerns.



- Guests
- Employees
- Environment
- Public authorities and institutions
- Local communities
- Suppliers

## 2.1.2 COMMITMENTS SUPPORTED BY THE ETHICS AND CORPORATE SOCIAL RESPONSIBILITY CHARTER

Deeply inspired by a dedication to acting responsibly and sharing value, AccorHotels upholds the highest ethical standards, strengthened over time by assertive commitments to all of its stakeholders. This dedication was reaffirmed in 2014 with the revamped Ethics and Corporate Social Responsibility Charter, which was updated in 2015 to incorporate the new Group's values. The Charter inspires all the AccorHotels socially responsible policies and guides the Group's responsibility process, in the areas of management ethics, integrity, compliance and corporate social responsibility.

Championed by the Chairman and Chief Executive Officer, the Charter presents in detail the foundations of our culture and commitments. The Charter is built on:

- **the Group's six Values** which were redefined in 2015;
- **the frame of reference** that expresses our commitment to complying systematically with applicable laws and regulations and fundamental international principles, such as the ILO conventions or the UN Global Compact, which the Group has been actively supporting since 2003<sup>(1)</sup>;
- **AccorHotels ethical commitments** in the way the Group conducts its business, in such areas as fairness and respect for people, compliance with good business practices and the protection of property and data;
- **specific commitments made to the main stakeholder categories:** employees, guests, financial and business partners, suppliers and host communities – as well as in relation to the environment. All of the most frequently expressed expectations are covered, including diversity, work-life balance, hotel security, transparency, child protection and the preservation of natural resources;
- **the Charter distribution process** covers in detail the distribution to employees and outside stakeholders, such as the Group's owner and franchisee partners, and the role of senior management, Human Resources Departments or Legal Departments in reporting concerns and red flags.

### SIX VALUES, ONE MISSION

- **Guest Passion:** Hospitality is our trade, pleasing people is what drives us. Our guests are the driver of our decisions, of our actions. We put them first, we care for them. We go the extra mile for them. We enjoy doing it.
- **Innovation:** We heard it was impossible, but together we did it. We stand for bringing guest's dreams to life. We dreamed it, we did it, they love it. We are curious, we welcome ideas. We are free to try, to test, to learn.
- **Sustainable Performance:** We stand for creating value, for as many as possible, over the long term.
- **Trust:** We believe in natural kindness. We support and value each individual and acknowledge their value. We deliver on our commitments. We say what we do, we do what we say.
- **Spirit of Conquest:** Our guests are globetrotters, and so are we. We want to be where they want to be. We explore, we initiate, and we develop. We are ambitious for our guests. We make the impossible possible, we have fun doing it.
- **Respect:** We are connected with the world, and to others. We enjoy the mix of cultures. We are proud of our differences. We put you first and we value you, whoever you are. We care for the planet.

The Charter was officially launched in 2014 and has since been rolled out to all the countries in which the Group operates. It is available on the various Group Intranets and from the AccorHotels website (<http://www.accorhotels-group.com/en/sustainable-development.html>). Directors are responsible for promoting the values and commitments to their teams and carefully tracking its application.

(1) AccorHotels Group reference texts include the principles of the 1948 Universal Declaration of Human Rights; the Guidelines for Multinational Enterprises issued by the Organization for Economic Cooperation and Development (OECD); the ten principles of the United Nations Global Compact; the International Labour Organization's fundamental conventions (1966 International Convention on the Elimination of All Forms of Racial Discrimination); the 1990 Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families; the 1989 Convention on the Rights of the Child; The Worst Forms of Child Labour Convention; Abolition of Forced Labour Convention (1957); the United Nations Conventions; the 1949 Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others; the 1966 International Covenant on Economic, Social and Cultural Rights; the Convention against Transnational Organized Crime; and the Financial Action Task Force (FATF).

In 2015, the roll out of a culture of ethics and CSR was stepped up within the Group. The Charter went live and was presented to the Board of Directors and the Group's Executive Committee and all the Executive Committees of the regions and the corporate support functions. It was distributed in the different areas, regions and countries and operating procedures were distributed and implemented locally. The Ethics and Corporate Social Responsibility Charter was also presented to the Group's partners, primarily the International Union of Foodworkers (IUF) and the AccorHotels Franchise Association, and it was decided to incorporate an ethics and corporate social responsibility clause into all new franchise and management contracts as of end of 2015.

A global, Groupwide network of Ethics and CSR correspondents has been put into place. This is led at Corporate level by three people who coordinate deployment of the Charter and lead and track the related projects. The Ethics and CSR correspondents serve as advisors for Charter deployment in their region, leading the related working groups, reporting any issues requiring attention, red flags or best practices and keeping the Executive Committee informed.

### PREVENTING BRIBERY

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

- **combating bribery of public officials:** AccorHotels pledges that no commission will be paid directly or indirectly to any elected or appointed public official with regard to the Group's contracts or its relations with government agencies;
- **combating bribery in the private sector:** AccorHotels pledges to take all reasonable measures to avoid the use of bribes with regard to both its procurement 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.

The Ethics and Corporate Social Responsibility Charter plays an important part in preventing bribery. For this reason, it is part of the Group's mapping process which is described in Chapter 3 "Risk Factors". Internal audit grids also cover this issue through the verification of certain processes, such as hotel development and procurement. 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. In 2015 the Group adopted a new policy on gifts to deal with the issue of conflicts of interest. It specifically states that all gifts must be refused and recommends how employees should act, depending on the situation.

No incidents of bribery were reported to judicial authorities by AccorHotels in 2015 and no provisions were recognized for bribery-related risks.

### THE ACCORHOTELS GROUP FISCAL POLICY

As a matter of policy, AccorHotels aims to apply the local tax laws and regulations of the Group's host countries.

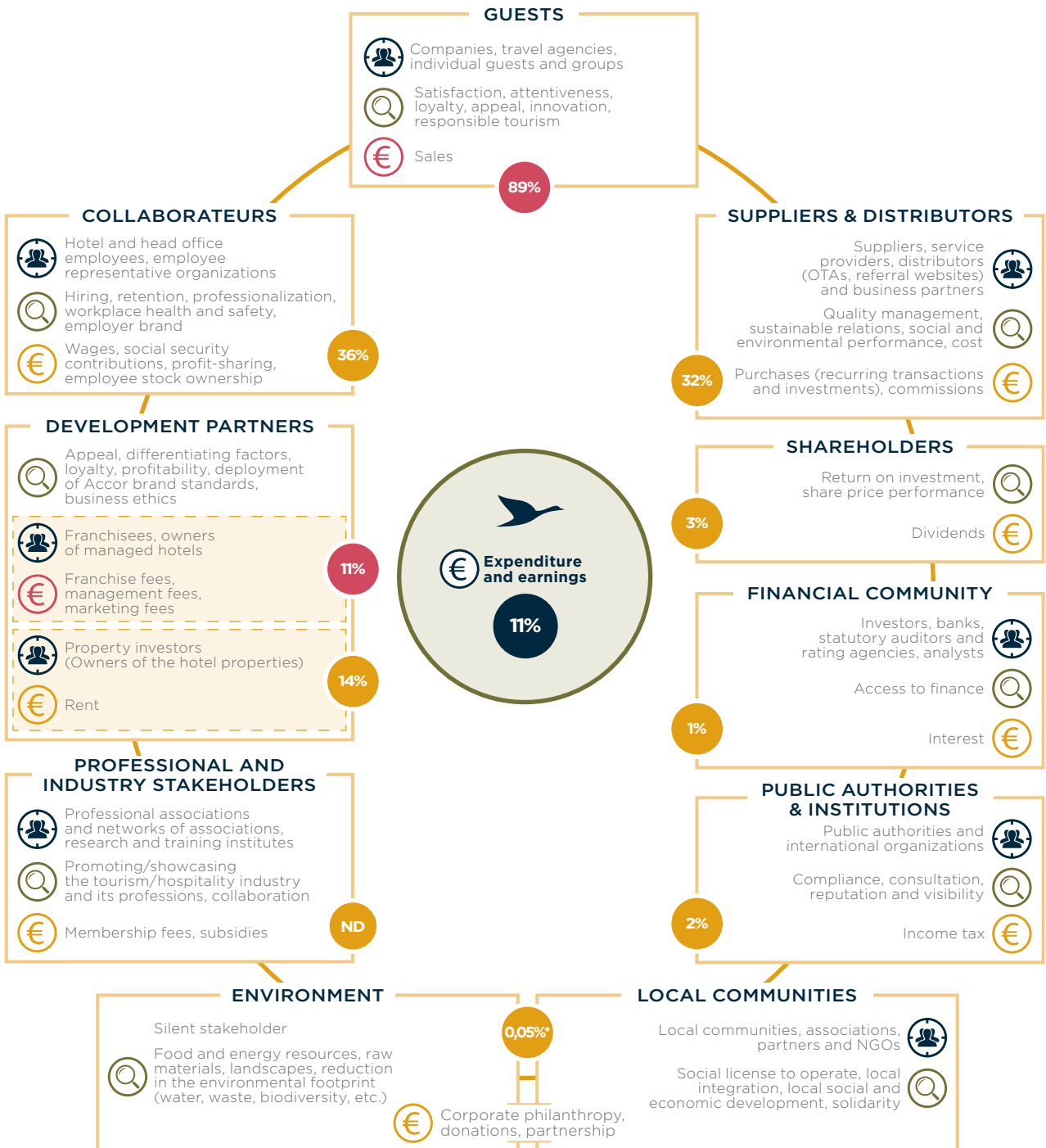
In addition, tax issues are part of a risk management policy that is operated by the Group Fiscal Department in conjunction with the Audit Department. Action plans are drawn up to defend the Group's interests in line with the applicable local regulations and international tax treaties. Documentation on tax positions is consulted, advice is sought from external consultants and dialogue is entered into with the tax authorities to safeguard the Group from these risks. The Group proactively monitors taxation changes and keeps its different correspondents up to date through training initiatives.

Finally the Group is involved directly, or through industry associations, in dialogue with the tax and legislative authorities in order to create an environment that is conducive to growth.

**2.1.3 THE ACCORHOTELS GROUP'S INTERACTION WITH ITS STAKEHOLDERS**

With assistance from the different Group departments, stakeholder maps were created which helped AccorHotels to identify its stakeholders, determine the type of dialogue fostered with each one, and compare stakeholder and corporate views on the criticality of various CSR issues. The diagram gives an overview of the main stakeholders identified and the key challenges associated with each. It also illustrates how these stakeholders share in the financial value that AccorHotels creates.

*Stakeholders, the associated challenges and the distribution of revenue*



Environment stakeholder category

Main challenges

Cash flows from Accor to stakeholders (as a % of revenue)

Cash flows from customers and development partners to Accor (as a % of revenue)

\* Excluding local initiatives (areas, countries, hotels)



## STAKEHOLDER DIALOGUE AND PARTNERSHIPS

### Dialogue policy

Implementation of our CSR commitment is supported by continuous stakeholder dialogue, a critical process that plays an ongoing, inherent role at every level of the organization and in every aspect of the business. A corporate stakeholder dialogue procedure, established in 2014, defines the scope of application and implementation of the process, the responsibilities at every level (global, regional, local) and the resources used to enhance dialogue and keep stakeholders informed.

The importance of stakeholders to the AccorHotels Group is illustrated by the Ethics and Corporate Social Responsibility Charter, the most compelling expression of our dedication to social responsibility. As such, it is organized around our flagship commitments to each major stakeholder category (see page 24).

### A SOCIAL RESPONSIBILITY RESOLUTION IS PUT TO THE VOTE AT THE ACCORHOTELS ANNUAL GENERAL MEETING

The AccorHotels "tree resolution", the perfect illustration of how far the Group is prepared to take its social responsibility process, was the first non-financial resolution put to the vote at an Annual General Meeting. The commitment: to plant 10 million trees by 2021 as part of the Plant for the Planet program (see also page 62) and promote "insetting" as a founder member of the International Platform for Insetting. Insetting involves developing projects with a high socio-environmental impact within the industries themselves and the sphere of influence of companies who offset. This brings added benefits for the company, its industries and its products and, more generally, for the whole ecosystem. With 96% of the votes, the shareholders were almost unanimous in their support for the Group's agroforestry program.

This unprecedented step of consulting shareholders on a CSR program, the Group's long-term commitment and the comprehensive nature and clarity of the information it delivers at its Annual General Meeting and in its publications, earned AccorHotels the Capital Com "*Trophée RSE de l'Assemblée Générale*" [AGM Corporate Social Responsibility Trophy].

### Main opportunities for dialogue between AccorHotels and its stakeholders in 2015

At Group level, the main opportunities for dialogue with stakeholders in 2015 were as follows (non-exhaustive list):

- participation at nearly 20 hotel industry investor conferences worldwide: ALIS in Los Angeles, IHIF in Berlin, MIPIM in Cannes, HICSA in Mumbai, AHIC in Dubai, NYU in New York, AHIF in Addis Abeba, HICAP in Hong Kong, RHIC in Moscow, etc.;
- meeting with over 1,000 investors and industry intermediaries (conferences, road shows, reverse road shows);
- annual franchisee conference held in Bordeaux (500 owners) – France, in Germany (60 owners) and in the UK (50 owners);

- launch of a study to understand how AccorHotels guests perceive sustainable development. This study compares the responsible behaviors and attitudes of guests in their homes and at a hotel and measures their perception of sustainable development in the hotels. It was based on some 8,000 questionnaires completed by AccorHotels guests in eight countries. The results will be published in 2016;
- Jean-Marc Borello, Chairman of the Executive Board of the SOS Group and board member of Solidarity AccorHotels, delivered a talk on the Group's solidarity commitment at the Annual General Meeting of Shareholders on April 28, 2015.

### ACCORHOTELS, OFFICIAL PARTNER OF COP21

AccorHotels supported the Paris Climate Conference which took place from November 30 to December 11, 2015 in several ways:

- excellence in hospitality training for COP21: AccorHotels took charge of the English language and hospitality training of 300 young people from the Seine Saint-Denis department who were responsible for looking after the official delegations during the event;
- an unprecedented commitment: reflecting its Plant for the Planet program, AccorHotels offset the carbon emissions of all of the nights that guests spent in the Paris region in AccorHotels hotels and also hotels of their competitors, including chain hotels and independent hotels, for the full duration of the conference. To do this, it planted 27,000 trees in Peru in one of the reforestation projects that the Group supports;
- support for the "One Heart One Tree" art installation whereby the general public could use a dedicated app to project a "virtual tree" onto the Eiffel Tower during COP21. Each virtual tree projected was then transformed into a real tree which was planted as part of a reforestation project.

### Outside partnerships to extend the process

To capitalize on the capabilities and recommendations of organizations with recognized expertise in key issues, partnerships have been forged to help drive continuous improvement.

**End Child Prostitution, Pornography and Trafficking of Children for Sexual Purposes (ECPAT):** AccorHotels has been engaged in the fight against child sex exploitation in its hotels through a partnership entered into in 2001 with ECPAT International, an international NGO comprising 77 organizations in more than 70 countries.

**Pur Projet:** this organization is dedicated to combating climate change through reforestation and forest conservation projects, with a focus on the involvement of local communities. Since 2012, a partnership with Pur Projet has supported the development of AccorHotels Plant for the Planet program (see above and page 62).

**Energy Observer:** AccorHotels became an official sponsor of the Energy Observer boat in 2015. The boat is used to demonstrate technology and as a renewable energy laboratory. The aim of the project is to involve scientists, researchers, engineers and journalists at 101 ports of call throughout the world. Alongside this initiative, AccorHotels has entered a technical and technology partnership with the CEA Tech, an applied research laboratory which specializes in alternative energies and has provided the technology for the boat. The idea behind the partnership is to test the Energy Observer electricity installations in a few hotels before considering a wider-scale roll-out.

**International Insetting Platform (IPI):** in 2015 AccorHotels joined forces with the other founder members, Adaptogether, Pur Projet and PlanVivo, to launch the IPI, an association governed by the French 1901 act. The platform is open to all operators with objectives or projects for the purpose of sharing knowledge, promoting and improving the visibility of insetting and encouraging innovation in project implementation. (Further information is available at: <http://www.insettingplatform.com/>).

## ACCORHOTELS, A MAJOR PLAYER AND KEY CONTRIBUTOR TO INDUSTRY DEBATE

### Institutional relations

AccorHotels has relationships with the government and public authorities and institutions in most of its host countries. Thanks to these relationships, it can make a constructive and transparent contribution to public policy in the areas which concern the Group's business. The ultimate aim of this contribution must be to influence the public decision-makers. AccorHotels has made the following commitments which are included in its Ethics and Corporate Social Responsibility:

- to have a voice to ensure its position on topics of general interest affecting its business are made known to public authorities and institutions, either on an individual basis or through associations;
- to take action to defend its legitimate interests in the knowledge that its action is justified;
- to refrain from seeking undue preferential political or regulatory treatment;
- to demonstrate integrity and intellectual probity in all its dealings with government agencies and public bodies, regardless of the situation or the interest it is defending.

In general, the Group's lobbying actions must comply with its principles of strategic action and its sustainable development and corporate social responsibility policies.

The positions of the AccorHotels Group are systematically supported by Sébastien Bazin, Chairman and Chief Executive Officer, the members of the Executive Committee, or by the international professional groups or organizations (WTTC, ITP, HOTREC, etc.) and national (UMIH, GNC, etc.) industry bodies and organizations of which AccorHotels is a member. The Group does not use an external agency in its dealings with governments and public authorities and institutions.

### Creating and sharing corporate social responsibility knowledge

The AccorHotels Group is very active in the production of corporate social responsibility know-how, especially in the hospitality sector. 2015 was a particularly prolific year with a large number of new publications being disclosed on the "Planet 21 Research" open source knowledge sharing platform which can be found in the sustainable development section of the Group's website.

In 2015, the Group updated its 2011 environmental footprint, the first global socioeconomic environmental footprint study to assess the impact of an international hotel group throughout the full cycle of its activity based on several criteria. The second edition, to be published in 2016, provides greater detail on a number of areas which were merely touched on in the first, primarily its impact on water resources and biodiversity. The scope was extended to include indirect effects such as the impact of food storage and transport. This work allowed the Group to ensure that its sustainable development approach is technically robust and gave it the accurate and reliable vision it needed to consolidate its strategy.

AccorHotels is also the originator of the first global socioeconomic environmental footprint study carried out by a group in 186 countries and 25 business sectors. The study, which will be published in 2016, used an innovative method to measure and understand the direct impact of the Group's hotels, the indirect impact of its suppliers' activities and the impact brought about by AccorHotels activities (household consumption made possible by the salaries paid by the Group and its suppliers, tax revenues, public expenditure, etc.).

In 2015, AccorHotels published two studies on the impact of a CSR approach based on guest satisfaction and the financial performance of its hotels:

- "Links between business and CSR performance for key B2B accounts" a study verified by EY;
- "AccorHotels: socially responsible initiatives improve guest satisfaction and profitability", a study conducted by Accenture.

The results of both studies demonstrate a tangible link between the hotels' sustainable development performance and their financial performance. The CSR performance of a hotel impacts favorably on its profitability and guest satisfaction. It also forges a closer relationship between AccorHotels and its key B2B accounts: more than 70% of calls for tender include CSR requirements, and CSR performance is a very important criteria for almost 90% of clients when selecting a service provider in the hospitality industry.



## 2.2 STEERING THE CSR APPROACH

### 2.2.1 CSR GOVERNANCE

#### ETHICS AND CSR COMMITTEE

The Ethics and CSR committee was set up in 2014 in order to:

- inform the Executive Committee about questions pertaining to Ethics and CSR in order to better anticipate the opportunities, challenges and risks associated with them;
- make recommendations regarding the development of our commitments in the areas of human resources, risk management and sustainable development;
- monitor the implementation and performance of the actions we implement, for example the current deployment of the Group's new Ethics & CSR Charter;
- debate any issues concerning managerial ethics, our business conduct or possible conflicts of interest;
- analyze any dysfunctions and implement specific additional monitoring if required.

Chaired by Sven Boinet, Deputy Chief Executive Officer, the Committee comprises five Executive Committee members, four representatives from operations (Central and Eastern Europe, Southeast Asia, Africa, America and the Caribbean) and seven representatives from the directly concerned corporate support functions (Human Resources, Security and Safety, Legal Affairs, CSR, Purchasing and Communications).

The Committee met four times in 2015 to monitor the progress made on the ethics and CSR roadmaps. The packed agenda included: monitoring deployment of the Charter, sharing the Group's ethics and CSR commitment with its partners, the gift policy, employee safety when traveling, partner surveys, combating human trafficking in the hospitality industry, etc.

#### OVERSEEING THE CSR PROCESS

The CSR policy is primarily led by the Sustainable Development Department, the Human Resources Department and the Solidarity Accor endowment fund.

**The Sustainable Development Department** is in constant contact with the country operations, the brands and the support functions (Human Resources, Procurement, Technical Affairs, etc.). It is backed by a network of 115 country-correspondents and dedicated committees in some countries. It interacts with the brands and the support functions *via* a network of dedicated correspondents and for certain brands, *via* dedicated committees.

The Sustainable Development Department is primarily responsible for:

- promoting the PLANET 21 program in the organization and externally;
- leading the process structured by performance objectives and indicators, and coordinating sustainable development programs and the related partners;
- moderating the PLANET 21 community around the world by providing support in the form of expertise and social and environmental intelligence. In particular, in September 2015 a three-day PLANET 21 seminar in Paris brought together 60 sustainable development correspondents from around the world;
- designing and deploying tools capable of improving the management of AccorHotels sustainable development performance;
- initiating new projects, innovating in the area of sustainable development and tracking emerging issues.

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

Country Human Resources Directors report to their country's Operating Department. They head up top-level teams, define and implement the skills development and employee engagement policies and drive forward changes in culture in line with the AccorHotels Human Resources policies and strategy. They are supported in their endeavors by the expertise of their local teams and also have access to Group-wide tools or best practices from other countries, regions or areas that are shared throughout the HR community, thereby generating synergies that ensure consistency in practices and increase their impact.

The Human Resources community is organized into centers of expertise and interacts directly with all the operating departments and support functions: Legal Affairs, Communication, Marketing, IT, Sustainable Development, etc.

To accompany the changes which took place in the Group in 2015, the HR community was renamed the Talent & Culture community. As of January 1, 2016, the new organization will be built around the following five areas: Talent, Learning & Development, Recognition, Culture & Engagement, Social Dialogue and Social Innovation.

**The Solidarity AccorHotels corporate** endowment fund helps disadvantaged and socially isolated people by supporting outreach projects championed by employees. It is supported in its mission by a number of decision making and advisory bodies, including a Board of Directors, a Selection Committee and a standing team working with local correspondents. These correspondents, who come from the region concerned by the project or have worked there for several years, act as relays between Solidarity AccorHotels and local employees. They also provide useful information and advice concerning the projects.

### A DEPLOYMENT PROCESS ALIGNED WITH EACH HOTEL'S OPERATING STRUCTURE

Just like the hotel data reporting system, the method used for deploying our CSR commitments, policies and programs depends on whether the hotels are owned, leased, managed or franchised.<sup>(1)</sup>

- CSR commitments apply to every AccorHotels hotel regardless of operating structure.
- The PLANET 21 program covers the owned, leased and managed hotels. In the case of franchised hotels, if the program is included in the franchise agreement, it must be deployed. Otherwise, implementation is recommended to the owner, who makes the final decision.
- Human resources policies and tools are deployed differently depending on the type of operating structure (see page 35). Most of them apply directly to owned, leased or managed hotels, with the exception of social dialogue, which is led at Group level only for owned and leased units. The Group offers franchised hotels recommendations and a variety of tools, but they remain responsible for their own human resource policies.

As a listed company headquartered in France, AccorHotels 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. AccorHotels has chosen to extend this disclosure, whenever possible, to all of the hotels operating under its brands. Depending on the issue, the reported data therefore include a more or less large percentage of the managed and franchised hotels.

### ADDRESSING CSR ISSUES AT DECISION-MAKING LEVELS

CSR issues and challenges are addressed across the Group's decision-making organization. For example, the regional Executive Committees led by the members of the Group Executive Committee regularly discuss sustainable development and human resources issues at their meetings, which may be attended from time to time by representatives from the corporate Human Resources or Sustainable Development Departments. These issues are also addressed at the annual conventions organized by the corporate functions, such as the Legal Affairs Convention, the Development Convention and the Franchisees Convention in France.

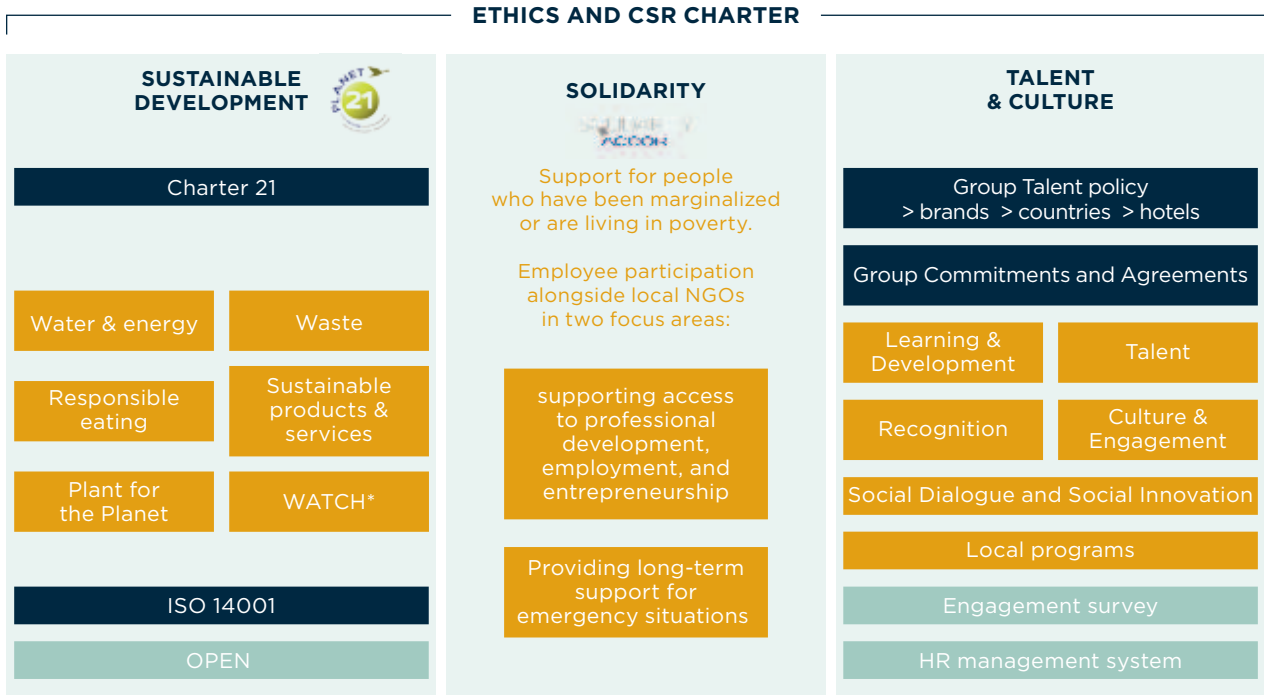
Conversely, Executive Committee members are directly involved in the bodies tasked with leading the CSR process: Executive Committee members are invited to address seminars organized for the Human Resources and Sustainable Development networks. In 2015, for example, the Deputy Chief Executive Officer, the Chief HR Officer and Chief Executive Officer for Food & Beverage spoke at the PLANET 21 seminar. The Chairman and Chief Executive Officer, the Chief Executive Officer of HotelServices France and the Chief Executive Officer of HotelServices for Central & Eastern Europe all sit on the Solidarity AccorHotels Board of Directors.

Finally, since 2015, the monthly indicator scorecard presented to the Executive Committee and the operations managers in the different countries includes PLANET 21 specific objectives. This new system has ensured more involvement and commitment from the whole Group to PLANET 21 and has helped improve performance significantly in 2015.

(1) AccorHotels operates four main modes of affiliation: franchise contracts, management contracts, lease contracts and ownership. More information about these can be found on page 7.

## 2.2.2 CSR POLICIES AND PROGRAMS

The Ethics and Corporate Social Responsibility Charter provides a framework for AccorHotels' CSR approach, which covers three key areas: the PLANET 21 sustainable development program, human resources policies and the Solidarity AccorHotels endowment fund.



\* Program to combat child sex tourism



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

Alongside the Group's CSR commitments, the Ethics and Corporate Social Responsibility Charter includes its compliance undertaking: values, business ethics, employment rights, protection of property and data.

## 2.2.3 PLANET 21 OBJECTIVES AND RESULTS

PLANET 21, the AccorHotels sustainable development program for the period 2011-2015, was designed in 2011 based on an assessment of the Group's environmental footprint and the findings of a survey on guest expectations and concerns in this area. One of the program's key components is the active participation of both guests and the nearly 190,000 people working under AccorHotels brands worldwide.

PLANET 21 has 21 measurable objectives in seven key areas. This program came to an end in 2015. A new program for the period 2016-2020 will be launched in the first semester of 2016. The table below gives a full overview of the PLANET 21 program for the period 2011-2015.

7 areas	21 commitments	2011-2015 objective	2011	2012	2013	2014
	1. Ensure healthy interiors	85% of hotels use <b>eco-labeled products</b>	68%	89%	95%	97%
	2. Promote responsible eating	80% of hotels with restaurants promote <b>balanced dishes</b>	62%	87%	96%	97%
	3. Prevent diseases	95% of hotels organize <b>disease prevention training</b> for employees	77%	40%	65%	74%
	4. Reduce our water use	15% reduction in <b>water use</b> between 2011 and 2015 (owned, leased and managed hotels) <sup>(1)(2)</sup>	-	-5.2% <sup>(2)</sup>	-5.2% <sup>(2)</sup>	-5.6% <sup>(2)</sup>
	5. Expand waste recycling	85% of hotels recycle their <b>waste</b> (in countries with recycling channels)	64%	79%	86%	88%
	6. Protect biodiversity	60% of hotels participate in the Plant for the Planet reforestation program ( <i>excluding hotelFI</i> )	34%	39%	41%	46%
	7. Reduce our energy use	10% reduction in <b>energy consumption</b> between 2011 and 2015 (owned, leased and managed hotels) <sup>(1)(2)</sup>	-	+3% <sup>(2)</sup>	+0.3% <sup>(2)</sup>	-4.5% <sup>(2)</sup>
	8. Reduce our CO <sub>2</sub> emissions	10% reduction in <b>CO<sub>2</sub> emissions</b> between 2011 and 2015 (owned, leased and managed hotels) <sup>(1)(2)</sup>	-	+10% <sup>(2)</sup>	+0.6% <sup>(2)</sup>	-3.8% <sup>(2)</sup>
	9. Increase the use of renewable energies	10% of hotels <b>use renewable energies</b>	4%	6%	7%	9%
	10. Encourage eco-design	40% of hotels have at least three eco-designed <b>room components</b>	13%	23%	35%	40%
	11. Promote sustainable building	21 new or renovated hotels are <b>certified as sustainable buildings</b>	3	2	6	13
	12. Introduce responsible hotel offers and technologies	20% of owned and leased hotels offer <b>green meeting solutions</b>	Not begun	Not begun	Not begun	Not begun
	13. Protect children from abuse	70% of hotels have pledged to <b>protect children</b>	49%	38%	44%	48%
	14. Develop responsible procurement practices	70% of hotels purchase and promote <b>locally sourced products</b>	51%	68%	81%	87%
	15. Protect ecosystems	100% of hotels have banned <b>endangered seafood from restaurant menus</b>	68%	83%	89%	93%
	16. Support employee growth and skills	75% of hotel General Managers are <b>promoted from within</b> (owned, leased and managed hotels)	75%	80%	80%	69%
	17. Make diversity an asset	35% of hotel General Managers are women ( <b>owned, leased and managed hotels</b> )	27%	27%	28%	27%
	18. Improve quality of worklife	100% of country organizations conduct an <b>employee opinion survey</b> every two years (in the owned, leased and managed hotels)	71 countries	71 countries	59 countries	55 countries
	19. Conduct our business openly and transparently	AccorHotels is included in six internationally- recognized <b>socially responsible investment indices or standards</b>	4	4	4	3
	20. Engage our franchised and managed hotels	4% of all non-budget hotels, across all operating structures, are <b>ISO 14001-certified</b>	25%	31%	36%	41%
	21. Share our approach with suppliers	100% of purchasing contracts are in compliance with <b>our Procurement Charter 21</b>	45%	60%	68%	80%

(1) The scope of these commitments is detailed on pages 91 and 92 in the environmental indicators table.

