

ENHANCING YOUR HOTEL EXPERIENCE

—
2014 Business review



ACCOR

A woman with a white flower in her hair, wearing a light pink Korpri top and white Korpri pants, stands barefoot in front of a green door with brass knockers. She has her hands pressed together in a prayer gesture (salim).

COMMITTED AND RESPONSIBLE

—

Corporate Social Responsibility (CSR) is central to Accor's strategy. Value-creating, driven locally and globally by committed employees, it is placed at the core of the Group's challenges and priorities, and shapes its relationships with each of its stakeholders.

A pioneering company, Accor has built its history on a deep dedication to forging ties.

“As a leader, we have always cared about upholding a high level of commitment to our employees, our guests, our partners and our host communities in more than 90 countries. This is our duty as a good corporate citizen. Today, our corporate social responsibility process is irrigating every aspect of our business, creating not only economic value for the company and its partners, but also social, environmental and societal value for every stakeholder in the Accor ecosystem. However, it’s not enough to create this value, you also have to share it. Inspired by our commitments, which were reaffirmed in 2014 in our Ethics and Corporate Social Responsibility Charter, Accor will continue to reinvent itself and enhance its appeal, while driving sustainable growth for the benefit of all our stakeholders.”

SÉBASTIEN BAZIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

CORPORATE SOCIAL RESPONSIBILITY, A PIONEERING COMMITMENT

1985

Creation of the Académie Accor

1994

Creation of an environment department

1997

Introduction of the Accor Hotel Environment Charter to support hotels in deploying their sustainable development initiatives

2001

Signature by Accor of a partnership with ECPAT, the leading international organization in the fight against the sexual exploitation of children

2002

Launch of the Accor Professions Challenge

CORPORATE SOCIAL RESPONSIBILITY



A LONG-STANDING COMMITMENT

Accor's sustainable development commitment dates back to 1994, when it created a department dedicated specifically to the environment. Social and employment-related initiatives have been added over the years to enhance the Group's corporate social responsibility process. In 2012, Accor strengthened its CSR process by launching PLANET 21, its sustainable development program. In 2014, the Group reaffirmed its commitment to stakeholders in the areas of management ethics, integ-

riety, compliance with legislation, and social and environmental responsibility through its Ethics and Corporate Social Responsibility Charter. Championed by senior management, the Charter is based on Accor's culture and values, its management principles, and the laws and regulations that comprise its frame of reference. It guides the Group's CSR approach, which is built on three core components: the sustainable development program, human resources policies and the Solidarity Accor endowment fund.

2008

Creation of the Accor Foundation to lead the outreach commitment of the Group and its employees

2009

Launch of the Accor Plant for the Planet program

2011

Introduction of the Group's International Diversity Charter

2012

Launch of the PLANET 21 program

2013

The Foundation becomes Solidarity Accor, the Group's community endowment fund

2014

Creation of an Ethics and CSR Committee

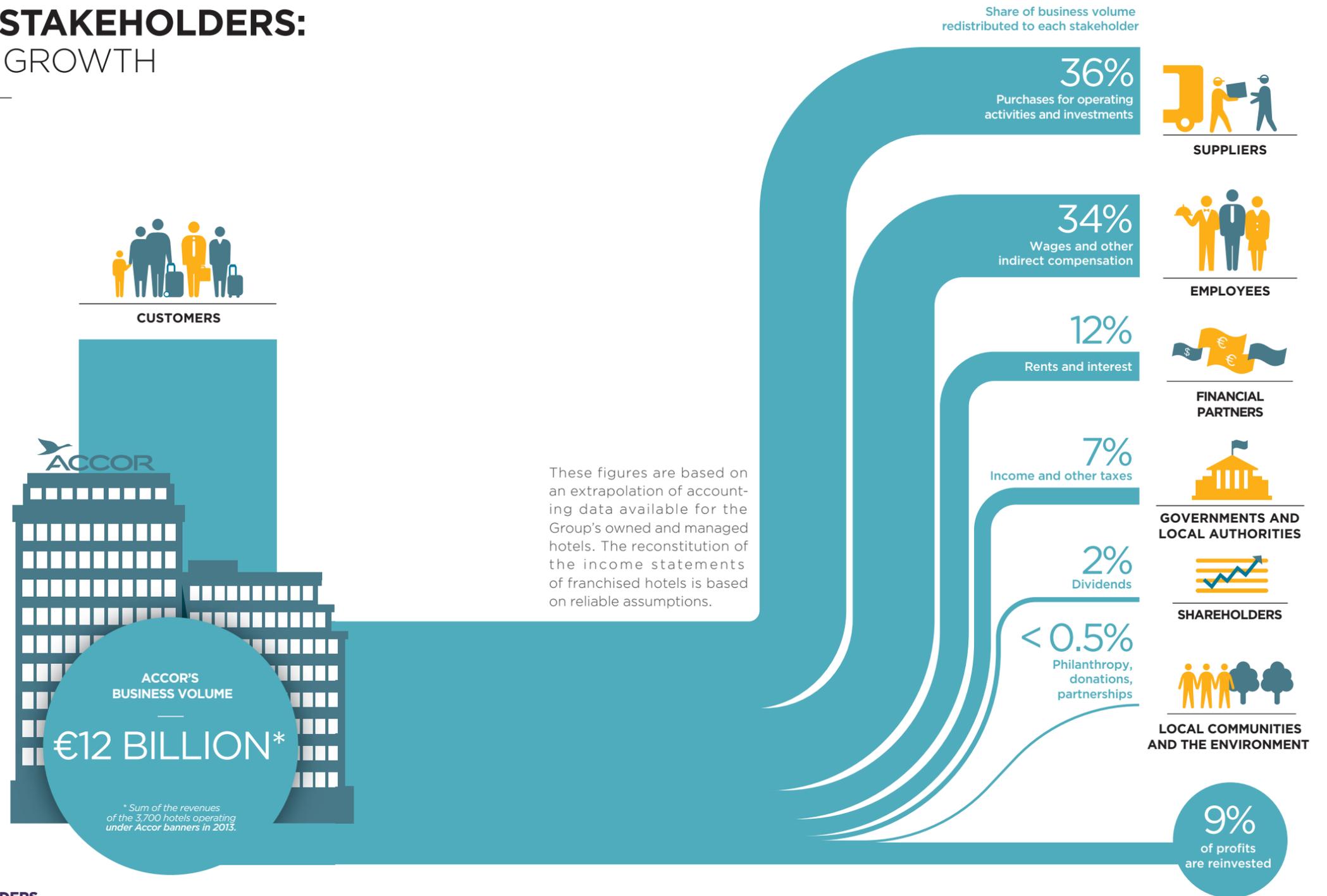
ACCOR AND ITS STAKEHOLDERS: SHARING GROWTH

Accor's activity is completely intertwined with that of its stakeholders.

