



# ACCOR GROUP WATER POLICY

SEPTEMBER 2024



## Our Common challenge

Water is essential for life - for drinking and sanitation, to maintain the food system and to nurture biodiversity. Water is also essential to our economy to generate power, support commerce, etc.

**Fresh water** makes up only **2.5%** of the planet's water, and it is unevenly distributed - **1 in 3 people globally do not have access to safe drinking water** (UNICEF, WHO). As human populations are growing, **water scarcity has become a serious societal and environmental problem** and climate change is further accelerating this issue.

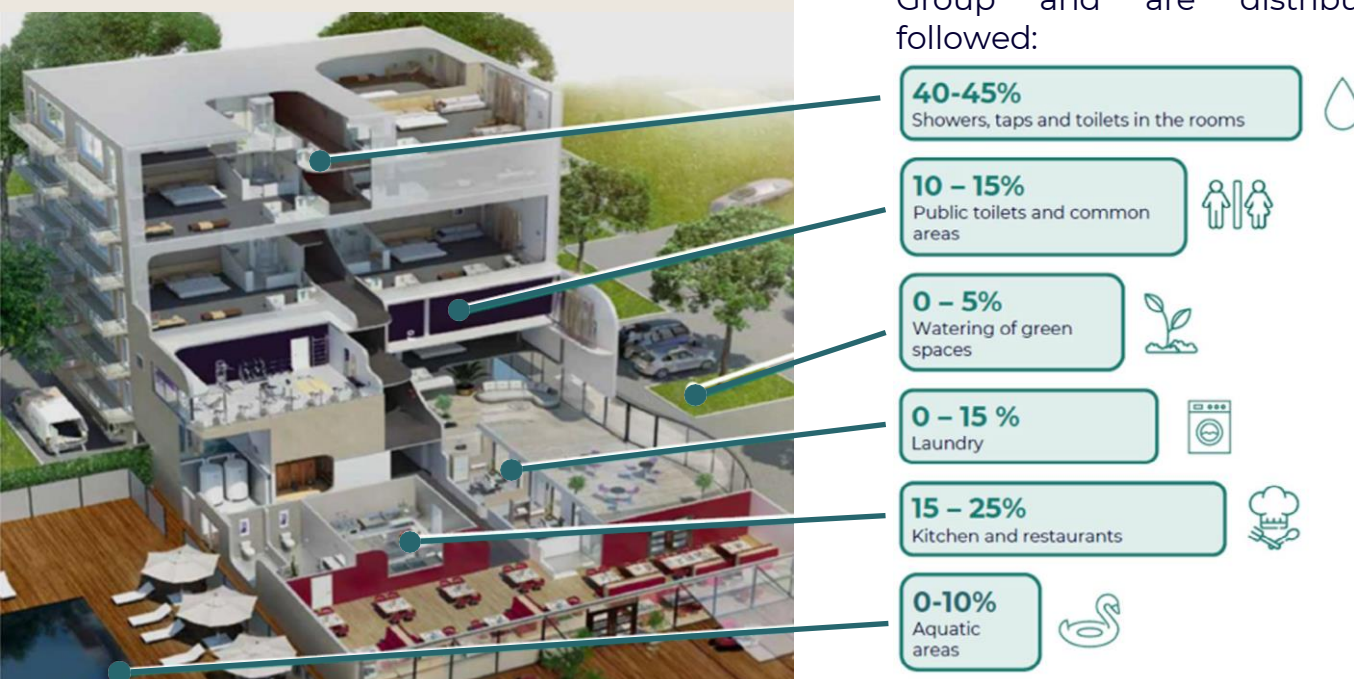
In a world where **planetary boundaries** are being transgressed one by one, it is urgent to acknowledge that **water resources for which both limits (blue and green water) have been crossed, are limited.**

## Accor's water footprint and stewardship

While being a global actor intervening in 110 countries worldwide, with more than 5 500 hotels in the world, **Accor recognizes the essential role of water to its business.** Understanding pressures on and dependencies from water is critical for Accor.

Accor's business is especially **dependent** on water: in 2019, at least 1/3 of Accor hotels was facing high to very high water-related challenges (e.g., shortages) by operating in areas where water availability and quality may be at risk<sup>1</sup>. This is why **Accor has committed since 1970 to foster responsible water management practices across its hotels.**

Based on a study conducted in 2019, direct and indirect operations (on site production or withdrawals, e.g. rainwater collection, desalinated water for irrigation or consumption, water required for colling) represent **around 40% of global water footprint** of the Group and are distributed as followed:



<sup>1</sup> Accor study conducted on 2019 data and using Water Risk Filter and Aqeduct risk assessment tools



The water used for upstream activities (**60% of global water footprint**) is mainly coming from purchases for the **Food & Beverage activities of the Group that represent around 80% of Accor's upstream impacts on water.**

Accor also acknowledges that the group's activities withdraw water and generate direct and indirect pollution that **may be amplified by the local context** (environmental, social and political), location and segments where the hotel operates, especially in high-water-stress areas.