(2) Change at comparable scope of reporting since 2011.

2015 results <sup>(1)</sup>		Comments
98%	✓	The use of eco-labeled products, already in place in some of the hotels at the time that the program was launched, was historic. Thanks to the extensive use of a solution developed jointly with the supplier, the target was easily exceeded: virtually all hotels now use eco-labeled products.
98%	✓	This target was easily exceeded by the hotels taking account of the requirements of guests who wished to eat responsibly-sourced, well-balanced meals.
85%	↗	The target was not met. Much progress was made in 2015, however, thanks to the introduction of a training kit aimed at instilling correct posture and practices and an increased number of training sessions on the subject delivered to the network.
-8.4% <sup>(2)</sup>	↗	A dramatic reduction in water use has been recorded over the five-year period. The target has not been met Group-wide but has been achieved in the Mediterranean, Middle East and Africa (MMEA) region.
89%	✓	The target was exceeded back in 2013 and performance has been improving since then despite the difficulty identifying recycling channels in a few countries.
60%	✓	Having devoted several years to setting up the program and opening plantation sites across the world, the Group was able to really get its hotels on board its flagship project in 2015.
-5.3% <sup>(2)</sup>	↗	Adjusted for the impact of weather conditions and occupancy rates, kWh per available room declined by around 7.2% which, although a marked improvement, did not meet the objective set.
-6.2% <sup>(3)</sup>	↗	Performance is improving but is still below the target set.
15%	✓	Thanks to continued investment in these technologies the target was easily exceeded. The 2015 increase is due in part to the hotels' better accounting of their purchases of "green" energy.
50%	✓	The increased availability of environmentally-friendly products (paint, wooden furniture, carpets, etc.) and commitment from the network allowed all brands to incorporate a growing number of eco-designed products into their rooms.
21	✓	After two to three years of introducing methods and tools to improve the environmental standards of hotel building practices, sustainable building certifications gathered momentum in 2014 and again in 2015. As at the end of 2015, 21 buildings had been certified or were in the process of receiving certification.
Being deployed	✗	The target was not met because the definition of the "Meeting 21" standard was delayed. The standard was launched in the second half of 2015.
89%	✓	Following pilot programs in several countries worldwide, a global program (WATCH) was put together in 2014 and widely deployed in 2015. Thanks to the strong support from the Group's senior management, the target was easily exceeded.
92%	✓	The target was easily exceeded by setting up purchasing offices in the countries and hotels and increasing the number of local products purchased.
99%	✓	The target has been met in part. Hotels have come on board gradually mainly because some of the species are the food of choice of the particular culture in some countries.
80%	✓	The significant increase between 2014 and 2015 can be explained in part by the definition being fine-tuned and the scope being extended (almost 100% at the time of the 2015 survey), notably the inclusion of France which was previously excluded.
27%	✗	Despite proactive steps being taken within the organization, the target was not met. The Group will continue to work towards achieving this commitment.
78 countries	✓	The target was met. The employee survey process was reviewed in 2014-2015 and rolled out to all countries in 2015 with the exception of Cuba and the Dominican Republic because there was no access to online tools in these two countries. These two countries account for 0.46% of the payroll.
6	✓	Thanks to collaboration with a large number of internal departments and the Group's good CSR record, the target was met and it was included in new indices in 2015.
43%	✓	The commitment to ISO 14001 certification by two brands, Novotel and ibis, played a major part in exceeding the target.
94%	↗	Even if the 100% target was not met, the progress achieved over five years is considered to be extremely positive. The failure to achieve 100% was due to certain suppliers refusing to sign the Charter because of their own CSR policies.

Key

- ✓ Target met or exceeded.
- ↗ Great improvement but the 2015 result did not meet the target.
- ✗ Not met.

## WITH 14 OUT OF THE 21 TARGETS MET AND MUCH PROGRESS MADE ON FIVE, THE FINAL OUTCOME OF PLANET 21 IS OVERALL POSITIVE

### Progress gained momentum in 2015

CSR governance and the support from Senior Management were both stepped up in 2014 and 2015 (creation of the Ethics and CSR Committee and inclusion of an indicator scorecard for PLANET 21 in the Executive Committee reviews) which contributed to a faster deployment of PLANET 21 and progress, sometimes quite significant, was made on all of the 21 targets in the last year.

A few examples include:

- the commitment to **protect children from abuse** (13), made a priority for the year and delivered by the “WATCH” program, was very well supported by the network;
- the commitment to **protect biodiversity** (6) is delivered by the “Plant for the Planet” program. Having been in place for several years, it gained visibility and operational maturity and is now widely deployed;
- the commitment to **support sustainable building** (11) required a complete overhaul of the processes in the first few years and then gained ground with HotelInvest’s decision in 2014 to make certification to environmental standards of building projects mandatory.

### In five of its commitments, AccorHotels made significant progress but did not meet the target

For the **water, energy and CO<sub>2</sub>** commitments (4, 7 and 8), the results were positive but fell below the ambitious targets set. The results varied significantly among countries and hotel sectors. The experience allowed the Group to identify areas for improvement which will be incorporated into the 2020 plan (detailed analyses on pages 68 to 76).

The results of the **disease prevention** commitment (3) were very positive but, despite support from the network, fell below target. This commitment will be carried forward to the future strategy but will be better adapted to the local context.

As regards the **Procurement Charter 21** (21), the ambitious target of 100% of contracts complying with the AccorHotels Procurement Charter 21 was not met despite much progress being made over the five-year period: the Procurement Charter 21 signature rate went from 45% in 2011 to 94% in 2015. Some suppliers had already signed a number of similar commitments and so refused to sign the AccorHotels Charter. The Group intends to make the process a permanent part of its supplier relations.

### AccorHotels fell behind on two of its objectives

The target to have “women account for 35% of hotel General Managers by the end of 2015” as part of its **diversity** commitment (17) was not met. Although this challenge is still a priority for AccorHotels,

it has been delayed by the need for a cultural change in some countries. Changes have begun and will be stepped up in 2016 (see pages 48 and 49). A number of significant commitments were made in 2015 with the signature of the Women’s Empowerment Principles and the target will be carried forward to 2017 as part of the Group’s involvement in the UN HeForShe program.

In terms of **developing responsible hotel offers and technologies** (12), work on drawing up the standards for green meeting solutions was not begun until 2014. The “Meeting 21” specifications, which set out the standards for green meeting solutions, were circulated in the second quarter of 2015. Many hotels have signed up to the program but investment is still required in order to comply with all the criteria. Results will begin to emerge from 2016 onward.

## A NEW PLANET 21 (2016-2020) STRATEGY WILL CARRY ON THE GOOD WORK AND FOCUS ON VALUE CREATION LEVERS

Bolstered by the important progress made in 2015, the future strategy will continue the current program and include important changes for the AccorHotels Group:

- selecting commitments in line with the business model which focus on what creates value for the Group – its employees, real estate assets and brand capital;
- moving from ad hoc initiatives to systematically include CSR issues in its processes.

The new strategy, which has been put together with input from all the Group’s business lines, is based on the recent studies (environmental footprint, socio-economic footprint, guests’ perception of sustainable development). It will be published in the first semester of 2016.

## AS AT THE END OF 2015, 91% OF HOTELS HAD ACHIEVED AT LEAST A BRONZE CHARTER 21 RATING

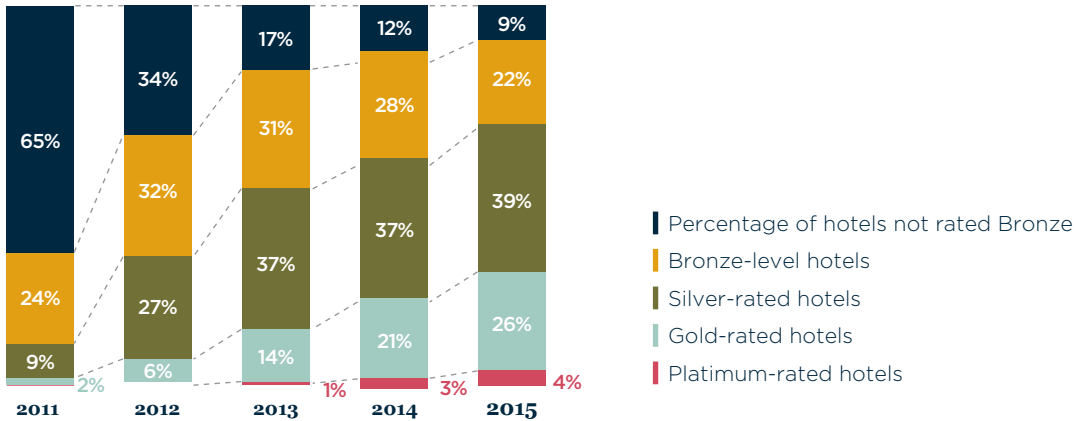
Progress towards meeting the PLANET 21 program’s objectives is being driven by Charter 21, AccorHotels’ proprietary system for managing the performance of the hotels. It recommends 65 actions that establishments can deploy in five areas: management, energy, water, waste, products.

Charter 21 provides a framework for gradual deployment of the actions: Bronze (corresponding to the basic prerequisites), Silver, Gold and Platinum, for the most advanced hotels Charter 21 thus offers a simple four-step process. A hotel must qualify for one level before moving on to the next.

Today, this supportive process is effectively instilling best practices across the hotel base, with 91% of units rated Bronze or above. What’s more, all of the other levels have increased sharply, with more than 69% of units rated at least Silver in 2015 versus 11% in 2011 and 30% with at least a Gold rating in 2015 versus 2% at launch. Since 2013, effective implementation of the first ten Charter 21 actions required to earn the Bronze rating has been included in the quality audits performed by outside auditors.



A steady improvement in Charter 21 implementation



	2011	2012	2013	2014	2015
Number of applicable hotels	4,013	3,331	3,401	3,538	3,682
Response rate	94%	92%	93%	94%	95%

Detailed information concerning Charter 21 is available at Accor’s website ([www.accorhotels-group.com](http://www.accorhotels-group.com)) under “Sustainable Development” then “Management and performance”.

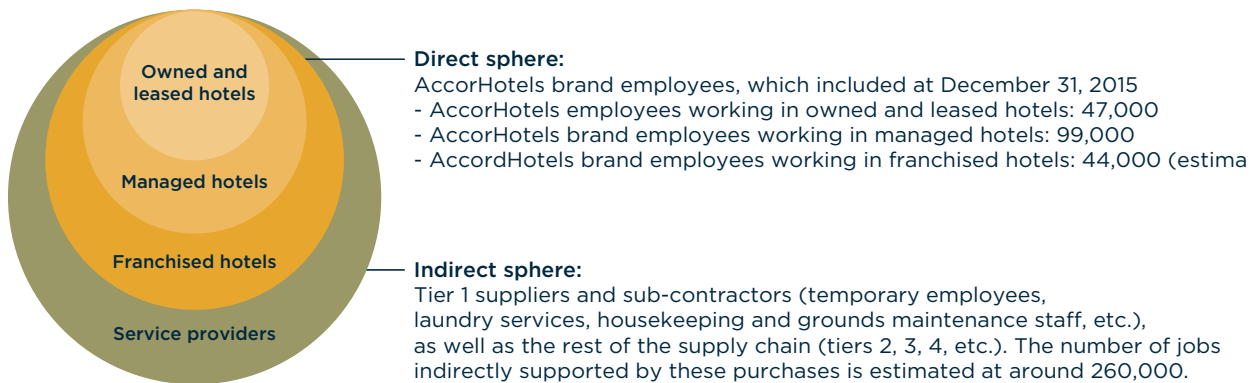
## 2.3 COMMITMENTS TO EMPLOYEES

### 2.3.1 THE ACCORHOTELS EMPLOYMENT MODEL AND HUMAN CAPITAL

#### ACCORHOTELS, A UNIQUE EMPLOYMENT MODEL

AccorHotels business creates and maintains many jobs in 92 countries. As of the end of December 2015, there were around 190,000 AccorHotels brand employees worldwide.

However, a significant percentage of these people do not directly work for AccorHotels but for the business partners *i.e.* the owners of managed or franchised hotels and a variety of service providers.



Deployment of human resources policies and tools is tailored to each of the three operating structures – owned and leased hotels, managed hotels and franchised hotels.

**AccorHotels exercises its responsibilities as an employer only as concerns its direct employees** in its various head offices and in the owned and leased hotels. For these employees, our values, management principles and human resources policies are directly applied, along with all of the employee-relations responsibilities inherent to our position as a direct employer.

**For employees of managed hotels** (*i.e.* employees paid by the hotel owner), Group recommendations and policies may be applied by the hotel manager, as long as the owner is willing to accept the associated impact on costs and operations.

**Because AccorHotels has little influence over HR practices in franchised hotels** (franchised hotel employees are paid by the franchisee), the Group strives to share its values and commitments in its communications and day-to-day interactions with franchisees. AccorHotels brand employees deal with guests and are ambassadors for the hotel brand and its values.

This is done through three main channels:

- the AccorHotels Group Ethics and CSR commitments are shared with the franchisees from the very early stages of any

arrangement before contracts are signed. At the end of 2015, the Ethics and CSR committee decided that a reference to the Ethics and CSR Charter would be systematically included in all new franchise contracts from 2016;

- Franchise Committees in France, which meet three or four times a year, depending on the brand, review and make note of developments in such areas as brand identity, marketing and Group processes. In other geographies, Franchisee Conventions are regularly organized for the same purpose;
- Directors of Franchise Operations, who are in close and constant contact with the franchise operators in the regions and brands for which they act as ambassadors;
- access to dedicated content on the corporate Intranet and to the training courses provided by Académie AccorHotels.

Employment and employee-relations issues are managed directly by the owners of franchised and managed hotels. Even though AccorHotels 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.

HR issue	Sphere of influence	Page
Working conditions	Owned, leased and managed hotels	45
Employee growth and career development	Owned, leased and managed hotels Training resources available to franchised hotels	40
Social dialogue	Owned, leased and managed hotels	50
Assessing employee engagement and well-being	Engagement survey: owned, leased and managed hotels	39
Diversity and equal opportunity policies	Owned, leased and managed hotels Provided to franchised hotels for their information	48
Promoting employee health and well-being	Owned, leased, managed and franchised hotels	45
Hiring	Owned, leased and managed hotels Access to the AccorHotels.Jobs recruitment site for franchised hotels	39
Compensation and benefits	Owned, leased and managed hotels	44
The Women at AccorHotels Generation gender diversity network	Owned, leased, managed and franchised hotels	49

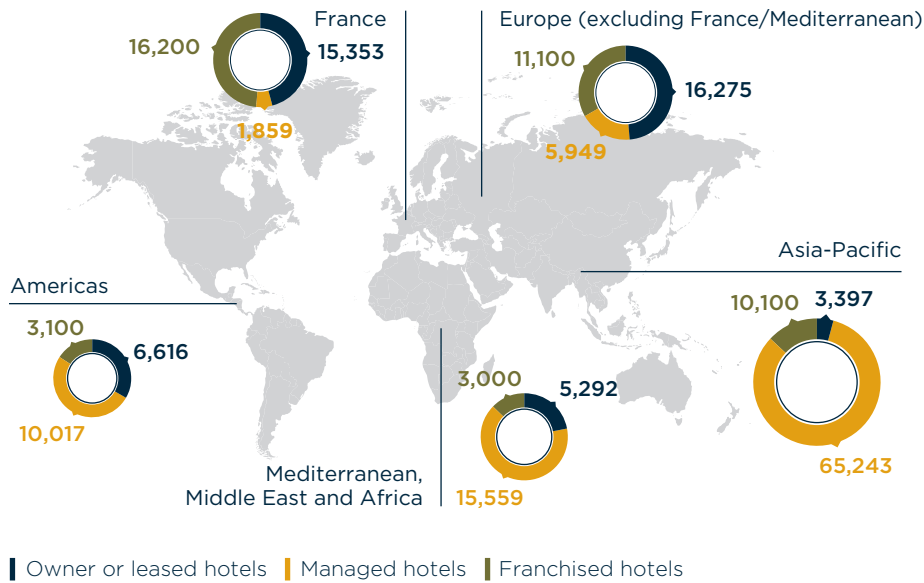
**The outside workforce**, which is in the indirect sphere of influence, includes temporary workers who support in-house teams during peak periods, as well as sub-contractor employees in such areas as laundry services, housekeeping, landscaping and call centers.

The management of labor-related and other sub-contracting risks, and the procedures in place to ensure that the Group commitments are shared with suppliers and sub-contractors, are described on pages 57 to 60.

ACCORHOTELS' HUMAN CAPITAL

Employees by region

The number of employees working for AccorHotels brands worldwide is estimated at around 190,000. They are spread across 92 countries in all five continents and three operating structures, with owned and leased hotels accounting for 46,933 employees or 25% of the total, managed hotels representing 98,647 employees or 52% and franchised hotels accounting for an estimated 43,500 employees or 23%.



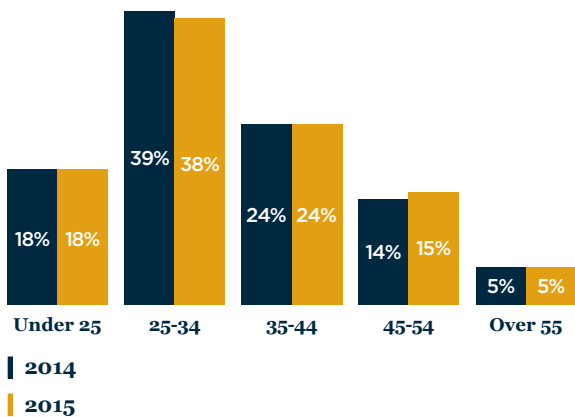
Local managers

To sustainably anchor its presence in each geography, AccorHotels is committed to hiring local managers from the host community. As of December 31, 2015, 73% of the General Managers of owned, leased and managed hotels were nationals of the countries in which their hotel is located. The figure remains unchanged from the previous year.

Age pyramid

AccorHotels has a young workforce, with 56% of employees under 34 at year-end 2014.

Employees by age



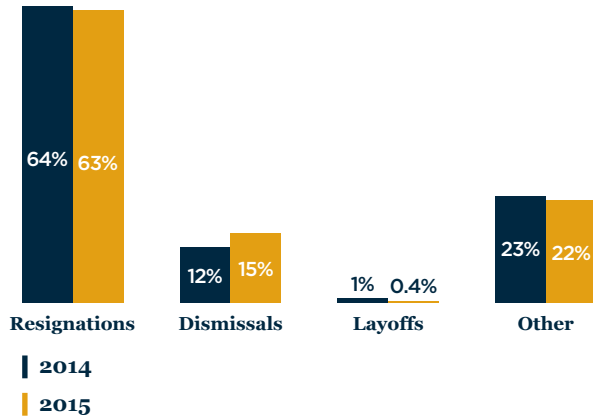
Gender diversity

Women accounted for 46% of employees in 2014 and 27% of hotel General Managers. A target of having women account for 35% of hotel General Managers has been set for 2017. This target has not yet been met. Countries were asked to submit quality data declarations in order to closely analyze the obstacles. The obstacle most often cited is a lack of potential women candidates at the national level. To remove these obstacles, the Group stepped up its commitment to women in 2015 by joining the UN HeForShe program and signing the Women's Empowerment Principles (see pages 48 and 49). It will continue to work toward this target and has specifically undertaken initiatives related to its "Talents" policy with a view to achieving the ultimate goal of 50%.

## Hirings and separations

In 2015, 66,519 people were hired over the year and 61,070 left the Group. The number of separations was down slightly on 2014, as was the figure for hiring.

### Separations by reason



The "Other" category includes separations due to the termination of a non-permanent contract, retirement, visa expiration, etc. The inclusion of job abandonment in the dismissals category meant that the 2015 figure for this category was slightly higher than in 2014. Previously these departures were often recorded in the "Other" category. The definition change is still feeding down to some countries and some instances of job abandonment may still be recorded in the "Other" category.

## Voluntary separations

The Group has a high resignation rate, which can be attributed to various factors, including the local economic environment, with operations in fast-growing economies reporting higher turnover. The location and age of the hotel also play a significant role. With a total of 38,750 resigning in 2015, resignations accounted for 63% of all separations, versus 61% in 2014.

## Absenteeism

The number of days of medical leave or unauthorized leave per employee remained stable year-on-year.

Average number of days absent per employee by cause	2014	2015
Medical leave	5.9	5.8
of which workplace and commuting accidents	0.6	0.7
Unauthorized leave	0.7	0.7

Local legislation differs on the number of days absence required for workplace accidents to be recorded, for example in the UK workplace accidents must be recorded after seven days absence while in Brazil it is two weeks. This makes it difficult to calculate all workplace accidents and days leave from the first day on a global level and means they are often underestimated in some countries.

## 2.3.2 AN AMBITIOUS GOAL TO DEVELOP TALENT AND CHANGE THE CULTURE

### A NEW BANNER AND A NEW EMPLOYEE PROMISE

The men and women who make up the AccorHotels community play an essential role in securing our success and driving our performance. Current economic, social and societal changes have meant that AccorHotels has had to significantly transform its operations on a global scale. To do so, it has introduced a new vision of simple and welcoming hospitality for all its guests under its "Feel Welcome" banner. And the vision is backed up by a new "Feel Valued" promise to all employees.

The changes are aimed at providing the men and women in the AccorHotels Group with the means to achieve its goal of being the best global hotelier & travelmate by creating meaningful experiences for the community of travelers and new nomads all around the globe.

Cultural change will be brought about through the Group's values and Leadership model.

### THE ACCORHOTELS VALUES: A SHARED LANGUAGE AND IDENTITY

In 2015 the Group realigned its values: Guest Passion, Sustainable Performance, Spirit of Conquest, Innovation, Confidence, Respect (see page 24).

These values are the cornerstone of the AccorHotels identity and give meaning to everything its members do. Endorsed by everyone in the Group, they provide a framework for collective actions and enable change, collaboration and innovation. They are accompanied by an AccorHotels mindset which is expressed in four "Manifestos" (Group, Guests, Employees and Partners).

The Group will work hard in 2016 to ensure these are adopted by all entities and brands in every country. Adoption began in some areas, Latin America for example, at the end of 2015. The values were the starting point for a major rework of the Group's Leadership model.

### A LEADERSHIP MODEL TO SUPPORT A CHANGE OF CULTURE

AccorHotels updated its "We are all leaders" Leadership model in 2015. It now provides guidelines for implementing the values in everyday situations, and defines the different AccorHotels leadership styles. For each style - collaborative, entrepreneurial and collaborative [sic] - it specifies the tools to be used, the best practices and the skills required to succeed.

The Leadership Model will be shared with every Group team and deployed in 2016.

## CHANGE GOT UNDERWAY IN 2015

A number of initiatives were launched in 2015 to make this change possible. These included:

- a worldwide engagement survey to enable each hotel to see the level of commitment of its employees and understand how they perceive their quality of life in the workplace and use this information to put together action plans for 2016;

- the Learning & Development strategy was revamped to create environments which foster creativity and learning (see page 40);
- change support programs and teams were put in place to help the men and women in the group make the move to digital (see above).

## 2.3.3 MOTIVATING EMPLOYEES AND DEEPENING THEIR ENGAGEMENT

AccorHotels' business is built around quality of service and guest satisfaction and "Passionate about Guests" is one of the six values the Group wishes to share with all its employees. The quality, enthusiasm and engagement demonstrated by employees when welcoming and serving guests represent a key link in the value creation chain. AccorHotels encourages employee engagement, and measures it regularly, to define remedial action plans, enhance its identity as an employer and attract and retain the best talents.

### ASSESSING EMPLOYEE ENGAGEMENT

The employee engagement survey was completely revamped in 2014 and conducted worldwide in its new format for the first time between September and November 2015. Designed to offer systematic global coverage, the questionnaire is aimed at head offices and owned, leased and managed hotels. It contains six questions on engagement and 55 questions spread among 14 improvement levers. Thus, from an operational point of view, it will enable every hotel to identify the action it needs to take to improve the engagement and job satisfaction of its individual employees. It will also allow the hotel to measure other indicators such as well-being, social climate, motivation, employee pride, equal opportunities and how it ranks as a leading employer. It will also give an idea of how employees perceive the values in their day-to-day work.

The 2015 survey was sent to 135,000 employees and around 108,000 responded, giving a response rate of 80%. The survey results gave the Group an engagement index of 68%. The main areas for improvement highlighted were: recognition of individual and team contributions, improvement of working conditions and organization, and transparency of communications.

### ENCOURAGING A CULTURE OF INNOVATION AND "WORKING DIFFERENTLY"

#### The employee friendly program

The "Employee Friendly" program, one of the eight in the digital plan (see page 18) is geared toward the teams themselves. It aims to equip employees for online dealings with guests and help them through the digital changes by anticipating how they will impact the teams and how the Group operates.

It focuses on three areas: encouraging employees to embrace a digital culture, developing a mobile solution for hotel teams (reception, maintenance, catering staff), and fostering dialogue within and between teams. A considerable number of projects were launched in December 2015:

- the introduction of "Digital Shakers", which are monthly contributions from outside experts on the subject of digital innovations (broadcast on "Accorlive" and "AccorLounge");

- a major digital acclimatization program: "Digit'All", which is available on computer, smartphone or tablet. This is a web series explaining how digital technology changes daily life, life in the AccorHotels workplace and guest relations, etc.;
- all employees were given a digital identity and a business email address;
- the HR content on the "AccorLive" intranet is gradually evolving to become an enterprise social network. The "What's up" homepage places value on initiatives and people and their ideas and projects and there are a number of sections which encourage interaction between employees;
- launch of the enterprise social network, "Yammer", which is available on smartphones for people who do not have a computer. Its aim is to facilitate dialogue between team members and hotel employees. Discussion groups are being set up by some of the divisions (Food & Beverage, Revenue Management, etc.). By the end of 2015, between 19,000 and 19,500 employees had set up their Yammer account.

#### Other digital tools to drive innovation and "working differently"

In addition to the digital plan, AccorHotels has progressively launched a considerable number of digital projects to drive innovation since 2014:

- **to facilitate the sharing of ideas:**
  - the "Share Your Ideas" platform plays its part in placing innovation at the center of the move to digital. The first challenge saw 200 ideas shared, two of which were singled out and tested in the volunteers hotels. AccorHotels does its best to ensure all the ideas shared become inventions which add value;
- **changing the way we hire:**
  - in France, AccorHotels tested "easyRECrue" to facilitate and speed up the hiring process in consideration of its high staff turnover and the huge number of applications it receives. EasyRECrue uses prerecorded video interviews at the pre-selection stage. Having realized that this made for a more objective, more uniform hiring process that focuses on attitudes and life skills, AccorHotels France intends to progressively roll it out to all its hotels. The tool will also be tested in the UK, Germany and other countries,
  - the accorjobs.com website is currently being replaced by a revamped AccorHotels.jobs site which is more open, complete and flexible and places more emphasis on video content.

### “We move!” new working practices to tie in with a change of location

The changes underway within the Group are also affecting the head office teams, in particular those at the Corporate head office which has a staff of almost 1,400. The head office teams in and around the Odyssey building in the 13<sup>th</sup> arrondissement of Paris (France) will all relocate to the Tour Sequana in Issy-les-Moulineaux in the first semester of 2016. AccorHotels is seizing the opportunity

presented by the move to design a site that reflects its image as a dynamic, innovative and forward-looking company that incorporates digital technologies into all its redesigns. To further its “work differently” objective, all the new offices are completely open plan (including those of the Executive Committee) and there are a number of collaborative and support areas designed to suit the needs of the individual business lines (quiet room, communication pods, a creativity room, telephone rooms, etc.).

## 2.3.4 LEARNING SOLUTIONS KEY TO SKILLS DEVELOPMENT

While implementing its changes, the Group will also require the teams and individual employees to adopt a different culture because it is absolutely convinced that service quality and guest satisfaction rely heavily on the skills and engagement of its employees. For instance, its “Leading Digital Hospitality” plan will only be successful if individual employees have the opportunity to adapt and develop their skills.

### A NEW “LEARNING & DEVELOPMENT” STRATEGY TO ACCOMPANY GROUP CHANGES

In November 2015, AccorHotels launched its new *Learning & Development* strategy to accompany the changes that were being put in place. With a focus on continuous learning, it aims to provide employees with the means to become more autonomous, embrace the continuous learning culture and to develop their skills in order to keep up with the constant changes, promising that “Everyone at AccorHotels has opportunities for lifelong learning. Everyone feels valued”.

The new strategy – “Dream Big For Your Future” – sets out a shared global framework which takes account of regional characteristics and promotes the Group’s “Learn local, think local” philosophy. The strategy is intended to help AccorHotels meet its current and future learning needs, implement its digital development, continue to innovate and adapt to the fast-moving environment. It is designed to be inclusive and attractive to all generations. The programs, developed to help it achieve its key local and global strategies, will be continuously assessed and improved.

The “Learning & Development”(L&D) department is responsible for the deployment of the new strategy and will make sure that each entity has its own organization in place and that the programs focus on the entity’s strategic issues and objectives.

### ACCORHOTELS ACADEMIE, SUPPORTING AND STRUCTURING THE “LEARNING & DEVELOPMENT” STRATEGY

Created in 1985, Académie AccorHotels was Europe’s first corporate university in the services industry. From the outset, its mission has been to support and structure the Group’s skills development strategy.

AccorHotels Académie is a dedicated training center for all AccorHotels employees, 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. AccorHotels Académie is an international and interdisciplinary organization with 18 campuses around the world. It was created to support the changes within the Group, help it develop its talents and share its culture, disseminate its values and guarantee that its global procedures are properly implemented.

#### IN 2015, ACCORHOTELS ACADEMIE CELEBRATED 30 YEARS OF LEARNING AND SKILLS DEVELOPMENT

To mark its 30<sup>th</sup> anniversary, the AccorHotels Académie “30 Ways to Learn” challenge was launched worldwide. Employees were asked to illustrate new learning methods, methods they were already using, and those which fit the “lifelong learning” category. The results will be announced and put into practice in 2016.