The Group's 3,700 hotels each have deep roots in their region, and interact constantly with local businesses and neighboring communities. Mapping has been used to identify stakeholders, to set out the relationships and methods of dialogue that Accor has established with each of them, and to compare their different perspectives on sustainable development challenges.

For maximum transparency, the Group decided in 2014 to paint a clear picture of how – and to what extent – it shares the financial value it creates with its key stakeholders, based on the findings of its research.

The diagram opposite provides an overview of the key stakeholders identified and the share of value redistributed to each of them.



ACCOR'S ETHICS AND CSR COMMITMENTS TO STAKEHOLDERS



CUSTOMERS
Compliance with competition law, protection of personal data, promotion of safety, security, food hygiene, etc.



SUPPLIERS
Transparency and fairness, sustainable relationships, responsible supply chain, fight against illicit labor lending and bargaining, etc.



EMPLOYEES
Promotion of diversity and workplace health and safety, respect for work-life balance, etc.



FINANCIAL PARTNERS
Fight against bribery of public officials, money laundering, etc.



GOVERNMENTS AND LOCAL AUTHORITIES
Compliance with laws and international standards.



SHAREHOLDERS
Transparency, fight against insider trading and fraud, etc.



LOCAL COMMUNITIES AND THE ENVIRONMENT
Promotion of local development, solidarity, child protection, preservation of natural resources, protection of biodiversity, etc.

HUMAN RESOURCES

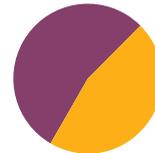
The vitality, energy and appeal of a hospitality group like Accor stems in large part from the professionalism and commitment of its employees. In 2014, to meet the Group's new challenges following its reorganization, Accor recast its ambitions around the values of agility, spirit of initiative and accountability, collective intelligence and collaborative culture.

HUMAN RESOURCES



180,000
EMPLOYEES
WORKING UNDER
ACCOR BANNERS
WORLDWIDE

56%
of employees
are
under 34



46%
OF EMPLOYEES
ARE WOMEN
54%
ARE MEN

6.4
MILLION VISITS
TO ACCORJOBS.COM



122,000
EMPLOYEES
TRAINED BY
ACADÉMIE ACCOR



73%
OF HOTEL GENERAL
MANAGERS WORK
IN THEIR
HOME COUNTRY

Over
100
professions



EVERY
7 MINUTES,
AN EMPLOYEE
IS HIRED

50
SCHOOLS AND
UNIVERSITIES WORLDWIDE
ARE ACCOR PARTNERS



800
COMMUNITIES ON
THE ACCORLOUNGE
CORPORATE SOCIAL
NETWORK

KEY FIGURES AT DECEMBER 31, 2014

MANAGEMENT CULTURE

DRIVING A COLLECTIVE TRANSFORMATION

To support its transformation and meet the new challenges in its industry, Accor has decided to make management culture a real performance booster. Anticipating social trends and meeting the expectations of new generations, whether customers or employees, prompts the Group to rethink its business and management model.



A new dynamic based on three management principles

To support the Group's values – spirit of conquest, imagination, trust, respect and performance – and the sense of hospitality and service that underpin Accor's reputation throughout the world, three management principles have been added to the "Accor spirit":

Agility: enhance teams' agility and ability to call themselves into question, both internally, thanks to the constant search for innovation, flexibility and responsiveness, and externally, vis-à-vis competitors, investors and partners.

Clarity: demonstrate clarity, by placing the emphasis on simplified practices, streamlined decision-making processes and practical approaches, and by precisely defining everyone's roles and responsibilities.

Accountability: encourage employee accountability at every level of the business and give greater freedom and autonomy to teams.

A culture of ethics and responsibility

At the core of the Group's culture, the **Ethics and Corporate Social Responsibility Charter** sets out its commitments in terms of management ethics, integrity and good business conduct, as well as social, societal and environmental responsibility. To support the deployment of the Charter, a network of Ethics and CSR correspondents leads various working groups and ensures that best practices and issues requiring attention are reported back to the Ethics and CSR Committee.

The **Group's International Diversity Charter** is based on the fundamental principle that people must be treated solely on the basis of their professional capabilities, regardless of their differences. This tireless and determined approach to diversity is reflected daily by strong initiatives at the very heart of the Group's human resources policies, with the aim of ensuring that they are adopted in all



the countries where Accor operates. Testimony to its commitment to diversity, Accor serves on the steering committee of the ILO Global Business and Disability Network, at the International Labour Organization's request.

A firm focus on the customer experience

Since spirit of service is central to the Group's hospitality business, significant attention is paid to the customer experience to adapt it as closely as possible to new trends, in a competitive environment. What can be done to further simplify and personalize the customer experience in order to attract, surprise and move customers while fostering their loyalty? One of Accor's responses to this question has been to transform its organization and attitudes so that they are increasingly focused on the value that can be added at each stage of the customer journey.

.../...



**DISABILITY DAY CELEBRATED
IN ACCOR HOTELS WORLDWIDE**

On this significant day, nine countries undertook to organize events at their headquarters or in hotels. Workshops, case studies, testimonials, theater and experience sharing helped employees realize that disability is not an obstacle to working in the hospitality industry. These initiatives also showed our teams' determination to facilitate the hiring and integration of disabled people. To mark the occasion, a major, global photo competition was launched on the theme of disability.



the Group and identify new colleagues. By creating a profile, employees can interact with each other and work together online, “like” or comment on an item of news, and contribute to group forums within a community. One of the objectives of AccorLounge is to encourage the sharing of experiences, ideas and best practices.

“Open Ideas by Accor” is a customizable collaborative platform that allows users to post, follow, vote, comment on and share ideas with their colleagues. The contributions shared by employees were used during the Technical Innovation Challenge to identify the Group’s finest innovators, whose ideas were voted the best by their colleagues and then selected by a panel of judges.

Accor is a partner of the **Innovation Factory**, France’s first “campus cluster”⁽¹⁾ in digital innovation. This dedicated space is a veritable project incubator for Accor, strengthening its “Open Innovation” approach and the principle of co-creation with startups, students and businesses. Quarterly open days are also organized at the Innovation Factory to promote interaction with internal teams in the area of innovation.

(1) A place where skills and expertise are brought together.



ACCOR CHALLENGES THE WEBSCHOOL FACTORY

As an extension of its partnership with the Innovation Factory, Accor organizes weekend challenges (known as “hackathons”) aimed at putting students trained in digital technology to work on issues relating to the Group’s business. After the “optimization of the customer path and experience within Accor hotels”, and “connected objects in the hotel of tomorrow”, Accor threw down a third challenge to the Webschool Factory students, on the theme: “The must-have services in the mobile application of your dreams for the hospitality industry.” Teams had just 36 hours to address the challenge, and then seven minutes to present their ideas before the panel of judges. A number of prototypes involving connected devices are already being developed, including a connected trolley aimed at optimizing the work of housekeeping staff.