This is why Accor conducted an in-depth evaluation to identify priority river basins based on water withdrawals and baseline water stress. The assessment revealed that as of December 31<sup>st</sup>, 2023, 1,828 hotels are located in high to very high water stress areas in terms of quantity, corresponding to 33% of the total network and representing 39% of the global withdrawals.

This evaluation highlighted four key river basins accounting for half of the withdrawals in high and very high water-stressed areas making them priority sites for the Group:

- Yellow Sea & East China Sea (China): 163 hotels
- Arabian Peninsula (UAE, Saudi Arabia, Oman, Kuwait, Qatar, Bahrain): 135 sites
- Yellow River (China): 69 sites,
- Sinai Peninsula and Gulf of Aqaba (Egypt and Jordan): 15 sites

## Accor's Water Policy

Accor understands that **credible water management goes both through group science-based commitments and location-specific targets.**

The group is committed to **operating within planetary boundaries by 2030.** To do so, Accor is closely collaborating with actors of its full value chain to reduce its collective and local impacts on water. In 2023, science says Accor should achieve a **45% reduction by 2030 in water withdrawals from 2023** across the group to meet the planetary boundaries.

Accor's water policy includes three essential aspects of water management practices:

1. **Water quantity:** Water quantity risk accounts for limited physical availability (scarcity) or intense competition for water use (stress);
2. **Water quality:** Water quality risk accounts for water being unfit for use due to low quality (presence of harmful substances or contaminants in freshwater resources);
3. **Access to water, sanitation, and hygiene (WASH):** WASH risk accounts for employees or surrounding communities not having access to safe drinking water, sanitation, and hygiene.

**To mitigate and adapt to future State of Nature, Accor will address the following areas:**



# Direct Operations

**The guiding principle is to systematically promote a local approach to water management.**

To reach its 2030 water targets and identify its priorities for action, each Accor hotel needs to assess both the current level of availability and quality of water in the locations where it operates and face them with the level of pressure of its activities in these same locations.

**As a starting point Accor is committed to having a water withdrawal baseline for 63% of the hotels included in the reporting.** This will be a key milestone if sustainable relays and operations (VPOs with GMs and D&Ts) are embedded in this journey. The scope of hotels considered includes the hotel portfolio published as of January 1<sup>st</sup>, 2024.

In direct operations, Accor's ambition is then to activate 3 main levers of actions in parallel in order to foster **short term results by the end of 2025**:

- **Avoid and reduce water withdrawals** mainly thanks to:
  - **Assessing main consumption points (bathroom, laundry, pools,, green spaces, kitchens, etc.),**
  - **Improving awareness of water management practices on site and creating targeted action plans to address local issues based on this understanding**
  - **Technical solutions based on massively implemented framework agreements** e.g. procurement global framework agreement and, at hotel level, generalized application of technical and sustainable standards for flow monitoring devices (aerators and regulators), leak detections (mainly for hotels with aquatic services), rainwater collection and grey water reuse when possible

- **Guest nudging pilot projects** like the water consumption challenge specifically designed for hospitality suggesting to guest to have a responsible shower or the "Skip the Clean" project for guests that stay more than 1 night in hotels and are rewarded for avoiding the full room cleaning. Such initiative could bring savings around 12% of water consumed per occupied room. It will be massively deployed in 2024,
- For each **new development, perform a systematic analysis of the state of Nature in the targeted location** (watershed) with a specific focus on water from a current and predictive perspective,
- Along with guest awareness raising, **change management habits** (communication, training, protocol changes).

**As a company operating in the tourism sector, heavily dependent on natural resources, Accor recognizes that water is a critical issue for its activities. From guest bathrooms, laundry services to swimming pools and landscaping, water plays a fundamental role in nearly every aspect of its operations. Given that Accor's environmental impact is closely tied to its reliance on water, evaluating this dependency and addressing its effects is a crucial step towards more sustainable water management.**



## F&B activities



As mentioned previously, Food & Beverage (F&B) purchases represent about **50% of Accor water footprint** (Accor 2019 assessment) and about **80% of its land footprint**.

This is why Accor is committed to **work closely with its chefs, procurement and suppliers** to integrate water management practices to its F&B activities and supply chain. Levers of action and associated targets for 2024 are:

- ▶ **Adapt offering model and innovate** to use less or make a better use of water intensive commodities like **Meat and poultry, Coffee and Cocoa**,
- ▶ Deploy **training** content for chefs and engage guests,
- ▶ Identify **local stakeholders and local suppliers** to engage local sourcing and switch in agricultural practices towards less water intensive crops.