The anniversary was also the perfect time to announce the 2016 launch of “Learning Week”. In each region, between the months of January and April, the spotlight will fall on learning for a full week, giving the local Learning & Development community the opportunity to launch new programs and digital methods and to hold conferences, round tables, working groups, and other similar events.

The Trainer Pass program gained momentum in 2015. Trainer Pass is a training program offering three levels of certification: “Facilitation”, “Content creation” and “Coaching”. Some 800 certified trainer-managers help to dispense brand and Group training and spread the culture. Following on from the second phase in 2015, the third and final accreditation level will be developed in 2016.

With over 250 training modules offered in 75 countries around the world and in 20 languages, the Académie AccorHotels is positioned as the international benchmark in hospitality skills development. It is also setting new standards in innovation by offering training programs that increasingly integrate new technologies, such as e-learning modules, virtual classrooms and an increasingly wide array of mobile apps.



At AccorHotels, skills acquisition extends well beyond Académie AccorHotels. Managers also lead training sessions, for example during the induction process or concerning brand-specific issues. These sessions are designed to have a direct impact on service quality and spirit and attendance is mandatory. AccorHotels managers deliver 61% of all training hours. They are offered in addition to mandatory health and safety training.

Following the reform of employee training legislation which came into force in France on January 1, 2015, AccorHotels undertook to continue to contribute to the fund collecting and distributing agencies (OPCA) beyond the legal requirement because training is one of the Group priorities. A brochure about the Individual Learning Account was also distributed to all AccorHotels France employees.

Training	2014	2015
Training hours	2,802,647	3,042,472

## HELPING MEN AND WOMEN MAKE THE MOVE TO DIGITAL

The “Leading Digital Hospitality” plan was launched in October 2014 to cover all areas of the AccorHotels experience. Aimed at a wide audience, including guests, employees and partners, the plan aims to offer support with the move to mobile and the introduction of a smoother, personalized guest booking process. Implementation of this digital will rely on two pillars: IT infrastructures and data management. But it is the human input that will ensure its success because far-reaching changes to the hotels, teams, roles and business lines are indispensable.

Aware that the success of this transformation is only possible through the right level of support, the Group has introduced central and regional change teams.

The digital plan programs will be phased in once they have been tested in 25 hotels. Named “Digital Labs”, these hotels have been selected from all brands, sectors and regions and will have 45 days to implement the program and to feed their impressions, problems, successes and suggested changes back to the support teams. The aim is to be as pragmatic as possible and to offer the teams concrete suggestions as to how they could improve their skills and leadership style and change how their hotel operates.

The local support is supplemented by a series of specific training programs. For instance, in the first half of 2015, the Asia Pacific sales teams underwent a major digital training exercise which included e-learning modules and “writing for the web” classroom sessions. The program was adapted for South America where it was launched in November 2015.

A special training program was organized for the Corporate HR teams in early 2015 to make them aware of the issues surrounding the move to digital and help them understand how HR could facilitate the move and help develop individual skills.

## TRAIN EMPLOYEES SO THAT EVERY GUEST ENJOYS IMPECCABLE QUALITY OF SERVICE

Offering guests a unique experience in the Group’s hotels became the guiding principle of most of the 2015 training initiatives.

The Food & Beverage Academy was created in the Asia Pacific region primarily to help managers develop their skills and improve the guests’ overall experience, in line with the Food & Beverage 2015-2018 plan.

Also in 2015, the ibis brands set about changing the service culture permanently.

The aim is to introduce a “service spirit” which forges a bond between the managers, teams and guests through a collaborative approach and a new leadership style that releases the potential of the teams. The new leadership style relies on:

- “Empowerment: trusting the teams to make their own decisions and act autonomously;
- “Coaching: uncovering talent, capitalizing on what makes the teams unique, helping them to gain self-assurance.

To support them in the new service initiatives, ibis, ibis Styles and ibis budget gave all the Group employees fun and innovative digital tools to remind them of the fundamentals of good service, which included a mobile app called “123 Ready!” and a web series entitled “Secrets of the Pros” providing information on appearance and service attitude.

A new modern, collaborative approach to talent development centered around the two key areas of “Empowerment” and “Coaching” will be launched in 2016.

## ENHANCING PROFESSIONALISM IN EVERY JOB FAMILY

Job-specific training programs have also been developed to give all AccorHotels brand employees - estimated at close to 190,000 - the opportunity to acquire new skills or hone their expertise at a time of significant change in the industry.

Several job tracks have been defined to clarify the positions involved and professionalize the skill-sets, as well as to enhance employees’ capabilities and inform them about potential career paths.

- **sales:** offered to every sales manager, the Sales & Distribution Pass training module is part of an ambitious program to improve the professionalism of the Group’s sales teams, from hiring to career development. Over the past five years, around 600 sales experts have attended the program;
- **revenue management:** a dedicated revenue manager job track is being supported by the RM Pass series of specialized training courses, which are designed to enhance the capabilities of revenue managers and other employees who help to optimize hotel revenue, such as General Managers. Around 3,300 employees have completed the RM Dimension and RM PRO training courses;

- **distribution:** the new Distribution Excellence (DEX) program is primarily designed to help hotel General Managers and revenue managers to understand the major issues and challenges raised by today's booking channels and methods. It also provides keys to building a strategy and developing everyday distribution tactics for their hotels. The program has been completed by 1,600 employees since the beginning of 2013;
- **food & beverage:** 2015 saw the arrival of a stand-alone F&B job track with attractive career plans to motivate and grow the teams and turn it into a center of excellence.

### FOSTERING PARTNERSHIPS WITH EDUCATIONAL INSTITUTIONS

To promote the hospitality industry and digital professions, AccorHotels forges and maintains partnerships with more than 50 higher education establishments, including business and hotel management colleges and universities in its host countries. In 2015, more than 100 meetings and visits were organized in these local education establishments.

By maintaining contact with educational establishments throughout the world, AccorHotels can spot the talent of the future for its own hotels and head offices. For instance, there are a considerable number of Asian students in Europe and the Pacific region while more and more European students are seeking placements in Asia, America and the Middle East. The Group Chairman and members of the executive committee organized more than 20 conferences in education establishments in 2015 to share AccorHotels strategic orientations and hear what the students were looking for (HEC, ESSEC, École hôtelière de Lausanne, EDHEC, Université d'Angers, Skema, etc.). Several senior managers sit on the development boards of international further education establishments.

A considerable number of case studies are shared with the students to improve course content and give the Group innovative input into its strategic objectives.

#### ACCORHOTELS STUDENT AMBASSADORS

A network of 23 ambassadors has been set up in 15 partner education establishments. The ambassadors discuss with students their information needs and job opportunities with the Group and organize events such as photo competitions, quizzes on the Group, and hotel visits.

Students@AccorHotels is a LinkedIn discussion group with 3,000 members aimed at discussion and introducing the students to this social media tool.

AccorHotels has also been a partner in the Revenue Management Masters degree offered by Institut Paul Bocuse and IAE Savoie Mont-Blanc in France since late 2011.

Also in France, the Group maintains close contact with the Apprenticeship Centers [*Centres de Formation par l'Apprentissage (CFA)*] to keep the trainers up to date on changes in the company and the hospitality sector and to ensure the training course is regularly updated.

#### TAKEOFF! CHALLENGE

600 participants from 50 establishments in 19 countries got together in 2015 to develop a guest loyalty scheme for AccorHotels by 2020 that is innovative, attractive and realistic.

## 2.3.5 SUPPORTING EMPLOYEES THROUGHOUT THEIR CAREERS PATHS

AccorHotels considers its 190,000 employees as talents and its most precious resource. Talent management is thus at the heart of the Group's culture, with a simple but ambitious objective: that each position in the Group be held by the right talent so that, together, we can offer the best guest experience. AccorHotels is committed to supporting its employees throughout their careers within the Group.

In the fast-growing Asia-Pacific region - where over 70 hotels were opened in 2015 - AccorHotels reinforced its talent management framework with a highly pragmatic global tool, the Talent Journey (see box). On the strength of its success in Asia, this approach is inspiring similar initiatives in other regions, where it will be adapted in keeping with local cultures and challenges.

#### TALENT JOURNEY: A STIMULATING APPROACH TO THE CAREERS OF ACCORHOTELS EMPLOYEES

Inspired by the Guest Experience, which guides all of the Group's reflections and its current transformation (see page 52), the Talent Journey draws a parallel between the career path of an employee within the Group and the experience of a guest in one of its hotels. This approach emphasizes good management practices and their importance at each stage of the employee's career path by connecting them with the hotelier's core trade. For example, an employer brand which stands out from competitors is just as essential to attract talent as a renowned hotel brand to attract guests. A talent's decision to apply for a post is just as crucial as a guest's decision to book a room: this is the first-contact stage, which lays the foundations of the future relationship.

Launched at the beginning of 2015, the "Talent Journey" is now being deployed, in particular through training and the distribution of an e-book to Hotel General Managers, who have full latitude in terms of implementation. Audits are under way to control the proper implementation of the recommendations and identify the required adaptations to the program.

Every year, Group employees will benefit from a performance review with their line managers. This review is an opportunity to listen and exchange, discuss the past year's results, and set bonus-related objectives for the coming year. The review also gives employees an opportunity to express their career goals so that an appropriate development plan can be prepared.

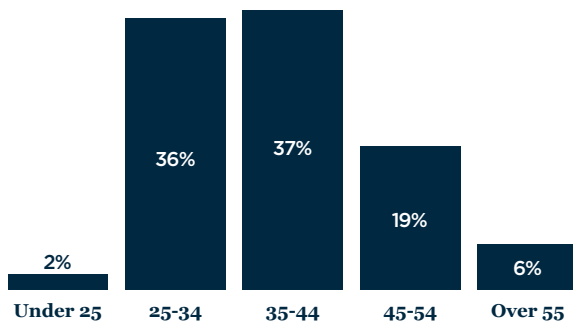
## PREPARING THE NEXT GENERATION OF MANAGERS

In 2015, a new bottom-up process was set up to identify Talents in each job category and geographical area. It places special emphasis on parity. Based on performance and potential, and supported by a common framework and tools, the "Talent Review" will cover all of the Group's annual review stages in 2016, from the review conducted by the hotel or service, all the way up to the central Talent Review conducted by the Executive Committee.

AccorHotels gives employees a genuine opportunity to climb the social ladder. Numerous programs, most of which are run by AccorHotels Académie, exist throughout the Group to identify tomorrow's managers, assist them in their career paths, and secure their loyalty. These programs are created and coordinated at local, regional or Group level, in keeping with specific requirements. Thus, the qualitative survey produced in 2015 showed that 80% of the General Managers of the 1,918 hotels having responded stemmed from internal promotion.

This is also reflected in the age pyramid for hotel managers.

### Age pyramid at Accor hotels in 2015



2015

Since 1997, AccorHotels **International Hospitality Management Program (IHMP)** has been helping to create a pool of international managers. The result of a collaborative venture with the ESSEC business school's MBA in Hospitality Management program (IMHI), IHMP's classes are taught in English as part of a curriculum structured around six main topics: 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. Since 1997, the MBA program has been attended by 489 people. The 2015-2016 program is sponsored by Sophie Stabile, Chief Executive Officer HotelServices France.

In the Asia-Pacific region, a managerial skills development program is offered to General Managers. This regional adaptation of the IHMP program takes place over a 12-month period involving two classroom sessions and six e-learning modules developed with Cornell University as part of a broader program. Participants may also work together on projects in their offices or *via* social media.

This system is being extended 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, any AccorHotels hotel manager can validate his or her years of experience with an **MBA in International Hospitality and Service Industries Management** and move up to higher positions in the Group. The Glion Online MBA saw its first students graduate in 2014 and the program continued in 2015 with 10 managers enrolled. Most are hotel General Managers or Operations Directors, based in host countries around the world, from Australia and Indonesia to Germany and Dubai.

The **"Boost Your Potential"** program, created in 2015 for the EMEA region, is available to 26 managers in support functions or operations, identified by their management for their potential. Over a period of four months, the program combines personal and professional development, team work and contribution to a concrete project in keeping with the priorities of AccorHotels. The program is backed by six coaches who provide participants with the benefit of their experience.

In the Benelux, the **"All Stars"** program offers support to interested employees: individual training, coaching, etc. In 2015, out of the 20 people who took part in the program, 10 had changed positions before the end of the program. Still in the Benelux, the **"Swap Your Job"** program enables two people with jobs of the same level to permanently exchange jobs. In 2015, 80 people thus swapped jobs in the Netherlands, seizing this opportunity to experience new situations and gain new skills, while remaining loyal to their employer.

In India, the **"AccorHotels Emerging Leaders"** program dedicated to the development of high-potential employees was created in 2015. This 12-month program aims to acknowledge exemplary professional records and employee commitment by offering them career opportunities. It will be launched in 2016.

The special programs dedicated to promising young people (School of Excellence, Globe Trotter, Visa, MDP, Fast Track, GM program) continue throughout the world.

## PROMOTING INTERNATIONAL MOBILITY

With operations in 92 countries, AccorHotels offers employees a wide range of international career opportunities. The International Mobility and Expatriation teams are dedicated to supporting cross-border mobility by identifying the appropriate profiles, managing paperwork and practical issues, and ensuring compliance with Group mobility guidelines.

A dedicated International Mobility Intranet site provides employees with such useful information as travel and visa formalities, checklists, country guides, etc.

### 2.3.6 RECOGNIZING AND VALUING EMPLOYEES

#### CELEBRATING THE REMARKABLE ACCOMPLISHMENTS OF THE GROUP'S EMPLOYEES

Every year, AccorHotels honors employees from owned, leased and managed hotels and the head offices for accomplishments deemed to be exceptional and to exemplify the Group's corporate culture. In 2014, the celebration was revamped and reorganized around three awards: two for individual initiatives – the Gold Bernache and the Silver Bernache – and one for team initiatives – the Team Bernache. The accomplishments are anonymously assessed by a panel of fifteen judges from across the Group, based on an assessment grid reflecting AccorHotels' six new values. The Bernache Awards thus acknowledge the exceptional accomplishments that best reflect the Group's values.

In 2016, 15 Gold and Silver Bernaches (individual initiatives) and 15 Team Bernaches will be awarded to the most successful initiatives conducted in 2015.

AccorHotels also has other employee acknowledgment initiatives throughout the world such as the "Employee Celebration Week" in India. For three days, employees are acknowledged for their remarkable efforts and initiatives, and recognized as major contributors to the Group's success. Another example is the Professions Challenge: young talents holding reception and service jobs (reception desk, restaurant, bar, kitchen) and coming from 25 different countries compete in front of a jury of external experts and internal HR representatives. In 2015, over 1,000 young people aged 18 to 25 took part in the challenge, in which eight winners were awarded a Trophy by the Group's Management.

#### COMPENSATION POLICIES

AccorHotels has defined a global compensation strategy that can be adapted to local practices in each country. It is based on five principles:

- take account of the performance and potential of each employee;
- 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.

AccorHotels ensures that compensation policies do not discriminate in any way 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, based on global and local job maps prepared for each job track.

Managers receive a base salary and variable incentive pay that includes an annual bonus and, in certain cases, deferred compensation in the form of performance shares. The annual bonus reflects their performance in meeting personal and team objectives.

In 2015, the Group's bonus policy was fully reviewed in order to reinforce this aspect, in particular by letting guests be the judges of employee performance and by including a CSR criterion which reflects the Group's commitment in this regard. The revised bonus policy will be applicable as of January 1, 2016 and apply to over 24,000 employees.

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. Each local unit is tasked with properly managing its own payroll and with collecting the related data and analyses. These data are not yet consolidated at Group level, so the average salary raise cannot be reported.

Payroll costs for the head offices and owned and leased hotels are presented in note 5 on page 204.

#### INFORMATION AVAILABLE TO EMPLOYEES

Every year, 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 base salary and any other benefits that make up the final compensation package are set out in the employment contract when the employee is hired or transferred. In addition, the individual and team performance objectives for 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 performance shares, supplementary pension plans and healthcare and insurance coverage.

In recent years, human resources managers have been able to attend in-house training courses on topics such as compensation policies, the job classification and evaluation method, deferred compensation systems (performance shares) and employee benefits. In 2015, fourteen people were trained in this way and are now able to support the application of compensation policies to the teams in their scope of responsibility. A simplified version of the same module has also been designed, enabling trained individuals to regularly update their knowledge and skills.

#### DISCRETIONARY PROFIT-SHARING

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

In 2015, nearly €12 million in discretionary profit-shares earned in 2014 was paid to 19,885 employees in France, representing an average net amount of €603 per person.

On several occasions since 1999, employees around the world have been offered the opportunity to purchase new AccorHotels shares on preferential terms and conditions, as part of employee share issues. At December 31, 2015, the Group's current and former employees thus held 0.828% of total capital (see page 290).

In 2014, non-discretionary profit-sharing agreements were signed in Germany, Benin, Republic of Congo, Ivory Coast, France, Mexico and Singapore.

## EMPLOYEE SAVINGS IN FRANCE

Every year since 1985, AccorHotels employees in France have been able to participate in a Corporate Savings Plan (PEEG). It allows them to invest in various mutual funds with matching funds provided by AccorHotels. In addition, in 2015, 5,863 employees invested in the PERCO group Retirement Savings Plan, which was set up to provide employees with additional income during retirement. Employees in France also receive non-discretionary profit-shares under a corporate agreement covering 71 companies in respect to 2014. Non-discretionary profit-shares earned in 2014 and paid in 2015 amounted to an aggregate net €3.7 million for 18,664 employees, or an average net amount of €201 per person. Since January 1, 2015, in addition to the conventional plan, the Group has a new savings plan called “Épargne Avenir”, which offers an exceptional matching contribution for any employee payment into the “AccorHotels Investissement” fund consisting solely of AccorHotels shares. Its aim is to involve employees in the Group’s development.

## INTERNATIONAL INSURANCE AND HEALTHCARE COVERAGE

Offering international insurance and healthcare coverage enables AccorHotels to meet two key challenges: (i) providing a higher level of protection for employees in countries where public authorities cover little or none of the expense associated with healthcare, and (ii) creating an element of differentiation to attract and retain talent.

In 2015, the Group conducted a survey across the MMEA region (16,000 employees in 13 countries) concerning the healthcare coverage, contingency insurance and retirement schemes of local employees in owned, leased and managed hotels. Concerning “hospitalization” and “death” risks, 82-88% of the employees are covered in all countries except one. AccorHotels is planning to progressively extend this diagnostic to the other regions, with the aim of producing recommendations to improve coverage levels.

In Brazil, AccorHotels provides wider medical cover than legally required and is committed to progressively increase the services offered.

Issues related to post-retirement benefits, insurance coverage and other employment benefits are discussed and addressed on a consensual basis by representatives from the corporate Human Resources, Consolidation, Treasury and Financing, and Administrative Services Departments, as well as the Group’s consulting actuary. When necessary, the Group Retirement Benefits Committee set up in 2007 validates the decisions resulting from these consensual discussions.

Agreements on social protection were signed in 12 countries (Algeria, Germany, Benin, Republic of Congo, United States, France, Ghana, Ivory Coast, Senegal, Singapore, Togo and Vietnam) (see page 51).

## 2.3.7 WORKING CONDITIONS THAT ENHANCE EMPLOYEE WELL-BEING AND TEAM PERFORMANCE

As an employer, AccorHotels is responsible for ensuring that working conditions are conducive to the health, safety and well-being of its employees and to the performance of its teams.

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;
- limiting the impact on employees’ personal lives of the hospitality business and its unusual working hours, so as to enhance AccorHotels employer appeal and increase employee commitment;
- setting up a work organization which promotes employee initiative, autonomy and responsibility.

These measures are adapted in keeping with local requirements, the cultural context, applicable collective agreements, and the country’s labor laws.

## WORKWEEK ORGANIZATION AND WORK-LIFE BALANCE

### Working hours

In every host country, working hours are set in accordance with local legislation and collective agreements. Overtime may 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.

### Workweek organization

AccorHotels’ digital transformation is bringing about major changes in the organization of the work (creation of new jobs and elimination of others, potential automation of certain repetitive tasks, changes in job duties due to the arrival of various digital tools), as well as changes in the work-life balance (in particular with the massive arrival of generations Y and Z in the Group). AccorHotels is also aware of the growing importance of psychological well-being, in addition to the protection of employee health and safety.

These are core concerns in the implementation of the HR promise to “Feel Valued”.

Whatever the transformations under way, the hotel business is still characterized by long opening hours, giving rise to variable schedules for employees, who may be required to work at night, on weekends and on holidays. In its Ethics and CSR Charter, AccorHotels has formally pledged to undertake a variety of measures to support better work-life balance, including respecting important events in employees’ lives, minimizing uncertainty in short-term work schedules, and providing practical solutions for employees having trouble commuting.

### Part-time work

At end-2015, 8% of employees in AccorHotels head offices and in owned, leased and managed hotels were working part-time, compared with 9% in 2014.



### Telecommuting

After a one-year trial, an open-ended agreement was signed in 2015, opening the possibility for all employees of the French Hotels headquarters and Group headquarters to opt for telecommuting one day a week under certain conditions. At end-2015, nearly 10% of the employees concerned had adopted telecommuting. This change is helping to bring head-office employees into the transformation process under way; it is getting the teams to rethink their organization and work differently on a daily basis. It fully fits into the spirit of the "We Move!" project for the move of the Group's headquarters (see page 40).

### Night work

In France, in compliance with legal requirements, a personal record for the prevention of occupational hardship has been set up. The four factors of hardship to be taken into account as of 2015 include night work, which applies to AccorHotels France. The requested diagnostics had already been carried out to identify the jobs and persons concerned. As a preventive measure, night work guidelines were distributed on a wide scale. They offer recommendations to help regular or occasional night workers to attenuate the impact of working at night, with best practices for maintaining a healthy quality of life.

## PREVENTING WORKPLACE ACCIDENTS AND OCCUPATIONAL ILLNESSES

Although the claim frequency rate is fairly low, the hospitality industry is not exempt from risks regarding health and occupational safety. Management pays close attention to the day-to-day risk of incidents and the long-term risk of musculoskeletal disorders caused by repetitive movements.

### Preventing work-related risks

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

These assessments can cover potential risks to the Group:

- short-term: handling sharp objects in kitchens or technical facilities; polishing food service glasses; infrastructure-related accidents (falls, blows, etc.); handling chemicals in the laundry; welding accidents in technical facilities;
- medium-term: psychosocial risks;
- long-term: musculoskeletal disorders.

Employees, particularly when on temporary or long-term assignments in a given country or region, may consult regularly updated security and health advisories on the Security and Safety Intranet site. In line with the digital transformation, this information will be accessible on mobiles in 2016 *via* a dedicated app.

In 2015, the number of hotels that organized prevention actions increased 10% (see page 47).

French law provides for the integration of six new hardship factors as of 2016, as part of the pension reform and the creation of a personal record for the prevention of occupational hardship. Among these factors, that of tiring physical positions will apply to AccorHotels France, which is thus planning to take part in branch discussions to define the hardship criteria and to draft guidelines.

### Preventing musculoskeletal disorders

A large number of training modules are offered by AccorHotels Académie 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. They sometimes call on the expertise of an ergonomist, as was the case in Brazil in 2015, once the standard operational procedures have been reviewed to improve training in this regard.

Preventive measures are being implemented and an ergonomist is systematically involved in the furniture design process. In France, for example, the Levly® hydraulic bed-lifting system has been introduced: 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 10,902 Levly® systems in France. The initiative is also being deployed in other countries, such as Belgium, Bulgaria, Spain, Italy, Ghana, the Netherlands, Poland and the United Kingdom.

Moreover, among respondents to the qualitative survey, 48,395 employees underwent special training in ergonomics.

Number of employees having attended special courses in ergonomics	In 2015
France	649
Europe (excluding France/Mediterranean)	2,412
Mediterranean, Middle East, Africa	6,469
Asia-Pacific	35,253
Americas	3,612
<b>TOTAL</b>	<b>48,395</b>

AccorHotels does not have any quantitative indicators concerning occupational illness. One of the main problems for a broad-based multinational like AccorHotels lies in the fact that the definition of occupational illness under French law is not applicable in every country where the Group operates.



## Preventing psychosocial risks

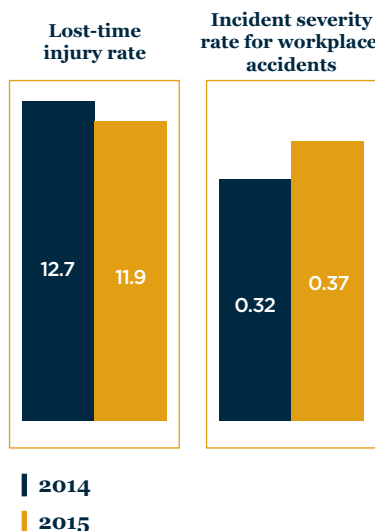
Various channels are used to prevent psychosocial risks, including training modules, local hotlines and collective agreements on the initiatives to be undertaken.

Workplace stress management training is regularly attended by employees. In 2015 in France, 202 employees participated in training modules on "Preventing and Managing Workplace Stress", "The Five Keys to Stress Management" and "Understanding Stress and Achieving Serenity".

AccorHotels is committed to eliminating 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. A different procedure is followed for incidents involving guests. Hotlines have been set up in Brazil, France and other countries. In 2015, the European Works Council launched an initiative for the prevention of all forms of harassment in the workplace, including bullying and sexual harassment.

### HEALTH AND WORKING CONDITIONS AGREEMENT SIGNED IN THE FRENCH HOTELS BUSINESS

Following a survey of psychosocial risks and an assessment of the hardship of hospitality jobs, a three-year agreement on health and working conditions in the French hotels business was signed in September 2013. This agreement comprises a large number of measures to improve working conditions, including systematically involving an ergonomist in any major premises design or redesign project and redesigning workstations based on a list of concrete measures, *i.e.* opinion surveys, vigilance regarding work schedules, training in postures and practices, raising night workers' awareness, diversifying tasks, keeping staff in employment and facilitating the latter years of their careers.



In view of the different national laws and the ensuing difficulty in recording all workplace accidents from the first day of absence, as stated in the "Absenteeism" chapter, the lost-time injury rate and incident severity rate for workplace accidents have been under-estimated in certain geographical areas.

In 2015, AccorHotels was saddened by the death of eight employees. One death in France resulted from a heart attack at work. Seven deaths in Asia were due to commuting accidents, *i.e.* two in China, two in Indonesia, two in Malaysia and one in Thailand.

## IMPROVING WORKLIFE QUALITY AND PROMOTING HEALTH

### The feeling well@work committee and the promotion of well-being

In 2015, the Corporate Headquarters of AccorHotels set up a committee dedicated to worklife quality and health - the "FeelingWell@Work" Committee - whose goal is to ensure that the measures taken make employees "Feel Valued" as expressed by the HR promise, and to convey the Management's commitment to support working conditions that promote worklife quality. AccorHotels is indeed convinced that worklife quality is an economically viable goal, which will result in social progress for employees and improve service quality for guests. The committee's missions are the following:

- initiating measures aimed at preventing psychosocial risks and improving worklife quality, and monitoring their implementation;
- uniting employees around a participative, multi-disciplinary program;
- acting as a think tank and a reference for issues concerning the prevention of psychosocial risks.

In 2016, the FeelingWell@Work committee will play a major role in the move of the Corporate Headquarters employees (see page 40). One of its tasks will involve the co-drafting of a Worklife Quality Charter.

Moreover, the particularly proactive Benelux entities developed the "Fit and Happy @ AccorHotels" program in 2015. It is aimed at preparing employees, not only in terms of skills for their jobs, but also in terms of physical and mental health. For this purpose, workshops are offered on nutrition and lifestyle. Coaches are available to stimulate employees, who can also take part in sports challenges. In Belgium and Luxembourg, six burn-out prevention sessions were a big hit with 90 participants in 2015.

In the same spirit, the Pullman, MGallery and Sofitel brands reasserted their commitment to make worklife more joyful. Because happy employees make satisfied guests, these brands have committed to providing comfortable welcoming workplaces and rest spaces, offering balanced meals on a daily basis, improving everyday well-being, and celebrating the important events in the life of each employee.

### Promoting health

In every host country, AccorHotels strives to raise employee and guest awareness on the importance of preventing diseases and epidemics.

As part of the PLANET 21 program, for example, the owned, leased, managed and franchised hotels are encouraged to offer employees awareness-building sessions on the prevention of HIV/AIDS and chronic diseases (diabetes, cancer and cardiovascular ailments), the importance of nutrition and a balanced diet, the prevention of psychosocial risks (stress, etc.), and first aid training.

Since 2002, AccorHotels has been demonstrating a commitment to fighting against epidemics, particularly of HIV/AIDS and malaria. Employee-focused initiatives are structured by the ACT-HIV program, which gives hotel General Managers an action plan built on the three core principles of AccorHotels' commitment - confidentiality, non-discrimination and equal access to treatment. In 2015, 85% of hotels organized health and well-being training for their employees, with in particular 33,955 employees attending HIV/AIDS sensitivity training. A total of 1,114 hotels were equipped with condom vending machines.

### 2.3.8 DIVERSITY AND EQUAL OPPORTUNITY POLICIES

For AccorHotels, diversity is a key component in driving performance and innovation. Promoting diversity is a long-standing and proactive policy and one of the founding principles of managerial ethics to combat discrimination and promote equal opportunity across the organization. A structured framework created for our diversity commitments in 2008 is driving a variety of programs to support and demonstrate these commitments.

#### INITIATIVES DESIGNED TO ADDRESS FOUR CHALLENGES

Initiatives undertaken to encourage diversity, ensure equal opportunity and fight against discrimination are underpinned by four challenges:

- **corporate social responsibility:** as a fair and sustainable employer, AccorHotels has the duty to reflect the diversity of its host communities;
- **attractiveness as an employer:** AccorHotels is an organization which is proud of its differences and projects a positive image to the public;
- **business performance:** making diversity a priority helps AccorHotels deliver customized solutions to meet guest expectations;
- **operating performance:** inclusiveness and social cohesion are important factors for well-being in the workplace and to secure the commitment of all employees.

#### ACCORHOTELS' INTERNATIONAL COMMITMENTS REGARDING DIVERSITY

AccorHotels recognizes that every employee is different and that overall performance depends on the skills of each individual. These commitments are structured around four priorities:

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

The Group's diversity and anti-discrimination policy is clearly defined in its International Diversity Commitments deployed in 2011 and translated into 13 languages.

These commitments serve as the foundation of our diversity policy:

- **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;
- **give every employee the opportunity to succeed** by placing skills at the heart of managerial and human resource policies, with the objective of welcoming, nurturing and developing all talents in an equitable way;
- **train employees and raise their awareness on diversity** with the required tools and means to enable them to grasp the great value of their diversity, taking into consideration local situations;
- **conduct diversity surveys** in every host country;
- **disseminate AccorHotels' commitments to promote diversity** by informing employees and all Group partners of the policy and measures implemented;

- **act as diversity ambassadors with customers** and Group partners (suppliers, hotel owners, investors, etc.) with the goal of fostering a shared ethical commitment;
- **integrate diversity in the service offerings** by adapting to the diversity of guests;
- **encourage dialog and assess initiatives** while ensuring that AccorHotels' management teams worldwide conduct in-depth diversity assessments based on internal opinion surveys, quantitative criteria or qualitative findings;
- **report to the Group Executive Committee** on the diversity programs underway across the Group, to obtain the Committee's guidance and recommendations for pathways to improvement.