PREPARING THE NEXT GENERATION OF ENTERPRISING INTERNATIONAL MANAGERS

Identifying future executives and employees with potential, encouraging and nurturing talent to contribute to everyone's personal and professional growth and fulfillment, and facilitating promotion and internal mobility are key elements of the Group's human resources policies. In this way, Accor gives employees a real opportunity to climb the social ladder.



Career management

In 2014, as part of its reorganization, Accor decided to strengthen its career management strategy to instill a Groupwide vision in addition to the policies deployed by the brands or in the host countries. The new strategy is designed to give Accor greater agility in foreseeing and embracing the new capabilities and skills that managers need to acquire to meet emerging challenges in the hospitality industry. It also allows freer-flowing career paths, with horizontal as well as vertical mobility.

International Hospitality Management Program

The Group's International Hospitality Management Program (IHMP) has been helping to create a pool of international managers since 1997. IHMP is the result of collaboration between the ESSEC business school's MBA in Hospitality Management program and Académie Accor. Classes are taught in English as part of a curriculum structured around six main areas: business strategy and value crea-

tion; human resources management; finance; revenue management; marketing, sales and distribution; and communication. A total of 449 people have attended the MBA course since its creation.

Validation of acquired experience

In France, certification of experience obtained in the workplace allows seasoned employees to transform their skills into qualifications by obtaining a degree, thereby increasing their employability.

School of Excellence at Sofitel, Pullman and MGallery

Designed for hotel management graduates from the Group's partner schools, the School of Excellence trains and prepares the managers and executives of tomorrow. Originally designed for Sofitel, this operational program has been extended to 300 hotels identified within the Sofitel, Pullman and MGallery networks. Lasting eighteen months, the program has been specially developed to fit the needs of each student in order to develop their



TRAINING FUTURE LEADERS

Accor won first prize in the Leadership Development section at the 2014 Human Resources Excellence Awards in Singapore.



**WOMEN AT ACCOR
GENERATION**

The international Women at Accor Generation (WAAG) network uses mentoring, experience sharing, training and networking to promote the access of more women to positions of responsibility. A series of programs and working groups is deployed worldwide and managed locally by nine correspondents in eight regions. The aim is to increase the number of members from 2,500 to 3,000 by the end of 2015.

potential quickly, while respecting their career goals. Graduates are eligible for positions of responsibility in hotels in one of the three Luxury and Upscale segment brands.

International mobility

With operations in 92 countries, Accor offers employees a wide range of international career opportunities. Dedicated teams support cross-border mobility by identifying the appropriate profiles, managing paperwork and practical issues, and ensuring compliance with Group mobility guidelines. The international mobility intranet site, available to all employees, provides useful information (formalities, practical information about the country, etc.) and the testimonials of employees who have tested the international experience.

Recognition of talent

Each year, the **Professions Challenge** attracts Group employees aged between 18 and 25 who excel in bar, kitchen, service or reception work. The 2014 edition attracted 1,000 candidates from 25 countries in Europe, Africa, the Middle

East and Asia-Pacific. The 70 finalists competed against each other during practical challenges. The highlight of the twelfth edition was the awards ceremony, where prizes were presented by the event’s sponsor, renowned pastry chef Pierre Hermé.



The **Bernaches** awards honor hotel and head-office employees for accomplishments deemed to be exceptional and emblematic of Accor’s corporate culture. In 2015, 33 Gold and Silver Bernaches and five Team Bernaches will be handed out to recognize talent and reward the successes achieved in 2014.



SKILLS DEVELOPMENT

PROFESSIONALIZING SKILLS CLUSTERS AND PASSING ON THE SPIRIT OF SERVICE



The epitome of a service business, the hotel industry is today undergoing deep-seated transformation. The sector must meet the needs of an increasingly international clientele in search of new concepts and innovations, and attentive to environmental and social challenges as well as to their health and wellbeing.

Accor, the world's leading hotel school

Launched in 1985, Académie Accor now has a network of 18 campuses around the world, offering more than 300 training modules in 20 languages. In addition to offering training in all hospitality-related professions and areas of expertise, it serves as a forum for sharing best practices and disseminating Accor's corporate culture. It is open to all employees of Accor brand hotels, regardless of job family, educational background, position or seniority. In countries without any hotel schools, Académie Accor serves as an effective substitute. The one hundred or so professional teachers at the Académies are supported by more than 700 Accor managers who help to deploy the training courses. A driving force in the Académies, they have been certified according to Accor standards based on the

18
ACADÉMIE ACCOR
CAMPUSES
COVERING
75 COUNTRIES

OVER **300**
TRAINING MODULES
IN 20 LANGUAGES

170
E-LEARNING
MODULES

122,000
EMPLOYEES
TRAINED IN 2014

Group's skills cluster specifications. Académie Accor also offers online training through an ever expanding range of e-learning modules, virtual classes and mobile apps.

Expertise tracks

As the Group expands, its skills clusters are diversifying. To address this dual challenge, Accor has expertise tracks designed to enable knowledge to be shared and sharpened in strategic areas. The Sales & Distribution Pass module, for example, enables the sales force to assess their knowledge and hone their skills. This course, followed by 600 employees in four years, is part of an ambitious program designed to increase the professionalism of sales teams. The RM Pass (for revenue management), a certified international training program, aims to develop the skills of revenue managers and teams involved in the optimization of hotel revenue. Since 2007, 2,500 employees have received the RM Pass. The Distribution Excellence (DEX) program is designed primarily to help hotel general managers and revenue managers rise to challenges in the field of distribution and recognize the potential offered by its multiple channels. These programs are all designed to support the Group's partners in developing ever more effective strategies for their establishments.

Embodying the spirit of the brands

Each hotel brand designs its own training modules to strengthen its identity, unite employees around its goals and values, help trainees fully grasp the notions of hospitality and service, and deploy a new collaborative culture. At ibis Styles, for example, Happy Mood Makers share their good vibrations, take initiatives and use their imagination to anticipate customer needs. The Mercure Touch program aims to make the spirit of service a real feature of brand identity and to support the deployment of the Quality Guarantee.

Lastly, the Tailored Service experience aims to fashion an unparalleled standard of service and excellence, and to become a way of life for all Sofitel Ambassadors in hotels around the world.

AT NOVOTEL, YOU GROW FASTER!



Novotel's Move Up human resources program revolves around five stages: the Welcome integration program; the Itineraries skills-certification program; Globe Trotter, a fast-track program for employees who want to become department heads; GM Pass, for those who want to become hotel general managers; and Novotel Service Attitudes, which promotes the brand's spirit of service.



BENCHMARK EMPLOYER

INNOVATING TO ATTRACT THE PROFILES OF THE FUTURE

One of the Group's human resources objectives is to attract the best candidates and ensure that they feel at home in the company. By empowering employees, encouraging innovation and promoting excellence, Accor stands out and asserts itself as the most attractive employer in the hotel industry.