Accor is well aware that to achieve its 2030 water objectives, its partners and suppliers must also be committed to working on reducing their impact on water resources throughout their value chain. Accor commitments for 2030 require to **increase traceability and collaboration with suppliers** to understand levers to reduce the impact on water quality, quantity, and WASH impacts.

To achieve these targets and to integrate water management practices in its value chain, Accor is committed to work closely and to engage with its partners and suppliers in order to:

- ▶ **Increase traceability and certification:** raw materials purchases have been traced by volume, origin and certification with a first focus on priority commodities,



## Suppliers engagement



- ▶ **Foster regenerative agriculture practices:** Accor's primary commodities suppliers are committed to regenerative agriculture sourcing, reducing near-farm losses and are contributors to Accor sustainability strategy. To do so, Accor is committed to develop maturity assessment & upskilling programs as part of suppliers' partnership program

Furthermore, the Sustainable Procurement Charter established in 2023 has water criteria for suppliers and contractors who share our commitment to water conservation, quality, and wastewater discharges:

- ▶ **Preserve water resources** through regular monitoring of its withdrawals and the adaptation of actions and equipment that consumes less, especially in high-risk areas,
- ▶ **Promote regenerative agriculture** through committing to foster traceability and more sustainable practices in its F&B value chain,
- ▶ **Limit the use of chemical inputs** (cleaning, maintenance, pesticides and fertilizers for gardening, detergent for laundry) which aims at limiting the content of chemical substances present in waste and wastewater.



## Annual reporting & transparency

For Accor to monitor progress towards water targets such as stated previously, hotels will be required to report on a regular basis on their water-related data into the reporting tool Resource Adviser. Work on continuous improvement of the data quality reported is key.

Accor is currently working on **CSRD requirements** alignment and will ensure that KPI and data to report are strictly compliant with CSRD.

Further information on specific KPI, frequency and format of reporting will thus be integrated as part of this policy in 2024.

Accor discloses water related information to the **CDP Water and was rated B** by the CDP in 2022.



# Multi-stakeholders water stewardship and local communities engagement

Efficient water management requires all hotels to work with **local actors and communities** in the same watersheds to anticipate and mitigate risks with robust and long-term solutions. This is to ensure that Accor activities do not have harmful consequences on local communities and can instead increase opportunities for benefits and synergies.

For efficient water management and good water stewardship, all sites should undertake to work with other water users located in the same basin to mitigate risks with long-term solutions. In line with the Alliance for Water Stewardship Standard, all sites shall map local stakeholders according to the following steps:

1. **Identify relevant local stakeholders**, such as major water users in the local basins (e.g., municipality, major factories),
2. Understand the stakeholders' **water-related challenges, their values, priorities, and concerns**,

3. Identify partnerships, possibilities and ongoing initiatives for **collective action and water stewardship activities**,
4. Develop a **site-specific stakeholder engagement plan**, including the costs and financing, and start acting.

Accor has a long track-record of engaging with the hospitality industry: water topics will remain at the core of discussions and industry based-commitments:

- As a member of the **Sustainable Hospitality Alliance**, Accor will contribute to knowledge sharing and initiatives,
- As an active member of the **French industry association UMIH** (Union des Métiers et des Industries de l'Hôtellerie), Accor has co-drafted a **Water management Charter** applicable in France and in Europe. Such initiatives will be duplicated in other regions.



## Governance

Accor has defined a **Water Steering committee** chaired by the Chief Sustainability Officer and comprised of all Regions and Brands Sustainability leaders. This committee gathers every quarter to impulse actions and monitor results against Water management targets set by the Board of Directors.



# Advocacy



## CEO WATER MANDATE

Along with 233 other companies, Accor is committed to the **CEO Water Mandate**, a UN Global Compact initiative by which CEO pledge for to address global water challenges through corporate water stewardship in partnership with the United Nations, governments, civil society, and other stakeholders.

Accor's involvement in the mandate enables the company to participate in local initiatives led by other stakeholders, with a focus on the priority river basins previously mentioned. The assessment to identify priority river basins was carried out using WWF Risk Filter tools, aligned with TNFD's LEAP (Locate, Evaluate, Assess, Prepare) framework. Efforts are already underway to identify key local projects to address the specific challenges in these regions.



 SUSTAINABLE  
DEVELOPMENT GOALS

Continuing water withdrawals without adopting sustainable management practices and without promoting the protection and restoration of watersheds is not an option anymore. This critical shift aligns with the **United Nations Sustainable Development Goal N°6: "Clean Water and Sanitation,"** a goal to which Accor is committed to contributing..

Through this policy, Accor is also dedicated to upholding the highest standards of water management and stewardship, aligned with the goal of meeting the SDG N°6 2030 targets. These targets include improving water-use efficiency, implementing integrated water resources management, fostering local engagement in water management, and protecting and restoring water-related ecosystems..

The Group reserves the right to review and amend at least on an annual basis this policy and will report its water initiatives, progress, and achievements periodically through internal channels and public platforms.