In 2015, AccorHotels' diversity policy was awarded the *Grand Prix des Trophées de la Diversité*, by Diversity Conseil.

#### EQUAL OPPORTUNITY RESOURCES

AccorHotels has two main ways of guaranteeing equal opportunity and eradicating stereotyping: (1) training employees, and (2) highlighting the best practices already being applied in the Group. To this effect, AccorHotels has gradually developed a wide range of general and issue-specific resources which reassert its commitments, provide access to reference documents, improve understanding of the issues, and offer guidelines or examples for putting the commitments into practice. They include the corporate diversity Intranet, the Diversity Glossary, the "Managing Diversity" e-learning program, the guide for recruiters and managers, the Recruitment Charter, the Parenthood Guide, the Disability Guide and guidelines for organizing a disability awareness day. A course focused on diversity is included in the new hire integration process in 41 countries (63% of the countries surveyed).

These resources address the specific needs identified by the studies conducted on a panel of companies, including AccorHotels, by *Valeurs & Développement* and *IMS Entreprendre*. Following its participation in the study "*Stéréotype et Genre*" published in 2012, AccorHotels participated in the study "*Stéréotype et Générations*" in 2015. Identifying the main stereotypes in the "X", "Y" and "Seniors" generations, as well as the factors affecting these stereotypes, will form the basis of a 2016 action plan to facilitate the inclusion of all generations in the Group's cultural and digital transformation.

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

#### PROMOTING GENDER DIVERSITY AND EQUALITY

In 2015, AccorHotels signed the Women's Empowerment Principles, defined by the United Nations. By signing this document, the Group has undertaken to:

1. Establish high-level corporate leadership for gender equality;
2. Treat all women and men fairly at work - respect and support human rights and non-discrimination;
3. Ensure the health, safety and well-being of all women and men workers;
4. Promote education, training and professional development for women;
5. Implement enterprise development practices that empower women;

- 6. Promote equality through community initiatives and advocacy;
- 7. Measure and publicly report on progress to achieve gender equality.

Moreover, the Group was selected as Impact Champion by the HeForShe solidarity movement. Impact 10x10x10 is a global pilot initiative launched by UN Women which engages 10 corporations, 10 governments and 10 universities to advance behaviors and gender equality worldwide.

Within that scope, AccorHotels has defined three gender diversity commitments:

- **gender equality in Management and equal pay:** AccorHotels has set itself the objective of having 35% women as hotel General Managers by end-2017, and 20% women in the Executive Committee by end-2016 and 30% by end-2018. The Group will also strive towards equal pay between men and women at its Paris headquarters and in three other countries by end-2017. Concerning recruitment, it has committed to having an equal number of men and women in its shortlists;
- **raising the awareness of male employees and fostering their support for gender diversity:** in this regard, the Group has set itself the following objectives: 35% male members of WAAG (Women at AccorHotels Generation) by end-2017, 50,000 male employees supporting the movement by end-2018 including all Operations Managers;
- **changes in attitudes in line with the changes in the hotel industry:** understanding gender stereotypes and the specific needs of female guests.

These objectives, which involve equitable talent management, are added to the objective initially set by the Group of having 35% women as hotel General Managers by 2015, deferred to 2017, as it was not achieved.

The Group will ensure the operational implementation of its commitments by providing a toolbox to help each region create its own gender diversity action plan suited to each country's cultural and legal context. AccorHotels will also rely on the programs it has launched in the past years:

- **the gender diversity network:** Women At AccorHotels Generation. This network is open to both women and men under an AccorHotels banner and is spread into seven regional networks across the world. At end-2015, the network had over 4,000 members worldwide. It is committed to fighting against stereotypes and the self-censorship of women, primarily by mentoring women employees, encouraging experience sharing and facilitating networking. In 2015, 130 women received mentoring under this program;
- **the Gender Equality European Standard** awarded to AccorHotels Benelux in 2015. This standard, which is designed to foster learning and continuous improvement, will enable AccorHotels to continue to improve its performance in gender diversity and equality;
- **training programs**, such as the High Performing Leaders Program for Women in Leadership launched in May 2015 by AccorHotels Académie in the Asia-Pacific region: 24 women hotel Managing Directors or support function experts are preparing to take up senior management positions by participating in a 12-month program (eCornell course, field projects and mentoring).

Percentage of women by job category	2014	2015
Total women	46%	46%
Managers	41%	42%
of which hotel General Managers	27%	27%

## HIRING AND RETAINING THE DISABLED

AccorHotels is a pioneering member of the ILO Global Business and Disability Network, a United Nations initiative, that since June 2011 has brought together multinational companies committed to including people with disabilities in the workplace. It allows members to share their knowledge more effectively, develop products and services that facilitate the hiring and retention of disabled employees and improve their technical expertise in addressing disability issues.

In October 2015, AccorHotels signed the Charter of the "ILO Global Business and Disability Network", thereby committing to promoting the employment of disabled persons in its businesses worldwide.

A wide array of resources has been deployed to assist managers in integrating disabled employees into their teams (see page 48, "Equal opportunity resources"). For the 2015 International Day of Disabled Persons on December 3, the hotels in numerous countries where the Group operates got their teams involved in a variety of initiatives: meetings and activities with disabled children, awareness-raising and dissemination of brochures, fund raising and donations to NGOs dedicated to helping people with disabilities, discussions concerning the integration of disabled persons in the teams, etc.

In 2015, the hotels owned, leased or managed by AccorHotels employed 1,353 people with disabilities recognized by local legislation, 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. AccorHotels considers that the real number of disabled employees has been under-estimated.

Signed by AccorHotels and all employee representatives at the end of 2014, the 4<sup>th</sup> Group agreement for the integration and continued employment of disabled persons came into force in 2015 for the 2015-2017 period. This agreement is focused on the prevention of disabilities and the continued employment of disabled persons. It sets forth the following objectives: continuing to recruit persons with recognized disabilities; increasing the number of interns and work-study programs; developing measures for the prevention of disabilities and the continued employment of disabled persons; ensuring that everyone has access to qualifying professional training; ensuring ongoing communication and awareness-raising on disabilities; promoting the use of organizations from the sheltered sector; promoting the better social integration of disabled persons.

In France, the Integrating the Disabled Project (MIPH) adopted several measures to promote the integration of disabled persons, in line with each of the objectives set forth in the Group agreement.

### 2.3.9 SOCIAL DIALOGUE

Accor is committed to maintaining ongoing, constructive dialogue about employee rights and benefits with employee representative organizations. The Group initiated negotiations to renew a worldwide agreement signed in 1995 with the International Union of Foodworkers (IUF) concerning application of International Labour Organization conventions on employees' freedom of association and right to unionize. The negotiations initiated in 2014 for the renewal of this agreement are still under way.

#### DIALOGUE FORUMS AND RESOURCES

The European Works Council is co-chaired by the Chairman & Chief Executive Officer and a IUF representative. It meets at least once a year to examine the Group's organization, strategy and results, as well as cross-border issues. It may also be especially convened to discuss any measures being considered by the Group. In 2015, the European Works Council met twice and its members benefited from a course in financial information. The Ethics and CSR Charter was presented to all personnel representatives.

In France, the Group Works Council supports dialogue and the sharing of business information with local employee representatives. Created by the October 12, 1984 framework agreement, it 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. In addition, a Health, Safety and Working Conditions Committee is active in each of the relevant units.

The entities in Poland and Hungary are particularly active in this area. Disability awareness programs are included in the AccorHotels Académie catalogue. The hiring of disabled persons is backed by appropriate workplace conditions to ensure their successful integration in the teams concerned. The use of organizations from the sheltered sector is encouraged and awareness raising sessions are held on a regular basis for the teams.

In Brazil, AccorHotels launched a dedicated platform for the recruitment of disabled persons by the hotels. Following the Group's signing of the Charter of the "ILO Global Business and Disability Network", the teams are assessed as to their level of adherence to the Charter and the teams most involved in the recruitment of disabled persons are featured on the Intranet.

In 2015, qualitative report concerned 95% of the hotels covered by quantitative reporting. On that basis, 63% of the hotels have an employee representative organization. Across the Group, in units where there is no employee representative organization, employer-employee dialogue takes place in a variety of ways, depending on the contexts and cultures (*i.e.* open tables - informal round-table discussions with second-line executives, meetings with employee representatives in the hotel, information meetings concerning major projects and organizational changes, etc.).

#### COLLECTIVE AGREEMENTS

The table below shows the number of collective agreements signed in 2015, by country, and the issues covered. It does not include agreements signed prior to 2015 and still in effect.

**AGREEMENTS SIGNED BY COUNTRY AND ISSUES**

Country (Number of agreements)	Issues
<b>Algeria (2)</b>	Social Dialogue Healthcare coverage Compensation
<b>Argentina (1)</b>	Compensation
<b>Benin (2)</b>	Skills development Social Dialogue Cultural and Gender Diversity Healthcare coverage Compensation Health & Safety and Working Conditions
<b>Cambodia (1)</b>	Social Dialogue Compensation Health & Safety and Working Conditions Working hours
<b>Democratic Republic of Congo (1)</b>	Social Dialogue Healthcare coverage Compensation Working hours
<b>France (585)</b>	Skills development Social Dialogue Cultural and Gender Diversity Healthcare coverage Compensation Health & Safety and Working Conditions
<b>French Polynesia (4)</b>	Social Dialogue Compensation
<b>Germany (32)</b>	Skills development Compensation Health & Safety and Working Conditions
<b>Ghana (2)</b>	Skills development Healthcare coverage Compensation Health & Safety and Working Conditions Working hours
<b>Hungary (1)</b>	Compensation
<b>Indonesia (7)</b>	Skills development Health & Safety and Working Conditions Working hours

Country (Number of agreements)	Issues
<b>Ivory coast (6)</b>	Social Dialogue Healthcare coverage Compensation Health & Safety and Working Conditions Working hours
<b>Japan (7)</b>	Working hours
<b>Mexico (7)</b>	Skills development Social Dialogue Compensation Health & Safety and Working Conditions Working hours
<b>Monaco (1)</b>	Compensation
<b>New zealand (1)</b>	Compensation Working hours
<b>Poland (1)</b>	Compensation
<b>Romania (1)</b>	Skills development Social Dialogue Cultural and Gender Diversity Compensation Health & Safety and Working Conditions Working hours
<b>Senegal (4)</b>	Healthcare coverage Compensation
<b>Singapore (2)</b>	Skills development Social Dialogue Cultural and Gender Diversity Healthcare coverage Compensation Health & Safety and Working Conditions Working hours
<b>Togo (1)</b>	Healthcare coverage Compensation
<b>United States (2)</b>	Compensation Cultural and Gender Diversity Healthcare coverage Health & Safety and Working Conditions Working hours
<b>Vietnam (3)</b>	Skills development Social Dialogue Cultural and Gender Diversity Healthcare coverage Compensation Health & Safety and Working Conditions

## 2.4 SOCIAL RESPONSIBILITY COMMITMENTS

*By guaranteeing the finest quality products and services, promoting health and nutrition, ensuring safety and security, purchasing responsibly, but also protecting children from abuse and supporting local populations, AccorHotels is setting an example in its relationships with both guests and society as a whole. Solidarity AccorHotels, our community outreach endowment fund, is the natural extension of our approach to corporate social responsibility in our host communities.*

### 2.4.1 RESPONSIBILITY TO GUESTS

The first priority of AccorHotels, as expressed in its dedication to being "Guest Passion", is to make its guests happy and live the promise that is also the Group's vision to Feel Welcome. AccorHotels tries its best to make its guests' interaction with the Group and its hotels as simple as possible and understand their expectations so it can personalize its services and hospitality. That's why AccorHotels is constantly improving its brand standards to ensure a safe, fully satisfying guest experience. We are also developing a portfolio of sustainable products and services that are better for guest health and the environment and trying to adopt ways of interacting transparently and responsibly.

#### A GUEST-CENTERED CULTURE

##### Guaranteeing a consistent guest experience

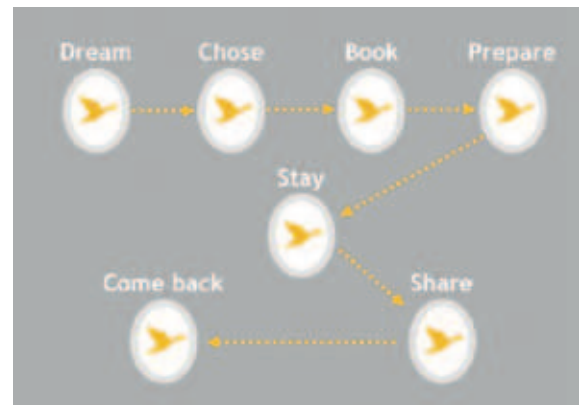
In 2015, AccorHotels continued to make improvements to its organizational structure in the service of a broader, all-encompassing vision of the guest experience. To do this, the Group looked at the "Guest Experience" as it has been redefined in the Digital Plan and a new Guest Experience & Loyalty Department that has been tasked with getting to better know guests and what they expect and improving the tools used to manage that information. It is putting guest experience strategies in place in order to improve value for guests and give them a level of service or customized attention in line with their expectations (Customer Lifetime Value). This Department is also tasked with the ongoing expansion of the Club AccorHotels loyalty program, improving hospitality for members and the gradual establishment of "Customer Caring" services for guests between now and 2018. This strategy is built around measuring guest satisfaction, which has become a benchmark for the Department and the hotels (see next page). The role of the Group's Guest Experience & Loyalty Department is fourfold:

- **simplifying guest interactions** with the Group and its brands and hotels by making them as consistent as possible;
- **learning about our guests** by collecting the information they want to share with us however we can and managing that information as seamlessly as possible;
- **personalizing the guest experience** through the intelligent use of that information to make every stay with us unique; and
- **engaging the Group's employees** to be ambassadors of the Feel Welcome promise. Giving them tools to get involved with guests and delight, surprise and amaze them.

This quest for consistency and commitment is established through close collaboration between Guest Experience teams (for overall strategy and tools), Human Resources teams (for the human dimension) and the brands (for the marketing dimension, procedures and Spirit of Service).

#### THE CUSTOMER EXPERIENCE AS SEEN BY ACCORHOTELS

A traveler's interaction with a hotel begins well before check-in at hotel reception. To account for this, AccorHotels, in its desire to be the ideal travel companion, has redefined the customer experience into seven stages and reorganized it to support its guests in each of these stages.



#### WELCOME BY LE CLUB ACCORHOTELS, DIGITAL TOOLS FOR THE GUEST EXPERIENCE

In 2014, AccorHotels reinvented hotel reception with its "Welcome by Le Club AccorHotels": online check-in, fast check-out services. It enables directly booking guests who hold an AccorHotels loyalty card to check in and out online. The chief advantage is the saving of time and custom-tailored hospitality. The room key and other formalities are ready at check-in and there is no longer any need to go to the front desk to check out. Teams can thus focus on enhancing the guest relationship and embodying the Feel Welcome promise. With Welcome, hotels are gradually digitalizing the check-in/check-out process. Designed for global deployment, the experience is aligned with each brand's personality and with national legislation (in particular concerning guest registration upon check-in). At the end of 2015, approximately 2,500 hotels offered this service. More than a million customers have used it and 92% of them want to use it again. The Group plans to increase eligible bookings by making so-called multiple reservations (several rooms for the same date or dates for the same customer) possible to book online. One challenge for 2016 will be increasing the percentage of hotels that regularly offer all individual guests fast check-out services from 25% to 100%. The use of certified AccorHotels equipment will remain compulsory for a hotel to offer these services.



## Letting guests be the judge

One of the Group's chief ambitions is to make our guests the judge of how it and its hotels are performing. This is a sign of the significant cultural transformation currently underway. Although compliance with standards and spirit of service are still levers of success, from now on, the only indicator that truly matters is customer satisfaction.

The "Voice Of the Guest" (VOG) platform launched in 2015 is another example of a powerful tool that the AccorHotels Group has put in place to support a guest-centered culture amid drastic changes in consumption patterns (see box). VOG acts as a centralizer for customer feedback for hotels and presents it in a clear and intuitive interface, semantically analyzing it by categories (room, food, service, WiFi, etc.) in more than 19 languages. In practical terms, VOG makes it possible to:

- capture all solicited or unsolicited guest feedback (see GSS below) through all channels: in the hotel or on a cell phone, tablet or computer. For example, unsolicited reviews posted online or in the social media are continuously collected and analyzed for the hotels;
- share feedback with employees;
- empower hotels to manage their e-reputations and interact more directly, quickly and seamlessly with guests so as to meet their expectations more effectively. Individualized responses are encouraged;
- compare reviews received by AccorHotels and its competitors and thus highlight the strengths of the Group's hotels when guests make comparisons;
- contribute to the referencing that occurs naturally between the Group's addresses and help them optimize their presence on various types of media.

At the end of 2015, 100% of Group hotels (leased and managed) managed their e-reputation online, in line with the target. An e-reputation score target was set for every hotel in 2015. This indicator compiled all feedback from all channels, and in the spirit of letting guests be the judge in our hotels, it became the indicator for hotel ratings.

### DIGITAL MEDIA HAS CHANGED CONSUMER PATTERNS FOR HOTEL SERVICES – KEY FIGURES

- 95% of guests check online reviews before choosing a hotel;
- 70% of guests connect to a social network during their stay;
- almost 66% share their experiences *via* social networks or satisfaction surveys;
- in 2015, the AccorHotels Group collected more than 6 million reviews of stays at its hotels;
- 30% additional reviews are contributed each year.

### A SIMPLIFIED HIGH-QUALITY MANAGEMENT SYSTEM FOCUSED ON GUEST EXPECTATIONS

The ibis brand has been involved in an ISO 9001 quality certification process since 1997. At the end of 2015, of the 1,030 ibis hotels worldwide, 88% are now ISO 9001 certified, in 47 countries. Building on the experience gained from 18 years of applying the ISO 9001 standard guidelines, the ibis brand has chosen to update its approach by simplifying and centering it on what guests need most: impeccable cleanliness, excellent connectivity, the promise of a good night's sleep and excellent quality of essential services. This streamlined quality management system, known as Lightway, will be deployed in 2016. The results will now be monitored through the compilation of all customer reviews (solicited and unsolicited), in the spirit common to all of the Group's brands of letting the guest be the only judge of the performance of its hotels.

## Brand standards that promote the feel welcome promise

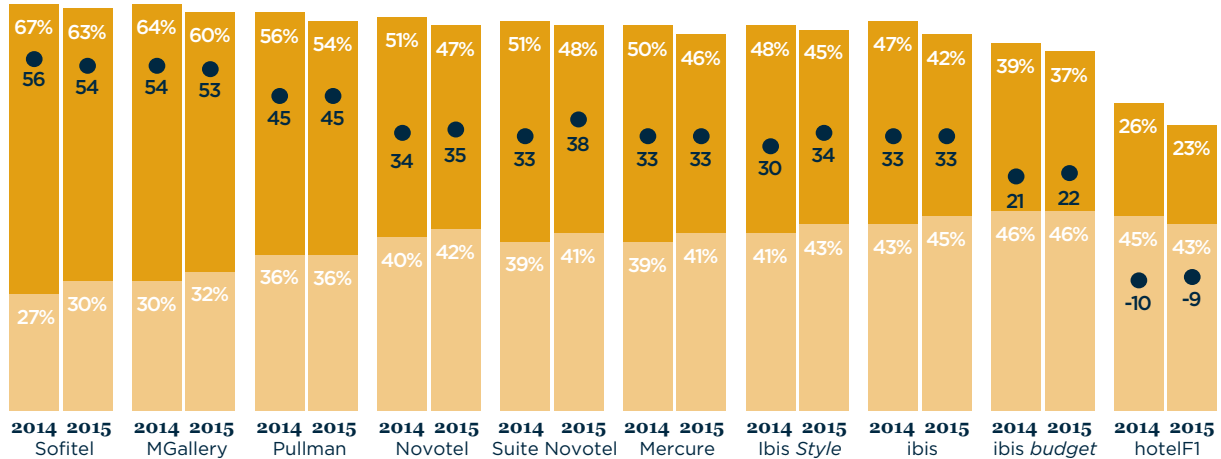
Each AccorHotels brand defines its own standards in such areas as marketing, quality, hygiene and sustainable development, which its member hotels are expected to apply. In 2015, the spirits of service for the ibis, ibis style and ibis budget brands were re-conceived to align them with the Group's Feel Welcome promise.

To verify compliance with these brand standards, each hotel must deploy three groupwide quality control and management tools:

- **Products & Services Audits:** conducted every year by an independent consulting firm *via* "mystery guest" visits to every part of a hotel, based on a very wide range of criteria (between 300 and 2,500 items audited depending on the brand). After the audit, the hotel must prepare and implement an action plan to improve its performance each year.
- **Hygiene Audits** managed by the country organization and conducted every year across the hotel base by an independent consulting firm. Auditors verify the hygiene of food and drink preparation areas, and usually guest rooms as well, by checking compliance with the appropriate procedures and taking samples for analysis. In 2014, more than 5,000 hygiene audits were performed groupwide.
- **Guest Satisfaction Survey (GSS)** give guests the opportunity to fill in an online questionnaire about their entire experience, from booking to checkout. Responses are directly viewable by the hotel, which is expected to analyze the feedback and respond to any dissatisfaction within two days.

These tools help to gauge guest satisfaction by determining two leading indicators: the percentage of satisfied guests and the Net Promoter Score, as represented below.

**Net Promoter Score by brand in 2015**



- Very satisfied guests
- Satisfied guests
- Net Promoter Score

AccorHotels' benchmark guest experience indicator is the Net Promoter Score, which is equal to the percentage of guests who are "promoters" (who would recommend the hotel) less the percentage of "detractors" (who would not). It is based on a direct question: "How likely is it that you would recommend this hotel to a friend or colleague?" The e-reputation indicator will replace the Net Promoter Score in 2016 as an indicator to measure the Guest Experience.

The change in 2015 of service provider and questioning methods (new questionnaire, new design, mobile version) made it difficult to compare results between 2014 and 2015.

These three tools are connected to the central Quality Hub database and their data are fed into the indicator scorecard sent to every operations manager, from hotel General Managers to country Operations Directors, and to the various support functions, such as marketing, quality and safety. Based on the data provided, each country organization 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 guest satisfaction remain a priority.

**STRENGTHENING THE PLACE OF SUSTAINABLE DEVELOPMENT IN THE GUEST EXPERIENCE**

Sustainable development issues are being integrated more and more into brand strategies.

The redefinition of Spirit of Service in the ibis brands in 2015 included several CSR-related dimensions that were important in particular for their Generation Y guests (who also composed a majority part of their teams): a search for meaning and the desire to be better connected to their environment, using travel time to go and meet others. In this spirit, ibis hotels are already

dedicated to hiring locally, particularly among a population where few people have university degrees, and engage in numerous actions for the benefit of their local communities. Starting in 2016, these brands are planning to develop services that allow their guests to meet locals and experience local ways of life and diversify the local products or fair-trade products available. In addition, the ISO 14001 certification is deployed widely (more than 80% of the certified network) in this economic segment.

For several years, respect for the planet and its people have characterized the Spirit of Service of the mid-tier brands. For Novotel, this ambition is reflected in the various components of its products and services: eco-designed bedding (Live N Dream line), complimentary fair-trade, eco-labeled (European Ecolabel) bathroom products (soaps, shampoos and shower gels), "GourmetBar" restaurants that feature balanced dishes with local, seasonal produce, some of which is organic. Mercury focused its involvement in sustainable development on the local aspects, with complimentary products and restaurants serving local and seasonal products. Hotels are invited to promote nearby natural areas, hire locally, participate in efforts to raise sustainable development efforts in schools, partner with a local NGO or take other measures.

The commitment from luxury and high-end brands translates into very good performance for the application of PLANET 21 standards and the 30 Charter 21 actions. Commitment to sustainable development is part of the basic principles of the Pullman, Sofitel, So and MGallery brand standards.

In 2015, the AccorHotels Group initiated a vast project, which will continue in 2016, aimed at increasing the role of sustainable development in every stage of the “Guest Experience”. As a result, a hotel’s sustainable development performance has become a selection criterion for online reservations, the PLANET 21 and Plant for the Planet programs are now part of communications to B2C and B2B guests, and the Carbon Optimizer tool (see page 56) is available to help B2B guests make enlightened choices. Booking confirmation e-mails will include messages to increase awareness of the fight against the sexual exploitation of children for commercial purposes starting in mid-2016. Like the “Le Club AccorHotels” loyalty program, which since 2014 has given its members the option of using their points for Plant for the Planet, the AccorHotels app also offers all its users the option of in getting involved in the program. Various topics related to responsible tourism and hospitality are present in the Group’s communications on social networks.

**SAFETY AND SECURITY: PHYSICALLY PROTECTING GUESTS, EMPLOYEES AND EQUIPMENT**

The AccorHotels approach is described in detail in Chapter 3 “Risk Factors”.

**A LINE OF RESPONSIBLE PRODUCTS AND SERVICES**

**Offering dishes that are healthy for people and the planet**

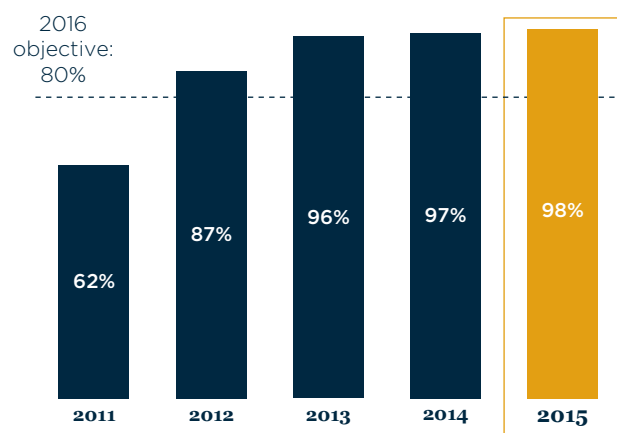
Nutrition has become a major issue in today’s society, as seen both in the public health campaigns to reduce the risks of cancer, cardiovascular disease, diabetes, obesity and other health problems and in such environmental concerns as the dangers of agricultural chemicals for the soil and for humans, the growing scarcity of water resources, and the adverse impact on biodiversity. This is why AccorHotels is committed to offering healthy, nutritionally balanced and environmentally sensitive meals that include organic ingredients.

Aware of the importance of food and nutrition, AccorHotels consulted expert chefs and nutritionists to develop recommendations for its hotel restaurants on how to create nutritionally balanced dishes, based on three key aspects: the choice of ingredients, to avoid foods that are too fatty or too sweet; the choice of cooking method, to avoid those that use too much fat; and providing a healthy balance of carbohydrates, lipids and proteins.

The recommendations were set out in a practical guide for restaurant managers worldwide.

To encourage eating that is healthy for people and the environment, the brands are gradually expanding their menus to include products from organic farms, fair trade organizations, local farms and other producers.

**Percentage of hotels offering a balanced dish**



	2011	2012	2013	2014	2015
Number of applicable hotels*	1,814	1,937	1,948	2,061	2,131
Response rate	96%	97%	97%	96%	96%

\* 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 2015, 98% of AccorHotels 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 are often added to restaurant menus to help guests identify balanced dishes and those made with organic ingredients.

**Eco-designing products and services**

AccorHotels makes every effort to design its guest products and services in ways that limit their environmental footprint. This addresses not only environmental concerns but also the health risks from the chemicals that may be released from items like furniture, paint, cleaning products and flooring, which can potentially cause allergies, asthma, respiratory irritation, headaches, etc. Using more natural eco-labeled products can help to improve the quality of indoor air in the hotels.

Basically, the eco-design process may be applied at two levels:

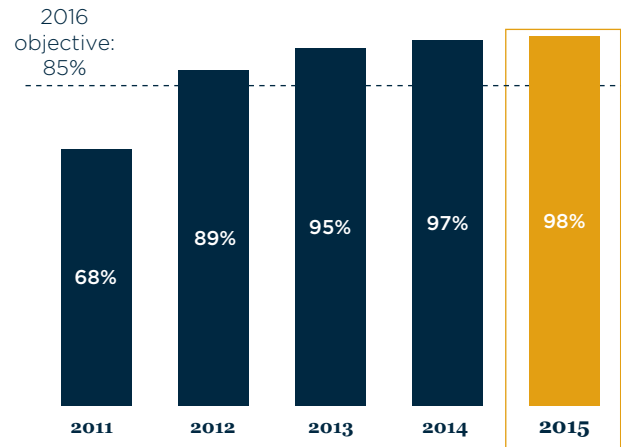
- occasionally, by selecting products that have been certified for their environmental performance by an independent authority. This is the case, for example, with complimentary products (shampoo and shower gels), cleaning products, eco-labeled flooring, room appliances (TVs and A, A+ and A++ energy rated refrigerators) and furniture made of FSC-certified wood.

In 2015, 97% of AccorHotels brand hotels were using at least one eco-labeled product for flooring, painting or cleaning.

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

- more systematically, for example, when designing a new bed or entire room (see below). In this case, the entire product or service can be optimized by working on the full range of parameters, using more environmentally sensitive and/or recycled products, designing for recycling, limiting quantities used in fabrication, and optimizing transportation and packaging. Life-cycle assessments (LCAs) can also be conducted, which measure all of a given product's environmental impacts from cradle to grave.

**Percentage of hotels using eco-labeled products**



	2011	2012	2013	2014	2015
Number of applicable hotels	4,013	3,331	3,401	3,538	3,682
Response rate	94%	92%	93%	94%	95%

**NOVOTEL DEVELOPED THE ECOLOGICAL ROOM OF THE FUTURE - N'ROOM BY NOVOTEL**

Novotel has integrated environmental criteria throughout the re-designing process for its room concept, from the trends and needs study to the technical specifications included in the spec sheet to the choice of designer. As a result, the N'Room will incorporate eco-friendly products and will include faucets with water-saving features, low-energy LED lighting, GUT label certified environmentally friendly carpeting laid using a solvent-free adhesive, duvets and pillows made from recycled bottles, Live N Dream eco-designed beds and energy-efficient (label A++) TVs. Finally, paint was chosen as a wall coating in order to reduce waste. A large percentage of the items will be manufactured in ISO 14001-certified sites.

Eco-design principles were applied to define the criteria for a new solution for responsible meetings and seminars, Meeting 21, which was launched in 2015. Meeting 21 offers guests meeting rooms equipped with furniture, consumables and eco-friendly equipment, solutions for responsible dining (waste-saving measures, local and organic products, fair-trade products, etc.). Peripheral services, such as more environmentally friendly transportation solutions, along with efforts to inform and raise awareness among guests, are also included. To be eligible, a hotel offering meeting activities must have at least one meeting room that meets all of the criteria.