ACCOR HONORED FOR ITS DIGITAL PERFORMANCE IN HUMAN RESOURCES

Accor tops the ranking of CAC 40 companies according to the 2014 IDEA HR report, the new analysis of digital performance in human resources. The report is based on a comparative analysis of the Accorjobs.com website and the various HR pages on social media: Twitter@accorjobs, Facebook AccorJobs and LinkedIn Accor.



Esteemed employees

How to promote experience sharing, showcase employees' achievements and encourage internal mobility? Accor has taken many initiatives to foster a collaborative culture and nurture a sense of pride in belonging to the Group. An example is the "What's Up!" page on the AccorLive human resources intranet, which gives visibility to employees, their ideas, accomplishments, personalities and efforts and their vision of the company. Similarly, the "Share Your Ideas" section facilitates inhouse challenges on the collaborative "Open Ideas" platform. On the AccorLounge corporate social network, a dedicated group of 150 people runs the "HR News" community covering all projects undertaken by employees worldwide. Accor also gives all employees access to its international mobility intranet site, which provides in-depth information about regions with considerable hiring needs.

ACCORJOBS KEY FIGURES

VERSIONS IN **12** LANGUAGES AND 18 COUNTRIES

18,400 JOB OFFERS POSTED

6.4 MILLION VISITS TO THE ACCORJOBS WEBSITE

325,000 VISITS TO THE ACCORJOBS MOBILE APP

A multi-channel digital human resources strategy

To entice and attract new talent, a Web and digital HR cluster now manages the entire Accorjobs ecosystem, social networks and the hiring and careers section on Accor.com. The Accorjobs.com recruitment website displays job offers within the Group and showcases the hundred professions practiced within Accor through various portals for specific areas of expertise: HotelServices operations, professions specific to HotelInvest's property-related activities and support functions (marketing, design, finance, etc.). The Accorjobs mobile website, up and running since 2013, has been enriched with many features to make it easier to navigate and use for online applicants.

In addition to geolocating job offers, users can now apply via a smartphone or tablet and monitor their application online. In social networking, the Group is already present on Facebook, Twitter, LinkedIn, Pinterest and YouTube and has taken into account the editorial line of each of these channels so as to maximize the impact of its communications. Emphasis has also been placed on the visibility and promotion of the Accor employer brand through such initiatives as the merging of hotel brand pages on LinkedIn and the moderation of communities on social networks.

Accor, a school partner

To attract future managers and promote hospitality courses, the Group has forged partnerships with more than 50 business schools, hotel management schools and universities in the different countries where it operates. Accor provides curriculum support or facilitates applied masters degrees in revenue management, for example, in partnership with Institut Paul-Bocuse and IAE Savoie Mont-Blanc in France. A partner of the Lausanne hospitality school, Accor recently joined forces with the highly innovative "Master of Science in Hospitality" launched by the school in conjunction with the University of Houston and the Hong Kong Polytechnic, two renowned schools in the industry. The international nature of these partnerships is a source of wealth for



the Group. Switzerland, the United Kingdom, the Netherlands, China, Malaysia, Indonesia and the United States are just some of the countries where Accor has chosen to support local schools, on the basis of hiring needs and the quality of education provided. Lastly, Accor is also turning to art, design and digital schools to recruit new types of profiles.

Accor Student Ambassadors

On LinkedIn, the Students@Accor group moderates the student community, with nearly 2,600 members in 2014, only one year into its existence. Moderation is partly provided by a team of 15 students who have already tested the Accor experience: the "Accor Student Ambassadors". An inaugural seminar has been held at headquarters to enable them to discuss their role as spokespersons and to meet the Group's executives.



2014 TAKE OFF CHALLENGE



Since 2012, this global competition run on the Internet has gathered students' contributions on the Group's strategic challenges. In 2014, 400 participants from 68 schools in 18 countries worked on the following question: "How can mobile technology change the world of hospitality and the customer experience?" The winning team, from Bangkok, has created an all-in-one app adaptable to different hotels that enables guests to control the connected objects in their room, order room service or organize their stay, using a mobile device.

SUSTAINABLE DEVELOPMENT

From imbalances in natural environments to increasing urbanization and upheavals in society, the world is changing and Accor is attentive to those changes. A pioneer in sustainable development for over twenty years, the Group reaffirmed its commitment to corporate social responsibility in 2012 with the launch of the PLANET 21 program.

SUSTAINABLE DEVELOPMENT



3 OUT OF 11
EXECUTIVE
COMMITTEE MEMBERS
ALSO SIT ON
THE ETHICS AND
CSR COMMITTEE



1 OUT OF 3
ACCOR HOTEL GENERAL
MANAGER IS A WOMAN



33
Olympic swimming
pools of water
saved since
2011 by reducing
water use



500,000

GUESTS STAY
IN OUR HOTELS
EVERY NIGHT,
THE EQUIVALENT
OF A CITY LIKE:



LYON

OR



DUBLIN



ANNUAL
LIGHTING OF
1,845

French homes
saved by reducing
energy use

OVER
860 metric tons



of fair trade coffee,
tea and chocolate
purchased in our
hotels



30,000

employees
are trained every
year in the fight
against child sexual
exploitation

4,000,000

TREES PLANTED BY
ACCOR SINCE 2009,
OR **2,400**
FOOTBALL STADIUMS



No. **1**

Accor is the leading
hotel chain in Europe
in TripAdvisor's
"Greenleaders" program



97%

OF HOTELS
USE ECO-LABELED
CLEANING
PRODUCTS



KEY FIGURES AT DECEMBER 31, 2014

PLANET 21

REINVENTING HOTELS SUSTAINABLY

Deeply involved in sustainable development, Accor intends to set the standard and act as the industry leader with its PLANET 21 program.

PLANET 21 structures the Group's sustainable development strategy and organizes it into 21 objectives primarily relating to: local sourcing; the effective management of water, energy and waste; health and nutrition; diversity; and responsible procurement.

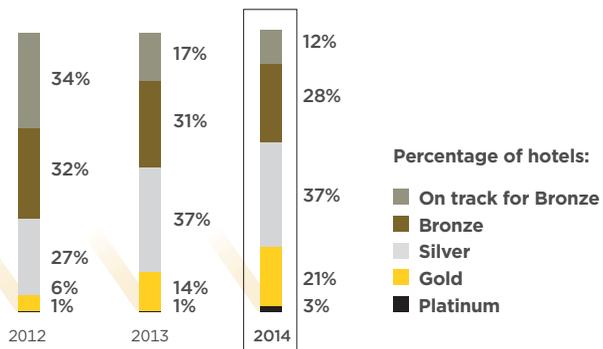
Created and deployed in cooperation with its stakeholders, PLANET 21 federates employees while also involving customers and partners. It is also a tremendous competitive advantage that enables the Group to meet the expectations of travelers who are increasingly sensitive to social and environmental issues.