**CARBON OPTIMIZER, THE TOOL FOR MEASURING THE CARBON FOOTPRINT OF A HOTEL STAY**

As part of Meeting 21, **Carbon Optimizer** has been available since July 2015 for sales teams and managers in charge of meeting services in hotels. The tool can be used to calculate the carbon footprint of a meeting, a hotel per night or annually and gives guests the option to reduce and offset their carbon footprint.

**COMMITMENTS FOR RESPONSIBLE COMMUNICATION**

**A set of documents to guide responsible communication practices**

Since 2009, AccorHotels has applied the Charter on Responsible Communication prepared by the French advertisers' association (UDA), which governs the processes in place upstream from 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).

In 2009, AccorHotels also introduced a **Global Hotel Guest Privacy Policy**, which is posted on the accorhotels.com, accor.com and brand websites. It explains the reasons for collecting personal information during the booking process and clarifies guests' rights to access their personal data at their request.

To ensure the responsible use of social media, a **Social Media Charter** was published in 2010 to offer guidelines for employees. This document addresses all the AccorHotels employees who want to express themselves, such as posting comments or answering questions concerning an issue directly or indirectly related to the Group on Facebook, Twitter, YouTube, LinkedIn and other social media. The guidelines were updated in 2012.

As part of the Digital Plan and the Employee Friendly project, AccorHotels has developed an internal social network, which it launched in mid-April 2015. To join, employees must first agree to abide by the **Enterprise Social Network Charter**, which defines, among other things, members' rights and obligations.

AccorHotels partnered with Trip Advisor in February 2015, so that comments submitted by guests on a Trip Advisor questionnaire after their stay are posted on both the Trip Advisor and AccorHotels websites. With their consent, their comments will be published on the Group's websites and on Trip Advisor.

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.

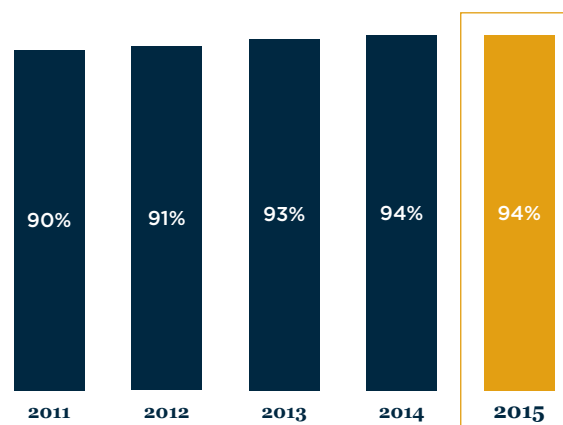
### Building guest awareness and buy-in

Through PLANET 21, AccorHotels builds awareness to encourage guests to reduce their environmental impact and participate in the hotel's initiatives. Instructive signage is posted along the entire guest journey: hotel entrance and lobby, in the rooms and restaurants, etc. In 2015, the role of sustainable development at each stage of the Guest Experience was strengthened along the same lines (see page 55).

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 program (see page 62), whose success intrinsically depends on a guest's willingness to reuse room towels.

In all, 94% of AccorHotels hotels are taking practical measures to build guest awareness and buy-in to support their commitment to sustainability.

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



	2011	2012	2013	2014	2015
Number of applicable hotels	4,013	3,331	3,401	3,538	3,682
Response rate	94%	92%	93%	94%	95%

## 2.4.2 RESPONSIBILITIES TO SUPPLIERS AND CONTRACTORS

With purchases representing around €3.7 billion in 2014, of which around €2 billion was from nominated suppliers, procurement plays a decisive role in the AccorHotels sustainable development process <sup>(1)</sup>. The sustainable procurement program aims to unite all of our internal customers, suppliers, contractors and service providers in a shared commitment to offering ethical processes and identifying and promoting products and services that respect personal well-being and help to reduce our environmental footprint.

### THE ACCORHOTELS PROCUREMENT PROCESS

Based in France, the Corporate Procurement Department manages international contracts and coordinates the network of 20 national Procurement Offices, which employ 148 people on five continents.

Contracts are signed at the international or national level, depending on the features of each category. "Standardizable" products and services that meet several countries' needs are managed globally, while those specific to a particular country are managed by the national Procurement Office.

Procurement teams make a real contribution to the financial results of the owned, leased, managed and franchised hotels by ensuring that everyone benefits from the Group's purchasing clout.

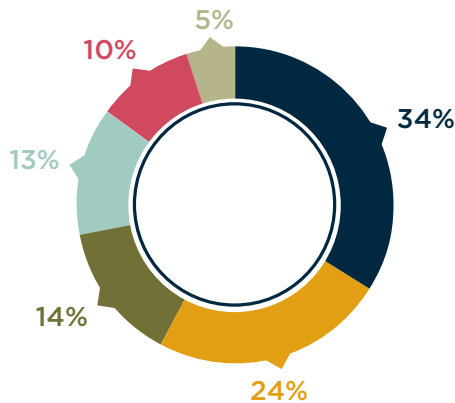
Purchases are classified as "nominated" if they are sourced by the hotels from suppliers that have signed a contract with an AccorHotels Procurement Department. They are overseen directly by AccorHotels teams, who manage and optimize the contracts and the sourced products or services and control the supply chain by taking care to offer solutions that best fit the needs expressed. Nominated purchases are estimated at 45% of total Group purchases (including countries with no procurement departments), or 54% if we take into account only purchases made in countries with a procurement department.

Purchases are classified as "non-nominated" if they are sourced directly by the hotels from suppliers that have not signed a contract with an AccorHotels Procurement Department.

(1) €3.7 billion is the estimated volume of total purchases from nominated and non-nominated suppliers, in countries in which there is a procurement department, made by all owned, leased, managed and franchised hotels, as extrapolated from the purchases from nominated suppliers.

Purchases representing the largest volumes are local purchases, as the largest three expenditures in a hotel are usually the cleaning of the premises, laundry and electricity. The three of these accounted for more than 20% of total purchases in 2014. In countries with a Procurement Department, when procurement is managed by it, these expenses are part of the nominated purchases.

### Purchases from nominated suppliers by product family (in %)



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

Because 2015 figures were not available, by the time this document was disclosed, the above breakdown is based on 2014 performance. Performance is not expected to have changed significantly in 2015. The data affects only the countries in which there is a Procurement Department.

### A dedicated sustainable procurement unit

Procurement teams are responsible for meeting objectives in five main areas, one of which is devoted to sustainable development, with the goal of implementing processes common to all Group purchases, in order to choose products that comply with the Group's social responsibility and environmental strategies.

The Sustainable Procurement unit falls under the management of Group Procurement and plays a guiding role with respect to local procurement. Its main responsibilities are:

- **monitoring supplier CSR performance**, by leading supplier CSR assessments and deploying corrective action plans;
- **managing reporting and training**, including collecting and consolidating country data; teaching buyers how the collaborative supplier CSR assessment platform works;
- **monitoring the regulatory environment**, shaped by the growing number of laws and regulations designed to reduce the environmental impact of products at every stage in their life cycle. The Corporate Sustainable Procurement unit monitors changes to regulations in France and the EU and keeps buyers informed about any changes. Special attention is paid to compliance with the REACH Regulation governing chemicals. In 2015, more than 80% of suppliers potentially affected by these regulations had a certificate of compliance signed.

### RESPONSIBLE PROCUREMENT PRACTICES

Sustainable procurement solutions are sourced at two levels:

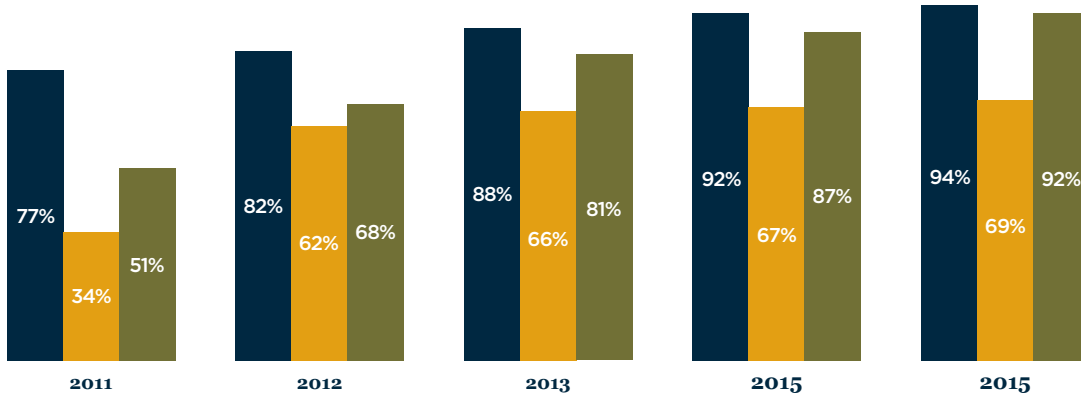
- each of the 98 purchasing categories were analyzed from two viewpoints: i) their inherent environmental, social and societal risks, and ii) the Group's exposure, based on guest visibility of the product or service, purchasing volumes and type of supplier market. Suppliers in these 98 categories are requested to sign the Procurement Charter 21;
- this dual analysis helped to identify 27 priority categories<sup>(1)</sup> with high sustainable development impact, whose suppliers receive special attention in the form of CSR performance assessments and audits.

In addition, in 2015, 92 out of 105 Group buyers in countries where AccorHotels has a procurement department (excluding New Zealand, the United States and the United Arab Emirates) have targets related to sustainable development.

(1) Meat, poultry, rabbit/Fresh fruit & vegetables/Dairy, eggs, cheese/Fresh fish, crustaceans & shellfish/Bakery/Hot drinks Dry goods/Ready-made meals/Frozen food multi-family/Promotional gifts/Temporary labour/Beds & mattresses/Cleaning contractors/Disposable products/Guest amenities (in room cosmetic products)/Chemicals/Branded products with logo/Uniforms/Carpentry, cupboards, mobile partitions, mirrors/Printing/Air-conditioning, ventilation, heating/Contractors tradesmen: masonry, earthwork/Hotel furniture interior and exterior/Flooring equipment and materials/Laundry dry cleaning/Audiovisual equipment/Restaurant linen, sheets and towels.



Hotel purchasing practices



- Percentage of hotels purchasing certified paper (scope of reporting 1)
- Percentage of hotels purchasing fair-trade products (scope of reporting 1)
- Percentage of hotels purchasing local products (scope of reporting 2)

Scope of reporting 1	2011	2012	2013	2014	2015
Number of applicable hotels	4,013	3,331	3,401	3,538	3,682
Response rate	94%	92%	93%	94%	95%
Scope of reporting 2	2011	2012	2013	2014	2015
Number of applicable hotels*	1,814	1,937	1,948	2,061	2,131
Response rate	96%	97%	97%	96%	96%

\* Hotels with a restaurant.

SUSTAINABLE PROCUREMENT AS A PART OF SUPPLIER RELATIONS

AccorHotels makes every effort to comply with these laws and ensure that they are respected by others, in particular by closely monitoring suppliers and service providers, whose practices may fall short of its commitments to respecting people.

Sharing sustainable development commitments with suppliers

Our corporate social responsibility commitments have been defined in the Procurement Charter 21, which provides a detailed explanation of the Ethics and CSR Charter for its suppliers. The Procurement Charter 21 is designed to be included in supplier certification contracts. It requires suppliers to:

- comply with all of the corporate social responsibility commitments to which AccorHotels is committed;
- ensure that their own suppliers and subcontractors meet the same standards;

- participate in AccorHotels' supplier assessments and implement the necessary action plans;
- authorize AccorHotels and/or consultants commissioned by AccorHotels to conduct sustainable development audits and implement the necessary action plans.

Any supplier that is unable to meet these requirements must inform AccorHotels 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.

By 2015, based on 18 Procurement Departments that responded to Group reporting, about 94% of the suppliers signed the Procurement Charter 21 (this percentage was 80% in 2014 and the target was set at 100% in 2015). In 2015, in response to the refusal of some suppliers to sign the Procurement Charter 21, partly because they were already committed to their own processes, Procurement teams obtained those documents from the suppliers, analyzed them and added them to the supplier file. When the commitments made by the supplier are similar to those requested by AccorHotels, the supplier is considered to be a signatory to the Procurement Charter 21.

## Monitoring supplier CSR performance

To track their CSR performance, suppliers are regularly audited, with a focus on the 27 high-priority purchasing categories. The audits presented below primarily concern 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 responsibility, environmental and ethical performance and on how much control they have over their own supply chain. Over the last three years, 287 assessments were performed by EcoVadis, 83 of which were in 2015 and 237 requests for corrective action plans were initiated in 2015 by AccorHotels (for EcoVadis ratings with a score less than or equal to 30 out of the total score or one of the criteria).
- Onsite audit conducted by AccorHotels:** quality audits are performed by country buyers of nominated local suppliers and contractors that are important to AccorHotels because of the volume of purchases involved and the related employee and health risks. Particular attention is paid to such categories as laundry services, security services and cleaning services, which are considered sensitive in light of the CSR issues and/or purchasing volumes involved.
- Onsite audit conducted by consultants:** in 2015, AccorHotels commissioned an external firm specializing in social audits to conduct audits of Group suppliers and/or their sub-contractors whose production facilities are based in a high-risk country. So that it can give its suppliers the best support possible, AccorHotels wants to equip itself with the tools to monitor them to guarantee real improvement in working conditions. So far, four audits have been conducted in China with suppliers or their sub-contractors, who operate in risk sectors that manufacture products such as hangers, toys, complimentary products and sewing necessities. These suppliers make several million euros in revenue with AccorHotels, which justifies the in-depth monitoring of their social performance. At the end of these audits, a customized plan of action was presented to the suppliers in question. These action plans will be monitored carefully in 2016.

In order to increase oversight of supplier risk, an environmental and social component was included in quality audits, in France,

for suppliers of sensitive food and beverage products. As a result, 45 suppliers were audited by a specialized external provider in 2015. Also in France, in another pilot project, nine nominated suppliers in charge of cleaning services received social audits from an external provider. In total, 18 AccorHotels sites were targeted by the audit, along with the head offices and regional branches of some providers. The audit also looked at supplier relationship management with the intent of identifying areas for improvement.

Altogether, 85 suppliers were audited by a third party and 168 suppliers were audited or evaluated worldwide. Since 2010, 552 suppliers have been evaluated.

## Nurturing sustainable supplier relationships

As part of its business relationship with certain suppliers, AccorHotels takes a partnership approach to improving the environmental or social responsibility impact of selected products.

A process launched in November 2015 by the Group's hotels in Thailand with rice farmers benefiting from the Plant for the Planet program is an excellent example of this. In addition to planting trees on agricultural land, Pur Projet, the AccorHotels partner, helped farmers to set up viable, robust processes that meet the Group's quality and organoleptic requirements. The project is currently in the pilot phase, and hotels will gradually be supplied with organic, locally produced coffee, rice and eggs.

In another example, AccorHotels in France has worked in collaboration with Nespresso to implement a nationwide sustainable solution for recycling coffee capsules. This solution will be tested in over 30 hotels in the Paris region and the Île-de-France to determine how best to organize a long-term collection solution best suited to the needs of hotels. The goal of this initiative is to recycle the 5 million Nespresso capsules used each year by guests of the Group's hotels in France.

Lastly, AccorHotels is committed to building sustainable relationships with suppliers, whether they are multinational corporations or small local businesses. To improve management of the supplier panel, the supplier base in every country with an Accor purchasing department was mapped in 2014. The exercise revealed how long certain suppliers had worked with Accor and the high proportion of small and medium-sized companies in the panel. This project is being finalized.

## 2.4.3 PROTECTING CHILDREN FROM ABUSE

### COMBATING SEXUAL EXPLOITATION OF CHILDREN

The sexual exploitation of children crosses geographic, social and cultural borders. According to Unicef, it concerns around two million girls and boys under 18 worldwide. As the world's leading hotel operator, present in 92 countries, AccorHotels has a legal and moral obligation to protect children from abuse and to ensure that these practices do not take place in its hotels.

According to the ECPAT NGO<sup>(1)</sup>, "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".

AccorHotels began working to combat CST in 2001, when it became the first hotel group to forge a partnership with the international organisation ECPAT. The first employee CST sensitivity training programs were introduced by AccorHotels in 2002, strengthening our child protection policies.

(1) ECPAT (End Child Prostitution, Child Pornography and Trafficking Of Children for Sexual Purposes) is the leading international organization in the fight to end child prostitution, child pornography and trafficking of children for sexual purposes. Its network comprises 80 organizations working in 75 countries.

The commitment of AccorHotels to combating CST is structured by the Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism issued by ECPAT and the World Tourism Organization, the United Nations agency responsible for the promotion of responsible, sustainable and universally accessible tourism. It has been signed by 1,200 tourism industry professionals for their operations in 46 host countries, where it is being applied 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 2014, the Code of Conduct was signed by AccorHotels in India, bringing to 38 the number of country organizations that have pledged their support.

In addition, the country organizations continued to demonstrate an increasingly assertive commitment to this issue with a wide range of initiatives, such as, for example:

- participating in EPCAT'S "Don't Look Away" events held in March in Vienna and in October in Paris;
- participating in conferences that bring together a number of hotel industry actors to discuss the issue in Poland and Myanmar;
- participating in a study on child sexual exploitation carried out by ECPAT on behalf of the United Nations;
- Support for EPCAT's "We say no" campaign in Italy, involving personalities from a number of industries and broadcast on social media.

After preparing a dedicated procedures manual in 2012 in partnership 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) – and testing it in four countries (Brazil, Thailand, Poland and Senegal), AccorHotels stepped up its child protection commitment by creating the **"WATCH - We Act Together for Children"** program (see box).

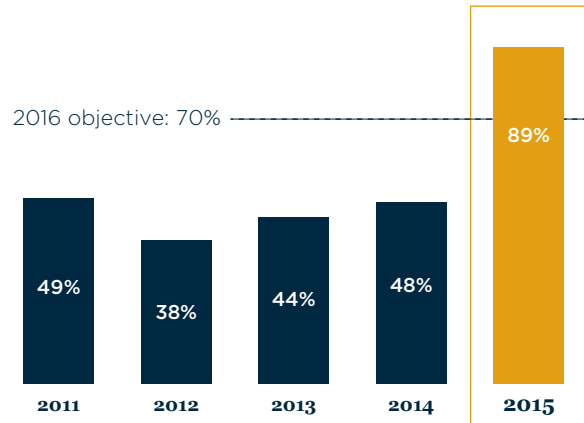
**"WATCH - WE ACT TOGETHER FOR CHILDREN"**

Created by AccorHotels, the WATCH program helps country organizations and hotels to put procedures in place to detect cases of CST and take the appropriate response. Combating CST involves local training initiatives designed to heighten employee vigilance, so that they can identify cases of CST more effectively, decide when to contact the authorities, and offer the child alternative lifepaths (via reintegration projects for example).

The WATCH program is therefore implemented through a variety of training/awareness-raising tools at the hotels, targeting different groups: General Manager, team leads and partners: films, e-learning modules, training modules for hotel teams, guideline sheets, available in English, Portuguese, French and Thai. Distribution of the complete kit, started in late 2014. During 2015, 63,558 employees were trained in child protection procedures.

With WATCH, AccorHotels is taking a stand at every level of the organization: Groupwide with the Code of Conduct, in the host countries by working together with ECPAT or local NGOs, in the hotels by working with the police and child welfare organizations, and through the work done by employees to raise awareness among guests.

**Percentage of hotels committed to protecting children**



	2011	2012	2013	2014	2015
Number of applicable hotels	4,013	3,331	3,401	3,538	3,682
Response rate	94%	92%	93%	94%	95%

In 2015, AccorHotels concentrated its efforts on training employees in all host countries and ensuring that all hotels implement its procedures. Significant efforts to obtain buy-in took place both at the highest management levels and in operations. Local partnerships with organizations and/or police or security forces made it possible to significantly raise awareness in teams across the board, enabling the Group to achieve and then surpass its goal. The Group also worked to provide digital content to raise awareness in customers: as such, beginning in mid-2016, a special segment will be included in all emails confirming reservations through all direct and indirect channels.

### 2.4.4 PLANT FOR THE PLANET, AGROFORESTRY PROJECTS TO DEVELOP COMMUNITIES AND PROTECT THE ENVIRONMENT

The Plant for the Planet program encourages customers to re-use towels when they stay at the hotel for longer than one night, and in exchange, AccorHotels has agreed to finance reforestation initiatives: half of the savings achieved by the hotel (water, electricity, detergents, and laundry) are invested in agroforestry projects. This program makes it possible for the hotels in the Group to strengthen their sense of belonging in their natural, human, and economic environment by redistributing part of the wealth being created and by participating in fostering a robust and more responsible agricultural economy.

Plant for the Planet also makes it possible for AccorHotels to reduce its environmental footprint. In this regard, trees play a widely acknowledged role, both in fixing groundwater reserves and absorbing part of the pollution. Upstream from the restaurant business of the Group, agriculture represents one of the most significant indirect water consumption points, and the greatest factor having an impact on biodiversity, findings that were confirmed by the environmental footprint update in 2015. 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 benefits of the projects supported in the Plant for the Planet program correspond to the three pillars of sustainable development, making it a real flagship initiative:

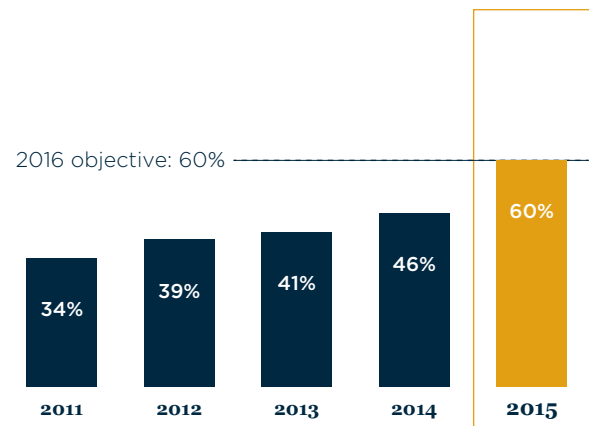
- **environmental benefits:** preserving ecosystems and threatened endemic species, conserving water resources, implementing remediation measures for unproductive soil, combating erosion, carbon sequestration, etc.;
- **benefits for society:** higher and more diversified income for those participating in projects, employment support, improvements in crop quality, creation of a new, local social dynamic;
- **benefits for the company,** especially the active participation of customers and the awareness-raising work done by Group employees, which are both key to the success of the program, enabling it in turn to provide a sense of cohesion.

In 2015, AccorHotels heightened its efforts to implement the Plant for the Planet program, planting almost 570,000 trees, thanks to estimated savings of €3,750,000, and thanks to four new projects launched in the United Arab Emirates, Italy, Poland, and Portugal. At the end of 2015, Plant for the Planet has more than 2,000 hotels that are involved (60% of the hotels in the Group – except for hotelF1 and Formule 1 – reaching the goal by the end of 2015) and has more than 150 reforestation or agroforestry projects in 25 countries. All in all, the project has financed more than 4.5 million trees planted around the world since it began in 2008.

Apart from the selection and startup of new areas for planting, AccorHotels’ partner Pur Projet takes care of program management, communications, and high-precision monitoring of the results obtained. This means that each hotel has all the information on the projects that were financed through its involvement in the Plant for the Planet program: locations, species planted, farmers who received support, number of trees planted, etc. Since 2014, guests belonging to the Le Club AccorHotels loyalty program can also participate directly in Plant for the Planet by donating their loyalty points to tree planting operations.

In 2015, the Group doubled down on its goals for the Plant for the Planet project, reaching its high point during voting on “the tree resolution”, as a result of which AccorHotels undertakes to plant 10 million trees by 2021 and to uphold the International Platform for Insetting (see page 27). AccorHotels wishes to continue to strengthen this program, an iconic one in the company’s CSE initiatives, beginning in 2016, giving it greater visibility and increasing its impact, especially through innovations to involve customers and hotels in greater numbers and to put the spotlight on employees in their role as program ambassadors.

*Percentage of hotels participating in the Plant for the Planet program*



	2011	2012	2013	2014	2015
Number of applicable hotels*	4,013	3,331	3,401	3,300	3,439

\* Excluding Formule 1 and hotelF1.

## 2.4.5 CORPORATE RESPONSIBILITY: SOLIDARITY ACCORHOTELS

The corporate responsibility of the Group is expressed through the Solidarity Accor endowment fund, which became Solidarity AccorHotels in November 2015 after the approval of its Board of Directors. In addition to their personal or technical involvement in helping disadvantaged and socially isolated people, the Group's employees, franchise partners, customers, and concerned individuals can donate financially to the programs that are demonstrating the Group's caring hospitality across national borders.

### EMPLOYEES AT THE HEART OF SOCIAL INITIATIVES

**Solidarity AccorHotels aims to fight against the economic and social exclusion of disadvantaged people through vocational activities, by supporting projects together with local organizations and NGOs.** Through Solidarity AccorHotels, employees play a central role in fulfilling this mission, with the fund providing technical and financial assistance for carrying out their projects in countries where AccorHotels is present.

This goal centers around two focus areas:

- **supporting access to professional development, employment, and entrepreneurship** by sustaining projects that have a positive impact on marginalized people in host countries. This focus area has two parts:
  - **professional training:** training programs and vocational education to help beneficiaries achieve financial independence,
  - **economic development:** support in improving activities linked to local culture to generate income;
- **providing long-term support for emergency situations** by helping local populations deal with the immediate and long-term consequences of humanitarian catastrophes.

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

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 and support department jobs means that everyone's skills can be used in putting together a project.

### A DEDICATED ORGANIZATION

The Solidarity AccorHotels **Board of Directors**, which is chaired by Sébastien Bazin, Chairman and Chief Executive Officer of AccorHotels, meets two to three times a year. It defines the fund's strategic vision, votes on projects whose budgets exceed €20,000, and oversees their implementation. The Board of Directors has nine members: six people representing AccorHotels and three qualified external members (details on Board members available at [solidarity-accorhotels.com/](http://solidarity-accorhotels.com/)).

The **Selection Committee** votes on projects funded at less than €20,000 and oversees their implementation.

The Board is supported by a **standing team** dedicated to assisting employees in their community outreach projects. It works closely with local correspondents, who are AccorHotels employees from the project's host region or who have worked there for several years.

Employees are able to add real value to the programs by providing their personal and professional expertise (cooking, service, on the floor, marketing, consulting, etc.). In particular, they regularly participate in training programs to present various hospitality industry jobs and share their expertise with trainees. These programs can include on-site hotel tours, conferences on hospitality industry jobs, presentations of the Accor Group and internships at AccorHotels.

### FUNDRAISING

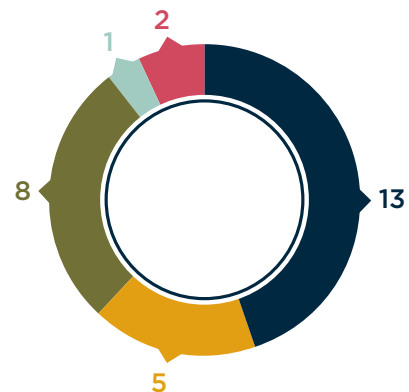
Solidarity AccorHotels has been funded by AccorHotels with an expendable endowment of €500,000 that, under the terms of its charter, may be increased by raising additional funds and collecting donations. In 2015, the second year in which this new governance method has been in place, Solidarity AccorHotels has continued to develop a variety of fund raising projects both internally and externally. Since November 2014, Le Club AccorHotels loyalty program offers members the possibility of making a donation to Solidarity AccorHotels. In this way, cardholders can convert their points into a financial donation. The funds raised are routed to an emergency fund used to rebuild communities. Le Club AccorHotels is encouraging members to support this partnership by keeping them informed of the projects that their donations are helping to fund. In the event of a natural disaster, Le Club AccorHotels members could be Solidarity AccorHotels' first port of call for emergency aid donations.

In all, a total of €161,634.13 was raised in 2015.

### PROJECTS SUPPORTED IN 2015

In 2015, 29 projects were supported with total funding of €410,800.

#### Projects supported in 2015 by region



■ Europe ■ Asia ■ Americas ■ Oceania ■ Africa

**SOLIDARITY ACCORHOTELS  
IN FIGURES, 2015**

- 29 projects supported.
- In 16 countries.
- Involving more than 6,000 employees.
- Supporting more than 1,500 people directly and more than 5,000 indirectly.

A few noteworthy projects supported in 2015 by Solidarity AccorHotels:

- In France, Solidarity AccorHotels supports the *La Table de Cana* Marseille organization in its “*Des Étoiles & des Femmes*” program. The goal of the program is to provide training for 12 women from northern Marseille in the high-end restaurant business. Five head Chefs and five Human Resource Directors from the Group work closely with these women, taking turns hosting them in their kitchens.
- In India, the endowment fund continues to support the Hope Foundation. An inaugural program to provide training for very high-risk youth in service and sales was launched in New Delhi with the creation of the “AccorHotels Center of Hope”. AccorHotels’ teams received the “CSR Impact Prize” for their commitment. Bolstered by this success, AccorHotels’ teams in India, together with Solidarity AccorHotels, participated in 2015 in the creation of a new training center located in Chennai. In 2015, this center welcomed a class of 60 students.
- In Brazil, Solidarity AccorHotels supports the “*Vem Ser*” workshop created in 2012 by the IA3 NGO. It is a training workshop for a number of different trades (sewing, stenciling, recycling paper, patchwork, etc.), where the NGO trains 30 extremely at-risk women in order to support them in becoming socially and professionally independent.

- In the United States, Solidarity AccorHotels supports professional training programs provided by Lotus House. All Sofitels in North America have been working together with Lotus House since 2014, to welcome women who are experiencing extremely precarious life circumstances. They have asked Solidarity AccorHotels to support the “Barista Bar” project, which is training 40 at-risk women to work as bartenders or servers.
- In Chad, teams from Novotel N’Djamena la Tchadienne continue to work together with the Essor NGO and its “Jeun’ Action” project, a program that provides training and assistance in entering the job market. Thanks to funding provided by Solidarity AccorHotels, 150 youth from vulnerable families received career counseling and support services in 2015.

**MORE THAN 30 COUNTRIES INVOLVED  
DURING THE 10<sup>th</sup> SOLIDARITY WEEK**

More than 350 Group’s hotels in 33 countries participated in the 10<sup>th</sup> annual Solidarity Week by working with local associations to organize outreach projects to help the disadvantaged. In total, more than 7,600 employees took action to provide assistance to local associations and 7,460 beneficiaries.

**SEVEN-YEAR TRACK RECORD**

- 237 projects supported in 41 countries, involving more than 15,000 employees;
- a large number of people supported:
  - more than 62,000 people directly supported by Solidarity AccorHotels as of year-end 2015,
  - more than 146,000 people indirectly<sup>(1)</sup> supported by Solidarity AccorHotels (as of year-end 2015).

(1) This figure has been calculated based on the number of people directly supported 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 Oceania, it has been multiplied by two.



## 2.5 ENVIRONMENTAL COMMITMENTS

*The environmental policy of AccorHotels is supported by cross-departmental management systems covering the environmental performance of its hotels, products and services, along with training and awareness-building for AccorHotels employees. It is designed to effectively address our environmental challenges in four primary areas: water, energy, attenuation of local impacts and waste management.*

### 2.5.1 ENVIRONMENTAL MANAGEMENT

#### IMPROVEMENT LEVERS IN THE MANAGEMENT OF ENVIRONMENTAL PERFORMANCE

AccorHotels implements its Charter 21 tool, backed by ISO 14001 certification for some brands and hotels, to reduce the environmental impact of the activity of its hotels. Through an approach emphasizing eco-design and innovation, it also seeks to reduce the environmental footprint of its products and services.

#### Charter 21 and the OPEN and SET systems

Charter 21 is the name of AccorHotels' internal environmental management system. It lists a series of measures to be phased in by hotels: management measures for setting up an efficient framework for action (organization, training, information, performance monitoring, etc.) plus specific measures on improving environmental performance or the management of risks (regulatory, pollution-related, etc.). All environmental factors (water, energy, waste, etc.) are covered, along with some social factors (responsible eating, health & well-being, etc.). Charter 21 is also implemented with the assistance of a toolbox: each one of the actions takes users back to operational tools (check-lists, practical guide, procedures, training kits, etc.) that are made available to the hotels in order to support them.

The Charter 21 management system is rolled out across all Accor Group hotels regardless of operating structure. Hotels use two proprietary applications that tie in with Charter 21:

- the **OPEN** application helps hotels manage their sustainable development performance. It includes a cross-departmental Charter 21 module and three topical modules: water & energy, waste, and Plant for the Planet. Hotels set their annual targets, enter their data and track their performance indicators. They also use the application for annual reporting purposes. OPEN is rolled out across all AccorHotels hotels, except for the water & energy module, which is reserved primarily for owned, leased and managed hotels. The application is regularly upgraded and available in eight languages (Chinese, English, French, German, Italian, Portuguese/Brazilian, Russian and Spanish). It has more than 5,000 users today;
- **SET** (for "Safety and Environment Tool") is used for monitoring safety, environmental and technical aspects of regulatory compliance. It lists regulations applicable to hotels, plus AccorHotels standards, and helps hotels identify compliance shortfalls and manage action plans to remedy non-compliance. SET is now in use in 21 countries; in other countries, compliance is ensured by dedicated, locally managed systems.

See page 131 for details on the management of environmental risks (especially on the means employed for preventing environmental risks and pollution, and on the amounts of provisions and guarantees in relation to environmental risks).

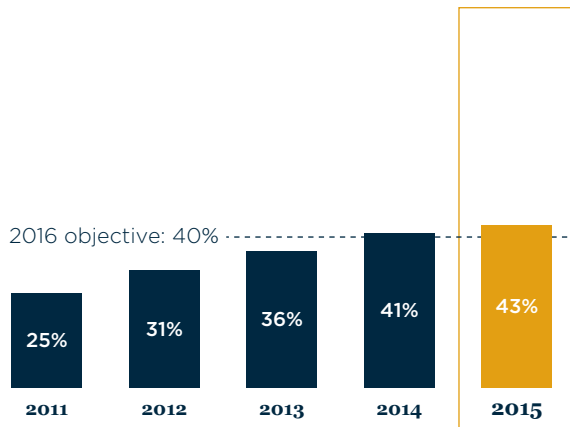
#### ISO 14001 environmental management certification

For the past 10 years, brands ibis, Novotel and Thalassa, as well as many other hotels in the Group, have sought ISO 14001 certification in order to strengthen their commitment to protecting the environment.

With this in mind, an environmental management system (EMS) was offered to the hotels alongside Charter 21, specifically to meet the requirements of the ISO 14001 standard. The most recent version of this EMS, named "ISO 14001 in ACTION" was finalized in 2013. It comprises a set of procedures, methods and documents enabling hotels to obtain certification. Deployment will be facilitated by an e-learning module that provides step-by-step support for hotels in implementing the ISO 14001 EMS. Implementation is monitored by annual internal audits for each of the certified hotels. Finally, external audits are performed to verify compliance with ISO 14001: external audits are carried out each year on a sample of hotels by an accredited independent organization.

Under its PLANET 21 program, AccorHotels has already exceeded its target of ISO 14001 certification for 40% of the hotel base by 2015, regardless of operating structure. Because of financial and staffing issues, certification objectives do not apply to hotels in the budget segment, operated under the hotelF1, Formule 1 and ibis budget brands; certification is a highly demanding process for hotel employees, which makes it difficult to implement in lightly staffed budget hotels. As of the end of 2015, the ibis and Novotel brands are very strongly involved, with 838 ibis hotels and 370 Novotel and Suite Novotel hotels having been certified. 32 hotels or institutes operating under other names (Sofitel, Pullman, etc.) are also involved, bringing the total number of certified establishments in the Group in 60 countries up to 1240.

## Percentage of hotels with environmental management certification



	2011	2012	2013	2014	2015
Number of applicable hotels*	2,230	2,671	2,653	2,770	2,899

\* Excluding Formule 1, hotelF1 and ibis budget hotels.

## TRAINING, AWARENESS-BUILDING AND BUY-IN

Employees of AccorHotels are the driving force behind our sustainable development strategy (nearly 190,000 around the world). They act as our sustainability ambassadors, both by demonstrating environmental sensitivity in their everyday work and by embracing our approach, so as to explain it to guests and encourage buy-in for the various PLANET 21 actions.

With this in mind, awareness-raising and training for employees is essential. AccorHotels has developed an e-learning course with two modules for all of the brands in the Group, which is available in 10 languages:

- raising awareness about sustainable development: understanding what is at stake, understanding the hotel in its environment, and understanding PLANET 21;
- training in environmentally friendly practices for each type of job: everyday working practices (explaining PLANET 21 to guests, measures taken by the hotel, importance of seemingly minor everyday working practices).

Sustainability training resources also include fact sheets ("Sustainable Development in My Job") for individual departments (corporate, hospitality/housekeeping, etc.) and jobs: head station waiter, cook, housekeeping floor supervisor, Sales Director, General Manager, etc. The sheets cover all of the hospitality industry's skill-sets, and 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, A GLOBAL EVENT FOR DEMONSTRATING THE SUSTAINABILITY COMMITMENT OF THE PERSONNEL OF ACCORHOTELS

Each year, around April 22 (Earth Day and PLANET 21 launch date), employees at all AccorHotels establishments worldwide take part in initiatives addressing the commitments in the AccorHotels sustainable development program. This year, with the theme "Don't throw anything out, recycle everything!", the focus was on waste reduction. A contest that was launched in hotels and offices of the Group encouraged teams to share their best practices to reduce, recycle, or reuse. Six of the 300 ideas that were shared received prizes.

## 2.5.2 ENERGY AND CLIMATE CHANGE

### ENERGY AND CARBON CHALLENGES

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

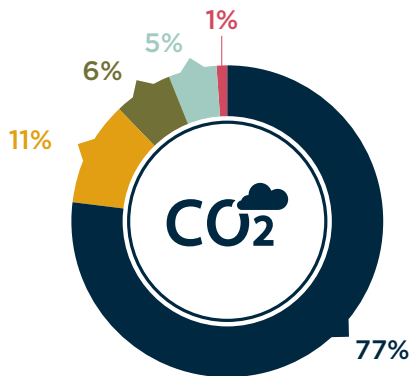
- tourist regions may be seriously impacted by global warming;
- climate policies are going to deeply reshape our future business and growth environment, in particular by shifting the growth model's energy paradigm, with far-reaching implications for the transportation and building industries.

The updated environmental footprint of AccorHotels<sup>(1)</sup> for 2015 confirmed it: energy and greenhouse gas emissions are the first two areas where AccorHotels is progressing:

- AccorHotels consumes 70 billion TJ of energy per year. 84%<sup>(2)</sup> of this is directly consumed by the hotels;
- annual greenhouse gas emissions (GHGs) through their life-cycle equal approximately 4.5 million tonnes of CO<sub>2</sub>. In first place, responsible for more than three quarters of emissions (77%), is energy consumption at hotels (mainly electricity), and in second place, is AccorHotels' holdings in the restaurant industry (upstream farming operations represent almost 11% of its carbon footprint); half of that is due to meat and dairy product purchases alone.

### AccorHotels' carbon footprint

which is 4.5 Mt eqCO<sub>2</sub>



- Energy consumption
- Food & Drink
- Infrastructure: Hotels (excluding water and electricity), furnishings and heating & cooling
- Laundry
- Hotel Management

### ENERGY PERFORMANCE IN HOTEL OPERATIONS

#### Managing energy performance in hotel operations

The progress that has already been achieved in the last 10 years to reduce energy consumption and greenhouse gas emissions is impressive. However, AccorHotels must hold fast on this course with a view to continuing to lessen its impact on the environment, anticipating coming regulations, new taxes, and cost increases that will increase pressure on the hospitality business.

After reducing energy consumption by 5.5% during the previous five-year plan (2006-2010), AccorHotels has attained a decrease of 5.3% over the period between 2011 and 2015. Over these five years, the Group now sought to stabilize this achievement at the highest-performing hotels and pushed ahead with consumption control endeavors at those establishments where further reductions are possible, in particular through strengthening performance management, focused investments and more efficient practices in both plant maintenance and behaviors.

Performance management is based on:

- monthly monitoring (or daily monitoring for some hotels) of energy consumption using the OPEN application;
- a clear understanding of hotel operations (number of rooms, number of food and beverage outlets, utility installations, etc.) and their energy use, (which has been tracked since 2005);
- an in-depth analysis of ratios measuring the impact of weather and occupancy rates, so as to ensure comparability among years;
- benchmarking by brand, hotel family and region.

To identify the least efficient systems and equipment so that capital expenditure can be optimally allocated.

Implementation happens through two internal tools: OPEN, for managing water and energy (see page 65) and MACH, for managing hotel assets (equipment inventories, year of installation, condition), making it possible to evaluate the need for replacement, and to organize, budget, and follow up on related investments.

From 2011 to 2015, AccorHotels was committed to a 10% reduction both in the energy used and in the carbon emitted by our owned, leased and managed hotels. For franchised hotels whose operations are not controlled by the Group, AccorHotels encourages hotel owners to become involved, providing tools and making recommendations to address these challenges.

(1) The environmental footprint of the Group encompasses all of the hotels in the Group, irrespective of their management structure, and was created using a life cycle approach.

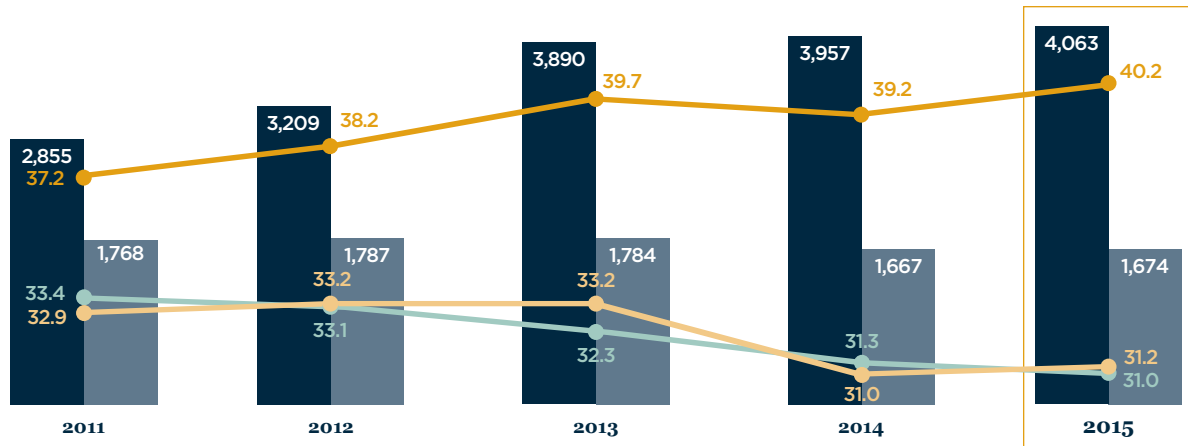
(2) The remaining energy use was primarily attributable to laundry operations (5%), upstream agricultural activities (5%) and construction/renovation (5%).

## Hotel energy performance: 2015 results

To track its hotels' intrinsic energy performance, AccorHotels uses the industry-standard indicator (kWh per available room).

All of AccorHotels' owned, leased and managed hotels track monthly energy consumption using the OPEN application.

### Total energy use



#### In GWh

- Total energy used
- Total energy use (like-for-like)

#### In kWh per available room

- Average energy ratio
- Average energy ratio (like-for-like)
- Changes to the energy ratio adjusted for the impact of the weather and occupation

Scope of reporting*	2011	2012	2013	2014	2015
Number of applicable hotels	1,847	1,855	1,912	1,940	1,897
Response rate	72%	79%	87%	88%	88%
Number of audited hotels	1,330	1,465	1,663	1,708	1,677
Number of hotels like-for-like, 2011-2015	944	944	944	944	944

\* Changes to scope of reporting are listed in the Methodological appendix on page 83.

Methodological review: The scope of reporting for this indicator covers all of the owned, leased or managed AccorHotels brand establishments open at December 31 of the 2015 reporting year (baseline), or 1,897 hotels in 2015. AccorHotels encourages franchised hotels to improve their energy performance and provides data collection tools to them, but the franchise agreement does not mandate that hotels upload their data. Therefore, franchised hotels are not included in the environmental scope of reporting. All specific information on methodology can be found on page 83. Based on the reporting from the baseline hotels, in order to ensure reliability throughout the Group, the indicator is calculated using only data that has been validated, which in 2015 means the data from 1,677 hotels (80%). Finally, to be able to analyze changes in performance across time, comparisons are made on

a like-for-like basis, which excludes hotels that have come and gone between 2011 and 2015, and also those that have atypical data (problems with reliability, partial closure due to construction, unusual events, etc.).

On a like-for-like basis<sup>(1)</sup>, energy use (in kWh per available room) across the AccorHotels Group fell by 5.3% from 2011 to 2015. This result will not make it possible to achieve the commitment made in 2011 to reduce energy use by 10%. However, after adjusting for the impact of weather conditions and occupancy rates, adjusted rates showed changes of approximately -7.2% between 2011 and 2015<sup>(2)</sup>. This is the most accurate figure for expressing the intrinsic energy performance of AccorHotels.

(1) The like-for-like reporting scope corresponds to the hotels that have been in AccorHotels Group since 2011. Restriction necessary to reflect changes in consumption and efficiency for actions taken regarding existing properties.

(2) On the basis of data available for 797 hotels in the like-for-like reporting scope of 944.

**Change in energy performance (restated with weather conditions and occupancy)**

From 2011 to 2012	From 2011 to 2013	From 2011 to 2014	From 2011 to 2015
-1.1%	-3.4%	-6.3%	-7.2%

On a like-for-like basis, the Group has maintained an almost constant reduction in the energy consumption ratio per available room, proof of its ongoing and strengthened commitment.

**Changes in energy use between 2011 and 2015: Focus by region**

Changes in energy consumption	In kWh per available room	In kWh per available room, adjusted to account for weather conditions/occupancy rate	Number of hotels like-for-like
<b>TOTAL</b>	<b>-5.3%</b>	<b>-7.2%</b>	<b>944</b>
The Americas	-2.4%	1.1%	11
ASPAC	-5.4%	-3.6%	114
France	-6.5%	-10.7%	303
MMEA	-6.1%	-7.7%	120
NCEE	-4.4%	-7.6%	396

Analysis by geographical region also shows significant disparities. France, which represents 32% on a like-for-like reporting scope, achieves the goal of a 10% reduction. To a lesser degree, the NCEE and MMEA regions are close to achieving the goal, and have shown excellent performance in certain countries (Poland and Hungary: -10%, Africa: -12%, Switzerland: -9%). On the other hand, results in the Americas and Asia are considerably more nuanced.

Upon the launch of PLANET 21, AccorHotels set the target of having 21 new buildings certified from 2011 to 2015. By the end of 2015, the target was met, with 21 buildings certified or in the process of certification, mainly in Germany, France, and the United Kingdom (LEED, BREEAM, HQE, DGNB, GREENMARK ou IGBC).

**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, AccorHotels has acquired extensive environmental engineering expertise, and HotellInvest, which seeks to set a good example, now requires that environmental certification be obtained (LEED, BREEAM, HQE, etc.) for new hotels built after 2014.

A siting and environmental integration study is required before construction, including a pollution study by a qualified engineering firm, as specified in the AccorHotels technical standards, which must be adhered to for HotellInvest construction projects. These technical standards, which have been sent to participating hotels in-country, are currently being adapted for local regulations. The country standards will be implemented in 2016. Local correspondents will be trained through the beginning of 2016 to ensure that these new standards are fully integrated.

Implementing them will make it possible for AccorHotels' real estate holdings to make progress in reducing their carbon footprint. Beginning in 2016, therefore, new buildings are being linked through centralized technical management interfaces that connect with the centralized booking site. Along the same lines, significant efforts will be made in the coming years to develop digital solutions that enable targeted, smart management for the buildings.

## RENEWABLE ENERGIES

In 2015, 531 hotels were using renewable energy (this amounts to 15% of the network): solar heaters for hot water or PV panels to produce electricity, as well as bio gas, hydroelectric, and geothermal installations, etc.). AccorHotels' commitment to deploying alternative energies in its hotels is demonstrated by the increase in the amount of solar-generated domestic hot water since 2007.

In the context of its commitment to develop renewable energy and all related environmental innovations, AccorHotels became the official partner of Energy Observer in 2015: it is the first experimental hydrogen-propelled boat that is linked with multiple renewable energy sources. Its goal is to be a laboratory for the third industrial revolution: the renewable energy revolution. For the AccorHotels Group, which is planning on working on wind power, new photovoltaic and fuel cell technology beginning in 2016, this project will allow it to maintain a connection with the most advanced teams working on highly innovative, cutting-edge solutions.

### Solar-generated domestic hot water

	2011	2012	2013	2014	2015
Solar-generated domestic hot water (in GWh)*	6.8	7.5	9.51	9.46	9.72
Number of applicable hotels**	135	145	157	195	183

\* Estimated data - see page 84 for details on methodology.

\*\* Hotels fitted with solar panels, with data making it possible to monitor/estimate solar production.

## TRANSPORTATION

AccorHotels encourages guests to use more environmentally friendly transportation solutions. For example, some hotels offer free bicycle rentals or use shuttle buses when they are near the airport. On, approximately 69 hotels worldwide have charge terminals in their parking garages, for charging guests' electric vehicles. Each year, new charging terminals are installed to provide this new service to guests.

Technical standards updated in 2015 recommend in particular the inclusion of footpaths and cycle tracks to public transport services, and/or cycle racks in the hotel garage.

The criteria for the Meeting 21 service include items on the hotel's capacity to offer access to alternative transportation modes (public transport, green taxis, car sharing, etc.).

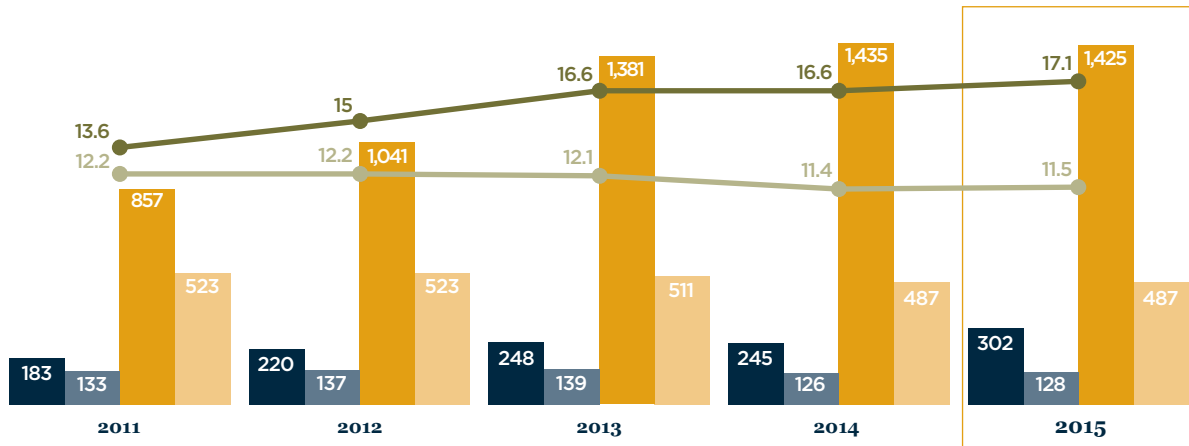


**GREENHOUSE GAS EMISSIONS**

**CO<sub>2</sub> emissions**

Carbon emission performance is measured in kilograms of CO<sub>2</sub> per available room.

*Tracking carbon emissions*



**In thousands of tonnes of CO<sub>2</sub>**

- Total direct CO<sub>2</sub> emissions
- Total direct CO<sub>2</sub> emissions (like-for-like)
- Total indirect CO<sub>2</sub> emissions
- Total indirect CO<sub>2</sub> emissions (like-for-like)

**In kg of CO<sub>2</sub> per available room**

- Average ratio of CO<sub>2</sub> emissions
- Average ratio of CO<sub>2</sub> emissions (like-for-like)

	2011	2012	2013	2014	2015
Number of hotels in the baseline group (excluding franchises)	1,847	1,855	1,912	1,940	1,897
Response rate	72%	79%	87%	88%	88%
Number of audited hotels	1,330	1,465	1,663	1,708	1,677
Number of hotels (like-for-like, 2011-2015)	944	944	944	944	944

On a like-for-like reporting scope, the overall reduction from 2011 to 2015 is 6.2%. This performance directly correlates with performance for energy consumed, and the trends are similar.

AccorHotels intends to continue its efforts to reduce total energy used and total related CO<sub>2</sub> emissions even further.

An “Energy/Carbon” action plan for AccorHotels will be developed throughout 2016 to manage actions to improve and control consumption in a targeted and appropriate manner. The Group plans to implement measures for both operations (maintenance and management) and structural improvements, by considering the environment when making investments.

Methodological review: The scope of reporting for this indicator covers all of the owned, leased or managed AccorHotels brand of hotels open at December 31 of the 2015 reporting year (baseline),

or 1,897 hotels in 2015. AccorHotels encourages franchised hotels to improve their greenhouse gas emissions and provides data collection tools to them, but the franchise agreement does not mandate that hotels upload their data. Therefore, franchised hotels are not included in the environmental scope of reporting. All specific information on methodology can be found on pages 83 and 84. Based on the reporting from the baseline hotels, in order to ensure reliability throughout the Group, the indicator is calculated using only data that has been validated, which in 2015 means the data from 1,677 hotels (80%). Finally, to be able to analyze changes in performance across time, comparisons are made on a like-for-like basis, which excludes hotels that have come and gone between 2011 and 2015, and also those that have atypical data (problems with reliability, partial closure due to construction, unusual events, etc.).

### 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 2014 environmental footprint study showed that such leaks and evaporation account for a minor 1% or so of our carbon footprint.

## 2.5.3 WATER

### WATER-RELATED CHALLENGES

Because water is very unevenly distributed across the planet, the ability to access it varies widely from one region to another, making it a cause of political and social tension, and therefore a major challenge for humanity. AccorHotels 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 footprint

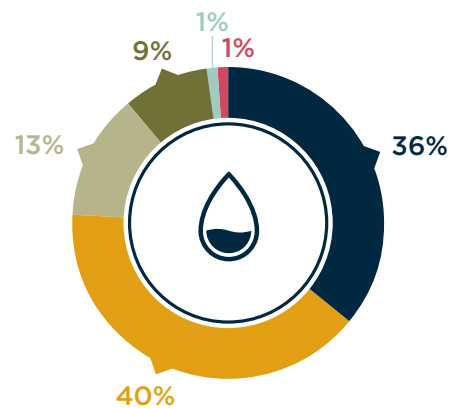
AccorHotels' environmental footprint data, updated in 2015, includes a life-cycle water footprint figure measuring net water consumption, i.e. water drawn less water returned to the environment. Total water use is 30 million cubic meters. Three main items stand out: upstream farming operations related to the restaurant business (40%), water required to produce the energy consumed in the hotels (36%) (cooling of nuclear power plants, etc.), and finally, water used in the hotels (13%, for showers, toilets, kitchens, swimming pools, watering gardens, etc.)<sup>(1)</sup>.

These results make it possible to determine the two main factors where the Group can take action to reduce its water footprint: first, the direct lever of controlling water use through a water and energy use management program in the hotels; second, indirectly through sourcing and agricultural practices that are more water-efficient.

A significant campaign took place in France in 2015 to eliminate the majority of R22-type gases. 67 units were removed and replaced by other sources of heating and cooling. As often as possible, heat pumps are installed in an effort to improve the energy efficiency of devices.

### Breakdown of AccorHotels' water footprint by source

Water used: 30 million m<sup>3</sup>



- Energy consumption
- Food & Drink
- Water directly consumed in the hotels
- Infrastructure: Hotels (excluding water and electricity), furnishings and heating & cooling
- Laundry
- Hotel Management

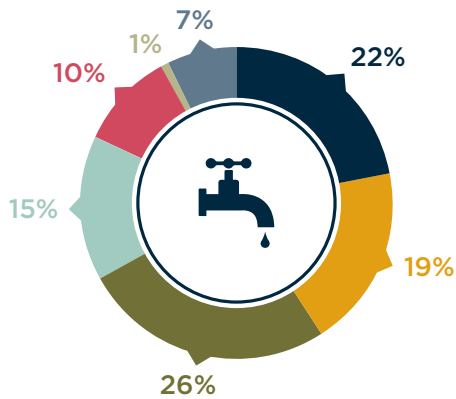
(1) Net water consumption in hotels represents 4.5 million cubic meters of the 34 million cubic meters gross consumption (see page 85). Wastewater from the hotels accounts for the difference.

### 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. So the lower the figure, the lower the stress on resources. 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%, to around 2.8 billion people, by 2025.

Since 2013, AccorHotels has been monitoring and updating its exposure to water stress risk every year: on the basis of geographical location and using the database in the World Resource Institute (WRI) Aqueduct system – one of today’s two leading water risk analysis systems – a risk level is established for each hotel in the Group.

### Breakdown of owned, leased and managed hotels located in water-stressed levels



- Low water stress (<10%)
- Low to moderate water stress (10-20%)
- Moderate to high water stress (20-40%)
- High water stress (40-80%)
- Very high water stress (>80%)
- Drylands
- No data

Study based on the “AQUEDUCT” water stress map for all AccorHotels hotels (3,682 hotels).

The results show that only 0.4% of the Group’s hotels are located in drylands. However, more than one quarter of AccorHotels hotels (947 in all) are located in areas of high water stress risk or above, with 9.9% in areas of very high risk. The locations most concerned are in the United Kingdom (115 hotels), Australia (72), Germany (96), China (96), France (89), Spain (65), Indonesia (53), Belgium (51), and Italy (36).

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:

- though 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. The European region therefore deserves special attention;
- in **Asia-Pacific**, there are fewer hotels in critical regions (around 310, of which nearly 53 in Indonesia), but more attention is being paid to improving water use ratios, which still offer potential for optimization;
- AccorHotels is especially attentive to hotels in **Australia** and **Brazil**, which appear liable to face heightening water stress in the years to come.

This new approach to examining the water consumption profile will help AccorHotels focus its action plans on areas at risk. Particular attention will be paid to water use trends at the hotels concerned. Water stress analysis data is factored in when setting water consumption reduction targets hotel by hotel, along similar lines to the process for setting energy consumption reduction targets.

### WATER USE

#### Water use management program

Over the period 2006 to 2010, AccorHotels achieved a 12% reduction in water consumption, through major efforts at its hotels worldwide. Further improvements are sought under the PLANET 21 program, targeting a 15% reduction in water use per guest in owned, leased and managed hotels over the period 2011-2015. As at the end of 2015, AccorHotels has achieved encouraging results with its reduction of 8.4%, but this however will not lead to achieving its goal.

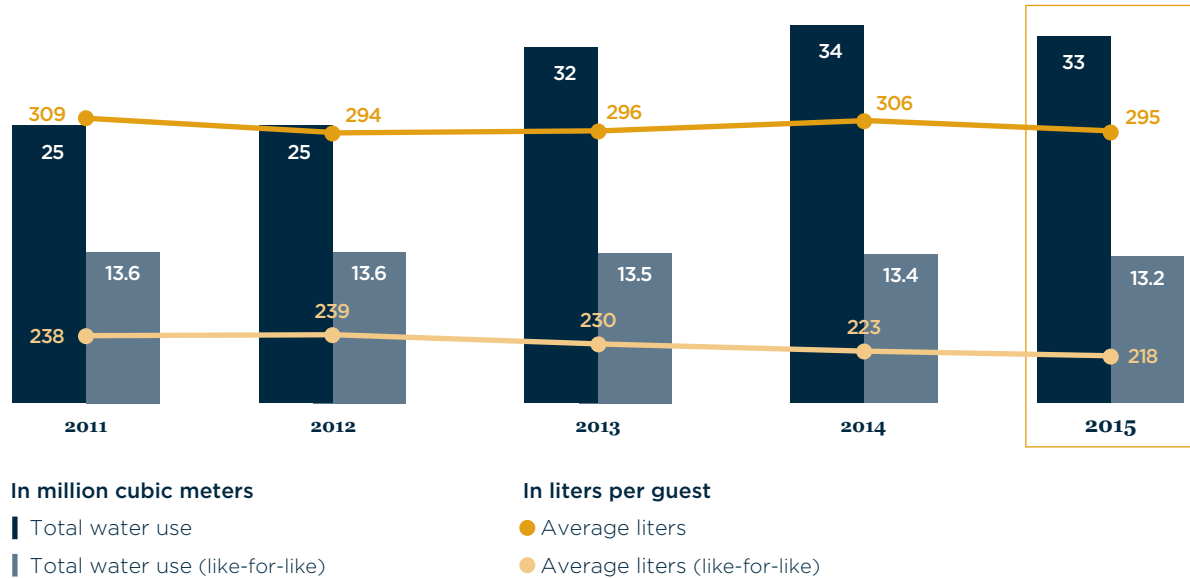
The Group will therefore continue with its efforts, which include attentive management of hotel performance (through monthly tracking, regular reviews, internal benchmarking, etc.) and by continuing to broadly implement best practices (flow regulators, individual meters for precise monitoring, and removing leaky equipment, dual-flush toilets, etc.).

In the coming years, AccorHotels would like to increase the amount of water that it recycles in its hotels. Pilot programs are underway, but it is too early to consider a wider-scale roll-out. With this goal in mind, and aided by its technical standards for construction, the Group is preparing its buildings to be able to separate sewage from gray water, as the latter can be treated and recycled along with rainwater.

AccorHotels is also using other programs that contribute to conserving water resources in upstream farming operations, including the issue of procurement guidelines (on compliance with organic farming specifications, for example) and the Plant for the Planet initiative (see page 62).

**Water performance: 2015 results**

AccorHotels tracks its hotels' intrinsic performance by measuring water consumption in liters per guest, (liters per room night).

*Tracking water use*

	2011	2012	2013	2014	2015
Number of hotels in the baseline group (excluding franchises)	1,847	1,855	1,912	1,940	1,897
Response rate	72%	79%	87%	88%	88%
Number of audited hotels	1,330	1,465	1,663	1,708	1,677
Number of hotels like-for-like, 2011-2015	944	944	944	944	944

Methodological review: The scope of reporting for this indicator covers all of the owned, leased or managed AccorHotels hotels open at December 31 of the 2015 reporting year (baseline), or 1,897 hotels in 2015. AccorHotels encourages franchised hotels to improve their water use performance and provides data collection tools to them, but the franchise agreement does not mandate that hotels upload their data. Therefore, franchised hotels are not included in the environmental scope of reporting. All specific information on methodology can be found on pages 83 and 84.