Two flagship programs feature in the PLANET 21 challenges:

Plant for the Planet, which aims to regenerate the natural areas neighboring our hotels and to support local people, and **WATCH** (We Act Together for Children), a campaign to combat sexual tourism involving children.

To advance their sustainable development approach, our hotels apply Charter 21. Based on a rating system with four levels, Bronze, Silver, Gold and Platinum, this effective management tool gives hotels a framework of action to enable them to continuously improve their performance in the area of sustainable development.

CHARTER 21 LEVELS ACHIEVED BY HOTELS



THE 7 PILLARS OF PLANET 21 (see the results of the 21 commitments, page 118)



Health



Nature



Carbon



Innovation



Local



Employment



Dialogue



1. Vegetable garden at the Pullman Paris Tour Eiffel, France | 2. ibis Padang, Indonesia
3. Novotel London Brentford, United Kingdom | 4. ibis Styles Troyes Centre, France
5. Sofitel Dubai The Palm Luxury Apartments, United Arab Emirates

ACCOR COMBINES PERFORMANCE WITH PROTECTION

Through Plant for the Planet, Accor builds on the commitment of its employees and its customers to plant trees. This unique program in the hospitality industry helps reduce the environmental impact of hotels, regenerate fragile ecosystems and support local communities.

€13

MILLION IN SAVINGS SINCE THE LAUNCH OF THE PLANT FOR THE PLANET PROGRAM IN 2009

50%

OF THIS AMOUNT, OR €6.5 MILLION, HAS BEEN INVESTED IN REFORESTATION PROJECTS

OVER **4** MILLION TREES PLANTED IN SIX YEARS

Plant for the Planet, benefits for everyone

Wherever they are in the world, hotels have deep roots in their natural, human and cultural environments. It is therefore essential for Accor to give back a share of the wealth created to the communities where its hotels are located.

This is the aim of the Plant for the Planet program, based on a simple principle:

→ guests are encouraged to reuse their towels when staying more than one night in a hotel, thereby generating savings on laundry, but also reducing water, energy and detergent consumption;

→ half of these savings are invested in reforestation projects close to hotels.

Plant for the Planet also offers employees the opportunity to make a tangible commitment by raising awareness among guests and supporting a number of projects on the ground.

A local program

Each agroforestry project is designed to address specific local challenges. In Germany, for instance, projects target the regeneration of forests damaged by industrial activity.

Accor has opted to invest in agroforestry, a local, responsible method of agricultural production

Today, farming is often synonymous with deforestation, intensive monoculture and the use of pesticides. These large-scale farming methods make crops vulnerable to heavy rain, drought and soil erosion. But since these risks are natural, the solution also lies in nature. Trees planted in the middle or on the edge of agricultural plots help retain water and create an environment conducive to biodiversity. This is what is meant by agroforestry.

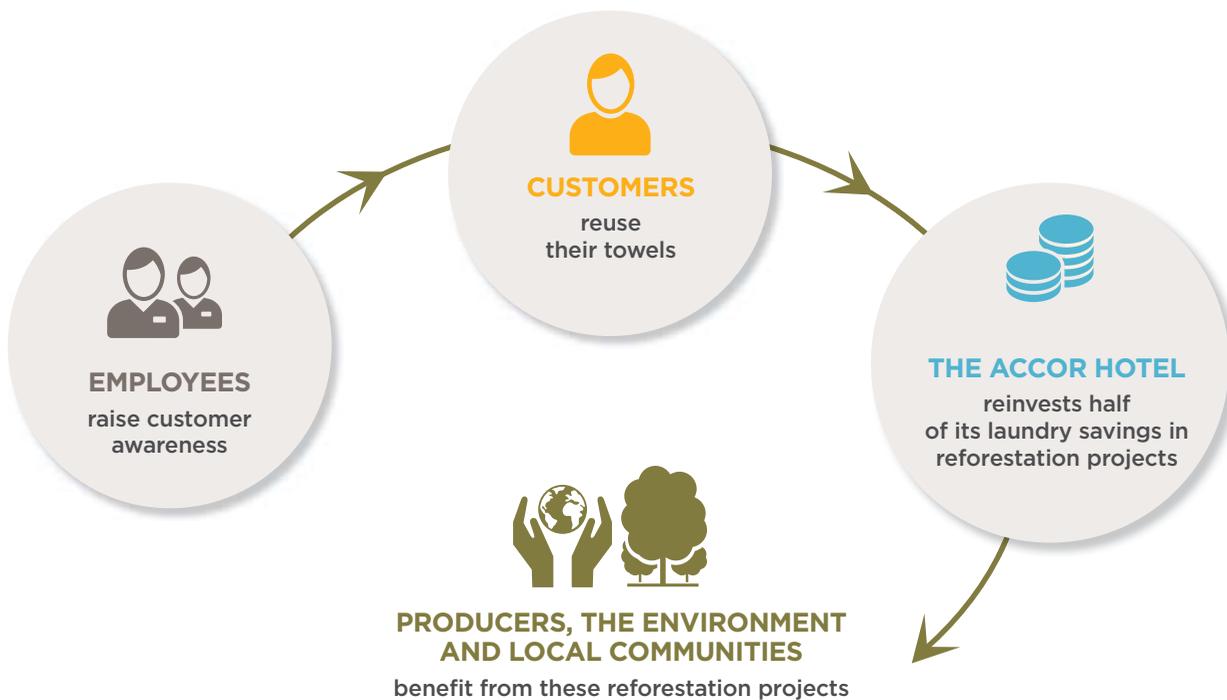
A circular economy program

Some agroforestry programs can “close the loop”. In Thailand, Plant for the Planet has allowed rice farmers to adopt agroforestry practices to produce organic and fair trade rice. In a textbook illustration of the circular economy, Mercure and ibis Styles hotels in Chiang Mai have bought 300 kilos of rice from program beneficiaries in the village of Pha Huoy since the project was launched in 2013.

154

REFORESTATION PROJECTS NEAR ACCOR HOTELS IN 21 COUNTRIES





BENEFITS

FOR THE ECONOMY

Trees increase yields of agricultural crops, optimize crop quality, diversify resources for producers and create jobs.



Sustainable agriculture and diversification of production in the United Kingdom

In the United Kingdom, the project consists in planting trees on agricultural plots dedicated to monoculture farming. The trees are a source of additional income for farmers, through fruit harvesting and timber production. This experimental approach, which promotes organic, local and sustainable agricultural practices, won a prize at the Sustainability Awards presented by *The Guardian*.

FOR THE ENVIRONMENT

Trees enrich the soil, purify water, regulate the local climate, capture carbon, limit erosion and contribute to the preservation of biodiversity.



Preserving biodiversity in Australia

Planting carried out in partnership with NGO Greening Australia favors local species and aims to create biodiversity corridors. Australia is widely recognized for its endemic biodiversity, unique in the world. The idea is therefore to preserve the flora and fauna of one of the planet's 34 "biodiversity hotspots".

FOR LOCAL COMMUNITIES

Trees preserve the expertise of local people, contribute to their emancipation, help combat rural desertification, restore landscapes and represent a viable alternative to the development of illegal crops.



Younger generation involved in tree planting in Romania

Accor is supporting a tree-planting program dedicated to restoring the rural landscape and raising awareness about reforestation. A total of 60 schools have joined the "A forest for each school" project, which aims to provide students and volunteers from the surrounding villages with an introduction to ecology. The initiative was awarded first prize for "Environmental Protection" and first prize for "Project Impact" at the Civil Society Gala in 2014.

ACCOR STEPS UP ITS COMMITMENT TO CHILD PROTECTION

As the world's leading hotel operator and a responsible corporate citizen, Accor has a moral and legal obligation to ensure that no form of child abuse takes place in its hotels.



"As the world's leading hotel operator and a responsible corporate citizen, we have a moral responsibility and a duty to ensure that no form of abuse takes place in our hotels. We need to be certain that our guests stay with us for the right reasons."

Sébastien Bazin,
Chairman and
Chief Executive Officer

Millions of children victims of sexual exploitation worldwide

Child sex tourism (CST) is a multi-faceted global scourge. Today, roughly 2 million children are victims of sexual exploitation around the world. Contrary to popular belief, neither aggressors nor victims fit a typical profile. Doing nothing to fight this problem would make us complicit. Child protection is therefore an integral part of the PLANET 21 objectives: Accor hopes that by the end of 2015, 70% of its hotels will be committed to this cause. In 2014, 48% of them already were.

A long-standing commitment

Accor's commitment was formalized in 2001 with the signing of a partnership with ECPAT, the leading international organization in the fight to end child prostitution, child pornography and the trafficking of children for sexual purposes. The Group has also structured its action around the Code of Conduct for the Protection of Children developed by ECPAT and the World Tourism Organization. In each host country, initiatives are carried out with ECPAT and local NGOs specializing in child protection. Hotels are also in contact

30,000

EMPLOYEES ARE
TRAINED EVERY
YEAR IN CHILD
PROTECTION

with the police force and child protection agencies in their city. Accor's commitment therefore covers all levels: Group, host countries and hotels.

WATCH: instilling a new dynamic

In 2014, Accor decided to increase the visibility of its commitment to child protection by calling its program WATCH for "We Act Together for Children". This symbolic action was designed to make an impression and rekindle commitment to the cause. To achieve this, WATCH provides hotels with employee training and customer awareness tools, such as videos, training modules and practical guidelines to help them identify and deal with situations of abuse.



CLOSE-UP ON...



ECPAT's "Don't look away" campaign rewarded in Brazil

Accor's hotels actively participated in ECPAT's "Don't look away" campaign during the 2014 World Cup in Brazil, a country where

some 500,000 children are victims of sexual exploitation. The aim was to raise awareness among travelers of the legal consequences of CST and to encourage them to report any incidents they may witness. These efforts earned Accor Brazil first place in the Sustainable Development category of the Caio Awards.

Accor's commitment recognized

In 2014, Accor was awarded "Top Member" status by the Code of Conduct for the Protection of Children, offering undeniable recognition of its commitment to the fight against CST.

37

OF ACCOR'S HOST COUNTRIES HAD SIGNED THE CODE OF CONDUCT BY THE END OF 2014

THE WATCH PROGRAM IS DEPLOYED IN FIVE STAGES

1 DESIGNATE CORRESPONDENTS AND ADVISORS IN HOST COUNTRIES AND HOTELS.
 (Host countries are also encouraged to sign the Code of Conduct for the Protection of Children).

2 FORMALIZE HOST COUNTRY REPORTING POLICIES AND PROCEDURES AND ESTABLISH CONTACT WITH NGOS AND LOCAL POLICE.

3 TRAIN CORRESPONDENTS AND ADVISORS.

4 TRAIN HOTEL EMPLOYEES.

Employee training in the fight against the sexual abuse of children is built around the following three-step process:



1. An employee suspects or detects a case of child sex tourism (CST).



2. He or she informs the hotel general manager, who assesses the situation.



3. If the employee's suspicions are justified, the general manager alerts both the police and local child protection NGOs, who take charge of the child involved.

Images from the video made to raise awareness among Accor employees.

5 RAISE CUSTOMER AWARENESS.

NATURE

To protect the environment, Accor takes action to preserve biodiversity, reduce its water consumption and recycle its waste.

2014 NEWS / Accor hotels recycle used soap to help the disadvantaged

For poor people and those exposed to health risks, a simple piece of soap can improve hygiene and help to significantly reduce susceptibility to disease. Yet every day, travelers leave behind barely used soap in hotels. To stop this soap from being wasted, hotels in many countries including Thailand and the United Arab Emirates have taken action to collect it and distribute it to local associations. As part of the Soap for Hope initiative, women are trained to recycle soap by Diversey, Accor's leading supplier of eco-labeled cleaning products. Transformed into

small pieces, disinfected and reconditioned, it is then distributed to the poor, or sold back to Accor, which packages it elegantly and gives it to guests as welcome gifts.



**MORE THAN 12 KG
OF USED SOAP COLLECTED BY EACH HOTEL INVOLVED IN THE
SOAP FOR HOPE INITIATIVE**

CARBON

A greenhouse gas caused mainly by the burning of fossil fuels, CO₂ is a major cause of climate change. Accor is committed to reducing its energy consumption and contributing to the development of renewable energy to limit its carbon footprint.

2014 NEWS / Business customers can use the Carbon Optimizer to reduce the carbon footprint of their meetings and seminars

Business customers no longer choose hotels simply on the basis of price and comfort. The establishment's commitment to sustainability is also a criterion. With this in mind, Accor has created the Carbon Optimizer, an online tool for use by sales teams, which calculates the carbon footprint of a seminar based on the number of participants, the length of their stay and their dining choices (buffet or plated service and type of food). Once it has been calculated, the seminar's carbon footprint is given to the customer, along with a chance to participate in an Accor reforestation project under the Plant for the Planet program. For €5, a tree can be planted in Alto Huayabamba, Peru, offsetting the equivalent of 333 kg of CO₂.



/ An innovative hotel complex at Sydney Olympic Park has opted for solar energy

The Pullman, Novotel and ibis hotels at Sydney Olympic Park have been equipped with power generation and water heating systems that use solar energy. The Pullman has installed innovative tube solar collectors, a technology known for its particularly high efficiency in heating water, while the Novotel-ibis complex has nearly 140 solar panels to heat water and 300 photovoltaic solar panels for power generation.