Based on the reporting from the baseline hotels, in order to ensure reliability throughout the Group, the indicator is calculated using only data that has been validated, which in 2015 means the data from 1,677 hotels (80%). Finally, to be able to analyze changes in performance across time, comparisons are made on a like-for-like basis, which excludes hotels that have come and gone between 2011 and 2015, and also those that have atypical data (problems with reliability, partial closure due to construction, unusual events, etc.).

*Changes in water consumption*

From 2001 to 2012	From 2011 to 2013	From 2011 to 2014	From 2011 to 2015
0.3%	-3.5%	-6.1%	-8.4%

On a like-for-like reporting basis, the Group has maintained its rate of reduction for water consumption per guest (-8.4% between 2011 and 2015), extending the reduction in water consumption that had already been achieved between 2006 and 2010.

Changes in water use between 2011 and 2015/Regional focus

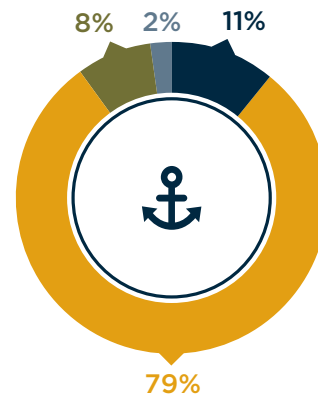
	In liters per guest	Number of hotels like-for-like	Average for hotels located in regions of high water stress or drylands In liters per guest	Number of hotels located in regions of high water stress or drylands
<b>TOTAL</b>	<b>-8.4%</b>	<b>944</b>	<b>11%</b>	<b>267</b>
The Americas	0.5%	11	-9%	3
ASPAC	-9.7%	114	-11%	67
France	-7.2%	303	-7.2%	41
MMEA	-15%	120	-13.2%	82
NCEE	-5.6%	396	-6.1%	74

As shown by the results below, there are significant differences in performance. In Europe (NCEE) and France, where significant reductions in water use took place between 2006 and 2010, performance oscillates around -6% for the 2011-2015 period, taking into consideration the lower existing room to maneuver. On the other hand, in Asia and Africa-Middle East, the reduction is more noticeable (from 10% to 15% less), showing a greater potential for reduction. The situation in the Americas is not significant, given the low number of hotels in the sample. Finally, it is worth noting the “over-performance” of the hotels in the Group in water stress regions, which is proof of the human and other resources mobilized in these at-risk regions.

Just as for electricity and CO<sub>2</sub> emissions, the Group wishes to continue with its efforts to reduce water consumption, especially in regions that are experiencing high levels of water stress.

Breakdown of AccorHotels’ eutrophication impact by source

Marine eutrophication or 4,524 tonnes n-eq



- Energy consumption
- Food & Drink
- Infrastructure: Hotels (excluding water and electricity), furnishings and heating & cooling
- Waste treatment

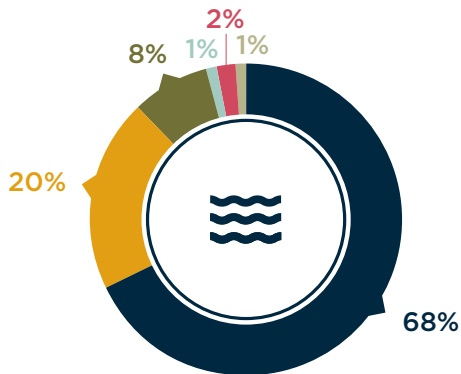
DISCHARGES AND TREATMENT

Wastewater

The Group’s environmental impact study (updated in 2015) looked at the impact its hotel operations may have on groundwater quality. This impact is assessed in terms of the eutrophication phenomenon that characterizes deterioration in an aquatic environment. In the sea, eutrophication is measured as nitrogen saturation, expressed in kilograms of nitrogen equivalent (kg N-eq). In rivers and lakes, it is measured as phosphorous saturation, expressed in kilograms of phosphorus equivalent (kg P-eq). On a life-cycle basis, marine eutrophication as a result of AccorHotels hotel activities represents 4.5 million tonnes N-eq and freshwater eutrophication represents 1 million tonnes P-eq.

**Freshwater eutrophication**

i.e. 1,189 tonnes p-eq



- Energy consumption
- Food & Drink
- Infrastructure: Hotels (excluding water and electricity), furnishings and heating & cooling
- Laundry
- Hotel Management
- Water directly consumed in the hotels

The environmental impact study shows that nitrogen saturation arises chiefly (79%) from the farming activities behind the provision of AccorHotels food services, and from livestock farming activities in particular: meat, milk and eggs. Phosphorous saturation arises chiefly from generation of the energy used by the Group's activities (68%) especially electricity from nuclear power plants.

AccorHotels can reduce the negative impact on groundwater quality by ensuring that all hotel wastewater effluent is systematically treated, either by connection to a collective treatment plant (such as a municipal treatment plant), or onsite in an independent treatment plant.

**More environmentally sensitive products**

The extensive Groupwide use of eco-labeled cleaning products sourced from a single nominated supplier (see page 56) has significantly reduced the impact to the environment generated by our wastewater.

In addition, the Mercure, Novotel, ibis Styles and ibis brands now offer complimentary products certified by European green certification agency Ecocert or Nordic Ecolabel, enabling them to participate in reducing the environmental footprint of the Group.

**2.5.4 PROTECTING BIODIVERSITY AND CONTROLLING LOCAL ENVIRONMENTAL IMPACTS****IMPACT ON BIODIVERSITY**

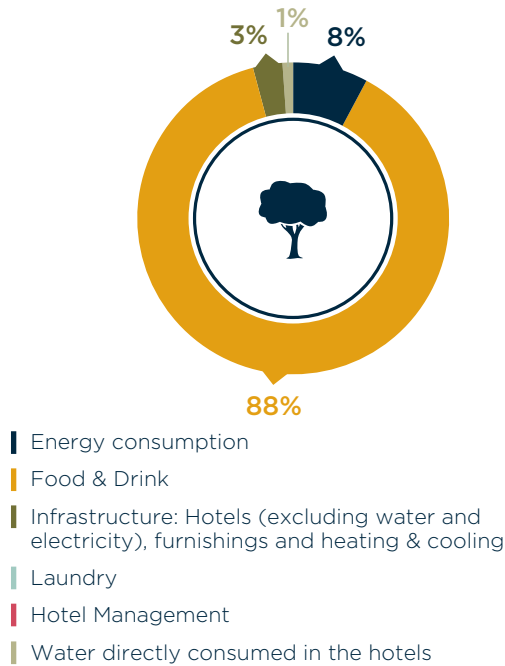
AccorHotels assessed its biodiversity footprint for the first time in 2014, evaluating the impact of its activities on ecosystems (i.e. species and their habitats). It was estimated at 351 billion pdf.ha.y. The indicator used to measure biodiversity footprint is expressed in "pdf.m<sup>2</sup>.y" - i.e. the "potentially disappeared fraction of species" over a unit of surface area (a square meter) over a unit of time (a year). For example, one pdf.m<sup>2</sup>.y corresponds to the elimination of all biodiversity over a square meter of primary forest and 0.89 pdf.m<sup>2</sup>.y corresponds to the destruction of one square meter of secondary forest.

The Group's biodiversity footprint stems, to a very large extent (88%), from the farming activities behind the provision of the Group's food services. This is primarily because most of the impacts on biodiversity are a direct consequence of land use (and therefore deforestation) and, for farming operations, the use of pesticides. Eutrophication can also have a non-negligible impact on this indicator. Pressure on biodiversity arising from hotels' energy use is estimated at 8%. The Group's impact on biodiversity from infrastructure is low (3%), because its hotels are mostly located in urban and semi-urban areas (75%).



**Breakdown of AccorHotels' biodiversity footprint by source**

351,000 pdf.hay



Methodological review: The scope of reporting for the environmental footprint covers all of the owned, leased or managed AccorHotels brand hotels.

The Group is a strong proponent of the preservation of biodiversity, an important factor in the tourist appeal of many geographies. AccorHotels' commitment is especially seen through the Plant for the Planet program (see page 62), but also through other initiatives on biodiversity: ground stewardship, hives and vegetable gardens implementation,...

**OTHER INITIATIVES ON BIODIVERSITY**

AccorHotels has broadened its commitment to biodiversity by promoting more responsible eating in its restaurants, and it was close to meeting its 2015 goal of removing endangered seafood from all hotel menus (99% of hotels at the end of 2015).

The Group is also committed to offering more organic products.

Among the Charter 21 indicators, two actions concern more sustainable grounds management. In hotels that have gardens (65% of the hotels in the Group), the issue of pesticide use represents a fairly significant challenge in protecting and promoting biodiversity. In 2015, 73% of our hotels with a park or garden used green garden products.

**CONTROLLING LOCAL ENVIRONMENTAL IMPACTS**

Apart from the issue of climate change, most of the environmental impacts that AccorHotels is faced with are local: water consumption and waste water, water scarcity, impact on biodiversity, waste production. The Group is aware that these local factors are part of its challenge, and it has worked to find local responses, by mobilizing its hotels and employees, designing hotels that are more environmentally sensitive, etc. All of the environmental topics discussed in this document are a testament to this approach and its local dimension.

**Land use**

The vast majority (78%) of AccorHotels hotels are located in downtown and suburban areas, where local treatment services, especially for water and waste, are available.

For building and refurbishment projects in environmentally sensitive areas, detailed environmental studies are conducted to anticipate and minimize any adverse impact on their surroundings. A siting and environmental integration study is required before construction, including a pollution study by a qualified engineering firm, as specified in the AccorHotels technical standards, which must be adhered to for HotelInvest construction projects.

**Inconveniences for the neighborhood**

The guides for the construction and renovation of hotels specify that hotels must be designed in a way that minimizes any disturbances for neighboring properties, both noise-related and climate-related. As such, the effects of the construction on natural lighting and wind for neighboring buildings must be studied by experts. Utility rooms and air intake and exhaust vents in particular must be designed and located such that they limit any disturbances (noises, smells, visual), and areas that are particularly noisy (bars, parking lots) must have appropriate shelter or fencing.

### 2.5.5 WASTE

The business of the Group creates, on the whole life cycle, more than 1,000,000 tonnes of waste per year, of which 70%<sup>(1)</sup> comes from hotel construction and refurbishment of buildings.

Hotel waste comes from three main sources:

- inputs, such as packaging, consumables (light bulbs, etc.), complimentary products and foodstuffs, for which 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.

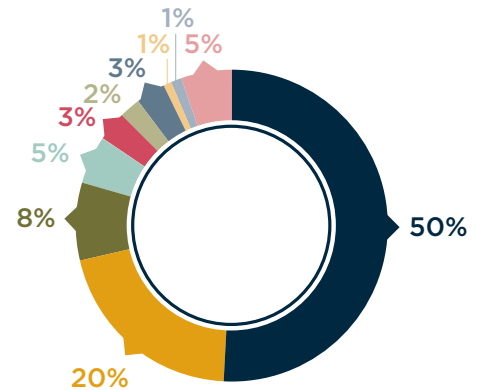
#### ANALYSIS OF ACCORHOTELS WASTE

Waste management challenges can be appreciated from an estimation of outgoing flows of hotel operating waste (i.e. excluding waste from renovation and construction work). Across the 3,900 hotels in the Group, operating waste totals around 160,000 tonnes. This averages out at 45 tonnes per hotel overall, with averages varying widely for different hotel categories: “budget” category (7 tonnes/hotel/year), “economy” category (34 tonnes/hotel/year), “mid-range” category (69 tonnes/hotel/year) and “luxury, top-end” category (94 tonnes/hotel/year).

Estimated waste figures are based on information from hotels reporting annual waste production data. They only include waste tonnages per sorted type. Where hotel data for a particular waste type is missing, an estimation is used consistent with other types.

The table below lists figures for each type of waste:

#### Breakdown of 160,000 tonnes of waste by category (as a %)



- Food waste, food oils, fats
- Paper, card
- Glass
- Plastics
- Garden waste (for hotels with grounds)
- Palettes
- Hazardous waste, mainly: batteries, printer cartridges and compact fluorescent bulbs
- Large items
- Metal packaging
- Other Waste (i.e.: scrap metal, crockery, non-recyclable throwaway items, textiles)

Restaurants represent the greatest area of the Group’s waste production: more than 50% of waste is food waste, oils, and fats. Though some hotels do not have restaurants, they do nevertheless serve a breakfast, which also produces waste. The second biggest source of waste is packaging: card, paper, plastics (relatively limited). Hotels produce small amounts of hazardous waste.

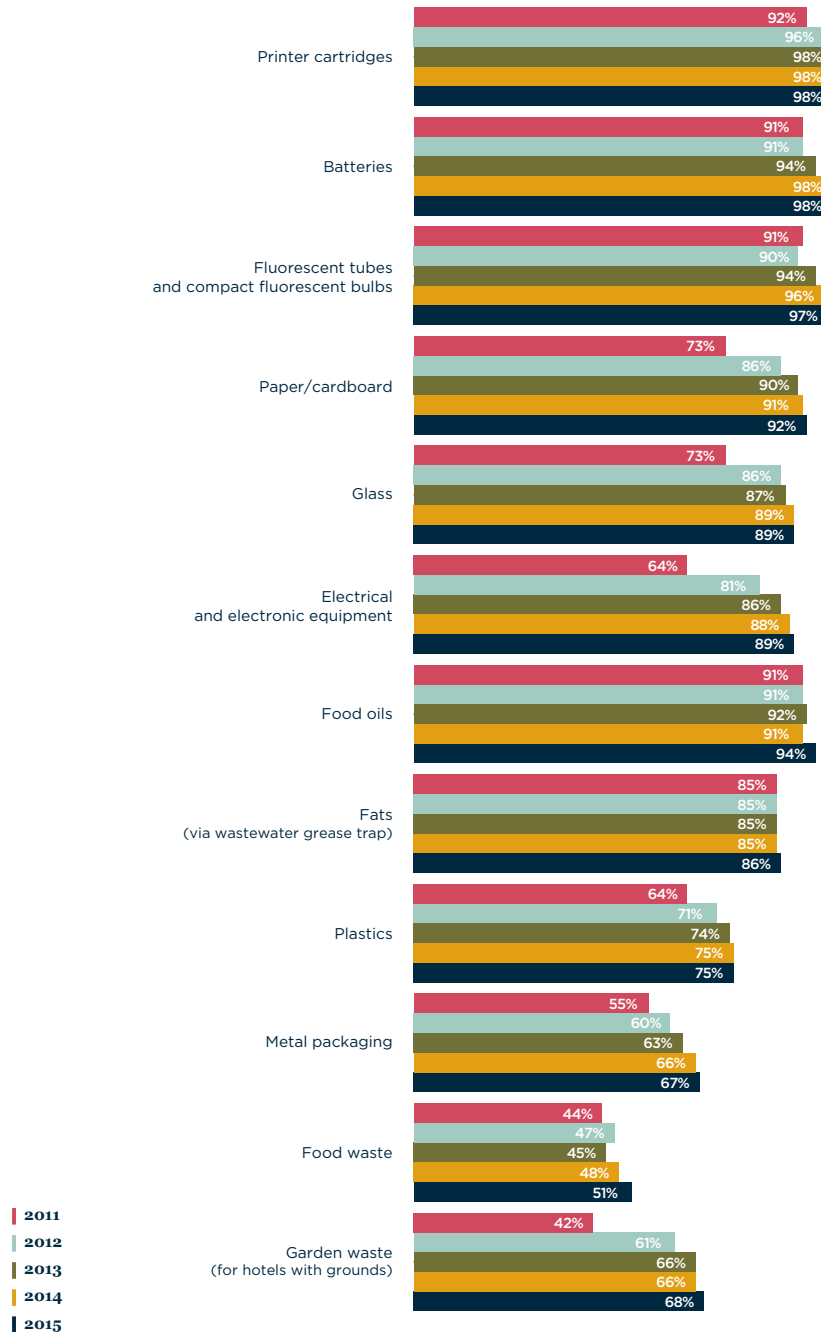
(1) Figure comes from the environmental footprint done in 2011; not updated in the second study.

**WASTE MANAGEMENT AND PERFORMANCE**

Today, AccorHotels' waste management efforts are focused on reducing waste at the source, using appropriate treatment

processes for hazardous waste, and optimizing sorting to increase the proportion of waste recycled. Charter 21 recommends sorting and recycling 12 categories of waste. The chart below shows the proportion of hotels that have set up this kind of sorting process.

*Proportion of hotels practicing waste recycling*



Data on the amounts of waste produced and the percentage of hotels practicing waste sorting yield a figure of around 60% for the proportion of waste sorted by hotels for recycling or for appropriate treatment (for special waste such as batteries and printer cartridges).

In 2015, AccorHotels launched a project for redefining its waste management policy and optimizing its methods for tracking

waste management performance. The Group is also mobilizing to combat waste. For example, in 2015, 10 hotels in five countries tested the "Food Bag", a pilot project to combat food waste, in their restaurants. The analysis of the results, which are mixed, will make it possible to decide whether this initiative will be deployed on a greater scale.

## 2.6 MEASURING AND ASSESSING PERFORMANCE

### 2.6.1 CSR INDICES AND STANDARDS

AccorHotels is included in several internationally recognized indices and standards.

- FTSE4: Good index;
- Nyse Euronext Vigeo Indices Eurozone 120;
- Ethibel Sustainability Index (ESI) Excellence Europe & Excellence Global;
- Dow Jones Sustainability Indices (DJSI)
- Low Carbon 100 Europe Index® (Euronext);
- STOXX® Global ESG Leaders indices.

Furthermore, AccorHotels has been participating in CDP Carbon since 2006. 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. AccorHotels Group results for transparency show a continuous rise since 2010. In 2015, AccorHotels obtained a rating of 96C, up from 88C in 2014. The Group has also been participating in CDP Water since 2015; this year, it received a grade of B-, situating it in the middle of companies that participated.

AccorHotels placed 5<sup>th</sup> out of 113 companies in its sector evaluated by Sustainalytics for ESG criteria.

AccorHotels reached the Gold level for the evaluation performed by EcoVadis.

### 2.6.2 AWARDS AND RECOGNITION

In 2015, Accor was awarded a number of international prizes.

#### SUSTAINABLE DEVELOPMENT - PLANET 21

AccorHotels received the CSR Trophy from the Shareholders' Meeting, awarded by Capital Com (see page 27).

AccorHotels received the Pacific Asia Travel Association (PATA) Gold Award 2015, which rewards the Best Company Environmental Program, for its Sustainable development - PLANET 21 program. This marks the third consecutive year that AccorHotels has taken the most coveted prize of the PATA Awards, a significant acknowledgment of the commitment of the Group to Corporate Social Responsibility (CSR) and protecting the environment.

At the beginning of 2015, AccorHotels was rewarded by the *Société Française des Analystes Financiers* during its 8<sup>th</sup> *Forum des Relations investisseurs* (Investor Relations Forum), in the "Best Investor Relations in Sustainable Development" category, as the recipient of the Gold prize.

In Brazil, during the 16<sup>th</sup> year of the "*Prêmio Caio*", one of the main awards events in the hotel industry in the country, AccorHotels took the top prize in the sustainable development category for its reforestation program, Plant for the Planet. Five hundred thousand trees have been planted in Brazil since 2009, resulting in 180 ha of new forest.

Hotel ibis Olaya Street in Riyadh (Saudi Arabia) received a Trophy from the Saudi Excellence in Tourism Awards in May 2015 because of the quality of its CSR initiatives. For the 5<sup>th</sup> consecutive year, this prize, which aims to improve the tourism industry in the country, has used on-line voting (over one million participants) and the evaluation of dossiers for each nominee by an international jury.

In early 2016, seizing the opportunity of the launch of its Sustainability Yearbook, the rating agency RobecoSam awarded AccorHotels with Silver Class Sustainability, for its overall sustainability performance.

#### HUMAN RESOURCES

In India, AccorHotels placed 8<sup>th</sup> in the Great Place to Work ranking (a survey of 700 companies in 20 industries, undertaken by the Great Place to Work Institute and the Economic Times), 2<sup>nd</sup> in the ranking of the Best Companies to Work For in the hotel industry, and for the third straight year, it ranks as one of the "Top 50 Best Companies to Work For".

For the 18<sup>th</sup> consecutive year, AccorHotels Brazil is one of the 25 top companies in the "Great Place to Work" classification (in 17<sup>th</sup> place). The Group also placed in the "Great Place to Work" ranking in the United Kingdom (17<sup>th</sup> place), in Chile (35<sup>th</sup> place), in Paraguay (8<sup>th</sup> place), in Peru (8<sup>th</sup> place), in Mexico, and in Singapore.

AccorHotels in Spain received the Cegos Best Practices in HR prize and the Randstad prize for the best company to work for.

In Indonesia, the Group received a double "Green Hostel" and "Child friendly" distinction for its initiatives to protect the environment and children.

In India, Srinivasa Rao, Human Resources Director for ibis&Novotel Bengaluru Techpark (INBT), received the Hotelier India Awards 2015 for his initiatives to improve quality of life at work for the 330 employees of the two hotels, especially because they offer the Triple Bonanza, a full day of celebrations and activities organized by each department in turn for all other employees, and the INBT Awards: seven categories of Awards, such as the Star Associate Award, the Never Ending Wow Service Award, or the Smile of the Month, etc.

The "Move Up" program at Novotel received the "Springboards Awards for Excellence", awards that are granted to people, initiatives, and organizations that work to improve the image of the companies as employers, and that succeed in attracting and retaining talent. Novotel's Move Up program, which involves 30,000 employees, was distinguished in the "Best Career Progression Award". The jury acknowledged the brand's capacity to provide career opportunities, put in place opportunities for internal advancement, plan for on-boarding new talent, enrich existing jobs, and share a culture of career advancement.

AccorHotels Australia was declared compliant with the *Workplace Gender Equality Act 2012* by the Workplace Gender Equality Agency of the Australian government.

### 2.6.3 METHODOLOGICAL REVIEW

This section explains the methodology applied in our corporate, social, and environmental responsibility reporting process. This process is based on a reporting protocol that provides full, detailed specifications on responsibilities, Accor definitions, methods for measuring data and indicators, and areas at risk requiring particular attention. It also describes country-specific features, which are frequently updated. The protocol in French and English has been sent by headquarters to everyone responsible for the reporting process and is available for translation into other host country languages.

Performance is measured through four 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;
- additional employee-relations indicators and sustainable procurement indicators.

The reporting period is January 1 to December 31, 2015.

## HUMAN RESOURCES

Group-wide quantitative reporting takes place twice per year. Annual reports are used as the basis for publications.

Qualitative data is reported at the end of each yearly period. In 2015, this reporting took place over a "rolling" year: from November 1, 2014 to October 31, 2015.

### Quantitative reporting

#### 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 AccorHotels Group including apprentices;
- people who work in the managed hotels, who are under Accor management 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. Employees working in these hotels are not employees of the AccorHotels Group, but are under AccorHotels management, except for certain cases in hotels where AccorHotels employees are sent.

Employee data do not include:

- employees of owned, leased and managed hotels closed as of December 31, 2015;
- employees of owned, leased and managed hotels opened after November 30, 2015;
- contingent workers, interns and temporary workers;
- employees of franchised hotels or units in which AccorHotels owns an equity interest but does not exercise any management responsibility (commission-based management contracts and Adagio Aparthotels).

In 2015, indicator data could not be reported from one managed hotel in Germany and 20 managed hotels in France.

Certain hotels are managed under co-ownership agreements (especially in Australia and New Zealand). Reports on workers at these hotels are provided for one of the two hotels, and therefore only for one brand.

It was not possible to get reports for employees for one hotel in Israel for 2015. As at 06/30/2015, this represented approximately 18 employees.

#### Reporting application

Employee data is 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**", a document that applies to everyone involved in reporting, from the head offices of the Group 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.

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

- at the level of the hotels:
  - collect and validate hotel data;
  - confirm the completeness of the data;
- country level:
  - confirm the completeness of the data;
  - verify and validate the data reported from all of the hotels in its scope of operations;
- corporate level:
  - 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 payroll and non-payroll employees

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

Disabled employees are only included as such if officially recognized as such in the countries where they work. AccorHotels therefore considers that this indicator might slightly underestimate the number of disabled employees working for the Group.

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.

For 2014, the **job category** categorization was reviewed to accommodate the function of “senior executive”. The Group standard was reviewed to clarify the responsibility levels for this personnel category:

- an employee with **non-manager** status follows set procedures and goals. He or she does not work closely with the site director and is not responsible for any hierarchical or financial processes;
- an employee with **intermediate management** status has a great deal of autonomy in making decisions and must fulfill at least two of the following responsibilities: hierarchical responsibility (responsible for evaluating, recruiting, and remuneration for one or more employees), in relationship with their job (autonomy and level of responsibility), or financial responsibility (budgeting, costs, profits);
- an employee with **Director** status is the General Manager, or in the offices, is characterized by significant autonomy and responsibility for the profits in their section. A director is responsible for setting goals, determining procedures, and coordinating all entities for which he is responsible. General Managers at hotels, for a limited number of hotels, include the Area Manager or DOP positions when they are assigned to a hotel and not to the head offices, especially in South America.

### 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 2015, inasmuch as such abandonment is at the employee’s initiative, whereas termination is at the employer’s initiative. This new definition is still being assimilated in the different countries, and certain job abandonments have not yet been able to be classified as dismissals.

### Promotions

For the AccorHotels Group, promotion is defined as necessarily involving changes in at least two of the following points in the employee’s profile: a change in compensation (on top of annual rise), job function (title), and job category (in hierarchy).

The number of promotions thus expresses the number of changes in job function, pay or job category within a unit over a given period. When an employee leaves one hotel to take up a higher position in another of the Group’s hotels, this is not counted as a promotion.

### Health and working conditions

A **part-time employee** is one who works fewer than a country’s legal or usual working hours, without including any overtime (overtime is not taken into account in the reporting). Variable-time contracts may be counted in different ways in different countries.

### Absenteeism

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

Three categories are considered:

- medical leave (including leave for illness of the employee, illness of the employee’s child, and work-related illness). This category does not include maternity or paternity leave;
- workplace or commuting accidents;
- unauthorized leave. This does not give rise to any direct costs for the Group because it covers unauthorized absences without pay, depending on local labor laws. This means that their number may be underestimated, because unpaid leave is not always tracked by local human resources departments.

Work was done to homogenize and adopt the standard in 2015, in order to limit the differences in understanding and applying the definitions across all countries; this work will continue in 2016.

The **lost-time injury rate** is calculated as follows: number of work accidents causing at least one day of lost time – or according to durations in local legislation – compared with the number of hours worked x 1,000,000.

In Switzerland, local legislation requires that the figure for accidents at work include all accidents during the year, regardless of whether or not they are work-related. The lost-time injury rate indicator is biased by this local factor.

Furthermore, local legislation varies with respect to the number of days missed in order for a mishap to be considered as a work accident, such as for example in the United Kingdom (considered to be a work accident after seven days missed), and in Brazil (after 15 days). This makes it difficult at the international level to record all work accidents and related days missed, and in some countries, leads to underestimating the rates of frequency and seriousness of work accidents.

Hours worked are monitored in a different way depending on the country and tools made available: planning linked to payroll, manual monitoring that is later consolidated, or through the annual reporting application. These differences mean this item is not totally reliable.

The **injury severity rate** is calculated as follows: absences due to work accidents divided by the number of hours worked x 1,000.

The incident severity rate is calculated according to the number of absences related to workplace or commuting accidents.

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

### Training

From 2014, training is measured in number of hours. The **number of training hours** reported includes courses conducted by Académie AccorHotels, AccorHotels managers and contract service providers for hotels and head offices.

The number of hours’ training is counted differently by different local systems.

In addition, some training provided in hotels is omitted from group reporting in countries where centralized systems are used; In fact, training-specific information systems do not track job take-up training or non-brand-program training provided by management using specialist equipment provided by Académie AccorHotels.



The **number of payroll and non-payroll employees who received training at least once** is calculated as follows: a person who has received training counts once, even if they received training several times over the reporting period. However, because people are often counted every time they attend a course, this tends to over-estimate the total number.

### Qualitative reporting

Qualitative reporting is requested of the members of the international HR network involved in quantitative reporting. In 2015, qualitative reporting covered 1,866 hotels, which corresponds to 95% of the quantitative reporting scope (in number of hotels). It is self-assessed, and is done using Excel files sent to the HR correspondents for quantitative reporting, for each area.

Qualitative reporting was reworked in 2015 to improve the quality of the data. As such, the wording of certain questions limits comparisons with previous years:

#### Special trainings in ergonomics

In 2015, a report on the number of employees having attended special courses in ergonomics over the period is provided. This data therefore cannot be compared with the 2014 indicator showing the number of people who had access to this type of training.

#### Collective agreements

In 2015, for greater relevance, coverage on collective agreements signed is reported by number of agreements signed and not by percentage of employees covered.

### Hotel general managers from internal promotion

The figure for the number of hotel General Managers in this position as a result of internal promotion is an inventory as of December 31, 2015. It comes from declarations made by members of the international HR network involved in quantitative reporting. Data collection covered **100% of owned, leased and managed hotels in AccorHotels' property assets up to December 31, 2015, and there is data for 97% of hotel General Managers.**

## 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 AccorHotels network after September 15 of the reporting year;
- hotels that were no longer part of the AccorHotels 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;
- Aparthotels Adagio that do not use Charter 21;
- "Mama Shelter" hotels, because AccorHotels stake is less than 50%.

Charter 21 indicators are reported annually.

### Indicators

Charter 21 data are reported by the hotels concerned. 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.

### Data collection and control

Hotels enter Charter 21 data annually and validate them in the OPEN application. The data then go through four checks:

- the person in charge of reporting at the hotel uses the Charter 21 Guide to check that the actions in question have effectively been carried through;
- by the person in charge of Charter 21 reporting at the country level: checks compliance with deadlines, fit with definitions, and data consistency;
- by the person in charge of Charter 21 reporting at the corporate level: consolidates and checks the data;
- quality audits are performed every year in the hotels, covering 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 AccorHotels brand hotels open at December 31 of the reporting year, except for:

- hotels that are being gradually integrated into the AccorHotels 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 AccorHotels banner,
  - hotels closed for renovation during the reporting period,
  - ADAGIO brand hotels,
  - Thalassa sea and spa facilities, whose data are often reported with their host hotel's;
- independently operated units or structures and franchised hotels:
  - hotels under commission-based management contracts (some ibis *budget*, hotelF1 and Formule1 hotels),
  - Mercure Appartement in Brazil,
  - ancillary in-hotel activities, such as retail outlets and residential units, that are not managed by AccorHotels (*i.e.*, boutiques, co-owned enterprises) assuming their data can be clearly segregated.