INNOVATION

By fully integrating sustainable development into its operating procedures and offers, Accor is responding proactively to emerging customer expectations and supporting the development of new business models, making PLANET 21 the crucible for the hospitality industry of the future.



Accor strives to reduce the environmental footprint of its products and services right from the design phase, taking into account concerns about public health and the environment. In this eco-design approach, Accor bases its work on life-cycle assessments (LCA), which measure a product's environmental impacts throughout its entire life cycle, from manufacturing and transportation to use and disposal. In 2014, Accor performed several LCAs, one of which was devoted to two staple breakfast products: baguettes and croissants.

2014 NEWS / Accor has initiated a new partnership with Bridor to reduce the environmental footprint of its baguettes and croissants – two iconic symbols of French gastronomy

Bridor, leader in the manufacture of French bakery products, has been an Accor hotel supplier for fifteen years. Work over the last three years to improve its production has cut its electricity and water consumption by 10% and 30% respectively. A life-cycle assessment conducted by Accor on croissants and baguettes in 2014 endorsed the environmental benefits of the efficient new manufacturing process.



CLOSE-UP ON...

Meeting 21, a new range of responsible seminar solutions

Meetings and seminars are also subject to an eco-design approach. In 2014, Accor defined its criteria for an environmentally responsible seminar offering. They include eco-designed equipment, materials and consumables, an organic and locally sourced food offering and customer awareness initiatives.

Sustainable buildings

Mercure Kraków City Center will be the first hotel in Poland to achieve BREEAM certification, the European benchmark in sustainable construction. It is scheduled to open in late 2016.

38 MILLION

CROISSANTS PURCHASED BY ACCOR HOTELS WORLDWIDE

HEALTH

Determined to provide a healthy environment for its guests and employees, Accor monitors indoor air quality, offers balanced meals in its hotel restaurants and raises awareness about disease prevention.



Vegetable garden, Pullman Paris Tour Eiffel, France

Mindful of food-related issues, Accor works with chefs and nutritionists to encourage its hotel restaurants to offer balanced dishes. A practical guide providing advice on healthy eating is available to all of the restaurants in the Group's hotels. It recommends choosing low-fat and low-sugar foods, using cooking methods that require little fat, and creating a balance between carbohydrates, fats and proteins.

2014 NEWS / A Novotel Café concept focused on enjoyable, balanced meals

This concept, launched by Novotel in France and Italy, promotes a balanced, tasty and healthy diet, using a wide variety of seasonal products and preparation methods that enhance the ingredients' natural flavors. Recipes favor fat-free cooking methods such as grilling to delight the taste buds without tipping the scales, and pictograms make it easy for guests to identify the balanced dishes on the menu.

/ DE-LIGHT, the Sofitel concept combining health and gastronomy

Created in 2013, the DE-LIGHT concept was successfully exported to all Sofitel hotels in 2014. Kitchen staff are trained by nutritionists and chefs from the Sofitel

Quiberon Thalassa sea & spa, where the concept was first developed. Since its international launch, more than 100,000 tasty, low-fat meals have been served worldwide, reflecting strong demand from consumers for a healthy, balanced food offering made with local ingredients.

/ A sustainable vegetable garden at the Pullman Paris Tour Eiffel

With 650 square meters of vegetables, fruit trees, flowers and herbs, as well as a chicken coop and four bee hives, this is probably the biggest vegetable garden in Paris.

"In summer, we pick our homegrown ingredients every morning and adapt our menus to our harvest, our dish of the day is often fully sourced from the vegetable garden," says chef Alain Losbar. The whole team has been trained to tend the garden, a daily source of fresh produce and a refuge for biodiversity. Fresh herbs give the bar's cocktails an original twist and fresh eggs are the star ingredient at the weekly Sunday brunch.

97%
OF HOTELS WITH RESTAURANTS OFFER BALANCED DISHES

Firmly rooted in its host communities, Accor contributes directly to economic development for the benefit of all, notably by opting for local supplies wherever possible. The Group is also committed to protecting the natural ecosystems in which its hotels are located.

2014 NEWS / Each hotel undertakes a local sustainable development initiative every month in Mexico

Since 2011, Accor Mexico has encouraged the teams of all hotels in the country to take action locally every month. In 2014 alone, 175 initiatives were carried out. In January, for example, 36 employees from six hotels devoted two days to building houses for poor people in the Alianza Real district of Escobedo. At Christmas, the 80 employees of the Novotel Monterrey Valle organized a collection of gifts for the Padre Severiano orphanage. Pleased with the efforts made by teams in Mexico, Novotel and Sofitel plan to extend the initiative to the United States and Canada.



Toy drive, Mexico



Food drive, Thailand

/ Uneaten food is redistributed to the poor in Thailand

On World Food Day, October 16, eight Bangkok hotels expressed their determination to fight hunger and food waste. As part of the Food for Thought initiative, all uneaten buffet food is collected and delivered to the Good Shepherd Sisters organization, which helps vulnerable women and children living in local slums. Volunteer hotel employees take care of the logistics and a refrigerated Novotel truck ensures that the food stays fresh.

5,400 KG

OF FOOD REDISTRIBUTED SINCE THE PROGRAM BEGAN IN 2012, OR 27,000 MEALS, REPRESENTING 2 MEALS PER WEEK FOR 200 CHILDREN

THE 7 PILLARS OF PLANET 21

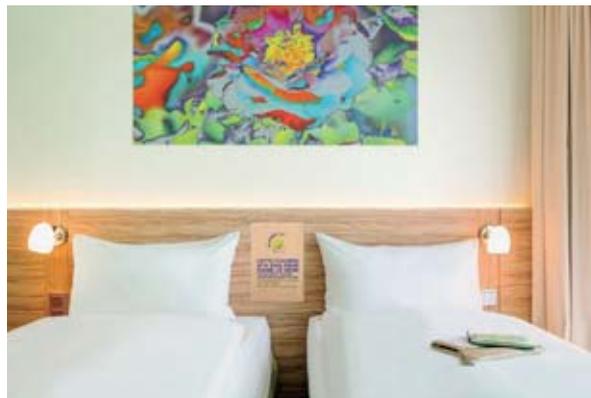
 **DIALOGUE**

Accor is firmly committed to ethical and transparent business conduct and involves not only franchised and managed hotels but also its partners, suppliers and customers in its sustainable development strategy.

2014 NEWS / Encouraging guests to take action alongside Accor at every step of their stay

PLANET 21, Accor's sustainable development program, includes a customer awareness component. Instructive signage, specific to brands and hotels, accompanies them throughout their stay, from reception to external areas, as well as in rooms, restaurants and meeting rooms. It offers guests the opportunity to make a positive difference through such simple gestures as reusing a towel, opting for a balanced dish or sorting their waste.

OVER 90% OF ACCOR HOTELS HAVE TAKEN CONCRETE MEASURES TO RAISE AWARENESS AND MOBILIZE THEIR GUESTS AND EMPLOYEES



“This room isn’t afraid of the dark.”
Guests are reminded to turn off the light when leaving a room, just like they would at home!