### Indicators

- Energy use:
  - reported energy use is the final amount of energy used by the hotel;
  - reported energy is the total amount of energy used over the year by the hotels, regardless of source (electricity, gas, etc.) or purpose (lodging, food services, etc.) ;
  - total energy use is expressed in MWh;

- fuel energy is calculated on the basis of each unit'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 (food services, 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:
  - direct emissions correspond to fuels burned at the hotels and indirect emissions correspond to the electricity used by the hotels, and the heat and air conditioning supplied by urban heating and cooling networks;
  - energy use is converted by using updated emission factors from the resource center on greenhouse gas reports/ADEME (<http://www.bilans-ges.ademe.fr>);
  - total greenhouse gas emissions are expressed in equivalent tonnes of CO<sub>2</sub>.

### 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).

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 emission coefficients used (for electricity and fuel) come from the resource center for greenhouse gas reporting/ADEME (<http://www.bilans-ges.ademe.fr>).

### RENEWABLE ENERGIES

Solar production of hot water (expressed in GWh) is calculated under the following assumptions:

- if 2014 figures on solar panel surface area and production are available (measured or estimated), along with 2015 figures on solar panel surface area, then 2015 production = 2015 panel surface area x 2014 production/2014 panel surface area;
- if figures are only available for the 2015 panel surface area, then 2015 production = 2015 panel surface area x 500 kWh/m<sup>2</sup>;
- if only 2014 figures on solar panel surface area and production are available (measured or estimated), then 2015 production = 2014 production;
- if no data is available for 2015 or 2014 (panel surface area, production), then 2015 production = 0.

## PROCUREMENT

### Scope of reporting

The indicator tracking the Group's consolidated volume of purchases (€3.7 billion in 2013) covers all of the hotel operating structures and includes purchases from certified suppliers, as well as estimated purchases from non-nominated suppliers by the 2013 country Procurement Departments in countries where they exist.

The other indicators cover purchases from certified suppliers.

Data are reported from the 19 Procurement Departments representing the largest purchasing volumes, including the Corporate Procurement Department.

The 17 Procurement Departments that have provided data are: Australia, Austria, Belgium and Luxembourg, Brazil, China, France, Germany, Hungary, Italy, Morocco, New Zealand, Poland, Portugal, Spain, Switzerland, and the United Kingdom. Data was also reported by the Corporate Purchasing Department.

In 2015, contracts between Accor and active suppliers as at December 31, 2015 are included. This means that a supplier who has terminated his agreement in the course of the year is not included in the reporting, whereas a contract that began during the year is included.

### Indicators

- REACH: percentage and number of suppliers (involved with REACH) who have not signed a REACH statement.
- Procurement Charter 21: percentage and number of suppliers for which the current (or 2010) Procurement Charter 21 has been signed.
- Assessing supplier corporate social responsibility performance:
  - number of EcoVadis evaluations performed since 2012;
  - number of third-party audits in 2015.

### 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 (excluding the budget segment, hotelF1).

Data are collected based on the payment campaigns conducted in June and December of each year.

### Indicators

- Number of hotels participating: this figure is based on the number of payments received by Pur Projet and its partners during in 2015.
- 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 control

Since 2013, the indicators have been controlled directly by Pur Projet, AccorHotels' partner in charge of supervising and managing the *Plant for the Planet* program.

## CORRESPONDENCE WITH GLOBAL REPORTING INITIATIVE

For its 2015 Registration Document, AccorHotels applies the principles of the **Global Reporting Initiative**, and declares its report "in accordance" with the G4 Guidelines, Core Option. A table matching GRI-G4 alongside AccorHotels indicators is available on the website ([www.accorhotels-group.com/en/sustainable-development/management-and-performance.html](http://www.accorhotels-group.com/en/sustainable-development/management-and-performance.html)).

The AccorHotels Group evaluates (on its own behalf and on that of its internal and external stakeholders) the materiality of GRI-G4 aspects as follows:

GRI4 aspect	Stakeholder									
	AccorHotels	Partners & Investors			Suppliers	Industry players	Government administrations and institutions		Local communities	
		internal	external	external			external	external	external	external
Economic performance	●	●	●	○	●	○	●	○	○	
Presence on market	●	●	○	○	○	○	●	●	○	
Energy	●	○	●	○	○	○	●	○	●	
Emissions	●	○	○	○	○	○	●	○	●	
Products and services	●	●	○	●	●	○	○	○	●	
Compliance	●	○	●	●	●	○	●	○	●	
Employment	●	●	○	○	○	○	●	●	○	
Employer/employee relations	●	●	○	○	○	○	○	○	○	
Training and education	●	●	●	○	○	●	○	●	○	
Diversity and equal opportunity	●	●	○	○	○	○	●	●	○	
Local communities	●	●	○	●	○	○	○	●	●	
Guest health and safety	●	○	●	●	○	○	○	○	○	
Product and service labeling	●	○	○	●	●	●	○	○	○	

- Material aspect.
- Non-material aspect.

## 2.6.4 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.

Indicators	2014		2015		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
<b>EMPLOYMENT COMMITMENTS</b>						
<b>Number of payroll and non-payroll employees</b>	<b>48,231</b>	<b>141,243</b>	<b>46,933</b>	<b>145,560</b>	<b>-1,299</b>	<b>4,317</b>
% women	55%	46%	55%	46%	0%	0%
% men	45%	54%	45%	54%	0%	0%
By age					0%	0%
Under 25	16%	18%	16%	18%	-1%	-1%
25 to 34	34%	39%	34%	38%	0%	0%
35 to 44	25%	24%	25%	24%	1%	0%
45 to 54	17%	14%	17%	15%	0%	0%
Over 55	8%	5%	8%	5%	0%	0%
By seniority					0%	0%
Less than six months	8%	13%	12%	15%	4%	2%
Six months to two years	23%	31%	22%	30%	-2%	0%
Two to five years	23%	24%	21%	24%	-2%	0%
Five to ten years	20%	16%	19%	15%	-1%	-1%
Ten to twenty years	17%	12%	17%	11%	0%	0%
More than twenty years	9%	5%	9%	5%	0%	0%
% disabled	1.74%	0.88%	1.81%	0.93%	0%	0%
<b>Management</b>						
% of total workforce	19%	15%	20%	15%	2%	0%
% women	46%	41%	49%	42%	2%	1%
% men	54%	59%	51%	58%	-3%	-1%
By age					0%	0%
Under 25	1%	2%	1%	2%	0%	0%
25 to 34	29%	35%	29%	35%	0%	0%
35 to 44	36%	37%	36%	37%	0%	0%
45 to 54	24%	20%	24%	20%	0%	0%
Over 55	9%	6%	9%	6%	0%	0%







Indicators	2014		2015		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
<b>Managers by age - hotels</b>						
Under 25	1%	2%	1%	2%	0%	-1%
25 to 34	31%	37%	31%	36%	-1%	0%
35 to 44	35%	36%	36%	37%	1%	1%
45 to 54	23%	19%	23%	19%	0%	0%
Over 55	9%	6%	9%	6%	0%	0%
Hotel General Managers	1,053	1,762	1,006	1,732	-47	-30
% women	31%	27%	31%	27%	0%	0%
% men	69%	73%	69%	73%	0%	0%
% host country nationals	82%	73%	82%	73%	0%	0%
<b>Working conditions</b>						
% full-time employees	84%	91%	85%	92%	1%	1%
% part-time employees	16%	9%	15%	8%	-1%	-1%
Average number of days of medical leave per employee over the year	9.8	5.9	10.6	5.8	0.78	-0.09
Of which due to workplace accidents	1.1	0.6	1.4	0.7	0.28	0.09
Average number of days of unauthorized leave per employee over the year	0.7	0.7	0.7	0.7	0.04	0.00
Lost-time injury rate resulting from workplace accidents	23.6	12.7	20.9	11.9	-2.77	-0.85
Incident severity rate for workplace and commuting accidents	0.6	0.3	0.8	0.4	0.17	0.05
Number of fatal workplace and commuting accidents	0	9	1	8	1	-1

	France		Europe(excluding France/ Mediterranean)		Mediterranean, Middle East and Africa		Asia-Pacific		Americas		Total	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
<b>Owned and leased hotels</b>	<b>15,461</b>	<b>15,353</b>	<b>16,915</b>	<b>16,275</b>	<b>5,387</b>	<b>5,292</b>	<b>3,640</b>	<b>3,397</b>	<b>6,827</b>	<b>6,616</b>	<b>48,231</b>	<b>46,933</b>
Upscale luxury hotels	2,362	2,124	1,922	1,634	1,408	1,402	486	264	1,551	1,491	7,729	6,915
Midscale hotels	5,849	5,639	9,013	8,527	1,857	1,756	1,331	1,368	1,850	1,721	19,900	19,011
Economy hotels	5,346	5,258	4,701	4,744	1,763	1,768	1,113	1,012	2,820	2,746	15,743	15,528
International head offices	887	954	1,279	1,370	359	366	710	753	606	658	3,841	4,101
Holding company - payroll employees	1,018	1,378	-	0	-	0	-	0	-	0	1,018	1,378
<b>Managed hotels - non-payroll employees</b>	<b>1,442</b>	<b>1,859</b>	<b>5,465</b>	<b>5,949</b>	<b>14,809</b>	<b>15,559</b>	<b>62,661</b>	<b>65,243</b>	<b>8,635</b>	<b>10,017</b>	<b>93,012</b>	<b>98,627</b>
Upscale luxury hotels	859	1,271	1,399	1,739	8,071	8,879	33,018	33,543	3,091	3,739	46,439	49,171
Midscale hotels	547	516	3,042	3,072	4,891	4,880	24,618	25,984	4,308	4,507	37,406	38,959
Economy hotels	36	72	1,024	1,138	1,846	1,800	5,025	5,716	1,236	1,771	9,167	10,497
<b>TOTAL EMPLOYEES</b>	<b>16,903</b>	<b>17,212</b>	<b>22,380</b>	<b>22,224</b>	<b>20,196</b>	<b>20,851</b>	<b>66,301</b>	<b>68,640</b>	<b>15,642</b>	<b>16,633</b>	<b>141,243</b>	<b>145,560</b>
<b>Training</b>												
Total training hours	134,357	116,018	247,031	265,182	291,518	370,773	1,781,920	1,832,903	347,821	457,596	2,802,647	3,042,472
Number of employees having attended at least one training course	7,062	6,936	17,239	19,278	15,748	17,525	66,354	72,965	15,336	16,245	121,739	132,949
<b>Employee movements</b>												
New hires	10,470	8,225	8,467	9,298	6,030	7,073	41,703	32,088	9,609	9,835	76,279	66,519
Separations	10,597	10,093	8,597	8,704	5,602	5,853	29,947	29,104	6,999	7,316	61,742	61,070
Resignations	1,636	1,618	5,629	5,544	3,202	3,568	25,616	24,846	3,271	3,174	39,354	38,750
Terminations	805	914	1,214	1,482	774	789	2,016	2,318	2,942	3,406	7,751	8,909
Redundancy	8	22	118	66	135	50	155	108	46	22	462	268
<b>Promotions</b>												
Total number of promotions	241	402	1,196	1,097	992	1,037	5,687	5,310	2,266	1,103	10,382	8,949
of which promotions of non-managers to middle managers	164	242	235	125	235	156	1,278	982	234	218	2,146	1,723



## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY INDICATORS














### Scopes of reporting

	Scope of reporting	2014		2015	
		Owned and leased hotels	Owned and leased hotels	Owned and leased hotels	Owned and leased hotels
Total number of AccorHotels hotels in the consolidation scope*		2,068	3,538	2,059	3,682
Number of hotels applying Charter 21 → Response rate		2,068 → 100%	3,325 → 94%	2,037 → 99%	3,486 → 95%
■ With restaurants		1,378	1,988	1,346	2,041
■ With grounds		1,371	2,153	1,364	2,264
■ Air conditioned		1,770	2,776	1,758	2,923
Number of hotels reporting water and energy data → Response rate		1,708 → 88%	N/A	1,677 → 88%**	N/A

\* See consolidation scope definition in page 83.


















\*\* Response rate for 1,897 hotels in the scope of reference (excluding franchised hotels).

**Indicators**

Indicators	Scope of reporting	2014		2015		% change at comparable scope of reporting	
		Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned, leased and managed hotels	Perf. owned, leased, managed and franchised hotels
<b>SOCIAL RESPONSIBILITY COMMITMENTS</b>							
<b>Support for and engagement in local communities</b>							
Hotels active in protecting children from abuse		58%	48%	92%	89%	+34%	+41%
Number of employees trained in preventing child sex tourism		31,842 Employees	34,709 Employees	55,325 employees	63,558 employees	+70%	+74%
Hotels displaying customer awareness campaigns		26%	19%	30%	22%	+4%	+3%
<b>Guest responsibility</b>							
Hotels offering balanced meals		98%	97%	99%	98%	+1%	+2%
Hotels using eco-friendly cleaning products		99%	96%	99%	97%	+1%	+2%
Hotels using eco-friendly gardening products		72%	71%	75%	73%	+3%	+3%
<b>Sustainable procurement</b>							
% of purchasing contracts in compliance with Procurement Charter 21		NA	80%	NA	94.3%	NA	+17%
Number of third-party supplier audits performed over the past three years		NA	382	NA	372	NA	-3%*
Hotels purchasing and promoting local food products		91%	87%	95%	92%	5%	5%
Hotels serving fair trade products or products from sustainable farms		64%	67%	65%	69%	+3%	+3%
<b>ENVIRONMENTAL COMMITMENTS</b>							
<b>Environmental management</b>							
ISO 14001-certified hotels**		826	1,149	861	1,240	+10%	+8%
Hotels using dispensers or eco-responsible packaging for bathroom products (e.g. flooring, wall paint, bedding, complimentary products)		47%	46%	51%	50%	+4%	+4%
Hotels using dispensers or eco-responsible packaging for bathroom products		66%	71%	81%	82%	+15%	+12%
















\* This slight drop is due to the fact that in 2015, AccorHotels mainly focused on increasing external audits, to the detriment of document analyses.

\*\* Excluding the economy and budget segment.














Indicators	Scope of reporting	2014		2015		% change at comparable scope of reporting	
		Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned, leased and managed hotels	Perf. owned, leased, managed and franchised hotels
<b>Awareness-building and buy-in</b>							
Hotels training employees in environmentally-friendly practices		99%	98%	99%	98%	+1%	+1%
Hotels raising guest awareness of sustainable development issues		97%	93%	97%	94%	+1%	+2%
<b>Energy and carbon footprint</b>							
Total energy used		3,957 GWh	NA	4,062 GWh	NA	+0.7%*	N/A
Total CO <sub>2</sub> emission		1,679 thousand teq CO <sub>2</sub>	NA	1,727 thousand teq CO <sub>2</sub>	NA	-0.6%**	N/A
Direct emissions		245 thousand teq CO <sub>2</sub>	NA	302 thousand teq CO <sub>2</sub>	NA	+0.5%**	N/A
Indirect emissions		1,435 thousand teq CO <sub>2</sub>	NA	1,425 thousand teq CO <sub>2</sub>	NA	-0.8%**	N/A
Hotels using energy-efficient bulbs for 24/24/7 lighting		99%	98%	99%	98%	+1%	+1%
Hotels using energy-efficient boilers		69%	70%	72%	73%	+3%	+3%
Hotels using energy-efficient air conditioning units		68%	70%	73%	75%	+4%	+4%
Hotels using renewable energies		9%	9%	19%	15%	+9%	+6%
Hotels using energy-efficient bulbs for frontage lighting		73%	74%	77%	77%	+3%	+3%
Hotels using building management software to manage their energy use		36%	33%	40%	35%	+2%	+2%
Hotels recovering energy from the ventilation system		39%	34%	41%	35%	+1%	+1%
Hotels insulating pipes carrying hot/cold fluids		96%	94%	98%	95%	+2%	+2%
Hotels using a timer for frontage lighting		94%	94%	96%	95%	+2%	+2%
Hotels using energy-efficient bulbs in guest rooms		90%	90%	92%	92%	+3%	+2%
Hotels with a central light switch in guest rooms		56%	55%	60%	57%	+2%	+1%

\* Change is calculated on ratio kWh per available room on comparable scope 2014-2015.

\*\* Change is calculated on the ratio kg eq. CO<sub>2</sub> per available room on comparable scope 2014-2015.

Indicators	Scope of reporting	2014		2015		% change at comparable scope of reporting	
		Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned, leased and managed hotels	Perf. owned, leased, managed and franchised hotels
Hotels with green or cool roofs		8%	6%	10%	8%	+1%	+1%
Hotels equipped with a timer for common area air conditioning		51%	46%	56%	50%	+4%	+3%
Hotels using speed controllers for pumps and fans		44%	38%	48%	40%	+3%	+2%
New or renovated hotels certified as sustainable buildings		N/A	13 hotels	NA	21 hotels	NA	NA
<b>Water</b>							
Total water use		33.6 million m <sup>3</sup>	NA	33 million m <sup>3</sup>	NA	-3%*	NA
Hotels equipped with flow regulators on faucets/showerheads		98%	97%	98%	97%	+1%	+1%
Hotels equipped with rainwater recovery installations		7%	7%	9%	8%	+1%	+1%
Hotels prohibiting the use of cooling towers without water recovery systems		84%	79%	86%	80%	+3%	+3%
Hotels using motion sensors for bathroom faucets		35%	31%	40%	35%	+3%	+3%
Hotels using dual flush toilets		62%	63%	66%	67%	+3%	+3%
Hotels using a water-efficient laundry service		66%	65%	71%	70%	+5%	+5%
Hotels using selective grounds watering methods		73%	77%	75%	78%	+2%	+3%
Hotels recycling gray water		8%	7%	10%	8%	+1%	+1%
<b>Local environmental impacts</b>							
Hotels participating in the Plant for the Planet program		1,289	1,529	1,551	2,071	+24%	+33%
Hotels banning endangered seafood from restaurant menus		94%	93%	99%	99%	+5%	+5%

\* Change calculated using the ratio of liters per available room at a comparable scope of reporting for 2014-2015.

Indicators	Scope of reporting	2014		2015		% change at comparable scope of reporting	
		Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned, leased and managed hotels	Perf. owned, leased, managed and franchised hotels
<b>Waste</b>							
Sort and recycle toner cartridges		99%	98%	99%	98%	0%	+1%
Hotels sorting and recycling batteries		99%	98%	99%	98%	0%	+1%
Hotels sorting and recycling fluorescent tubes and light bulbs		97%	96%	98%	97%	+1%	+2%
Hotels sorting and recycling paper and cardboard		90%	91%	91%	92%	+2%	+2%
Hotels sorting and recycling glass bottles and packaging		88%	89%	89%	89%	+2%	+2%
Hotels sorting and recycling electrical and electronic equipment		88%	88%	90%	89%	+3%	+3%
Hotels collecting and recycling cooking oil		91%	91%	93%	94%	+2%	+2%
Hotels collecting and recycling fats		84%	83%	86%	86%	+3%	+3%
Hotels sorting and recycling plastic packaging		74%	75%	75%	75%	+1%	2
Hotels sorting and recycling metal packaging		66%	66%	67%	67%	+1%	+2%
Hotels sorting and recycling organic waste from restaurants		50%	48%	53%	51%	+3%	+2%
Hotels sorting and recycling green waste from lawns and gardens		61%	66%	63%	68%	+4%	+4%
Hotels offering guests waste sorting opportunities		23%	21%	25%	22%	+1%	+1%

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

Year ended the 31 December 2015

*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 accredited by the COFRAC<sup>(1)</sup>, 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 2015, 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 of the French Commercial code (*Code de commerce*), in accordance with the protocols used by the company composed of social reporting protocol, sustainable procurement reporting explanation sheets, guidelines for the Charter 21 actions and sustainable development reporting protocol in their updated version of 2015 (hereafter referred to as the "Criteria"), and of which a summary is included in the paragraph "Methodological review" of the chapter 2.6.3 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.

Our verification work was undertaken by a team of six people between September 2015 and March 2016 for an estimated duration of fourteen 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<sup>(2)</sup>.

(1) Scope available at [www.cofrac.fr](http://www.cofrac.fr).

(2) ISAE 3000 - Assurance engagements other than audits or reviews of historical information.



## I. ATTESTATION OF PRESENCE OF CSR INFORMATION

### Nature and scope of the work

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 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*).

### Conclusion

Based on this work, we confirm the presence in the management report of the required CSR information.

## II. LIMITED ASSURANCE ON CSR INFORMATION

### Nature and scope of the work

We undertook thirteen interviews with twenty people responsible for the preparation of the CSR Information in the different departments<sup>(3)</sup>, 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 and industry best practices.

For the CSR Information which we considered the most important<sup>(4)</sup>:

- 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<sup>(5)</sup>, 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 20% of headcount, 50% of hotels for the Charter 21 indicators, and 32% of listed suppliers for sustainable procurements.

(3) *Sustainable Development Department, Group Procurement Department, Group Human Resources Department, Group Technical Department, Learning & Development Department, Group Safety Department and Customer Experience & Satisfaction Department.*

(4) **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 and to promote the use of renewable energy; 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; training policies; number of days of training; measures undertaken for gender equality; anti-discrimination policies and actions.*

(5) **Social :** *Germany, Austria, India, Egypt, Morocco, United Kingdom, Vietnam, Benin, Cameroon, Ivory Coast, Ghana, Nigeria, Senegal, Togo, Equatorial Guinea, Democratic Republic of the Congo, South Africa.*

**Societal :** *for sustainable procurement: France, Morocco, Corporate.*

**Environmental :** *for Charter 21 indicators: India, France, Morocco, United Kingdom, Benin, Cameroon, Ivory Coast, Ghana, Nigeria, Senegal, Togo, Equatorial Guinea, Democratic Republic of the Congo, South Africa, Chad, Madagascar, Mauritius, Algeria.*

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.

## Conclusion

Based on our work, 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:

- the methodological precisions detail the uncertainty margin for the classification of terminations, and for the calculation of work accidents frequency and severity rates;
- the Criteria application and internal controls on Charter 21 data are not regular enough.

Paris-La Défense, the 17 March 2016

*French original signed by:*

Independent Verifier

ERNST & YOUNG et Associés

Éric Duvaud

Sustainable Development Partner

Bruno Perrin

Partner

## 7.8 CROSS-REFERENCE TABLE FOR CORPORATE SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

Disposition Grenelle 2 – Article 225	Principle of the UN Global Compact	Section of Chapter 2/CSR Indicators	Page of the Registration Document
<b>GENERAL REPORTING PRINCIPLES</b>			
The information published is presented “in a manner that allows data comparison” (Law of 07/12/2010). The report of the Board of Directors or the Executive Board “presents the data observed in the course of the year that has ended and, where applicable, in the course of the previous year, in a manner that allows data comparison”.	NA	Methodological review	81
Among the information listed in the decree implementing the decision, the report lists the information that, given the nature of the activities or the organization of the company, cannot be produced or does not seem relevant, and provides all appropriate explanations.	NA	Table of CSR equivalences	97
When a company voluntarily complies with national or international social or environmental guidelines, the report can state this by indicating the recommendations from the guidelines that have been adopted and the methods used to consult them.	NA	AccorHotels' CSR reporting falls under the scope of the Global Reporting Initiative guidelines (GRI-G4 “core”). A table of equivalences for the GRI-G4 core indicators is available on the web ( <a href="http://www.accorhotels-group.com/en/sustainable-development.html">http://www.accorhotels-group.com/en/sustainable-development.html</a> )	85
The social and environmental information that is or should be listed according to legal and regulatory obligations is verified by an independent third party [...]. An opinion is issued based on this verification, and sent to the Shareholders' Meeting or to the shareholders at the same time as the Board of Directors or Executive Board report.	NA	Independent verifier's report on consolidated social, environmental and societal information presented in the management report	94
The independent verifier must include the following in his report: <ul style="list-style-type: none"> <li>■ a) a statement that all the information required by the decision has been included, noting, where applicable, the information that has been omitted and not explained.</li> <li>■ b) a reasoned opinion on; <ul style="list-style-type: none"> <li>● the fairness of the information found in the management report;</li> <li>● the explanations provided, if appropriate, for the absence of certain information;</li> </ul> </li> <li>■ c) the steps taken in conducting the verification.</li> </ul>	NA	Independent verifier's report on consolidated social, environmental and societal information presented in the management report	94
<b>SOCIAL INFORMATION</b>		<b>EMPLOYMENT COMMITMENTS</b>	
<b>Employment</b>		<b>35 to 51</b>	
Total number of payroll and non-payroll employees	Commitments 1, 3 and 6	Total number of payroll and non-payroll employees by operating structure and by region	37
Employees by sex		Promoting gender diversity and equality/ Percentage of women by job category	48
Employees by age		Employees by age	37
Employees by geographic region		Total number of payroll and non-payroll employees by operating structure and by region	37
Hirings		Hirings and separations	38

<b>Disposition Grenelle 2 – Article 225</b>	<b>Principle of the UN Global Compact</b>	<b>Section of Chapter 2/CSR Indicators</b>	<b>Page of the Registration Document</b>
Dismissals		Hirings and separations	38
Compensation		Compensation policies	44
Changes in compensation		These data are not yet consolidated at Group level, so the average salary raise cannot be reported.	NA
<b>Workweek organization</b>			
Working conditions	Commitments 1, 3 and 6	Workweek organization and work-life balance/Working hours/Workweek organization/Part-time work/Telecommuting/Night work	45
Absenteeism		Absenteeism	38
<b>Employee relations</b>			
Organizing the social dialogue	Commitments 1, 3 and 6	The social dialogue/forums and resources	50
Report on collective agreements		Collective agreements/agreements signed by issue	51
<b>Health and safety</b>			
Health and safety conditions at work		Working conditions that enhance employee well-being and team performance/ Preventing workplace accidents and occupational illnesses/Improving worklife quality and promoting health	45
Agreements signed with unions or personnel representatives regarding health and safety at work		Collective agreements/agreements signed by issue	50
Frequency and incident severity rate for workplace accidents		Lost-time injury rate Incident severity rate for workplace accidents	47
Occupational illness		Preventing workplace accidents and occupational illnesses/Promoting health	46
<b>Training</b>			
Training policies implemented		Learning solutions key to skills development	40
Training hours		Training hours	41
Specific professional training programs		Training policies	40
<b>Equal opportunity</b>			
Policies implemented and measures taken to promote equal opportunity between genders	Commitments 1, 3 and 6	Diversity and equal opportunity policies	48
Policies implemented and measures taken to promote the integration of people with disabilities		Diversity and equal opportunity policies	48
Policies implemented and measures taken towards preventing musculoskeletal disorders, discrimination, and promoting diversity		Diversity and equal opportunity policies	48
<b>Promoting and complying with the provisions of fundamental agreements of the International Labour Organisation</b>			
Compliance with freedom of association and right to collective bargaining		Commitments supported by the Ethics and Corporate Social Responsibility Charter	24
Eliminating employment and professional discrimination		Commitments supported by the Ethics and Corporate Social Responsibility Charter	24
Eliminating forced or mandatory work		Commitments supported by the Ethics and Corporate Social Responsibility Charter	24
Effectively abolishing child labor		Commitments supported by the Ethics and Corporate Social Responsibility Charter	24

Disposition Grenelle 2 – Article 225	Principle of the UN Global Compact	Section of Chapter 2/CSR Indicators	Page of the Registration Document
ENVIRONMENTAL INFORMATION		ENVIRONMENTAL COMMITMENTS	65 to 79
<b>General environmental policies</b>			
How the company is organized to consider environmental issues	Commitments 7, 8 and 9	Managing the stakeholder dialogue process/PLANET 21 goals and results	29
Steps for evaluation or certification for environmental issues		Environmental management	65
Training and informing employees on protecting the environment		Environmental management	65
Methods dedicated to preventing environmental risk and pollution	Commitment 7	Environmental management Environment-related industrial risks	65 132
Amount of environment-related provisions and guarantees (provided that this information is not likely to cause serious harm to the company in an ongoing legal dispute)		Environment-related industrial risks	132
<b>Pollution and waste management</b>			
Measures for prevention, reduction, remediation: air	Commitments 7, 8 and 9	A line of “responsible” products and services/Ecological design for products and services offered	55
Measures for prevention, reduction, remediation: water		Water	72
Measures for prevention, reduction, remediation: soil		Controlling local environmental impacts	76
Measures to prevent, recycle, and eliminate waste		Waste	78
Consideration of noise disturbances and any other type of pollution that is specific to an activity		Controlling local environmental impacts/ noise disturbances	76
<b>Sustainable use of resources</b>			
Water use		Water/Water performance	72
Water supply based on local constraints	Commitments 7, 8 and 9	Management of water-stressed regions	74
Consumption of raw materials		Environmental commitments/ environmental footprint of the Group	66 to 77
Measures taken to improve efficiency in the use of raw materials		A line of “responsible” products and services/Ecological design for products and services offered	55
Energy consumption	Commitments 7, 8 and 9	Energy and climate change/energy performance in operations	67
Measures adopted to improve energy efficiency		Energy performance in operations	67
Measures adopted to increase the use of renewable energy		Renewable energies	70
Land use		Controlling local environmental impacts/ Soil use	76
<b>Climate change</b>			
Release of greenhouse gases		Energy and climate change	67
Adapting to the consequences of climate change		Risk related to geographical environment	131
<b>Protecting biodiversity</b>			
Measures taken to preserve and develop biodiversity	Commitments 7, 8 and 9	Protecting biodiversity and controlling local environmental impacts Plant for the Planet, agroforestry projects to develop communities and protect the environment	76 62

Disposition Grenelle 2 – Article 225	Principle of the UN Global Compact	Section of Chapter 2/CSR Indicators	Page of the Registration Document
SOCIETAL INFORMATION		SOCIETAL RESPONSIBILITY COMMITMENTS	52 to 64
<b>Regional, economic and social impact of the activities of the Company on local or neighboring populations</b>			
Regarding employment and regional development		The AccorHotels employment model and human capital	35
On local or neighboring populations	/	Protecting children from abuse Plant for the Planet, agroforestry projects to develop communities and protect the environment Corporate responsibility: Solidarity AccorHotels	60 62 63
<b>Relations maintained with persons or organizations who have a stake in the activities of the company, especially</b>			
Social inclusion organizations		Corporate responsibility: Solidarity AccorHotels	63
Educational institutions		Fostering partnerships with educational institutions	42
Environmental protection organizations		Outside partnerships to extend the process	27
Consumer groups		Main opportunities for dialogue between AccorHotels and its stakeholders in 2015	27
Neighboring populations		Corporate responsibility: Solidarity AccorHotels	63
Conditions of the dialogue with people and organizations		Dialogue and partnerships with stakeholders	27
Partnerships or sponsorships		Corporate responsibility: Solidarity AccorHotels	63
<b>Sub-contracting and suppliers</b>			
Considering social and environmental issues in procurement policies	Commitments 1 & 2	Responsibilities to suppliers and contractors	57
Importance of sub-contracting and taking the CSR Charter into consideration in relations with suppliers and sub-contractors		Responsibilities to suppliers and contractors	57
<b>Fairness of practices</b>			
Actions taken to prevent corruption		Preventing bribery	25
Measures taken in support of health and consumer safety		Responsibility to guests/Safety and security: Physical protection of guests, personnel, and infrastructure/Offering healthy food that respects the planet	52
<b>Other actions taken in support of human rights</b>			
Actions taken in support of human rights		Responsibilities to suppliers and contractors/Responsible procurement practices	57