Large mural illustrating Accor’s sustainable development approach and how it transforms the guest experience.



“The planet wishes you *bon appetit*.”
Accor helps its guests take care of their health. On restaurant menus, pictograms help diners choose balanced dishes made with local, organic or fair trade products.



“All we give our gardens is tender loving care.”
Understanding how the hotel takes concrete action is important and inspiring.



/ A ten-year commitment to ISO 14001 certification

By choosing to set its hotels on the path to ISO 14001 certification, Accor has demonstrated its determination to structure its sustainable development policy and satisfy its guests' increasingly demanding expectations.

For over ten years, Accor teams have been identifying best practices and implementing tools and procedures designed to improve hotels' environmental performance. Year after year, this commitment has helped Accor build up extensive experience and unrivaled expertise in ISO 14001 certification. Within the Group, two brands are pioneers in this commitment: ibis, which was the world's first hotel chain to be certified in 2004, and Novotel, which followed its lead in 2008.

Certification allows the Group to develop an innovative approach whose multiple benefits have been evident in several studies carried out by independent experts. In addition to improving hotels' environmental performance, ISO 14001 certification increases guest satisfaction, meets corporate customers' tender requirements and generates savings on operating expenses through better environmental management.

From maintenance teams to kitchen and reception staff, all employees contribute daily to reducing water and energy consumption, sorting waste and raising awareness among guests and suppliers.

1,081
ISO 14001-CERTIFIED HOTELS AT END-2014

Accor is included in three leading socially responsible investment indexes:



 **EMPLOYMENT**

Accor's robust expansion is underpinned by the extraordinary social, cultural and professional diversity of its 170,000 employees. The Group is committed to helping them expand their skills and responsibilities, with the goal of offering them motivating, rewarding careers and enhancing their employability.

2014 NEWS / A mentoring program for women members of the Women At Accor Generation (WAAG) network

Launched in 2012, Women At Accor Generation is an international network that aims to combat stereotypes and self-censorship by women. The actions taken by the network include a mentoring program, which offers its members career support through a mentor who gives them pragmatic, objective advice and assistance. When asked to describe the benefits of the program, 89% of "mentees" cited increased confidence and motivation. A further 73% said they had gained a better understanding of the company's codes, helping unlock their career development. The mentors, in turn, face new challenges and help foster the emergence of new talents. In addition, the program helps to increase diversity among management teams, a key performance factor for the Group. First launched in France, Asia-Pacific and Brazil, the mentoring program will be extended to Northern and Southern Europe in 2015.



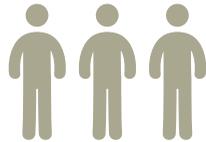
SOLIDARITY ACCOR

A natural extension of the Group's businesses and values, Solidarity Accor is committed to linking cultures and providing support for the development of individuals and their integration into local communities.



■ The countries concerned by Solidarity Accor's support.

SOLIDARITY ACCOR



9,500
EMPLOYEES
INVOLVED



7
YEARS
OF SOLIDARITY



41
COUNTRIES



200,000
DIRECT AND INDIRECT
BENEFICIARIES



208
PROJECTS
SUPPORTED



150
HOTELS INVOLVED
DURING SOLIDARITY
WEEK 2014



100
ASSOCIATIONS SUPPORTED
DURING SOLIDARITY
WEEK 2014

DEMONSTRATING HOSPITALITY OF THE HEART BEYOND BORDERS

In 2014, Solidarity Accor supported 29 projects in 18 countries, involving more than 750 employees. These projects benefited more than 11,000 people.

The three pillars of Solidarity Accor's work – supporting economic development through the promotion of local expertise, facilitating training and insertion for disadvantaged young people, helping populations in great difficulty and assisting the victims of natural disasters – amply demonstrate the Group's commitment to solidarity. An endowment fund, Solidarity Accor provides support, notably through fundraising operations, to charities, NGOs and social enterprises in the implementation of projects backed by our staff. The common goal of its actions is to empower disadvantaged people through appropriate training and economically viable initiatives.



NEW HORIZONS, NEW PROJECTS



Myanmar: support for FXB International

The fund supports a training program, initiated by non-profit FXB International, to help 80 young women from the slums of Yangon.



Benin: support for Gérès

The fund partners with Gérès, an organization that supports three women's cooperatives producing Agonlinmi oil, with the aim of improving their living conditions.



Chad: support for Essor

The "Jeun'Action" project, launched by NGO Essor, is also helped by Solidarity Accor, with the same goal of professional integration.

**LE CLUB ACCORHOTELS PARTNERS
SOLIDARITY ACCOR**



Since November 2014, members of the Le Club Accorhotels loyalty program have been able to participate directly in supporting Solidarity Accor. By converting their points into donations of €40, they can help rebuild living areas devastated by the humanitarian or health disasters affecting local communities. This initiative follows Le Club Accorhotels' donation of €10,000 to Solidarity Accor in October 2014, a generous gesture from our guests that mirrors the efforts made by our employees and partners.



Guilherme Sanson,
Manager of the ibis Belo Horizonte Savassi and Humbiumbi project sponsor

FOCUS ON BRAZIL

Training young people for careers in hospitality in Brazil

Humbiumbi is a Brazilian NGO dedicated to the cultural and educational development of vulnerable young people in the Bello Horizonte region. The partnership between this NGO and Solidarity Accor began in 2013 and continued in 2014, with 60 new beneficiaries and a budget of €25,000. The objective is to introduce teenagers to the hospitality industry, thereby facilitating their entry into the labor market. For the program's second edition, Guilherme Sanson, manager of the ibis Belo Horizonte Savassi, which is behind the Humbiumbi project, organized classes in his hotel, aided by 30 employees and the Humbiumbi teams.

"This program is a real opportunity for young people, allowing them to discover the world of hospitality and choose a profession of their own. In 2013, the classes were given on Humbiumbi's premises, far away from our hotels. To enhance the professional aspect of the experience and allow the involvement of employees taking part in the project, I suggested that the 2014 classes be held at the ibis Belo Horizonte Savassi."



Toy drive at the Sofitel Miami



Ninth Solidarity Week

This event is dedicated to the solidarity initiatives undertaken by Group employees, alongside local associations. During the ninth edition, which took place from December 8 to 12, 2014, more than 24 countries were represented, with nearly 149 hotels and offices involved, helping more than 104 associations. In the United States, Sofitel organized several initiatives in favor of disadvantaged people, including collecting coats for the One Warm Coat charity at the Sofitel Chicago Water Tower, decorating a Christmas tree and giving gifts to children at the Sofitel Miami, and raising funds for charity at the Sofitel Philadelphia. Employees in the United States have shown exemplary commitment by taking part in an increasingly large number of solidarity initiatives.